



See a Social Security Number? Say Something!  
Report Privacy Problems to <https://public.resource.org/privacy>  
Or call the IRS Identity Theft Hotline at 1-800-908-4490



Form <b>990</b>  Department of the Treasury Internal Revenue Service	<b>Return of Organization Exempt From Income Tax</b> <b>Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)</b>	OMB No 1545-0047 <div> <div>2012</div> <div>Open to Public Inspection</div> </div>
	The organization may have to use a copy of this return to satisfy state reporting requirements	

**A For the 2012 calendar year, or tax year beginning 10-01-2012 , 2012, and ending 09-30-2013**

<b>B</b> Check if applicable <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Terminated <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending	<b>C</b> Name of organization WOMEN & INFANTS HOSPITAL OF RI		<b>D</b> Employer identification number 05-0258937
	Doing Business As		
	Number and street (or P O box if mail is not delivered to street address) 101 DUDLEY STREET Suite	Room/suite	<b>E</b> Telephone number (401) 921-7602
	City or town, state or country, and ZIP + 4 PROVIDENCE, RI 02905		<b>G</b> Gross receipts \$ 456,124,644
	<b>F</b> Name and address of principal officer CONSTANCE A HOWES JD FACHE 101 DUDLEY STREET PROVIDENCE, RI 02905		<b>H(a)</b> Is this a group return for affiliates? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <b>H(b)</b> Are all affiliates included? <input type="checkbox"/> Yes <input type="checkbox"/> No If "No," attach a list (see instructions) <b>H(c)</b> Group exemption number ▶
<b>I</b> Tax-exempt status <input checked="" type="checkbox"/> 501(c)(3) <input type="checkbox"/> 501(c) ( ) ◀ (Insert no ) <input type="checkbox"/> 4947(a)(1) or <input type="checkbox"/> 527			
<b>J</b> Website: ▶ WWW.WOMENANDINFANTS.ORG			

Part I Summary

Activities & Governance	1 Briefly describe the organization's mission or most significant activities THE ORGANIZATION IS A TEACHING HOSPITAL COMMITTED TO CONTINUALLY IMPROVE THE HEALTH AND WELL-BEING OF WOMEN AND INFANTS AND PROVIDE ESSENTIAL SERVICES REGARDLESS OF ABILITY TO PAY		
	2 Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets		
	3 Number of voting members of the governing body (Part VI, line 1a)	3	20
	4 Number of independent voting members of the governing body (Part VI, line 1b)	4	15
	5 Total number of individuals employed in calendar year 2012 (Part V, line 2a)	5	3,041
	6 Total number of volunteers (estimate if necessary)	6	746
	7a Total unrelated business revenue from Part VIII, column (C), line 12	7a	0
b Net unrelated business taxable income from Form 990-T, line 34	7b	0	
Revenue	8 Contributions and grants (Part VIII, line 1h)	Prior Year 3,544,304	Current Year 4,281,360
	9 Program service revenue (Part VIII, line 2g)	437,566,945	445,028,975
	10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)	1,828,222	2,544,142
	11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	805,601	829,092
	12 Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	443,745,072	452,683,569
	Expenses	13 Grants and similar amounts paid (Part IX, column (A), lines 1–3)	914,424
14 Benefits paid to or for members (Part IX, column (A), line 4)		0	0
15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)		256,393,743	256,253,222
16a Professional fundraising fees (Part IX, column (A), line 11e)		0	0
b Total fundraising expenses (Part IX, column (D), line 25)		828,913	
17 Other expenses (Part IX, column (A), lines 11a–11d, 11f–24e)		178,350,899	188,656,016
18 Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)		435,659,066	446,151,086
19 Revenue less expenses Subtract line 18 from line 12		8,086,006	6,532,483
Net Assets or Fund Balances		Beginning of Current Year	
	20 Total assets (Part X, line 16)	332,747,765	343,217,250
	21 Total liabilities (Part X, line 26)	169,512,346	171,725,590
	22 Net assets or fund balances Subtract line 21 from line 20	163,235,419	171,491,660

## Part II Signature Block

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

<b>Sign Here</b>	*****			2014-08-13	
	Signature of officer			Date	
	JOHN M SUTHERLAND III SVP/ASST TREASURER/CFO/CNE				
	Type or print name and title				
<b>Paid Preparer Use Only</b>	Print/Type preparer's name Scott Manani		Preparer's signature		Date
	Firm's name   ▶ WithumSmithBrown PC			Check <input type="checkbox"/> if self-employed   PTIN	
	Firm's address ▶ 465 South St Ste 200 Mornstown, NJ 079606497			Firm's EIN ▶ Phone no (973) 898-9494	

May the IRS discuss this return with the preparer shown above? (see instructions) . . . . . ☒ Yes ☐ No

Part III

Statement of Program Service Accomplishments

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

☐ Yes ☒ No

1

Briefly describe the organization’s mission

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

2

Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ?

☐ Yes ☒ No

If “Yes,” describe these new services on Schedule O

3

Did the organization cease conducting, or make significant changes in how it conducts, any program services?

☐ Yes ☒ No

If “Yes,” describe these changes on Schedule O

4

Describe the organization’s program service accomplishments for each of its three largest program services, as measured by expenses Section 501(c)(3) and 501(c)(4) organizations are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported

4a

(Code ) (Expenses \$ 404,061,247 including grants of \$ 1,241,848 ) (Revenue \$ 445,028,975 )

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

4b

(Code ) (Expenses \$ including grants of \$ ) (Revenue \$ )

4c

(Code ) (Expenses \$ including grants of \$ ) (Revenue \$ )

4d

Other program services (Describe in Schedule O )

























(Expenses \$ including grants of \$ ) (Revenue \$ )

4e

Total program service expenses ▶ 404,061,247

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 	1 Yes	
2 Is the organization required to complete Schedule B, Schedule of Contributors (see instructions)? 	2 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 	3	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 	4 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 	5	No
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 	6	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 	7	No
8 Did the organization maintain collections of works of art, historical treasures, or other similar assets? If "Yes," complete Schedule D, Part III 	8	No
9 Did the organization report an amount in Part X, line 21 for escrow or custodial account liability, 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 	9	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 	10 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. 	11a 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 	11b	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 	11c 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 	11d	No
e Did the organization report an amount for other liabilities in Part X, line 25? If "Yes," complete Schedule D, Part X 	11e 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 	11f	No
12a Did the organization obtain separate, independent audited financial statements for the tax year? If "Yes," complete Schedule D, Parts XI and XII 	12a	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 and XII is optional 	12b Yes	
13 Is the organization a school described in section 170(b)(1)(A)(ii)? If "Yes," complete Schedule E	13	No
14a Did the organization maintain an office, employees, or agents outside of the United States?	14a	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, Parts I and IV 	14b 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 United States? If "Yes," complete Schedule F, Parts II and IV 	15 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 United States? If "Yes," complete Schedule F, Parts III and IV 	16	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 (see instructions) 	17	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 	18 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 	19 Yes	
20a Did the organization operate one or more hospital facilities? If "Yes," complete Schedule H 	20a Yes	
b If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return? 	20b Yes	

Part IV

Checklist of Required Schedules (continued)

21	Did the organization report more than \$5,000 of grants and other assistance to any government or organization 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, line 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 lines 24b through 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, highest 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 employee thereof, a grant selection committee member, or to a 35% controlled entity or family member of any of these persons? <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 direct or indirect 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, Part II, III, or IV, and Part V, line 1</i> . . . . .	34	Yes	
35a	Did the organization have a controlled entity within the meaning of section 512(b)(13)?	35a	Yes	
b	If 'Yes' to line 35a, 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 11b and 19? <b>Note.</b> All Form 990 filers are required to complete Schedule O . . . . .	38	Yes	

Part V

Statements Regarding Other IRS Filings and Tax Compliance

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

☐

		Yes	No
1a	Enter the number reported in Box 3 of Form 1096. Enter -0- if not applicable.	343	
1b	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable.	0	
1c Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?		Yes	
2a	Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return.	3,041	
2b 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).		Yes	
3a Did the organization have unrelated business gross income of \$1,000 or more during the year?			No
3b If "Yes," has it filed a Form 990-T for this year? If "No," provide an explanation in Schedule O.			
4a 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, securities account, or other financial account)?		Yes	
b If "Yes," enter the name of the foreign country: CJ See instructions for filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts.			
5a Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?			No
5b Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?			No
5c If "Yes," to line 5a or 5b, did the organization file Form 8886-T?			
6a 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 as charitable contributions?			No
6b If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?			
7 Organizations that may receive deductible contributions under section 170(c).			
7a 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?		Yes	
7b If "Yes," did the organization notify the donor of the value of the goods or services provided?		Yes	
7c Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?			No
d If "Yes," indicate the number of Forms 8282 filed during the year.		7d	
7e Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?			No
7f Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?			No
7g If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?			
7h If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?			
8 Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations. Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?		8	
9 Sponsoring organizations maintaining donor advised funds.			
9a Did the organization make any taxable distributions under section 4966?		9a	
9b Did the organization make a distribution to a donor, donor advisor, or related person?		9b	
10 Section 501(c)(7) organizations. Enter			
10a Initiation fees and capital contributions included on Part VIII, line 12.		10a	
10b Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities.		10b	
11 Section 501(c)(12) organizations. Enter			
11a Gross income from members or shareholders.		11a	
11b Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them).		11b	
12a Section 4947(a)(1) non-exempt charitable trusts. Is the organization filing Form 990 in lieu of Form 1041?		12a	
b If "Yes," enter the amount of tax-exempt interest received or accrued during the year.		12b	
13 Section 501(c)(29) qualified nonprofit health insurance issuers.			
13a Is the organization licensed to issue qualified health plans in more than one state? <b>Note.</b> See the instructions for additional information the organization must report on Schedule O.		13a	
b Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans.		13b	
c Enter the amount of reserves on hand.		13c	
14a Did the organization receive any payments for indoor tanning services during the tax year?		14a	No
b If "Yes," has it filed a Form 720 to report these payments? If "No," provide an explanation in Schedule O.		14b	

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	20	
If there are material differences in voting rights among members of the governing body, or if the governing body delegated broad authority to an executive committee or similar committee, explain in Schedule O			
1b	Enter the number of voting members included in line 1a, above, who are independent	15	
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?	2	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?	3	Yes
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?	4	No
5	Did the organization become aware during the year of a significant diversion of the organization's assets?	5	No
6	Did the organization have members or stockholders?	6	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?	7a	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?	7b	Yes
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following		
8a	The governing body?	8a	Yes
8b	Each committee with authority to act on behalf of the governing body?	8b	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	9	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?	10a	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?	10b	
11a	Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form?	11a	Yes
11b	Describe in Schedule O the process, if any, used by the organization to review this Form 990		
12a	Did the organization have a written conflict of interest policy? If "No," go to line 13	12a	Yes
12b	Were officers, directors, or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	12b	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	12c	Yes
13	Did the organization have a written whistleblower policy?	13	Yes
14	Did the organization have a written document retention and destruction policy?	14	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	15a	Yes
15b	Other officers or key employees of the organization	15b	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?	16a	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?	16b	

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 <input type="checkbox"/> Other (explain in Schedule O)	
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 during the tax year	
20	State the name, physical address, and telephone number of the person who possesses the books and records of the organization	KATHY TOPOR C/O CNE ACCTING DEPT 345 BLACKSTONE PROVIDENCE, RI (401) 921-7602

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

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

Form **990** (2012)



## Part VII

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(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			
<b>1b Sub-Total . . . . .</b>										
<b>c Total from continuation sheets to Part VII, Section A . . . . .</b>										
<b>d Total (add lines 1b and 1c) . . . . .</b>								6,195,381	3,738,540	809,887

**2** Total number of individuals (including but not limited to those listed above) who received more than \$100,000 of reportable compensation from the organization ▶15

		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	917,412
HAGGMAN INC , PO BOX 1491 MANCHESTER MA 01944	ADVERTISING	811,400
UNIVERSITY SURGICAL ASSOCIATES , 200 METRO CENTER WARWICK RI 02886	PROFESSIONAL	702,995
NOW DELIVERY , PO BOX 6945 PROVIDENCE RI 02940	LAB COURIER	655,904
ROBERTS CARROLL FELDSTEIN PEIRCE , 10 WEYBOSSET STREET PROVIDENCE RI 02903	LEGAL	639,281

2 Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 of compensation from the organization ►23

Part VIII

Statement of Revenue

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

			(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	318,027			
	d	Related organizations . . . . . 1d				
	e	Government grants (contributions) 1e				
	f	All other contributions, gifts, grants, and similar amounts not included above 1f	3,963,333			
	g	Noncash contributions included in lines 1a-1f \$	220,747			
	h	Total. Add lines 1a-1f . . . . .	4,281,360			
Program Service Revenue	2a	NET PATIENT SERVICE REVENUE	Business Code			
			541900	409,638,457	409,638,457	
	b	OTHER HEALTHCARE RELATED REVENUE	541900	35,390,518	35,390,518	
	c					
	d					
	e					
	f	All other program service revenue				
	g	Total. Add lines 2a-2f . . . . .	445,028,975			
Other Revenue	3	Investment income (including dividends, interest, and other similar amounts) . . . . .	2,161,734			2,161,734
	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)	0	0		
	d	Net rental income or (loss) . . . . .		0		
	7a	Gross amount from sales of assets other than inventory	(i) Securities	(ii) Other		
			3,561,833	19,986		
		b Less cost or other basis and sales expenses				
		c Gain or (loss)	362,422	19,986		
	d	Net gain or (loss) . . . . .		382,408		382,408
	8a	Gross income from fundraising events (not including \$ 318,027 of contributions reported on line 1c) See Part IV, line 18 . . . . .				
		a	208,464			
	b	Less direct expenses . . . . . b	208,464			
	c	Net income or (loss) from fundraising events . . . . .		0		
	9a	Gross income from gaming activities See Part IV, line 19 . . . . .				
		a	58,245			
	b	Less direct expenses . . . . . b	33,200			
	c	Net income or (loss) from gaming activities . . . . .		25,045		25,045
	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	900099	705,935		705,935
	b	GIFT SHOP REVENUE	452000	70,220		70,220
	c	PARKING REVENUE	812930	24,954		24,954
	d	All other revenue . . . . .		2,938		2,938
	e	Total. Add lines 11a-11d . . . . .		804,047		
	12	Total revenue. See Instructions . . . . .		452,683,569	445,028,975	3,373,234

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)

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	1,225,370	1,225,370		
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	16,478	16,478		
4	Benefits paid to or for members	0			
5	Compensation of current officers, directors, trustees, and key employees . . . . .	3,551,712	3,196,541	355,171	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	191,661,658	172,020,516	19,113,390	527,752
8	Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions) . . . . .	12,599,018	11,339,116	1,259,902	
9	Other employee benefits . . . . .	34,863,208	31,376,886	3,486,322	
10	Payroll taxes . . . . .	13,577,626	12,219,863	1,357,763	
11	Fees for services (non-employees)				
a	Management . . . . .	0			
b	Legal . . . . .	70	63	7	
c	Accounting . . . . .	0			
d	Lobbying . . . . .	50,800	45,720	5,080	
e	Professional fundraising services See Part IV, line 17	0			
f	Investment management fees . . . . .	0			
g	Other (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Schedule O) . . . . .	1,565,028	1,294,499	143,833	126,696
12	Advertising and promotion . . . . .	909,301	789,016	87,668	32,617
13	Office expenses . . . . .	3,514,398	3,120,222	346,691	47,485
14	Information technology . . . . .	0			
15	Royalties . . . . .	0			
16	Occupancy . . . . .	7,005,359	6,304,823	700,536	
17	Travel . . . . .	447,063	402,357	44,706	
18	Payments of travel or entertainment expenses for any federal, state, or local public officials . . . . .	0			
19	Conferences, conventions, and meetings . . . . .	480,887	425,865	47,318	7,704
20	Interest . . . . .	2,167,214	1,950,493	216,721	
21	Payments to affiliates . . . . .	0			
22	Depreciation, depletion, and amortization . . . . .	14,063,774	12,657,397	1,406,377	
23	Insurance . . . . .	14,694,463	13,225,017	1,469,446	
24	Other expenses Itemize expenses not covered above (List miscellaneous expenses in line 24e If line 24e amount exceeds 10% of line 25, column (A) amount, list line 24e expenses on Schedule O )				
a	PURCHASED SERVICES	72,404,308	65,118,260	7,235,362	50,686
b	MEDICAL SUPPLIES	34,402,767	30,962,490	3,440,277	0
c	LICENSURE FEE	18,401,048	18,401,048	0	0
d	RESEARCH EXPENSES	13,079,721	13,079,721	0	0
e	All other expenses	5,469,815	4,889,486	544,356	35,973
25	Total functional expenses. Add lines 1 through 24e	446,151,086	404,061,247	41,260,926	828,913
26	Joint costs. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation Check here <input type="checkbox"/> if following SOP 98-2 (ASC 958-720)				

Part X

Balance Sheet

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

☒

				(A)		(B)
				Beginning of year		End of year
Assets	1	Cash—non-interest-bearing		0	1	0
	2	Savings and temporary cash investments		44,566,816	2	50,023,903
	3	Pledges and grants receivable, net		1,475,838	3	789,364
	4	Accounts receivable, net		45,926,720	4	60,447,376
	5	Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees Complete Part II of Schedule L		0	5	0
	6	Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions) Complete Part II of Schedule L		0	6	0
	7	Notes and loans receivable, net		21,041,706	7	17,676,558
	8	Inventories for sale or use		686,106	8	2,060,794
	9	Prepaid expenses and deferred charges		2,136,661	9	3,197,942
	10a	Land, buildings, and equipment cost or other basis Complete Part VI of Schedule D	10a351,299,880			
	b	Less accumulated depreciation	10b198,917,458	152,967,483	10c	152,382,422
	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		57,531,367	13	51,046,332
	14	Intangible assets		0	14	0
	15	Other assets See Part IV, line 11		6,415,068	15	5,592,559
	16	Total assets. Add lines 1 through 15 (must equal line 34)		332,747,765	16	343,217,250
Liabilities	17	Accounts payable and accrued expenses		43,668,561	17	53,115,881
	18	Grants payable		0	18	0
	19	Deferred revenue		1,906,792	19	2,357,040
	20	Tax-exempt bond liabilities		0	20	0
	21	Escrow or custodial account liability Complete Part IV of Schedule D		0	21	0
	22	Loans and other 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		2,406,250	23	2,218,750
	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		121,530,743	25	114,033,919
	26	Total liabilities. Add lines 17 through 25		169,512,346	26	171,725,590
Net Assets or Fund Balances	Organizations that follow SFAS 117 (ASC 958), check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.					
	27	Unrestricted net assets		149,515,081	27	155,754,954
	28	Temporarily restricted net assets		9,520,846	28	11,487,214
	29	Permanently restricted net assets		4,199,492	29	4,249,492
	Organizations that do not follow SFAS 117 (ASC 958), check here <input type="checkbox"/> and complete lines 30 through 34.					
	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	Total net assets or fund balances		163,235,419	33	171,491,660
	34	Total liabilities and net assets/fund balances		332,747,765	34	343,217,250

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	452,683,569
2	Total expenses (must equal Part IX, column (A), line 25) . . . . .	2	446,151,086
3	Revenue less expenses Subtract line 2 from line 1 . . . . .	3	6,532,483
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A)) . . . . .	4	163,235,419
5	Net unrealized gains (losses) on investments . . . . .	5	1,455
6	Donated services and use of facilities . . . . .	6	
7	Investment expenses . . . . .	7	
8	Prior period adjustments . . . . .	8	
9	Other changes in net assets or fund balances (explain in Schedule O) . . . . .	9	1,722,303
10	Net assets or fund balances at end of year Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	171,491,660

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? If "Yes," check a box below to indicate whether the financial statements for the year were compiled or reviewed on a separate basis, consolidated basis, or both <input type="checkbox"/> Separate basis <input type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis		No
2b	Were the organization's financial statements audited by an independent accountant? If "Yes," check a box below to indicate whether the financial statements for the year were audited 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 separate basis	Yes	
2c	If "Yes," to line 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	
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	
3b	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 (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(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	2,234	0
CHARLES R REPPUCCI ESQ VICE CHAIRMAN - DIRECTOR	1 0	X		X				0	0	0
CYNTHIA B PATTERSON SECRETARY - DIRECTOR	1 0	X		X						
DOUGLAS JACOBS TREASURER - DIRECTOR	1 0	X		X						
HERBERT BRENNAN MD DIRECTOR	1 0	X								
DAVID A CARCIERI MD DIRECTOR	1 0	X						42,867	0	0
ALLEN H CICCHITELLI DIRECTOR	1 0	X								
ESTHER EMARD DIRECTOR	1 0	X								
ROBERT G FLANDERS JR ESQ DIRECTOR	1 0	X								
GARY E FURTADO DIRECTOR	1 0	X								
JOHN R GALVIN DIRECTOR	1 0	X								
KENT W GLADDING DIRECTOR	1 0	X								
WILLIAM M KAPOS DIRECTOR	1 0	X								
DENNIS D KEEFE DIRECTOR - PRESIDENT/CEO/CNE	55 0	X		X				0	945,227	104,199
DIANE LIPSCOMBE PHD DIRECTOR	1 0	X								
SUSANNA MAGEE MD DIRECTOR	1 0	X								
JOSEPH J MCGAIR ESQ DIRECTOR	1 0	X								
PATRICK J MURRAY JR DIRECTOR	1 0	X								
ROBERT G PADULA DIRECTOR	1 0	X								
MARIBETH WILLIAMSON DIRECTOR	1 0	X								
LISA B SHEA MD DIRECTOR - (TERM 9/13)	55 0	X						0	281,806	20,807
SANTINA L SIENA MD DIRECTOR - (TERM 12/12)	55 0	X						179,289	0	26,687
ALYSSA BOSS ESQ ASST SEC/SVP & GENERAL COUNSEL	55 0			X				0	322,841	93,072
JOHN M SUTHERLAND III SVP/ASST TREASURER/CFO/CNE	55 0			X				0	522,331	50,773
CONSTANCE A HOWES JD FACHE PRESIDENT AND CEO	55 0			X				636,607	0	28,492

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 (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(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			
MARK MARCANTANO EXECUTIVE VICE PRESIDENT/COO	55 0			X				416,421	0	36,559
RAYMOND POWRIE MD SENIOR VICE PRESIDENT-QUALITY	55 0			X				520,009	0	27,334
GAIL COSTA SR VP - PLANNING CNE	55 0			X				0	300,996	41,217
KAREN DAVIE SR VP - PHILANTHROPY & GOV	55 0			X				237,886	0	92,877
ANGELLENE PETERS-LEWIS SR VP - PATIENT CARE SERVICES	55 0			X				213,224	0	18,299
CORNELIUS GRANAI MD VICE PRESIDENT	55 0			X				645,824	0	21,541
MAYBELLE KERNAN VP MKTG & PUBLIC RELATIONS	55 0			X				0	254,634	47,388
PAUL F HEFFERNAN VP - HUMAN RESOURCES	55 0			X				0	227,321	37,543
THOMAS HUGHES VP - PATIENT SUPPORT SERVICES	55 0			X				211,280	0	20,120
ROBERT W PACHECO VP - FINANCE	55 0			X				0	193,524	17,772
JAMES GILMORE VP - PROPERTY & INFSTR SUPPORT	55 0			X				152,838	0	23,558
PAUL QUINN EFF 102411 VP PHYSICIAN SVCS & FCLTY ENT				X						
JAMES F PADBURY MD CHIEF OF PEDIATRICS	55 0					X		548,424	0	22,989
RICHARD MOORE MD OB/GYN ONCOLOGIST	55 0					X		506,924	0	20,139
MAUREEN PHIPPS MD CHIEF OF OB/GYN	55 0					X		483,756	0	21,960
GARY WHARTON MD MEDICAL DIR SURGICAL SVCS	55 0					X		460,640	0	1,716
KATHARINE WENSTROM MD DIR MATERNAL FETAL MEDICINE	55 0					X		447,227	0	3,575
DEBRA M PAUL CPA MBA FORMER SR VP & CFO	0 0						X	0	535,143	0
JOANNA CAIN MD FORMER CHAIR OB/GYN	0 0						X	492,165	0	18,252
JOSEPH RODA FORMER INTERIM VP - HR	0 0						X	0	152,483	13,018

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

2012

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	<input type="checkbox"/>	A church, convention of churches, or association of churches described in <b>section 170(b)(1)(A)(i).</b>
2	<input type="checkbox"/>	A school described in <b>section 170(b)(1)(A)(ii).</b> (Attach Schedule E )
3	<input checked="" type="checkbox"/>	A hospital or a cooperative hospital service organization described in <b>section 170(b)(1)(A)(iii).</b>
4	<input type="checkbox"/>	A medical research organization operated in conjunction with a hospital described in <b>section 170(b)(1)(A)(iii).</b> Enter the hospital's name, city, and state _____
5	<input type="checkbox"/>	An organization operated for the benefit of a college or university owned or operated by a governmental unit described in <b>section 170(b)(1)(A)(iv).</b> (Complete Part II )
6	<input type="checkbox"/>	A federal, state, or local government or governmental unit described in <b>section 170(b)(1)(A)(v).</b>
7	<input type="checkbox"/>	An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in <b>section 170(b)(1)(A)(vi).</b> (Complete Part II )
8	<input type="checkbox"/>	A community trust described in <b>section 170(b)(1)(A)(vi)</b> (Complete Part II )
9	<input type="checkbox"/>	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 <b>section 509(a)(2).</b> (Complete Part III )
10	<input type="checkbox"/>	An organization organized and operated exclusively to test for public safety See <b>section 509(a)(4).</b>
11	<input type="checkbox"/>	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 <b>section 509(a)(3).</b> Check the box that describes the type of supporting organization and complete lines 11e through 11h <div><b>a</b> <input type="checkbox"/> Type I   <b>b</b> <input type="checkbox"/> Type II   <b>c</b> <input type="checkbox"/> Type III - Functionally integrated   <b>d</b> <input type="checkbox"/> Type III - Non-functionally integrated</div>
e	<input type="checkbox"/>	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	<input type="checkbox"/>	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	<input type="checkbox"/>	Since August 17, 2006, has the organization accepted any gift or contribution from any of the following persons? <div><b>(i)</b> A person who directly or indirectly controls, either alone or together with persons described in (ii) and (iii) below, the governing body of the supported organization? <b>(ii)</b> A family member of a person described in (i) above? <b>(iii)</b> A 35% controlled entity of a person described in (i) or (ii) above?</div>
h	<input type="checkbox"/>	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 monetary support
			Yes	No	Yes	No	Yes	No	
Total									



Part II

Support Schedule for Organizations Described in Sections 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) 2008	(b) 2009	(c) 2010	(d) 2011	(e) 2012	(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 Total. 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 Public support. Subtract line 5 from line 4						

Section B. Total Support						
Calendar year (or fiscal year beginning in) ▶	(a) 2008	(b) 2009	(c) 2010	(d) 2011	(e) 2012	(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 Do not include gain or loss from the sale of capital assets (Explain in Part IV )						
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 2012 (line 6, column (f) divided by line 11, column (f))	14		
15 Public support percentage for 2011 Schedule A, Part II, line 14	15		
16a 33 1/3% support test—2012. If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization			▶
b 33 1/3% support test—2011. If the organization did not check a box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization			▶
17a 10%-facts-and-circumstances test—2012. 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 stop here. Explain in Part IV how the organization meets the "facts-and-circumstances" test The organization qualifies as a publicly supported organization			▶
b 10%-facts-and-circumstances test—2011. 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 stop here. Explain in Part IV how the organization meets the "facts-and-circumstances" test The organization qualifies as a publicly supported organization			▶
18 Private foundation. If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions			▶

Part IIISupport Schedule for Organizations Described in Section 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) 2008	(b) 2009	(c) 2010	(d) 2011	(e) 2012	(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) 2008	(b) 2009	(c) 2010	(d) 2011	(e) 2012	(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 stop here ▶						

Section C. Computation of Public Support Percentage		
15 Public support percentage for 2012 (line 8, column (f) divided by line 13, column (f))	15	
16 Public support percentage from 2011 Schedule A, Part III, line 15	16	

Section D. Computation of Investment Income Percentage		
17 Investment income percentage for 2012 (line 10c, column (f) divided by line 13, column (f))	17	
18 Investment income percentage from 2011 Schedule A, Part III, line 17	18	
19a 33 1/3% support tests—2012. 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 stop here. The organization qualifies as a publicly supported organization ▶		
b 33 1/3% support tests—2011. 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 stop here. 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.** Complete this part to provide the explanations required by Part II, line 10; Part II, line 17a or 17b; and 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

2012

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, Part V, 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 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 function 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) 2009	(b) 2010	(c) 2011	(d) 2012	(e) Total
2a Lobbying nontaxable amount					
b Lobbying ceiling amount (150% of line 2a, column(e))					
c Total lobbying expenditures					
d Grassroots nontaxable 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)).

For each "Yes" response to lines 1a through 1i below, provide in Part IV a detailed description of the lobbying activity.

		(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?	Yes		50,800
j	Total. Add lines 1c through 1i.			50,800
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 carry over 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) and if either (a) BOTH Part III-A, lines 1 and 2, are answered "No" OR (b) Part III-A, line 3, is answered "Yes."

1	Dues, assessments and similar amounts from members	1	
2	Section 162(e) nondeductible lobbying and political expenditures (do not include amounts of political expenses for which the section 527(f) tax was paid).		
a	Current year	2a	
b	Carryover from last year	2b	
c	Total	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, Part II-A (affiliated group list), Part II-A, line 2, and Part II-B, line 1. 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 \$45,000 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 ACTIVITIES PERFORMED ON BEHALF OF THE ORGANIZATION. THIS ALLOCATION AMOUNTED TO \$5,800. IN ADDITION, THIS 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 PAYS MOST LOBBYING EXPENDITURES ON BEHALF OF ALL AFFILIATES WITHIN THE SYSTEM AND REPORTS THESE COSTS ON ITS RESPECTIVE FORM 990, SCHEDULE C, ANNUALLY.

SCHEDULE D  
(Form 990)

Department of the Treasury  
Internal Revenue Service

Supplemental Financial Statements

OMB No 1545-0047

2012

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 can 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 education) ☐ Preservation of an historically important land area

☐ Protection of natural habitat ☐ Preservation of a certified historic structure

☐ Preservation of open space

2

Complete lines 2a through 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, and not on a historic structure listed in the National Register

3

Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the tax 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 section 170(h)(4)(B)(ii)?

☐ Yes ☐ No

9

In Part XIII, 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 (ASC 958), 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 XIII, the text of the footnote to its financial statements that describes these items

b

If the organization elected, as permitted under SFAS 116 (ASC 958), 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 (ASC 958) relating to these items

a

Revenues included in Form 990, Part VIII, line 1

▶ \$ \_\_\_\_\_

b

Assets included in Form 990, Part X

▶ \$ \_\_\_\_\_

For Paperwork Reduction Act Notice, see the Instructions for Form 990.

Cat No 52283D

Schedule D (Form 990) 2012

Part III

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

3

Using the organization's acquisition, 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 XIII

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 XIII and complete the following table

	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 XIII. Check here if the explanation has been provided in Part XIII

☐

Part V

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

	(a)Current year	(b)Prior year	b (c)Two years back	(d)Three years back	(e)Four years back
1a Beginning of year balance . . . . .	8,426,166	7,333,101	7,883,846	7,156,790	6,785,603
b Contributions . . . . .	106,415	7,500	82,356	61,410	91,305
c Net investment earnings, gains, and losses	846,615	1,234,048	-108,444	702,455	306,023
d Grants or scholarships . . . . .					
e Other expenditures for facilities and programs . . . . .	423,810	106,522	480,959		
f Administrative expenses . . . . .	47,795	41,961	43,698	36,809	26,141
g End of year balance . . . . .	8,907,591	8,426,166	7,333,101	7,883,846	7,156,790

2

Provide the estimated percentage of the current year end balance (line 1g, column (a)) held as

a

Board designated or quasi-endowment

b

Permanent endowment 100 000 %

c

Temporarily restricted endowment

The percentages in lines 2a, 2b, and 2c should equal 100%

3a

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

(i) unrelated organizations

3a(i)

Yes

No

(ii) related organizations

3a(ii)

Yes

No

b

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

3b

4

Describe in Part XIII 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 . . . . .		194,649,025	91,363,345	103,285,680
c Leasehold improvements . . . . .		11,749,865	1,664,480	10,085,384
d Equipment . . . . .		138,440,841	105,889,633	32,551,209
e Other . . . . .		3,205,904		3,205,904
Total. Add lines 1a through 1e (Column (d) must equal Form 990, Part X, column (B), line 10(c).)				152,382,422

Schedule D (Form 990) 2012





<b>Part XI    Reconciliation of Revenue per Audited Financial Statements With Revenue per Return</b>			
<b>1</b>	Total revenue, gains, and other support per audited financial statements . . . . .	<b>1</b>	
<b>2</b>	Amounts included on line 1 but not on Form 990, Part VIII, line 12		
<b>a</b>	Net unrealized gains on investments . . . . .	<b>2a</b>	
<b>b</b>	Donated services and use of facilities . . . . .	<b>2b</b>	
<b>c</b>	Recoveries of prior year grants . . . . .	<b>2c</b>	
<b>d</b>	Other (Describe in Part XIII ) . . . . .	<b>2d</b>	
<b>e</b>	Add lines <b>2a</b> through <b>2d</b> . . . . .	<b>2e</b>	
<b>3</b>	Subtract line <b>2e</b> from line <b>1</b> . . . . .	<b>3</b>	
<b>4</b>	Amounts included on Form 990, Part VIII, line 12, but not on line <b>1</b>		
<b>a</b>	Investment expenses not included on Form 990, Part VIII, line 7b . . . . .	<b>4a</b>	
<b>b</b>	Other (Describe in Part XIII ) . . . . .	<b>4b</b>	
<b>c</b>	Add lines <b>4a</b> and <b>4b</b> . . . . .	<b>4c</b>	
<b>5</b>	Total revenue Add lines <b>3</b> and <b>4c</b> . (This must equal Form 990, Part I, line 12 ) . . . . .	<b>5</b>	
<b>Part XII    Reconciliation of Expenses per Audited Financial Statements With Expenses per Return</b>			
<b>1</b>	Total expenses and losses per audited financial statements . . . . .	<b>1</b>	
<b>2</b>	Amounts included on line 1 but not on Form 990, Part IX, line 25		
<b>a</b>	Donated services and use of facilities . . . . .	<b>2a</b>	
<b>b</b>	Prior year adjustments . . . . .	<b>2b</b>	
<b>c</b>	Other losses . . . . .	<b>2c</b>	
<b>d</b>	Other (Describe in Part XIII ) . . . . .	<b>2d</b>	
<b>e</b>	Add lines <b>2a</b> through <b>2d</b> . . . . .	<b>2e</b>	
<b>3</b>	Subtract line <b>2e</b> from line <b>1</b> . . . . .	<b>3</b>	
<b>4</b>	Amounts included on Form 990, Part IX, line 25, but not on line <b>1</b> :		
<b>a</b>	Investment expenses not included on Form 990, Part VIII, line 7b . . . . .	<b>4a</b>	
<b>b</b>	Other (Describe in Part XIII ) . . . . .	<b>4b</b>	
<b>c</b>	Add lines <b>4a</b> and <b>4b</b> . . . . .	<b>4c</b>	
<b>5</b>	Total expenses Add lines <b>3</b> and <b>4c</b> . (This must equal Form 990, Part I, line 18 ) . . . . .	<b>5</b>	

<b>Part XIII    Supplemental Information</b>
----------------------------------------------

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, line 2, Part XI, lines 2d and 4b, and Part XII, 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, 2013 AND SEPTEMBER 30, 2012, 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, 2013 AND CONCLUDED THAT THE ESTIMATED LIABILITY WAS NOT MATERIAL TO THE ORGANIZATION'S FINANCIAL STATEMENTS.

SCHEDULE F  
(Form 990)

Statement of Activities Outside the United States

► Complete if the organization answered "Yes" to Form 990,  
Part IV, line 14b, 15, or 16.  
► Attach to Form 990. ► See separate instructions.

OMB No 1545-0047

2012

Open to Public  
Inspection

Department of the Treasury  
Internal Revenue Service

Name of the organization  
WOMEN & INFANTS HOSPITAL OF RI

Employer identification number  
05-0258937

Part I

General Information on Activities Outside the United States. Complete if the organization answered "Yes" to Form 990, Part IV, line 14b.

- 1 For grantmakers. 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 For grantmakers. Describe in Part V the organization's procedures for monitoring the use of grant funds outside the United States.
- 3 Activites per Region (The following Part I, line 3 table can be duplicated if additional space is needed )

(a) Region	(b) Number of offices in the region	(c) Number of employees, agents, and independent contractors in region	(d) Activities conducted in region (by type) (e g , fundraising, program services, investments, grants to recipients located in the region)	(e) If activity listed in (d) is a program service, describe specific type of service(s) in region	(f) Total expenditures for and investments in region
Central America and the Caribbean	1	1	Program Services	FINANCIAL VEHICLE	12,992,215
East Asia and the Pacific	1	9	Grantmaking		16,478
3a Sub-total	2	10			13,008,693
b Total from continuation sheets to Part I					
c Totals (add lines 3a and 3b)	2	10			13,008,693

Part II

Grants and Other Assistance to Organizations or Entities Outside the United States. Complete if the organization answered "Yes" to Form 990, Part IV, line 15, for any recipient who received more than \$5,000. Part II can be duplicated if additional space is needed.

1	(a) Name of organization	(b) IRS code section and EIN (if applicable)	(c) Region	(d) Purpose of grant	(e) Amount of cash grant	(f) Manner of cash disbursement	(g) Amount of non-cash assistance	(h) Description of non-cash assistance	(i) Method of valuation (book, FMV, appraisal, other)
			East Asia and the Pacific	SUBCONTRACT	16,478	CHECK			

- 2
- 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
- 3
- Enter total number of other organizations or entities . . . . . ▶

## 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, Return by a U.S. Transferor of Property to a Foreign Corporation (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, Annual Return to Report Transactions with Foreign Trusts and Receipt of Certain Foreign Gifts, and/or Form 3520-A, Annual Information Return of Foreign Trust With a U.S. Owner (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

**Supplemental Information**  
Complete this part to provide the information required by Part I, line 2 (monitoring of funds); Part I, line 3, column (f) (accounting method; amounts of investments vs. expenditures per region); Part II, line 1 (accounting method); Part III (accounting method); and Part III, column (c) (estimated number of recipients), as applicable. Also complete this part to provide any additional information (see instructions).

**Schedule F (Form 990) 2012**





Part II Fundraising Events. Complete if the organization answered "Yes" to Form 990, Part IV, line 18, or reported more than \$15,000 of fundraising event contributions and gross income on Form 990-EZ, lines 1 and 6b. List events with gross receipts greater than \$5,000.

Revenue		(a) Event #1	(b) Event #2	(c) Other events	(d) Total events (add col (a) through col (c))		
		<u>THE CAT'S MEOW</u> (event type)	<u>TICKLED PINK</u> (event type)	<u>2</u> (total number)			
	1	Gross receipts . . . .	422,230	49,784	54,477	526,491	
	2	Less Contributions . . .	274,708	3,718	39,601	318,027	
	3	Gross income (line 1 minus line 2) . . . .	147,522	46,066	14,876	208,464	
Direct Expenses	4	Cash prizes . . . .					
	5	Noncash prizes . . .					
	6	Rent/facility costs . . .	58,739	27,821	4,964	91,524	
	7	Food and beverages .					
	8	Entertainment . . . .					
	9	Other direct expenses .	88,783	18,245	9,912	116,940	
	10	Direct expense summary Add lines 4 through 9 in column (d) . . . . . ►					(208,464)
	11	Net income summary Combine line 3, column (d), and line 10 . . . . . ►					

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.

Revenue		(a) Bingo	(b) Pull tabs/Instant bingo/progressive bingo	(c) Other gaming	(d) Total gaming (add col (a) through col (c))	
	1	Gross revenue . . . . .		58,245	58,245	
Direct Expenses	2	Cash prizes . . . . .		21,600	21,600	
	3	Non-cash prizes . . . . .		11,600	11,600	
	4	Rent/facility costs . . . . .				
	5	Other direct expenses . . . . .				
	6	Volunteer labor . . . . . <div><input type="checkbox"/> Yes <input type="checkbox"/> No</div>	<div><input type="checkbox"/> Yes <input type="checkbox"/> No</div>	<div><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</div>		
	7	Direct expense summary Add lines 2 through 5 in column (d) . . . . . ▶				33,200
	8	Net gaming income summary Combine lines 1 and 7 in column (d) . . . . . ▶				25,045

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

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

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	62 000 %
b	An outside facility	13b	38 000 %

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

Name ▶ ROBERT PACHECO

Address ▶ 101 DUDLEY STREET  
PROVIDENCE, RI 02905

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 of the third party

Name ▶

Address ▶

16 Gaming manager information

Name ▶ LEE BELIVEAU

Gaming manager compensation ▶ \$ 500

Description of services provided ▶ RAFFLE COORDINATION

☐ 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 Supplemental Information.** Complete this part to provide the explanations required by Part I, line 2b, columns (iii) and (v), and Part III, lines 9, 9b, 10b, 15b, 15c, 16, and 17b, as applicable. Also complete this part to provide any additional information (see instructions).

Identifier	Return Reference	Explanation
------------	------------------	-------------

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

2012

Open to Public Inspection

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

**Employer identification number**  
05-0258937

Part I

Financial Assistance and Certain Other Community Benefits at Cost

		Yes	No	
1a	Did the organization have a financial assistance policy during the tax year? If "No," skip to question 6a . . . . .	1a	Yes	
b	If "Yes," was it a written policy? . . . . .	1b	Yes	
2	If the organization had multiple hospital facilities, indicate which of the following best describes application of the financial assistance policy to its various hospital facilities during the tax year  <input checked="" type="checkbox"/> Applied uniformly to all hospital facilities <input type="checkbox"/> Applied uniformly to most hospital facilities <input type="checkbox"/> Generally tailored to individual hospital facilities			
3	Answer the following based on the financial assistance eligibility criteria that applied to the largest number of the organization's patients during the tax year  <b>a</b> Did the organization use Federal Poverty Guidelines (FPG) as a factor in determining eligibility for providing <i>free</i> care? If "Yes," indicate which of the following was the FPG family income limit for eligibility for <i>free</i> care  <input type="checkbox"/> 100% <input type="checkbox"/> 150% <input checked="" type="checkbox"/> 200% <input type="checkbox"/> Other _____ %	3a	Yes	
b	Did the organization use FPG as a factor in determining eligibility for providing <i>discounted</i> care? If "Yes," indicate which of the following was the family income limit for eligibility for discounted care . . . . .  <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 _____ %	3b	Yes	
c	If the organization used factors other than FPG in determining eligibility, describe in Part VI the income based criteria for determining eligibility for free or discounted care. Include in the description whether the organization used an asset test or other threshold, regardless of income, as a factor in determining eligibility for free or discounted care			
4	Did the organization's financial assistance policy that applied to the largest number of its patients during the tax year provide for free or discounted care to the "medically indigent"? . . . . .	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 financial assistance 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
b	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

Financial Assistance and Certain Other Community Benefits at Cost

Financial Assistance 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 Financial Assistance at cost (from Worksheet 1) . . . . .			7,014,990	2,723,722	4,291,268	0 960 %
b Medicaid (from Worksheet 3, column a) . . . . .			124,144,236	103,198,229	20,946,007	4 690 %
c Costs of other means-tested government programs (from Worksheet 3, column b) . . . . .			834,812	292,403	542,409	0 120 %
d <b>Total</b> Financial Assistance and Means-Tested Government Programs . . . . .			131,994,038	106,214,354	25,779,684	5 770 %
<b>Other Benefits</b>						
e Community health improvement services and community benefit operations (from Worksheet 4) . . . . .			1,650,688	401,591	1,249,097	0 280 %
f Health professions education (from Worksheet 5) . . . . .			17,465,671	123,321	17,342,350	3 890 %
g Subsidized health services (from Worksheet 6) . . . . .			269,161	87,675	181,486	0 040 %
h Research (from Worksheet 7) . . . . .			12,720,543	11,936,191	784,352	0 180 %
i Cash and in-kind contributions for community benefit (from Worksheet 8) . . . . .			43,877	0	43,877	0 010 %
j <b>Total</b> Other Benefits . . . . .			32,149,940	12,548,778	19,601,162	4 400 %
k <b>Total.</b> Add lines 7d and 7j . . . . .			164,143,978	118,763,132	45,380,846	10 170 %

Part IICommunity Building Activities

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

	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community building expense	(d) Direct offsetting revenue	(e) Net community building expense	(f) Percent of total expense
1Physical improvements and housing						
2Economic development						
3Community support						
4Environmental improvements						
5Leadership development and training for community members			61,663		61,663	0.010 %
6Coalition building						
7Community health improvement advocacy						
8Workforce development			85,713		85,713	0.020 %
9Other						
10Total			147,376		147,376	0.030 %

Part IIIBad Debt, Medicare, & Collection Practices

Section A. Bad Debt Expense

1

Did the organization report bad debt expense in accordance with Healthcare Financial Management Association Statement No. 15?

1

Yes

2

Enter the amount of the organization's bad debt expense. Explain in Part VI the methodology used by the organization to estimate this amount.

2

10,362,362

3

Enter the estimated amount of the organization's bad debt expense attributable to patients eligible under the organization's financial assistance policy. Explain in Part VI the methodology used by the organization to estimate this amount and the rationale, if any, for including this portion of bad debt as community benefit.

3

1,045,389

4

Provide in Part VI the text of the footnote to the organization's financial statements that describes bad debt expense or the page number on which this footnote is contained in the attached financial statements.

Section B. Medicare

5

Enter total revenue received from Medicare (including DSH and IME).

5

14,256,358

6

Enter Medicare allowable costs of care relating to payments on line 5.

6

21,018,551

7

Subtract line 6 from line 5. This is the surplus (or shortfall).

7

-6,762,193

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.  
☐ Cost accounting system ☒ Cost to charge ratio ☐ Other

Section C. Collection Practices

9a

Did the organization have a written debt collection policy during the tax year?

9a

Yes

9b

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

9b

Yes

Part IVManagement Companies and Joint Ventures

(owned 10% or more by officers, directors, trustees, key employees, and physicians—see instructions)

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

Part V

Facility Information

Section A. Hospital Facilities

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

Name, address, and primary website address

		Licensed hospital	General medical & surgical	Children's hospital	Teaching hospital	Critical access hospital	Research facility	ER-24 hours	ER-other	Other (Describe)	Facility reporting group
1	WOMEN & INFANTS HOSPITAL OF RI 101 DUDLEY STREET PROVIDENCE, RI 02905 WWW.WOMENANDINFANTS.ORG	X	X		X		X	X			

Part V Facility Information (continued)

Section B. Facility Policies and Practices

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

WOMEN & INFANTS HOSPITAL OF RI

Name of hospital facility or facility reporting group

For single facility filers only: line Number of Hospital Facility (from Schedule H, Part V, Section A)

1

	Yes	No
Community Health Needs Assessment (Lines 1 through 8c are optional for tax years beginning on or before March 23, 2012)		
1 During the tax year or either of the two immediately preceding tax years, did the hospital facility conduct a community health needs assessment (CHNA)? If "No," skip to line 9 . . . . . If "Yes," indicate what the CHNA report describes (check all that apply)	1 Yes	
a <input checked="" type="checkbox"/> A definition of the community served by the hospital facility		
b <input checked="" type="checkbox"/> Demographics of the community		
c <input checked="" 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 checked="" type="checkbox"/> How data was obtained		
e <input checked="" type="checkbox"/> The health needs of the community		
f <input checked="" type="checkbox"/> Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups		
g <input checked="" type="checkbox"/> The process for identifying and prioritizing community health needs and services to meet the community health needs		
h <input checked="" 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)		
2 Indicate the tax year the hospital facility last conducted a CHNA 20 <u>12</u>		
3 In conducting its most recent CHNA, did the hospital facility take into account input from representatives of the community served by the hospital facility, including those with special knowledge of or expertise in public health? If "Yes," describe in Part VI how the hospital facility took into account input from persons who represent the community, and identify the persons the hospital facility consulted . . . . .	3 Yes	
4 Was the hospital facility's CHNA conducted with one or more other hospital facilities? If "Yes," list the other hospital facilities in Part VI . . . . .	4 Yes	
5 Did the hospital facility make its CHNA report widely available to the public? . . . . . If "Yes," indicate how the CHNA report was made widely available (check all that apply)	5 Yes	
a <input checked="" type="checkbox"/> Hospital facility's website		
b <input checked="" type="checkbox"/> Available upon request from the hospital facility		
c <input checked="" type="checkbox"/> Other (describe in Part VI)		
6 If the hospital facility addressed needs identified in its most recently conducted CHNA, indicate how (check all that apply to date)		
a <input checked="" type="checkbox"/> Adoption of an implementation strategy that addresses each of the community health needs identified through the CHNA		
b <input checked="" type="checkbox"/> Execution of the implementation strategy		
c <input checked="" type="checkbox"/> Participation in the development of a community-wide plan		
d <input checked="" type="checkbox"/> Participation in the execution of a community-wide plan		
e <input checked="" 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 checked="" type="checkbox"/> Prioritization of health needs in its community		
h <input checked="" 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 CHNA? If "No," explain in Part VI which needs it has not addressed and the reasons why it has not addressed such needs . . . . .	7	No
8a Did the organization incur an excise tax under section 4959 for the hospital facility's failure to conduct a CHNA as required by section 501(r)(3)? . . . . .	8a	No
b If "Yes" to line 8a, did the organization file Form 4720 to report the section 4959 excise tax? . . . . .	8b	
c If "Yes" to line 8b, what is the total amount of section 4959 excise tax the organization reported on Form 4720 for all of its hospital facilities? \$_____		

Part V

Facility Information (continued)

Financial Assistance Policy		Yes	No
<b>9</b> Did the hospital facility have in place during the tax year a written financial assistance policy that Explained eligibility criteria for financial assistance, and whether such assistance includes free or discounted care?		<b>9</b> Yes	
<b>10</b> Used federal poverty guidelines (FPG) to determine eligibility for providing <i>free</i> care? . . . . . If "Yes," indicate the FPG family income limit for eligibility for free care <u>200</u> % If "No," explain in Part VI the criteria the hospital facility used		<b>10</b> Yes	
<b>11</b> Used FPG to determine eligibility for providing <i>discounted</i> care? . . . . . If "Yes," indicate the FPG family income limit for eligibility for discounted care <u>300</u> % If "No," explain in Part VI the criteria the hospital facility used		<b>11</b> Yes	
<b>12</b> Explained the basis for calculating amounts charged to patients? . . . . . If "Yes," indicate the factors used in determining such amounts (check all that apply)		<b>12</b>	No
<b>a</b> <input checked="" type="checkbox"/> Income level			
<b>b</b> <input checked="" type="checkbox"/> Asset level			
<b>c</b> <input type="checkbox"/> Medical indigency			
<b>d</b> <input type="checkbox"/> Insurance status			
<b>e</b> <input type="checkbox"/> Uninsured discount			
<b>f</b> <input type="checkbox"/> Medicaid/Medicare			
<b>g</b> <input type="checkbox"/> State regulation			
<b>h</b> <input type="checkbox"/> Other (describe in Part VI)			
<b>13</b> Explained the method for applying for financial assistance? . . . . .		<b>13</b> Yes	
<b>14</b> 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)		<b>14</b> Yes	
<b>a</b> <input checked="" type="checkbox"/> The policy was posted on the hospital facility's website			
<b>b</b> <input checked="" type="checkbox"/> The policy was attached to billing invoices			
<b>c</b> <input checked="" type="checkbox"/> The policy was posted in the hospital facility's emergency rooms or waiting rooms			
<b>d</b> <input checked="" type="checkbox"/> The policy was posted in the hospital facility's admissions offices			
<b>e</b> <input type="checkbox"/> The policy was provided, in writing, to patients on admission to the hospital facility			
<b>f</b> <input checked="" type="checkbox"/> The policy was available upon request			
<b>g</b> <input type="checkbox"/> Other (describe in Part VI)			
Billing and Collections			
<b>15</b> 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? . . . . .		<b>15</b> Yes	
<b>16</b> Check all of the following actions against an individual that were permitted under the hospital facility's policies during the tax year before making reasonable efforts to determine the patient's eligibility under the facility's FAP			
<b>a</b> <input type="checkbox"/> Reporting to credit agency			
<b>b</b> <input type="checkbox"/> Lawsuits			
<b>c</b> <input type="checkbox"/> Liens on residences			
<b>d</b> <input type="checkbox"/> Body attachments			
<b>e</b> <input type="checkbox"/> Other similar actions (describe in Part VI)			
<b>17</b> 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		<b>17</b>	No
<b>a</b> <input type="checkbox"/> Reporting to credit agency			
<b>b</b> <input type="checkbox"/> Lawsuits			
<b>c</b> <input type="checkbox"/> Liens on residences			
<b>d</b> <input type="checkbox"/> Body attachments			
<b>e</b> <input type="checkbox"/> Other similar actions (describe in Part VI)			

Part V

Facility Information (continued)

- 18
- Indicate which efforts the hospital facility made before initiating any of the actions listed in line 17 (check all that apply)
- a

☐

Notified individuals of the financial assistance policy on admission
- b

☐

Notified individuals of the financial assistance policy prior to discharge
- c

☐

Notified individuals of the financial assistance policy in communications with the patients regarding the patients' bills
- d

☐

Documented its determination of whether patients were eligible for financial assistance under the hospital facility's financial assistance policy
- e

☐

Other (describe in Part VI)

Policy Relating to Emergency Medical Care

		Yes	No
19	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? . . . . .	Yes	
	If "No," indicate why		
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)		

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

20	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 its 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 checked="" type="checkbox"/> Other (describe in Part VI)		
21	During the tax year, did the hospital facility charge any FAP-eligible individuals to whom the hospital facility provided emergency or other medically necessary services, more than the amounts generally billed to individuals who had insurance covering such care? . . . . .		No
	If "Yes," explain in Part VI		
22	During the tax year, did the hospital facility charge any FAP-eligible individuals an amount equal to the gross charge for any service provided to that individual? . . . . .		No
	If "Yes," explain in Part VI		



Part V

Facility Information (continued)

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

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

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

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

Identifier	ReturnReference	Explanation
ELIGIBILITY FOR DISCOUNTED CARE	SCHEDULE H, PART I, LINE 3C	Not applicable
COMMUNITY BENEFIT REPORT	SCHEDULE H, PART I, LINE 6A	Not applicable

Identifier	ReturnReference	Explanation
SUBSIDIZED HEALTH SERVICES	SCHEDULE H, PART I, LINE 7G	No costs relating to subsidized healthcare services are attributable to any physician clinics
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 2013, 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
PROVISION FOR BAD DEBT	SCHEDULE H, PART III, SECTION A, LINE 4	Provision for bad debt 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 (provision for bad debt) 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 2013 medicare cost report, worksheet d-1, line 49 , Worksheet d-1, line 49 does not include direct gme costs The outpatient allowable costs come from worksheet e, part b EHR payments under the Affordable Care Act in the amount of \$75,095 have not been included in the determination of the Medicare shortfalls Bad debt is community benefit and associated costs are includable on the form 990, schedule h, part iii The organization feels that medicare underpayments (shortfall) and bad debt are community benefit and associated costs are includable on the form 990, schedule h, part iii 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 purposes 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, religion 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 recognition 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 under 501(c)(3) of the irc Although there is no definition in the tax code for the term "charitable", a regulation promulgated by the department of the treasury provides some guidance 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 poor or unprivileged, the promotion of social welfare, and the advancement of education, religion, and science Note it does not explicitly address the activities of hospitals In the 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 to qualify as irc 501(c)(3) charitable organizations The original standard was known as the 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 revenue ruling 56-185, which addressed the requirements hospitals needed to meet in order to qualify for irc 501(c)(3) status One of these requirements is known as the "charity care standard " under the standard, a hospital had to provide, to the extent of its financial ability, free or reduced-cost care to patients unable to pay for it A hospital that expected full payment did not, according to the ruling, provide charity care based on the fact that some patients ultimately failed to pay The ruling emphasized that a low level of charity 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 organizations because they serve the entire community, and a low level of charity care would not affect a hospital's exempt status if it was due to the surrounding community's lack of charitable 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 patients without charge or at rates below cost " under the standard developed in revenue ruling 69-545, which is known as the "community benefit standard," hospitals are judged on whether they promote the health of a broad class of individuals in the community The ruling involved 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 emergency room that was open to everyone The irs ruled that the hospital qualified as a charitable organization because it promoted the health of people in its community The irs reasoned that because the promotion of health was a charitable purpose according to the general law of charity, it fell within the "generally accepted legal sense" of the term "charitable," as required by treas Reg 1 501(c)(3)-1(d)(2) The irs ruling stated that the promotion of health, like the relief of poverty and the advancement of education and religion, is one of the purposes in the general law of charity that is deemed beneficial to the community as a whole even though the class of beneficiaries eligible to receive a direct benefit 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 of benefit to the community The irs concluded that the hospital was "promoting the health of a class of persons that is broad enough to benefit 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 iii 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 iii 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 - providing care for the elderly and serving medicare patients is an essential part of the community benefit standard - 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 5 4 percent - 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 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 iii Like medicare underpayment (shortfalls), there also are compelling reasons that patient bad debt should be counted as quantifiable community benefit as follows - 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 d</p>
COLLECTION POLICY	SCHEDULE H, PART III, SECTION C, QUESTION 9B	<p>Women &amp; 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 hardships</p>

Identifier	ReturnReference	Explanation
FACILITY INFORMATION	SCHEDULE H, PART V, SECTION B, QUESTIONS 1J & 6I	Not applicable
FACILITY INFORMATION	SCHEDULE H, PART V, SECTION B, QUESTION 3	Care New England sought community input through interviews and key informant surveys with 49 key community stakeholders, focus groups with healthcare providers, and inclusion of partner hospital representatives as well as public health officials in the prioritization and implementation planning process

Identifier	ReturnReference	Explanation
FACILITY INFORMATION	SCHEDULE H, PART V, SECTION B, QUESTION 4	Care New England Health System (CNE) participated in a statewide Community Health Needs Assessment, led by the Hospital Association of Rhode Island (HARI), and its member hospitals (Our Lady of Fatima Hospital, Roger Williams Medical Center, Landmark Medical Center, South County Hospital and The Westerly Hospital) HARI CHNA partners jointly conducted a prioritization to identify key statewide community health needs Care New England Health System's hospitals Butler Hospital, Kent Hospital, Memorial Hospital of Rhode Island, and Women & Infants Hospital identified system priorities and developed a system-wide Implementation Plan which aligned with the prioritized statewide health issues Each hospital also has its own Needs Assessment
FACILITY INFORMATION	SCHEDULE H, PART V, SECTION B, QUESTION 5C	In addition to the organization's website, <a href="http://www.womenandinfants.org">www.womenandinfants.org</a> , the CHNA is available at <a href="http://www.rihealthcarematter.org">www.rihealthcarematter.org</a>

Identifier	ReturnReference	Explanation
FACILITY INFORMATION	SCHEDULE H, PART V, SECTION B, QUESTION 7	By adopting the statewide priorities, Mental Health and Substance Abuse, Heart Disease, and Diabetes, Care New England will take a comprehensive approach to addressing the most urgent needs in the communities it serves. Care New England will continue to monitor community needs and adjust programming and services accordingly.
FACILITY INFORMATION	SCHEDULE H, PART V, SECTION B, QS 10,11,12h,14g,16e,17e,18e,19c,19d,21&22	Not applicable



Identifier	ReturnReference	Explanation
FACILITY INFORMATION	SCHEDULE H, PART V, SECTION B, QUESTION 20D	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.
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.
COMMUNITY INFORMATION	SCHEDULE H, PART VI, QUESTION 4	Women & Infants primary service area consists of rhode island with a total population of 1,049,297. The average household income is \$70,801 and 13.2 percent of the population has income below the poverty level. Thirteen hospitals serve the primary service area and a significant percent of hospital discharges are medicare, medicaid and uninsured patients. Data from Truven Health Analytics Inc. for 2013 indicated that rhode island consisted of the following groups: 75.0% of the population were caucasian, 13.3% of the population were hispanics and latinos of any race and 5.1% were black or african american, and 3.5% reported other ethnicities.

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
AFFILIATED HEALTHCARE SYSTEM	SCHEDULE H, PART VI, QUESTION 6	<p>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 &amp; 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 THE COMMON BOARD OF DIRECTORS OF CARE NEW ENGLAND HEALTH SYSTEM THE BOARD IS 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 &amp; infants hospital of rhode island Women &amp; infants corporation is a 247-bed and 60-bassinet non-profit specialty hospital for women and newborns located in providence, rhode island Women &amp; 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 &amp; 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 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 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 &amp; infants development foundation Women &amp; 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 &amp; 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 &amp; infants corporation Women &amp; 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 &amp; 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 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, l l c and kent ancillary services, l l c are single member limited liability companies of kent county memorial hospital Memorial hospital Memorial hospital is a 294-bed non-profit acute care hospital located in pawtucket, rhode island 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, butler hospital operates consistently with the criteria outlined in irs revenue ruling 69-545 Blackstone health, inc Blackstone health, 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)(1) The organization provides medically necessary healthcare serv</p>

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.
FACILITY REPORTING GROUP(S)	SCHEDULE H, PART VI, QUESTION 8	NOT APPLICABLE

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

Section C. Other Health Care Facilities That Are Not Licensed, Registered, or Similarly Recognized as a Hospital Facility  
(list in order of size, from largest to smallest)

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

Name and address	Type of Facility (describe)
WOMEN & INFANTS HOSPITAL OF RHODE ISLAND 1 BLACKSTONE PLACE PROVIDENCE, RI 02903	MEDICAL
WOMEN & INFANTS HOSPITAL OF RHODE ISLAND 70 ELM STREET PROVIDENCE, RI 02905	MEDICAL
WOMEN & INFANTS HOSPITAL OF RHODE ISLAND 2 DUDLEY STREET PROVIDENCE, RI 02905	MEDICAL
WOMEN & INFANTS HOSPITAL OF RHODE ISLAND 90 PLAIN STREET PROVIDENCE, RI 02903	MEDICAL
WOMEN & INFANTS HOSPITAL OF RHODE ISLAND 79 PLAIN STREET PROVIDENCE, RI 02903	MEDICAL
WOMEN & INFANTS HOSPITAL OF RHODE ISLAND 100 DUDLEY STREET PROVIDENCE, RI 02905	MEDICAL
WOMEN & INFANTS HOSPITAL OF RHODE ISLAND ONE RANDALL SQUARE PROVIDENCE, RI 02904	MEDICAL
WOMEN & INFANTS HOSPITAL OF RHODE ISLAND 297 PROMENADE STREET PROVIDENCE, RI 02908	MEDICAL
WOMEN & INFANTS HOSPITAL OF RHODE ISLAND 695 EDDY STREET PROVIDENCE, RI 02903	MEDICAL
WOMEN & INFANTS HOSPITAL OF RHODE ISLAND 407 EAST AVENUE PAWTUCKET, RI 02860	MEDICAL
WOMEN & INFANTS HOSPITAL OF RHODE ISLAND 373 NEW BOSTON ROAD FALL RIVER, MA 02724	MEDICAL
WOMEN & INFANTS HOSPITAL OF RHODE ISLAND 134 THURBERS AVENUE PROVIDENCE, RI 02905	MEDICAL
WOMEN & INFANTS HOSPITAL OF RHODE ISLAND 235 PLAIN STREET PROVIDENCE, RI 02905	MEDICAL
WOMEN & INFANTS HOSPITAL OF RHODE ISLAND 2168 DIAMOND HILL ROAD WOONSOCKET, RI 02895	MEDICAL
WOMEN & INFANTS HOSPITAL OF RHODE ISLAND 1050 MAIN STREET UNIT A B EAST GREENWICH, RI 02818	MEDICAL
WOMEN & INFANTS HOSPITAL OF RHODE ISLAND 120 DUDLEY STREET PROVIDENCE, RI 02905	MEDICAL
WOMEN & INFANTS HOSPITAL OF RHODE ISLAND 11 WELLS STREET WESTERLY, RI 02891	MEDICAL
WOMEN & INFANTS HOSPITAL OF RHODE ISLAND 18 IMPERIAL PLACE SUITE 2G PROVIDENCE, RI 02903	MEDICAL
WOMEN & INFANTS HOSPITAL OF RHODE ISLAND 49 SOUTH COUNTY COMMONS WAY WAKEFIELD, RI 02879	MEDICAL
WOMEN & INFANTS HOSPITAL OF RHODE ISLAND 750 WASHINGTON STREET 36 BOSTON, MA 02111	MEDICAL
WOMEN & INFANTS HOSPITAL OF RHODE ISLAND 38 AMARAL STREET EAST PROVIDENCE, RI 02915	MEDICAL
WOMEN & INFANTS HOSPITAL OF RHODE ISLAND 2220 GAR HIGHWAY SWANSEA, MA 02777	MEDICAL
WOMEN & INFANTS HOSPITAL OF RHODE ISLAND 2358 SOUTH COUNTY TRAIL 2 EAST GREENWICH, RI 02818	MEDICAL
WOMEN & INFANTS HOSPITAL OF RHODE ISLAND 215 TOLL GATE ROAD WARWICK, RI 02886	MEDICAL
WOMEN & INFANTS HOSPITAL OF RHODE ISLAND 200 TOLL GATE ROAD SUITE 101 WARWICK, RI 02886	MEDICAL
WOMEN & INFANTS HOSPITAL OF RHODE ISLAND 1407 SOUTH COUNTY TRAIL EAST GREENWICH, RI 02818	MEDICAL
WOMEN & INFANTS HOSPITAL OF RHODE ISLAND 1637 MINERAL SPRING AVENUE NORTH PROVIDENCE, RI 02904	MEDICAL
WOMEN & INFANTS HOSPITAL OF RHODE ISLAND 725 RESERVOIR AVENUE CRANSTON, RI 02920	MEDICAL
WOMEN & INFANTS HOSPITAL OF RHODE ISLAND 900 WARREN AVENUE EAST PROVIDENCE, RI 02914	MEDICAL
WOMEN & INFANTS HOSPITAL OF RHODE ISLAND 2213 MENDON ROAD WOONSOCKET, RI 02895	MEDICAL

Section C. Other Health Care Facilities That Are Not Licensed, Registered, or Similarly Recognized as a Hospital Facility  
(list in order of size, from largest to smallest)

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

Name and address	Type of Facility (describe)
WOMEN & INFANTS HOSPITAL OF RHODE ISLAND 333 VALLEY ROAD MIDDLETOWN, RI 02842	MEDICAL
WOMEN & INFANTS HOSPITAL OF RHODE ISLAND 6 WHIPPLE STREET NORTH ATTLEBORO, MA 02760	MEDICAL
WOMEN & INFANTS HOSPITAL OF RHODE ISLAND 300 FAUNCE CORNER ROAD NORTH DARTMOUTH, MA 02747	MEDICAL
WOMEN & INFANTS HOSPITAL OF RHODE ISLAND 119 SACHEM STREET NORWICH, CT 06360	MEDICAL
WOMEN & INFANTS HOSPITAL OF RHODE ISLAND 67 BRIGHAM STREET NEW BEDFORD, MA 02740	MEDICAL
WOMEN & INFANTS HOSPITAL OF RHODE ISLAND 1330 PHINNEY LANE HYANNIS, MA 02601	MEDICAL
WOMEN & INFANTS HOSPITAL OF RHODE ISLAND ONE CITY HALL PLAZA MELROSE, MA 02176	MEDICAL
WOMEN & INFANTS HOSPITAL OF RHODE ISLAND 280 BEACH STREET REVERE, MA 02151	MEDICAL
WOMEN & INFANTS HOSPITAL OF RHODE ISLAND 594 GREAT ROAD NORTH SMITHFIELD, RI 02896	MEDICAL

OMB No 1545-0047

**Complete if the organization answered "Yes," to Form 990, Part IV, line 21 or 22.**  
**▶ Attach to Form 990**

## Open to Public Inspection

**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. Part II can be duplicated if additional space is needed.

[illegible]

- 2** Enter total number of section 501(c)(3) and government organizations listed in the line 1 table . . . . . 2
- 3** Enter total number of other organizations listed in the line 1 table . . . . .

**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.  
Part III can be duplicated 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, Part III, column (b), 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)

Department of the Treasury  
Internal Revenue Service

Compensation Information

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.

OMB No 1545-0047

2012

Open to Public Inspection

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"/> Travel for companions</div><div><input type="checkbox"/> Tax idemnification and gross-up payments</div><div><input type="checkbox"/> Discretionary spending account</div></div> <div><div><input type="checkbox"/> Housing allowance or residence for personal use</div><div><input type="checkbox"/> Payments for business use of personal residence</div><div><input type="checkbox"/> Health or social club dues or initiation fees</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 of 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 filing organization used to establish the compensation of the organization's CEO/Executive Director Check all that apply Do not check any boxes for methods used by a related organization to establish compensation of the CEO/Executive Director, but explain in Part III		
	<div><div><input checked="" type="checkbox"/> Compensation committee</div><div><input checked="" type="checkbox"/> Independent compensation consultant</div><div><input type="checkbox"/> Form 990 of other organizations</div></div> <div><div><input type="checkbox"/> Written employment contract</div><div><input checked="" type="checkbox"/> Compensation survey or study</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 Regulations 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	

**Part II** **Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees.** Use duplicate copies if additional space is needed.

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, applicable column (D) and (E) amounts for that individual.

(A) Name and Title		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported as deferred in prior Form 990
		(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
See Additional Data Table								

**Part III** Supplemental Information

Complete this part to provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 3, 4a, 4b, 4c, 5a, 5b, 6a, 6b, 7, and 8, and for Part II. 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 2012 FORMS W-2 AND 1099 (IF APPLICABLE)
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 2012 FORM W-2, BOX 5, AS TAXABLE MEDICARE WAGES DEBRA M PAUL, CPA, MBA, \$271,666 AND JOANNA CAIN, M D , \$493,048
COMPENSATION INFORMATION	SCHEDULE J, PART I, QUESTION 4B	AMOUNTS REFLECTED IN COLUMN B(II) 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 2012 FORM W-2, BOX 5, AS TAXABLE MEDICARE WAGES JAMES PADBURY, M D , \$70,806 AND DEBRA M PAUL, CPA, MBA, \$144,817 THE DEFERRED COMPENSATION AMOUNT IN COLUMN C FOR THE FOLLOWING INDIVIDUALS 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 INDIVIDUALS MAY NEVER ACTUALLY RECEIVE THIS UNVESTED BENEFIT AMOUNT THE AMOUNTS OUTLINED HEREIN WERE NOT INCLUDED IN EACH INDIVIDUAL'S 2012 FORM W-2, AS TAXABLE WAGES DENNIS D KEEFE, \$62,263, ALYSSA BOSS, ESQ , \$63,819 AND KAREN DAVIE, \$48,499
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 2012 WHICH AMOUNTS WERE INCLUDED IN COLUMN B(II) HEREIN AND IN EACH INDIVIDUAL'S 2012 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 2012 FORM W-2, BOX 5, AS TAXABLE MEDICARE WAGES JAMES F PADBURY, M D , \$70,806 AND DEBRA M PAUL, CPA, MBA, \$144,817 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 & 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				
DENNIS D KEEFE	(i)	0	0	0	0	0	0	0
	(ii)	790,730	103,800	50,697	81,013	23,186	1,049,426	0
LISA B SHEA MD	(i)	0	0	0	0	0	0	0
	(ii)	275,888	5,563	355	18,750	2,057	302,613	0
SANTINA L SIENA MD	(i)	178,709	0	580	13,603	13,084	205,976	0
	(ii)	0	0	0	0	0	0	0
ALYSSA BOSS ESQ	(i)	0	0	0	0	0	0	0
	(ii)	278,525	22,979	21,337	79,570	13,502	415,913	0
JOHN M SUTHERLAND III	(i)	0	0	0	0	0	0	0
	(ii)	434,901	33,201	54,229	27,500	23,273	573,104	0
CONSTANCE A HOWES JD FACHE	(i)	532,637	45,696	58,274	25,000	3,492	665,099	0
	(ii)	0	0	0	0	0	0	0
MARK MARCANTANO	(i)	377,161	30,138	9,122	16,250	20,309	452,980	0
	(ii)	0	0	0	0	0	0	0
RAYMOND POWRIE MD	(i)	417,005	78,813	24,191	14,973	12,361	547,343	0
	(ii)	0	0	0	0	0	0	0
GAIL COSTA	(i)	0	0	0	0	0	0	0
	(ii)	243,306	21,624	36,066	27,500	13,717	342,213	0
KAREN DAVIE	(i)	199,117	17,891	20,878	68,335	24,542	330,763	0
	(ii)	0	0	0	0	0	0	0
ANGELLENE PETERS-LEWIS	(i)	193,262	18,836	1,126	0	18,299	231,523	0
	(ii)	0	0	0	0	0	0	0
CORNELIUS GRANAI MD	(i)	517,153	107,385	21,286	0	21,541	667,365	0
	(ii)	0	0	0	0	0	0	0
MAYBELLE KERNAN	(i)	0	0	0	0	0	0	0
	(ii)	212,018	18,152	24,464	27,500	19,888	302,022	0
PAUL F HEFFERNAN	(i)	0	0	0	0	0	0	0
	(ii)	204,894	16,139	6,288	17,267	20,276	264,864	0
THOMAS HUGHES	(i)	165,767	38,448	7,065	13,767	6,353	231,400	0
	(ii)	0	0	0	0	0	0	0
ROBERT W PACHECO	(i)	0	0	0	0	0	0	0
	(ii)	175,881	13,009	4,634	15,180	2,592	211,296	0
JAMES GILMORE	(i)	139,791	11,219	1,828	10,806	12,752	176,396	0
	(ii)	0	0	0	0	0	0	0
JAMES F PADBURY MD	(i)	380,114	72,000	96,310	0	22,989	571,413	70,806
	(ii)	0	0	0	0	0	0	0
RICHARD MOORE MD	(i)	463,572	40,150	3,202	0	20,139	527,063	0
	(ii)	0	0	0	0	0	0	0
MAUREEN PHIPPS MD	(i)	398,742	66,165	18,849	0	21,960	505,716	0
	(ii)	0	0	0	0	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				
GARY WHARTON MD	(i)	458,562	0	2,078	0	1,716	462,356	0
	(ii)	0	0	0	0	0	0	0
KATHARINE WENSTROM MD	(i)	398,377	29,500	19,350	0	3,575	450,802	0
	(ii)	0	0	0	0	0	0	0
DEBRA M PAUL CPA MBA	(i)	0	0	0	0	0	0	0
	(ii)	0	74,980	460,163	0	0	535,143	144,817
JOANNA CAIN MD	(i)	0	0	492,165	0	18,252	510,417	0
	(ii)	0	0	0	0	0	0	0
JOSEPH RODA	(i)	0	0	0	0	0	0	0
	(ii)	131,586	9,757	11,140	10,422	2,596	165,501	0

Schedule L  
(Form 990 or 990-EZ)

Department of the Treasury  
Internal Revenue Service

Transactions with Interested Persons

▶ Complete if the organization answered  
"Yes" on Form 990, Part IV, lines 25a, 25b, 26, 27, 28a, 28b, or 28c,  
or Form 990-EZ, Part V, line 38a or 40b.  
▶ Attach to Form 990 or Form 990-EZ. ▶ See separate instructions.

OMB No 1545-0047

2012

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) Relationship between disqualified person and organization	(c) Description of transaction	(d) Corrected?	
				Yes	No

2 Enter the amount of tax incurred by 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-EZ, Part V, line 38a, or Form 990, Part IV, line 26, or if the organization reported an amount on Form 990, Part X, line 5, 6, or 22

(a) Name of interested person	(b) Relationship with organization	(c) Purpose of loan	(d) Loan to or from the organization?		(e) Original principal amount	(f) Balance due	(g) In default?		(h) Approved by board or committee?	(i) Written agreement?	
			To	From			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 assistance	(d) Type of assistance	(e) Purpose 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	578,272	PROFESSIONAL SERVICES		No
(2) JAMES A O'BRIEN	DIRECTOR, GALVIN	338,035	HOSPITAL EMPLOYEE		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, 2013 TOTAL FEES PAID BY THE ORGANIZATION TO THIS FIRM TOTALED \$578,272 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 organizations answered "Yes" on Form 990, Part IV, lines 29 or 30.  
► Attach to Form 990.

OMB No 1545-0047

2012

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) Noncash contribution amounts reported on Form 990, Part VIII, line 1g	(d) Method of determining noncash contribution amounts
1 Art—Works of art . . . . .	X	1	26,000	FMV
2 Art—Historical treasures . . . . .				
3 Art—Fractional interests . . . . .				
4 Books and publications . . . . .				
5 Clothing and household goods . . . . .	X		14,535	FMV
6 Cars and other vehicles . . . . .				
7 Boats and planes . . . . .				
8 Intellectual property . . . . .				
9 Securities—Publicly traded . . . . .	X	4	29,074	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 . . . . .				
MISCELLANEOUS 25 Other ► ( DONATIONS )	X	31	151,138	FMV
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 noncash contributions? . . . . .

32a

Yes

b

If "Yes," describe in Part II

33

If the organization did not report an amount in column (c) for a type of property for which column (a) is checked, describe in Part II



Part II

Supplemental Information.

Complete this part to provide the information required by Part I, lines 30b, 32b, and 33, and whether the organization is reporting in Part I, column (b), the number of contributions, the number of items received, or a combination of both. 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

2012

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 new born children and women hospital Women &amp; infants is recognized by the ir s as an internal revenue code section 501(c)(3) tax-exempt organization Pursuant to its c haritable purposes, w omen &amp; infants provides medically necessary healthcare services to al l individuals in a non-discriminatory manner regardless of race, color, creed, sex, religi on, national origin or ability to pay Moreover, w omen &amp; infants operates consistently wit h the follow ing criteria outlined in irs revenue ruling 69-545 1 Women &amp; infants provide s 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 oper ates an active emergency room for all persons, wh ich 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 a vailable to all qualified physicians, 4 Control of w omen &amp; infants rests with the board o f directors of care new england health system and is comprised of independent civic leader s and other prominent members of the community, and 5 Surplus funds are used to improve t he quality of patient care, expand and renovate facilities and advance medical care, progr ams and activities The operations of w omen &amp; infants, as show n through the factors outlin ed above and other information contained herein, clearly demonstrate that the hospital pro vides substantial community benefit and that the use and control of w omen &amp; infants is for the benefit of the public and that no part of the income or net earnings of the organizat ion inures to the benefit of any private individual nor is any private interest being serv ed other than incidentally History =====</p> <p>Women &amp; infants is an affiliate within the car e new england health system ("care new england") Care new england is the tax-exempt paren t 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 licens ed comprehensive new born children and women hospital with 167 adult beds (45 medical/surgi cal and 122 obstetrics), 80 neonatal intensive care unit beds and 60 new born bassinets Du ring fiscal year 2013, w omen &amp; infants recorded 19,725 admissions of patients for inpatien t services, 194,862 outpatient visits, 28,234 emergency room visits and 237,144 total visi ts and discharges Women &amp; infants recorded 8,444 deliveries in fiscal year 2013, includin g 121 babies who were delivered in the hospital's alternative birthing center Women &amp; inf ants offers the services of a general and gynecological surgical program with more than 7, 702 procedures performed in fiscal year 2013 Women &amp; infants annually employs approximate ly 3,000 full-time, part-time and per diem employees Care new england health system was f ormed in february 1996 by founding members butler hospital, kent county memorial hospital and w omen &amp; infants hospital of rhode island These three hospitals are all internal reven ue code section 501(c)(3) tax-exempt organizations In june 1999, kent county visiting nur se association became a member of the care new england family, and later that year announc ed its name change to vna of care new england In 2000, healthtouch, inc , a private duty nursing service, joined the division As of september 3, 2013, southeastern healthcare sys tem, inc ("shs"), an internal revenue code section 501(c)(3) tax-exempt organization loca ted in rhode island and southeastern massachusetts, became a subsidiary of care new englan d health system ("cne"), an internal revenue code section 501(c)(3) tax-exempt organizatio n and the parent entity of a rhode island based tax-exempt integrated healthcare delivery system Cne became the parent organization and sole member of shs as a result of this acqu isition Cne and shs believe that the acquisition will greatly improve comprehensive healt hcare services The care new england health system was founded on the vision that we can b uild a better system of healthcare for the people and communities of southeastern new engl and The system offers the latest advances in medicine, specialty-trained doctors, and res pected services and care An integrated health system that offers a continuum of quality c are, care new england is moving healthcare forw ard and reinventing the way healthcare is d elivered This approach puts a broad spectrum of care - addressing primary care, medical c are, surgery, w omen's health, cardiology and behavioral health and an array of specialty a nd subspecialty programs - all under one umbrella so they are easily accessible to patient s and families Care new england is comprised of six members butler hospital, rhode islan d's only private, nonprofit psychiatric and substance abuse hospital for adults, adolescen ts, children and seniors, kent hospital, the large</p>

Identifier	Return Reference	Explanation
COMMUNITY BENEFIT STATEMENT	CORE FORM, PART III, STATEMENT OF PROGRAM SERVICE ACCOMPLISHMENTS	<p>st community hospital in the state, providing a full spectrum of primary and secondary acute care services, memorial hospital, a community hospital based in Pawtucket, RI, lending primary care expertise to the system and the system's only patient centered medical home model of care, 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 provides a broad spectrum of home health, hospice and private duty nursing services for new mothers, 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 strong commitment to education. Butler and women &amp; infants hospitals are major teaching affiliates of the warren alpert medical school of brown university, while kent is a teaching site for the university of new england college of osteopathic medicine. In addition, care new england is committed to advance the field of knowledge in medicine through national and internationally-funded and recognized research projects. Care new england provides medically necessary healthcare to patients who meet certain criteria under its charity care policy without charge or at amounts less than the established rates. Because care new england does not pursue collection of amounts determined to qualify as charity care, they are not reported as revenue. Charity care includes services to uninsured patients who care new england has determined qualify for charity care under care new england policies. Services to uninsured patients who are not eligible for charity care or for whom 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 programs which provide substantial benefit to the broader community. Such programs include services to needy populations, including community service programs and services for school-aged children and the elderly. Care new england also actively sponsors programs on health education and wellness. Care new england maintains records to identify and monitor the level of charity care and community service it provides. These records include the amount of charges forgone based on established rates for services and supplies furnished under its charity and community service policies.</p> <p>Mission ===== Women &amp; infants, a major teaching affiliate 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 regardless of ability to pay.</p> <p>Vision ===== Women &amp; infants will be the recognized leader in healthcare for women and infants.</p> <p>Values ===== As a member of the care new england health system, 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 guided by the following core values - accountability - caring - teamwork.</p> <p>Awards &amp; recognitions ===== Women &amp; infants has received the following awards and recognitions - 2013 - Named high-performing in cancer in U.S. News Best Hospitals - 2013 - Named high-performing in gynecology in U.S. News Best Hospitals - 2012 - Named high-performing in cancer in U.S. News Best Hospitals - 2012 - Named high-performing in gynecology in U.S. News Best Hospitals - 2011 - ranked number one in the providence metro area in u.s. news best hospitals metro area rankings.</p>

Identifier	Return Reference	Explanation
COMMUNITY BENEFIT STATEMENT CONTINUED	CORE FORM, PART III, STATEMENT OF PROGRAM SERVICE ACCOMPLISHMENTS	<p>- 2011 - ranked a best hospital in gynecology in u s news best hospitals metro area ranki ngs - 2011 - ranked a best hospital in cancer in u s news best hospitals metro area ranki ngs - 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 gy necology 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 rep ort Centers of excellence ===== Women &amp; infants has the following centers of excellence - a center of excellence for reproductive health resources, optimum health - a breast center of excellence, american college of radiography - a center for invitro matu ration excellence, sage in vitro fertilization - a center of biomedical research excellenc e, national institutes of health - a neonatal resource services center of excellence - a m ember of the national cancer institute's gynecologic oncology group - a brow n university/w omen &amp; infants national center of excellence in women's health by the u s department of h ealth and human services Women &amp; infants is an accomplished teaching hospital ===== We are - the major affiliated teaching hospital for activities unique to women and new borns at the warren alpert medical school of brow n university An educational leader, women &amp; infants offers nationally accredited fellowship s in gynecologic oncology, maternal-fetal medicine, urogynecology and reconstructive pelvi c surgery, neonatal-perinatal medicine, pediatrics and perinatal pathology, gynecologic pa thology and cytopathology, breast disease, and reproductive endocrinology and infertility Program highlights from 2013 - Healthcare providers at Women &amp; Infants collaborated to w rite and edit the textbook, "Obstetric Triage and Emergency Care Protocols " The textbook earned a 2012 Book of the Year Aw ard from the American Journal of Nursing - To provide on going education for its clinicians and those at nearby facilities, Women &amp; Infants unveile d the area's only hospital-based Simulation Center dedicated exclusively to the needs of w omen and new borns - Women &amp; Infants' Breast Health Center launched a Survivorship Clinic as a new resource for addressing the journey of survival The goal is to empower cancer su rvivors to protect and enhance their quality of life and health going forward - To bring the most advanced care closer to home for our patients, Women &amp; Infants introduced digital breast tomosynthesis at the Medical Office Building in East Greenwich - Women &amp; Infants participated in Show Your Love, a national campaign developed by the Preconception Health and Health Care Initiative (PHHCI) of the US Centers for Disease Control and Prevention (C DC) to help women prepare for healthy pregnancies - In keeping with its goal of being the most comprehensive resource for women seeking minimally invasive surgery in the region, W omen &amp; Infants added technology that will enable some surgeries to be even less invasive Single-Site Instrumentation is one of the latest additions to the daVinci surgical robot l ine at Women &amp; Infants - Women &amp; Infants' Program in Women's Oncology achieved STAR Progr am for Cancer Rehabilitation certification - The Cancer Risk Assessment and Prevention Pr ogram in the Program in Women's Oncology introduced "next-generation sequencing," making i t possible, when appropriate, to test individuals for mutations in multiple genes in a sin gle analysis (one blood draw ) - Dedicated to both the various needs of women and the educ ation of tomorrow's physicians, Women &amp; Infants and The Warren Alpert Medical School of Br ow n University introduced a 12-month Women's Mental Health Fellow ship, the fourth such fel low ship nationw ide and the 12th fellowship offered through Brow n at Women &amp; Infants - Wom en &amp; Infants was designated a Center of Excellence in Minimally Invasive Gynecology (COEMI G) by the Surgical Review Corporation, an affiliate of the American Association of Gynecol ogic Laparoscopists (AAGL), for its commitment to offering women the most effective diagno stic and therapeutic techniques in minimally invasive surgery - Women &amp; Infants' Program in Women's Oncology hosted "What's Up Doc? What's New and Best in Women's Cancer Treatment and Survivorship" for cancer patients, their family members and /or caregivers, and healt hcare providers This was offered as part of a national series of events through the Socie ty of Gynecologic Oncology (SGO) Faculty and staff highlights from 2013 - Dr Donald Cou stan, director of the Division of Maternal-Fetal Medicine's Diabetes in Pregnancy Program, was named president of the American Gynecological and Obstetrics Society (AGOS) - Dr De borah Myers, director of the Division of Urogyneco</p>

Identifier	Return Reference	Explanation
COMMUNITY BENEFIT STATEMENT STATEMENT CONTINUED	CORE FORM, PART III, STATEMENT OF PROGRAM SERVICE ACCOMPLISHMENTS	<p>logy and Reconstructive Pelvic Surgery, was named the American Urogynecologic Society (AUG S) recipient of the National Association of Continence 2012 Rodney Appell Continence Care Champion Award - Dr Gary Frishman of Women &amp; Infants' Center for Reproduction and Infertility was named president of the national Council of Gynecologic Endoscopy Dr Frishman was also selected to serve on the Board of Directors for the AAGL and Society of Reproductive Surgeons Fellowship in Minimally Invasive Gynecologic Surgery (MIGS) - Maternal-fetal medicine specialist Dr Dwight Rouse was selected to serve as the associate editor for obstetrics of Obstetrics &amp; Gynecology, the official journal of the American College of Obstetrics and Gynecology - Dr Patrick Sweeney, a long-time member of Women &amp; Infants' Medical Staff, received the Rhode Island Medical Society's Herbert H Rakatansky Award for Professionalism in Medicine Dr Sweeney was also presented with the Outstanding District Service Award by the American College of Obstetricians and Gynecologists (ACOG) - In response to government-mandated reforms in the nation's healthcare industry, Women &amp; Infants bolstered the services of its Center for Primary Care, expanding the number of physicians available to see patients and renewing its focus on meeting patient's basic healthcare needs - 57 physicians from Care New England, including 45 from Women &amp; Infants, were named Best Doctors in Rhode Island for 2013 - Dr Tanya Dailey, director of the Maternal-Fetal Medicine Clinic at Women &amp; Infants, was named chair of the Rhode Island Department of Health's Commission for Health Advocacy and Equity - Dr Amy Gottlieb of the Division of Ambulatory Care, was elected co-chair of the Society of General Internal Medicine (SGIM) Women and Medicine Task Force - Dr Paul DiSilvestro of the Program in Women's Oncology was appointed to the Board of Directors of the prestigious national Gynecologic Oncology Group (GOG) - Dr Ashley Stuckey of the Program in Women's Oncology was accepted into the prestigious 2013-14 Scholars and Leaders Program of the Association of Professors of Obstetrics and Gynecology (APGO) - Five physicians with the Division of Urogynecology and Reconstructive Pelvic Surgery at Women &amp; Infants achieved certification in Female Pelvic Medicine and Reconstructive Pelvic Surgery (FPMRS) by the American Board of Obstetrics and Gynecology Achieving certification were Drs Cassandra Carberry, B Star Hampton, Deborah Myers, Charles Radin, and Vivian Sung Research highlights from 2013 - 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 more than \$13 million in research dollars in fiscal year 2013, 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 - Dr Vinita Goyal published the study, "Unintended pregnancy and contraception among active-duty servicewomen and veterans" in the American Journal of Obstetrics &amp; Gynecology She 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 - Dr Goyal followed up this research with "High-Risk behavior and sexually transmitted infections among US active duty servicewomen and veterans," which was published in the Journal of Women's Health - Researchers with the Center for Biomarkers and Emerging Technologies (CBET) at Women &amp; Infants were credited with developing algorithms marketing worldwide that can analyze blood protein levels in women as predictors that a pelvic mass is or is not ovarian cancer</p>

Identifier	Return Reference	Explanation
COMMUNITY BENEFIT STATEMENT CONTINUED	CORE FORM, PART III, STATEMENT OF PROGRAM SERVICE ACCOMPLISHMENTS	<p>- A team of researchers which included Dr Richard Moore of the CBET, released results from an eight-year study that shows improved survival rates for women diagnosed with ovarian cancer who undergo cancer tumor testing to determine the best treatment - Understanding the importance of early diagnosis of an autism spectrum disorder, researchers at Women &amp; Infants' Brown Center for the Study of Children at Risk, in collaboration with researchers at the University of Pittsburgh, studied the cry acoustics of six-month-old infants to identify the risk for neurological problems such as autism Their research was published in Autism Research - Women who have had a tubal ligation - the surgical tying or severing of fallopian tubes to prohibit pregnancy - have less frequent Pap smears, which puts them at an increased risk for cervical cancer, according to research published by a team that included Dr Cara Mathews, a gynecologic oncologist in Women &amp; Infants' Program in Women's Oncology - Dr Katina Robison, a gynecologic oncologist in Women &amp; Infants' Program in Women's Oncology and one of the hospital's Women's Reproductive Health Research (WRHR) Scholars, launched recruitment for her study, "Anal cytology and HPV genotyping in women with lower genital tract neoplasia " The two-year study is funded by a \$20,000 seed grant from the Brown University Center for Women's Excellence - Dr Kristen Matteson of the Department of Obstetrics and Gynecology earned a \$1.6 million grant from the Eunice Kennedy Shriver National Institutes of Health to study the effectiveness of two treatment options for heavy menstrual bleeding - A team of researchers led by Drs Maureen Phipps and Caron Zlotnick, published "Randomized controlled trial to prevent postpartum depression in adolescent mothers" in the American Journal of Obstetrics and Gynecology The researchers found that they may be able to prevent postpartum depression in adolescent women by targeting factors that may play a significant role in its development 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 Ew 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 \$10 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, 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 FINANCE DEPARTMENT LEADERSHIP 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 INDIVIDUALS OUTLINED ABOVE, FOR THEIR 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 9	OTHER CHANGES IN FUND BALANCE INCLUDE NONOPERATING EXPENDITURES, (\$828,913), PENSION AND POST RETIREMENT ADJUSTMENT, \$4,874,338, NET ASSETS RELEASED FROM RESTRICTIONS AND USED FOR PROPERTY AND EQUIPMENT PURCHASES, \$798,990, TRANSFERS TO RELATED INTERNAL REVENUE CODE SECTION 501(C)(3) TAX-EXEMPT ORGANIZATIONS, (\$597,118), AND NET ASSETS RELEASED FROM RESTRICTION, (\$2,524,994)

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, 2013 AND SEPTEMBER 30, 2012, 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

2012

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" to Form 990, Part IV, line 33.)

(a) Name, address, and EIN (if applicable) 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" to 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 entity?	
						Yes	No
See Additional Data Table							

Part III

Identification of Related Organizations Taxable as a Partnership (Complete if the organization answered "Yes" to 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) Disproporionate 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" to 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	(i) Section 512 (b)(13) controlled entity?	
								Yes	No
(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					No
(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	23,312,641	123,482,794	100 000 %	Yes	
(3) BOULEVARD MEDICAL CONDO ASSOCIATION  111 BREWSTER STREET PAWTUCKET, RI 02860 05-0497862	REAL ESTATE	RI	N/A	C CORP					No
(4) PRIMARY CARE CENTER OF NEW ENGLAND INC  111 BREWSTER STREET PAWTUCKET, RI 02860 05-0423957	HEALTHCARE SVCS	RI	N/A	C CORP					No

Part V

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

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

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 or (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 Dividends from related organization(s)

g Sale of assets to related organization(s)

h Purchase of assets from related organization(s)

i Exchange of assets with related organization(s)

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

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

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

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

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

o Sharing of paid employees with related organization(s)

p Reimbursement paid to related organization(s) for expenses

q Reimbursement paid by related organization(s) for expenses

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

s 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

1s

No

No

Yes

Yes

Yes

No

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-s)	(c) Amount involved	(d) Method of determining amount involved
(1) WIH FACULTY PHYSICIANS INC	E, O	2,377,013	COST

Schedule R (Form 990) 2012

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]

Software ID:

Software Version:

EIN: 05-0258937

Name: WOMEN & INFANTS HOSPITAL OF RI

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 THE MEMORIAL HOSPITAL, 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

-->



# TY 2012 Earnings and Profits Other Adjustments Statement

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

**EIN:** 05-0258937

Description	Amount
LOSS & IOSS ADJUSTMENT EXPENSE INCURRED	10,639,194
UNREALIZED LOSSESS ON INVESTMENT	2,000,732

**TY 2012 Earnings and Profits Other  
Adjustments Statement**

**Name:** WOMEN & INFANTS HOSPITAL OF RI  
**EIN:** 05-0258937

Description	Amount
PREMIUMS EARNED	16,675,029

**TY 2012 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	5,051,577	4,755,517

**TY 2012 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	14,325,687	15,141,250
		ACRRUED INTEREST RECEIVABLE	8,709	11,751
		PREPAID EXPENSES	3,524	24,703

**TY 2012 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		1,937,282
LOSSES PAID & LOSS EXPENSES		3,221,420
CHANGE IN RESERVES - LOSS & ADJ EXP		7,417,774
UNREALIZED LOSSES ON INVESTMENTS		2,000,732

TY 2012 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	96,197,064	95,154,233

**TY 2012 Itemized Other Liabilities Schedule**

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

**EIN:** 05-0258937

Corporation Name	Corporation EIN	Other Liabilities Description	Beginning Amount	Ending Amount
		OUTSTANDING LOSS RESERVES & IBNR	65,333,814	72,751,588

**TY 2012 Other Income Statement**

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

**EIN:** 05-0258937

Description	Foreign Amount	Amount
REALIZED GAIN ON INVESTMENTS		8,411,347





# ***Community Health Needs Assessment Implementation Plan 2013-2016***

**CARE NEW ENGLAND**

---

BUTLER HOSPITAL • KENT HOSPITAL • MEMORIAL HOSPITAL  
WOMEN & INFANTS HOSPITAL • VNA of CARE NEW ENGLAND • CNE WELLNESS CENTER

## BACKGROUND

### **Care New England Health System (Care New England)**

Care New England, a non-profit corporation, based in Providence, Rhode Island, is an integrated health delivery system serving the people and communities of southeastern New England. Care New England provides a wide range of complementary and coordinated programs and services, with multiple access points throughout the care continuum. Its strength is in the distinctive competencies of each of its member organizations Butler Hospital (Butler Hospital), Kent County Memorial Hospital (Kent Hospital), Memorial Hospital of Rhode Island (Memorial Hospital), Women & Infants Hospital of Rhode Island (Women & Infants) and Kent County Visiting Nurse Association (VNA of Care New England), its affiliated partners and in the relationships it has with the community.

Care New England takes pride in its more than 500 years of combined service to Rhode Island and southeastern Massachusetts, with three of its institutions each offering more than a century of service to this community.

### **Butler Hospital**

Butler Hospital opened in 1844, making it the first hospital in Rhode Island. Now a psychiatric teaching hospital affiliated with The Warren Alpert Medical School of Brown University, Butler Hospital is the premier psychiatric treatment, teaching, and research hospital serving Rhode Island and southeastern New England. Butler Hospital's mission is to provide treatment of psychiatric illnesses in an atmosphere of dignity and respect.

In addition to its licensed 117 inpatient beds, Butler Hospital utilizes an additional 20 beds via a Rhode Island Department of Health waiver pending implementation of CON that will license an additional 26 beds at the new state-of-the-art patient care facility currently under construction at Butler Hospital. Annually Butler evaluates and treats approximately 15,000 patients of which approximately 7,322 are inpatients.

**Kent Hospital**

Kent County Memorial Hospital is a 359-bed acute-care hospital, the largest community hospital in Rhode Island, and is a teaching affiliate of the University of New England College of Osteopathic Medicine. Kent Hospital's recently redesigned Emergency Department (ED) serves close to 60,000 patients a year and ranks among the top 10% of ED volume nationally. Kent Hospital is also the first and only hospital in Rhode Island to eliminate the practice of ambulance diversion.

Kent Hospital also offers: a Breast Health Center, a unique collaboration with Women & Infants that was designated a Breast Imaging Center of Excellence by the American College of Radiology; and a Wound Recovery and Hyperbaric Medicine Center, Rhode Island's largest hyperbaric medicine facility and the only one in the region offering 24-hour emergency hyperbaric oxygen therapy.

**Memorial Hospital**

Memorial Hospital is a community based, acute care teaching and research hospital that provides an array of medical, surgical, laboratory, rehabilitative, primary, emergency, and ambulatory care services and serves the Blackstone Valley of Rhode Island and southeastern Massachusetts. The hospital is a teaching affiliate of The Warren Alpert Medical School of Brown University and the chief site for the medical school's primary care academic program, housed in MHRI's Center for Primary Care. MHRI is licensed for 294 beds.

**Women & Infants Hospital**

Women & Infants Hospital of Rhode Island has 167 adult beds and an 80-bed single-family room NICU and specializes in the health needs of women and newborns, including premier service lines in oncology, urogynecology, high-risk pregnancy, gastroenterology, behavioral health and infertility. As a major teaching and research facility affiliated with The Warren Alpert Medical School of Brown University, Women & Infants conducts cutting-edge research on a wide variety of health care concerns, including pre-term delivery, gynecologic cancers, infertility, the development of low birth weight infants, postpartum depression, and uterine prolapse. It is one of the largest and most prestigious

research facilities in high risk and normal obstetrics, gynecology and newborn pediatrics in the nation, and is a member of the National Cancer Institute's Gynecologic Oncology Group.

## ADDRESSING COMMUNITY NEED

Care New England prides itself in its on-going efforts to assess community need and has always strived to respond with programs and interventions geared toward addressing these needs. Through targeted efforts, Care New England has worked to improve public health and the quality of life for the state and region. From staff involvement in community organizations to the role we play as educators for those aspiring to careers in health, from the sponsorship of community events to the everyday commitment of our health educators who lead a rich array of classes and programs at our institutions, we embrace our roles as advocates, teachers and good neighbors.

In support of Care New England's community benefit activities and to guide community health improvement efforts across the system, Care New England participated in a statewide comprehensive Community Health Needs Assessment (CHNA), led by the Hospital Association of Rhode Island (HARI), and its member hospitals. The CHNA was conducted from September 2012 to June 2013. The assessment was conducted in a timeline to comply with requirements set forth in the Affordable Care Act (ACA), as well as to further the hospital's commitment to community health and population health management.

### Research Components

Care New England and its CHNA partners, contracted with Holleran Consulting, an independent research and consulting firm located in Lancaster, Pennsylvania, to conduct research in support of the CHNA. Holleran has 21 years of experience in conducting public health research and community health needs assessments. The CHNA was comprised of both quantitative and qualitative research components as outlined below:

- Analysis of Rhode Island Department of Health Behavioral Risk Factor Surveillance System(BRFSS) Data
- Secondary Data Collection
- Key Informant Survey
- Focus Groups
- Prioritization of Community Health Needs

The primary goals of the CHNA were to:

- Provide baseline measure of key health indicators
  - Establish benchmarks and monitor health trends
  - Guide community benefit and community health improvement activities
  - Provide a platform for collaboration among community groups
- Serve as a resource for individuals and agencies to identify community health needs
- Assist with community benefit requirements as outlined in Section 5007 of the ACA

### Service Area

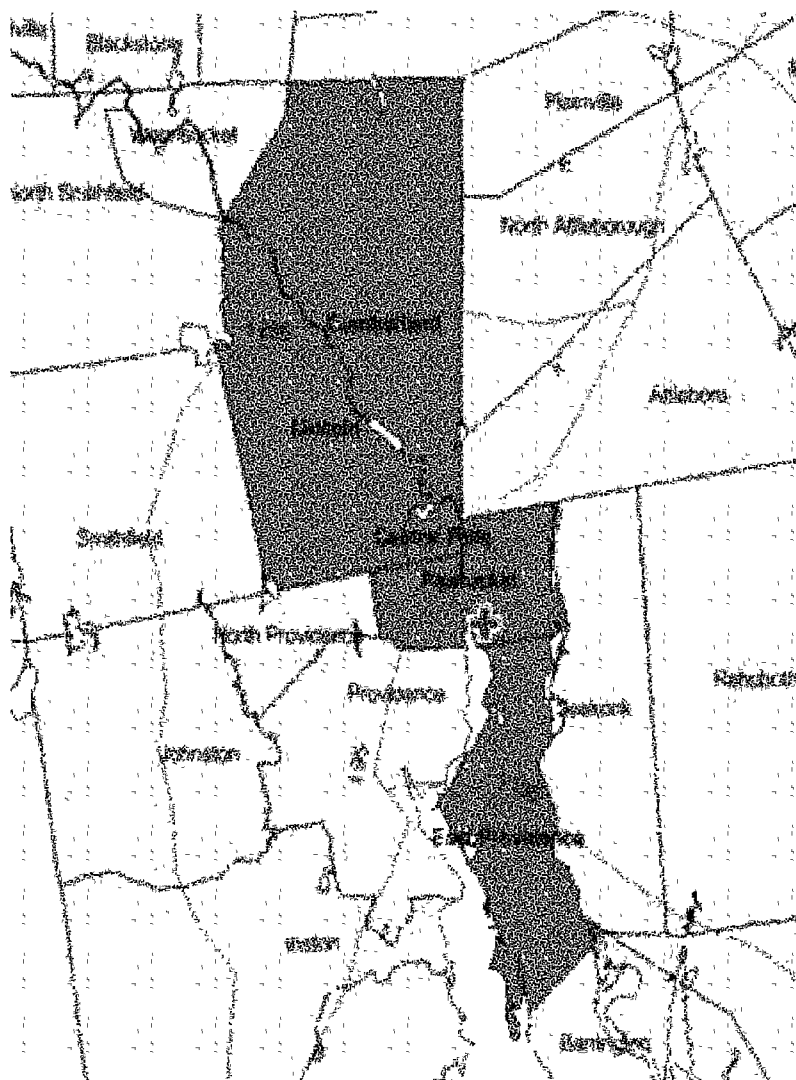
Care New England defined its service area based on analysis of the geographic area where individuals using their health services reside.

The Care New England community area includes all of Rhode Island and select regions of Massachusetts and Connecticut. For purposes of the Community Health Needs Assessment project, we have targeted only Rhode Island. More specifically, for Butler and Kent Hospitals we have identified the areas that represent 80% of inpatient discharges. Memorial Hospital defines its service area as the Rhode Island cities and towns of Pawtucket, Central Falls, East Providence, Cumberland, and Lincoln and all of Rhode Island for WIH. We have chosen this region within our greater community area in order to collaborate with HARI hospitals for focused impact.

[illegible]

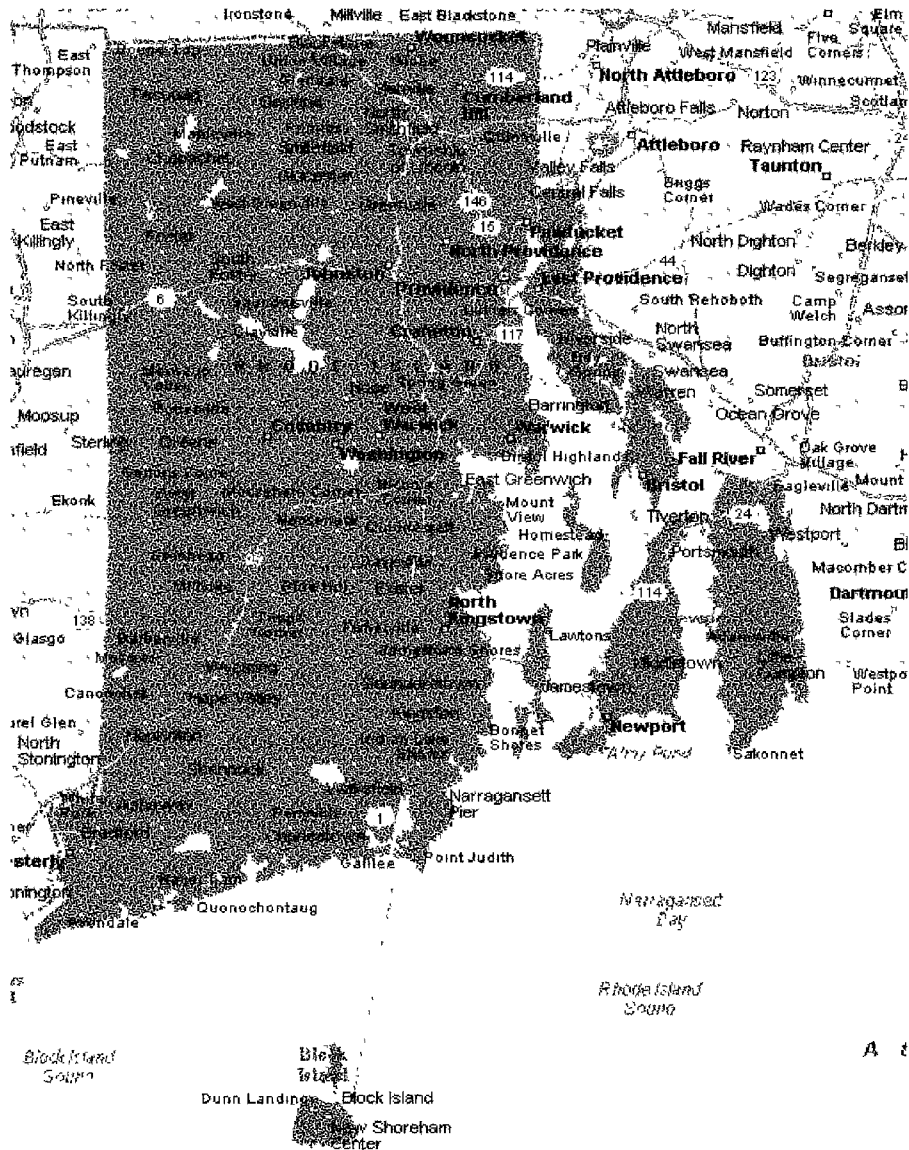
A detailed map of Rhode Island and its surrounding areas. The map shows the state of Rhode Island in the center, with Massachusetts to the north and Connecticut to the east. Major cities and towns are labeled, including Providence, Pawtucket, Woonsocket, Cranston, and Pawtucket. The map also shows the state boundaries and the location of the Rhode Island Sound. The map is oriented with North at the top.

## Memorial Hospital Service Area:





## Women & Infants Hospital Service Area:



## SELECTION OF THE COMMUNITY HEALTH PRIORITIES

On April 30, 2013, approximately 20 individuals representing the Hospital Association of Rhode Island (HARI), its member hospitals, and the Rhode Island Department of Health gathered to review the results of the 2013 Community Health Needs Assessment (CHNA). A list of attendees can be found in Appendix A. The goal of the meeting was to discuss and prioritize key findings from the CHNA and to set the stage for statewide community health improvement initiatives and the development of the hospitals' Implementation Strategies. The meeting began with an abbreviated research overview presented by Holleran Consulting. The presentation covered the purpose of the study, research methodologies, and the key findings. Following the research overview, participants were provided with information regarding the prioritization process, criteria to consider when evaluating key areas of focus, and other aspects of health improvement planning, such as goal setting and developing strategies and measures. Holleran then facilitated an open group discussion for attendees to share what they perceived to be the needs and areas of opportunity in the region. The group generated the following list of needs based on research findings and their expertise. (Presented in alphabetical order)

- Access to Care including reduction of re-hospitalization, integrated mental health and primary care
- Asthma (adult and child)
- Cancer (specifically breast, lung)
- Community engagement for health improvement
- "Connectors" for health navigation
- Diabetes
- Heart Disease
- Mental Health
- Overweight/Obesity
- Patient Centered Medical Home for all residents
- Maternal and Child Health
- Senior Health

- Substance and Alcohol Abuse
- Tobacco use

Holleran facilitated discussion to identify overlapping strategies, cross-cutting issues, and the ability for regional health and human services providers to effectively address the various needs. After further dialogue and consolidation, the following “Master List of Needs” was developed by the attendees to be evaluated as potential priority areas for community health improvement activities.

Master list of community priorities (in alphabetical order):

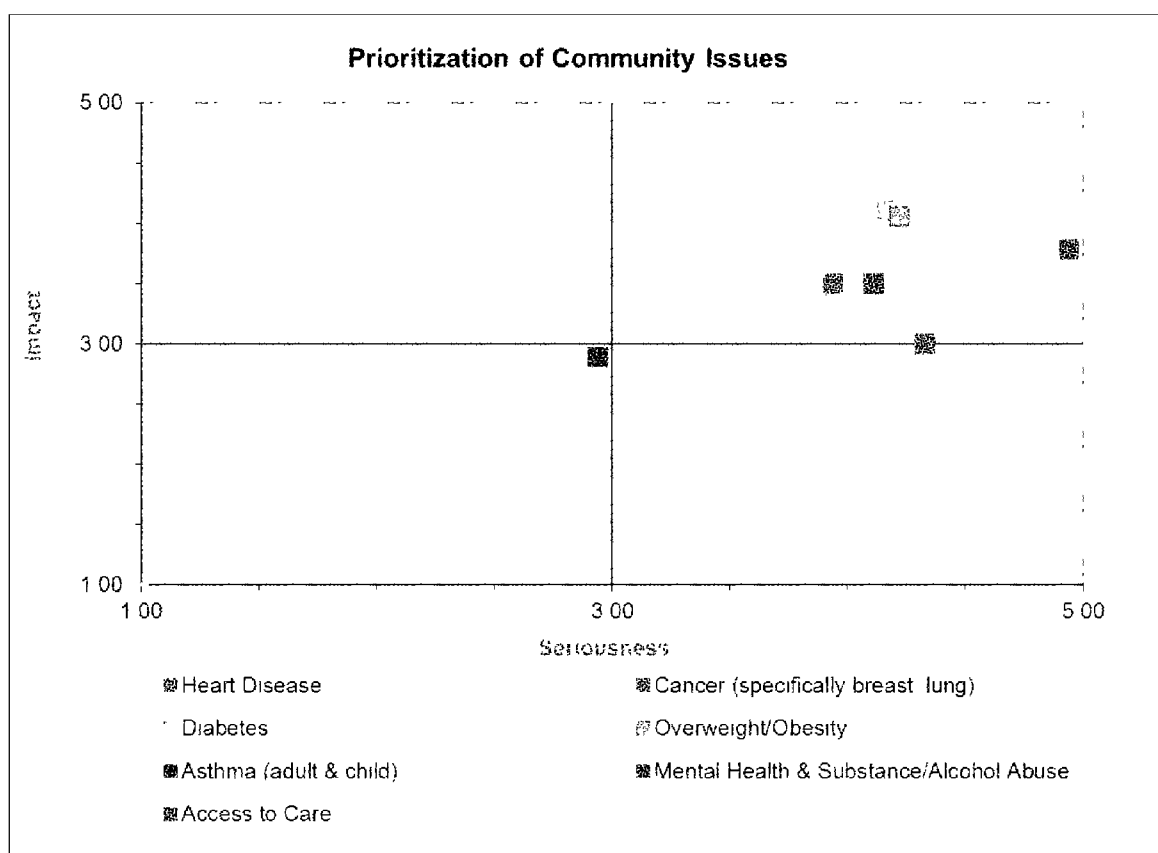
- Access to Care
- Asthma
- Cancer
- Diabetes
- Heart Disease
- Mental Health and Substance Abuse
- Overweight and Obesity

### Prioritization of Community Issues

Once the master list was compiled, participants were asked to rate each need based on two criteria. The two criteria included seriousness of the issue and the ability to impact the issue. Respondents were asked to rate each issue on a 1 (not at all serious; no ability to impact) through 5 (very serious; great ability to impact) scale. The ratings were gathered instantly and anonymously through a wireless audience response system. Each attendee received a keypad to register their vote. The following table reveals the results of the voting exercise from highest rated need to lowest based on the average score of the two criterions.

	Seriousness Rating (average)	Impact Rating (average)	Average Total Score
Mental Health and Substance Abuse	4.94	3.78	4.36
Diabetes	4.17	4.11	4.14
Overweight/obesity	4.22	4.06	4.14
Access to Care	4.11	3.50	3.81
Heart Disease	3.94	3.50	3.72
Cancer (specifically breast)	4.33	3.00	3.67
Asthma (adult and child)	2.94	2.89	2.92

The priority area that was perceived as the most serious was Mental Health (4.94 average rating), followed by Cancer (4.33 average rating), and Overweight and Obesity (4.41 average rating). The ability to impact Diabetes was rated the highest at 4.11, followed by Overweight and Obesity with an impact rating of 4.06, and Mental Health, with a score of 3.78. The matrix below outlines the intersection of the seriousness and impact ratings. Those items in the upper right quadrant are rated the most serious and with the greatest ability to impact.



The results of the prioritization session were shared with the HARI Board of Trustees to garner feedback. The HARI Board of Trustees, made up of the CEOs of each Hospital in Rhode Island, recommended that the following priorities be adopted as statewide issues:

- Mental Health and Substance Abuse
- Diabetes
- Heart Disease

The board suggested that strategies across all three priority areas include addressing the following:

- Overweight and obesity
- Access to Care
- Health Disparities

### Statewide Goal Setting

A follow-up meeting with representatives of the CHNA steering committee, including members from Care New England, was held on May 29, 2013 to identify statewide goals and align community health planning efforts with public health efforts.

Working in small groups around each priority area, the participants reviewed the Rhode Island Department of Health's community health improvement plans for Diabetes, Heart Disease, and Physical Activity and Nutrition, as well as the Behavioral Healthcare, Developmental Disabilities and Hospitals (BHDDH) plan. The groups' charge was to determine opportunities for the hospitals to impact community health improvement goals already in place across the state. The following goal statements were developed by the participants:

#### **Mental Health and Substance Abuse**

Goal 1: Decrease morbidity from diabetes and heart disease among persons with mental illness, including substance abuse disorders.

Goal 2: Improve mental health by increasing access to appropriate, quality mental health services including substance abuse services.

#### **Heart Disease**

Goal 1: Increase the number of women who are aware of their risk for heart disease.

Goal 2: Reduce heart disease through early identification, and early and appropriate treatment/management.

#### **Diabetes**

Goal 1: Increase the number of people who are aware of the risk factors for diabetes.

Goal 2: Increase diabetes self-management education for people living with diabetes.

Care New England agreed to align with these state goals for their Implementation Plan as outlined on the following pages.

## STRATEGIES TO ADDRESS COMMUNITY HEALTH NEEDS

In support of the 2013 Community Health Needs Assessment, and ongoing community benefit initiatives, Care New England plans to implement the following strategies to impact and measure community health improvement.

## MENTAL HEALTH AND SUBSTANCE ABUSE

**COAL 1: Decrease morbidity from diabetes and heart disease among persons with mental illness, including substance abuse disorders.**

### OBJECTIVES:

Increase the number of patients with mental illness, including substance abuse disorders, being discharged from Care New England facilities that have a primary care physician.

Integrate the medical management of patients with co-morbid mental illness and diabetes and/or heart disease in CNE – related primary care settings. (Affinity, Alliance, RIPCCP, Memorial, Thundermist etc.)

### PERFORMANCE MEASURE:

- Increase the number of patients discharged from a CNE mental health facility connected to a primary care physician.

### CARE NEW ENGLAND INITIATIVES:

- Identify patients with mental illness, including substance abuse disorders, discharging from Care New England facilities without a primary care physician and provide referral to a primary care practice.
- Include Mental Health screening in CHF bundle.
- Safe Transitions –Provide medication continuity in the Emergency Departments for psychiatric patients with diabetes and heart disease awaiting an in-patient psychiatric bed.

## MENTAL HEALTH AND SUBSTANCE ABUSE

**Goal 2: Improve mental health by increasing access to appropriate, quality mental health services including substance abuse services.**

### **OBJECTIVES:**

Expand capacity to respond to patients awaiting psychiatric services in hospital emergency departments.

- Improve the transition for patients from emergency departments to inpatient care.
- Develop partnership with community provider to enhance continuum and improve access to community-based services
- Educate families prenatally about risk factors for postpartum depression and the services available.

### **PERFORMANCE MEASURES:**

- Number of evaluations performed in Patient Assessment Services
- Number of Psychiatric patients “boarding” in Care New England hospital emergency departments
- Number of families educated about risk factors for postpartum depression and the services available

### **CARE NEW ENGLAND INITIATIVES:**

- Affinity Integrated Primary Care Practice, a patient-centered medical home model with integrated mental and physical health
  - Mental Health screening in bundled screening
  - Online screenings for mental illness
- Providence Center/Care New England affiliation agreement with psychiatric services provided by The Providence Center in Care New England facilities, including 24/7 presence in CNE acute care ED's.



## HEART DISEASE

**GOAL 1: Increase the number of women who are aware of their risk for heart disease.**

### **OBJECTIVES:**

- Ensure that adult women who access care through CNE emergency departments and are at-risk are screened for important cardiac health indicators and referred for care to a primary care physician
- Educate women about the benefits of healthy behavior, including exercise, diet and not smoking
- Reduce obesity and the risk of cardiac disease in mothers by increasing the number of women who exclusively breastfeed their infants

### **PERFORMANCE MEASURES:**

- Number of women at-risk of cardiac disease that are assessed for the risk of heart disease
- Number of individuals that participate in programs
- Percent of women who exclusively breastfeed upon leaving the hospital

### **CARE NEW ENGLAND INITIATIVES:**

- Develop a Women's Health Checklist that would be used to screen any CNE female patient. Initially, focusing on female patients who use CNE emergency department services.
- Conduct a community session focused on women featuring screening for cardiac issues and diabetes, education about the health benefits of nutrition and exercise and participatory activities
- Increase breastfeeding across the CNE system and develop a plan to obtain Baby Friendly designation for all birthing services

## HEART DISEASE

**GOAL 2: Reduce heart disease through early identification, and early and appropriate treatment/management.**

### **OBJECTIVES:**

- Reduce the number of hospitalizations associated with heart disease
- Implement heart failure medical home model

### **PERFORMANCE MEASURES:**

Reduction in hospital readmissions for cardiac related diagnoses  
Quality metrics such as CMS core measures and HCAHPS

### **CARE NEW ENGLAND INITIATIVES:**

- Congestive heart failure education to manage symptoms  
Partnerships with primary care physicians and area skilled nursing facilities  
Women's Wellness Day – Spirit of Women Day of Dance to be held in February 2014. This event will be open and marketed to the entire community. The purpose of the event is to motivate, educate and inform about the risks of heart disease while providing a fun, yet informative event where women will take part in brief education sessions, health and wellness tips, etc. Screenings such as blood pressure, stroke and cholesterol will also be offered.
- Health Fairs – CNE participates in a number of health fairs throughout the year and will engage the community by providing key information on heart disease along with basic screenings related to heart disease
- Rhode Island Free Clinic – CNE is beginning to work with the RI Free Clinic to identify clinical services that we can support with physicians and allied health professionals.

## DIABETES

### **GOAL 1: Increase the number of people who are aware of the risk factors for diabetes.**

#### **OBJECTIVES:**

- Increase the proportion of persons with diabetes whose condition has been diagnosed
- Increase diabetes education for residents

#### **PERFORMANCE MEASURES:**

- Number of employees receiving diabetes screening
- Number of patients screened for diabetes
- Number of participants in programs

### **GOAL 2: Increase diabetes self-management education for people living with diabetes.**

#### **OBJECTIVE:**

- Lower readmissions rates for people being discharged from a hospital with diabetes-related complications

#### **PERFORMANCE MEASURE:**

Number of readmissions for diabetes-related diagnosis

#### **CARE NEW ENGLAND INITIATIVES:**

- Create standardized screening/testing across CNE facilities
- Shared screening tests (with patients and primary care providers)
- Education efforts with women at-risk for or diagnosed with gestational diabetes
- CIS initiative to measure patient outcomes

- Diabetes Day – Wound Center –Based on a successful Diabetes Day held previously, CNE would gather its resources to host a similar event at the Wound Recovery Center and Hyperbaric Medicine Center at Kent Hospital. The event will be open and marketed to the Rhode Island community. Diabetes related screenings to include assessment of the feet by a Podiatrist, vascular screenings, blood glucose screenings, and other screening as diabetes can affect multiple organ systems. Informative talks covering a wide range of diabetes related topics will be offered. Additionally, there will be a resource fair of vendors, community services and programs serving the diabetic population. Education by trained Dieticians and Diabetic Educators will be offered to this population on an individual basis.
  - Screenings – reviewed by RN and referred to doctors
  - Support Groups – Diabetes support groups would be created to help meet the needs of those living with diabetes or caring for those with diabetes. Regular meetings would focus on health, wellness, medication, nutrition, exercise and overall diabetes management.
- Health Fairs – Diabetes awareness would continue to be an important part of any health fairs CNE is a part of. This could include information and education, screenings.

## COMMUNITY HEALTH NEEDS NOT ADDRESSED

By adopting the statewide priorities, Mental Health and Substance Abuse, Heart Disease, and Diabetes, Care New England will take a comprehensive approach to addressing the most urgent needs in the communities it serves. Care New England will continue to monitor community needs and adjust programming and services accordingly.

## APPROVAL FROM GOVERNING BODY

The Care New England Board of Directors met on September 26, 2013 to review the findings of the CHNA and the recommended Implementation Plan. The board voted to adopt the Final Summary Report and the Implementation Plan and provide the necessary resources and support to carry out the initiatives therein.

**Care New England**

<b>Initiative</b>	<b>Butler</b>	<b>Kent</b>	<b>Memorial</b>	<b>Women &amp; Infants</b>
<b>Mental Health and Substance Abuse</b>				
Identify patients with mental illness, including substance abuse disorders, discharging from Care New England facilities without a primary care physician and provide referral to a primary care practice	x	x		
Include mental health screening in CHF bundle		x		
Affinity Integrated Primary Care Practice, a patient-centered medical home model with integrated mental and physical health	x	x		
Mental health screening in bundled screening		x		
Online screenings for mental illness	x			
Providence Center/Care New England affiliation agreement with psychiatric services provided by The Providence Center in Care New England facilities, including 24/7 presence in CNE acute care ED's	x			
<b>Heart Disease</b>				
Develop a Women's Health Checklist that would be used to screen any CNE female patient Initially, focusing on female patients who use CNE emergency department services		x	x	x
Conduct a community session focused on women featuring screening for cardiac issues and diabetes, education about the health benefits of nutrition and exercise and participatory activities				x
Increase breastfeeding across the CNE system and develop a plan to obtain Baby Friendly designation for all birthing services		x	x	x
Congestive heart failure education to manage symptoms		x	x	
Partnerships with primary care physicians and area skilled nursing facilities		x	x	x
Women's Wellness Day- Spirit of Women Day of Dance to be held in February 2014		x		
Health fairs- CNE participates in a number of health fairs throughout the year and will engage the community by providing key information on heart disease along with basic screenings related to heart disease	x	x	x	x
Rhode Island Free Clinic- CNE is beginning to work with the RI Free Clinic to identify clinical services that we can support with physicians and allied health professionals	x	x	x	x
<b>Diabetes</b>				
Create standardized screening/testing across CNE facilities	x	x	x	x
Education efforts with women at-risk for or diagnosed with gestational diabetes				x
Diabetes Day- Wound Center- Diabetes related screenings to include assessment of feet by podiatrist, vascular screenings, blood glucose screenings, and other screening as diabetes can affect multiple organ systems Informative talks covering a wide range of diabetes related topics will be offered Additionally, there will be a resource fair of vendors, community services and programs serving the diabetic population Education by trained dieticians and diabetic educators will be offered to this population on an individual basis		x		
Screenings- reviewed by RN and referred to doctors	x	x	x	x
Diabetes support groups	x	x	x	x
Health fairs- diabetes awareness This could include information, education and screenings		x		

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

**Consolidated Financial Statements with  
Supplementary Consolidating Information  
September 30, 2013 and 2012**

# Care New England Health System and Affiliates

## Index

September 30, 2013 and 2012

---

	Page(s)
<b>Independent Auditor's Report</b>	1–2
<b>Consolidated Financial Statements</b>	
Balance Sheets	3
Statements of Operations	4
Statements of Changes in Net Assets	5
Statements of Cash Flows	6
Notes to Financial Statements	7–46
<b>Supplementary Consolidating Financial Statements</b>	
2013 Balance Sheet	47–48
2013 Statement of Operations and Changes in Net Assets	49–50
2012 Balance Sheet	51–52
2012 Statement of Operations and Changes in Net Assets	53–54





## **Independent Auditor's Report**

To the Board of Directors  
Care New England Health System

We have audited the accompanying consolidated financial statements of Care New England Health System and Affiliates ("Care New England"), which comprise the consolidated balance sheets as of September 30, 2013 and 2012, and the related consolidated statements of operations, changes in net assets and cash flows for the years then ended

### **Management's Responsibility for the Consolidated Financial Statements**

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America, this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error

### **Auditor's Responsibility**

Our responsibility is to express an opinion on the consolidated financial statements based on our audits. We conducted our audits 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



## Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Care New England at September 30, 2013 and 2012, and the results of their operations, changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America

## Other

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 and results of operations 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 and results of operations of the individual affiliates.

*PricewaterhouseCoopers LLP*

Boston, Massachusetts  
January 10, 2014

# Care New England Health System and Affiliates

## Consolidated Balance Sheets

### September 30, 2013 and 2012

	2013	2012
<b>Assets</b>		
<b>Current</b>		
Cash and cash equivalents	\$ 55,899,611	\$ 62,834,427
Investments	29,724,606	25,919,112
Patient accounts receivable, net of allowance for doubtful accounts of \$56,532,703 in 2013 and \$35,233,907 in 2012	136,431,290	96,684,946
Other receivables	17,776,982	21,659,231
Pledges receivable, net	1,671,584	1,877,826
Other current assets	16,417,181	11,432,320
Current portion of assets whose use is limited	3,710,858	2,519,851
<b>Total current assets</b>	<b>261,632,112</b>	<b>222,927,713</b>
<b>Assets whose use is limited or restricted as to use</b>		
Endowment funds	54,370,471	39,510,908
Board-designated funds	107,513,391	91,001,215
Trustee-held funds	160,951,184	170,207,820
Deferred compensation funds	4,610,702	4,208,411
<b>Total assets limited as to use</b>	<b>327,445,748</b>	<b>304,928,354</b>
<b>Less Amounts required to meet current obligations</b>	<b>(3,710,858)</b>	<b>(2,519,851)</b>
<b>Noncurrent assets limited as to use</b>	<b>323,734,890</b>	<b>302,408,503</b>
Goodwill	24,345,364	-
Intangibles	5,400,000	-
Property, plant and equipment, net	307,417,682	249,787,289
Pledges receivable, net	2,332,561	2,654,887
Investments	-	4,175,157
Insurance receivable	1,826,201	-
Other assets	1,911,847	1,855,152
<b>Total assets</b>	<b>\$ 928,600,657</b>	<b>\$ 783,808,701</b>
<b>Liabilities and Net Assets</b>		
<b>Current liabilities</b>		
Accounts payable and accrued expenses	\$ 131,366,474	\$ 91,880,970
Current portion of estimated third-party payor settlements and advances	12,662,797	10,809,417
Current portion of long-term debt and capital leases	7,586,511	6,393,013
Self-insurance reserves	7,251,066	7,032,484
Pension liability	12,907,505	12,138,551
Interest rate swaps	8,361,253	-
Other current liabilities	10,363,973	9,682,603
<b>Total current liabilities</b>	<b>190,499,579</b>	<b>137,937,038</b>
<b>Long-term liabilities</b>		
Self-insurance reserves	133,173,731	118,898,769
Long-term portion of estimated third-party payor settlements and advances	32,570,317	24,620,668
Long-term debt and capital leases	110,327,300	108,377,894
Pension liability	66,603,584	57,191,703
Postretirement liability	1,545,568	1,788,923
Interest rate swaps	-	13,629,389
Other liabilities	7,251,130	8,791,458
<b>Total long-term liabilities</b>	<b>351,471,630</b>	<b>333,298,804</b>
<b>Net assets</b>		
Unrestricted	315,391,278	259,188,721
Temporarily restricted	41,124,957	34,041,338
Permanently restricted	30,113,213	19,342,800
<b>Total net assets</b>	<b>386,629,448</b>	<b>312,572,859</b>
<b>Total liabilities and net assets</b>	<b>\$ 928,600,657</b>	<b>\$ 783,808,701</b>

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, 2013 and 2012**

	2013	2012
<b>Revenues and gains</b>		
Patient service revenue (net of contractual allowances and discounts)	\$ 859,384,644	\$ 804,558,084
Provision for bad debts	(53,669,209)	(42,706,347)
Net patient service revenue less provision for bad debts	805,715,435	761,851,737
Net assets released from restrictions and used for operations	2,804,476	2,579,956
Research revenue	24,268,236	26,695,762
Contribution revenue from acquisition	7,898,229	-
Other revenue	52,471,550	55,025,887
Total revenues and gains	893,157,926	846,153,342
<b>Operating expenses</b>		
Salaries and benefits	569,461,047	547,663,591
Supplies and other expenses	190,588,600	167,823,856
Research expenses	23,851,525	26,516,062
Depreciation and amortization	28,296,075	27,463,883
Insurance	26,890,188	30,434,400
Licensure fee	32,840,235	31,835,264
Interest	3,626,488	3,604,940
Total operating expenses	875,554,158	835,341,996
Income from operations	17,603,768	10,811,346
<b>Nonoperating gains (losses)</b>		
Investment income/gains on assets limited as to use	4,311,799	3,973,173
Unrestricted gifts and bequests	368,043	544,936
Change in fair value of interest rate swaps	5,268,136	(2,272,855)
Change in net unrealized (losses) gains on investments	(904,264)	13,239,205
Nonoperating expenditures	(2,074,816)	(2,106,586)
Net nonoperating gains	6,968,898	13,377,873
Excess of revenues and gains over expenses and losses	24,572,666	24,189,219
<b>Other changes in unrestricted net assets</b>		
Pension and postretirement adjustment	29,394,505	(11,125,426)
Net assets released from restrictions used for purchase of property, plant and equipment	2,235,386	2,033,732
Transfer from deferred revenue	-	19,619
Increase in unrestricted net assets	\$ 56,202,557	\$ 15,117,144

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, 2013 and 2012**

	2013	2012
<b>Unrestricted net assets</b>		
Excess of revenues and gains over expenses and losses	\$ 24,572,666	\$ 24,189,219
Other changes in unrestricted net assets		
Pension and postretirement adjustment	29,394,505	(11,125,426)
Net assets released from restrictions used for purchase of property, plant and equipment	2,235,386	2,033,732
Transfer to deferred revenue	-	19,619
Increase in unrestricted net assets	<u>56,202,557</u>	<u>15,117,144</u>
<b>Temporarily restricted net assets</b>		
Contributions	7,054,451	8,110,785
Contribution of temporarily restricted net assets from acquisition	1,883,401	-
Income from investments	1,156,641	1,026,932
Net realized and unrealized gains from investments	2,028,988	3,147,713
Net assets released from restrictions	<u>(5,039,862)</u>	<u>(4,613,688)</u>
Increase in temporarily restricted net assets	<u>7,083,619</u>	<u>7,671,742</u>
<b>Permanently restricted net assets</b>		
Net realized and unrealized gains from investments	435,609	1,142,497
Contribution of permanently restricted net assets from acquisition	10,275,712	-
Contributions	<u>59,092</u>	<u>63,975</u>
Increase in permanently restricted net assets	<u>10,770,413</u>	<u>1,206,472</u>
Increase in net assets	<u>74,056,589</u>	<u>23,995,358</u>
<b>Net assets</b>		
Beginning of year	<u>312,572,859</u>	<u>288,577,501</u>
End of year	<u>\$ 386,629,448</u>	<u>\$ 312,572,859</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, 2013 and 2012**

	2013	2012
<b>Operating activities</b>		
Change in net assets	\$ 74,056,589	\$ 23,995,358
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Contribution revenue from acquisition, net of cash	(17,598,085)	-
Pension and postretirement adjustment	(29,394,505)	11,125,426
Depreciation and amortization	28,296,075	27,463,883
Gain on early extinguishment of debt	-	(202,223)
Provision for bad debt	53,669,209	42,706,347
Change in fair value of interest rate swaps	(5,268,136)	2,272,855
Income and gains on assets limited as to use	(4,311,798)	(3,973,173)
Net unrealized losses (gains) on investments	904,264	(13,239,205)
Restricted contributions and investment income	(839,557)	(898,987)
Changes in		
Patient accounts receivable	(70,789,139)	(43,567,047)
Investments	(15,543,604)	13,197,771
Other current and long-term assets	4,601,677	(4,200,280)
Accounts payable and accrued expenses	14,906,400	(2,014,247)
Estimated third-party payor settlements	(1,610,393)	1,264,441
Deferred revenue and other liabilities	(858,958)	2,698,042
Net pension liability	(2,551,795)	(7,885,055)
Self-insurance reserves	11,570,768	8,014,717
Net cash provided by operating activities	<u>39,239,012</u>	<u>56,758,623</u>
<b>Investing activities</b>		
Purchase of property and equipment	(53,735,159)	(26,455,629)
Purchase of investments	(119,126,148)	(114,702,347)
Proceeds from the sale of investments	<u>132,225,597</u>	<u>101,013,682</u>
Net cash used in investing activities	<u>(40,635,710)</u>	<u>(40,144,294)</u>
<b>Financing activities</b>		
Proceeds from long-term debt and capital leases	-	10,000,000
Payments on long-term debt and capital leases	(6,377,675)	(6,907,078)
Restricted contributions to be used for long-term investments and investment income	<u>839,557</u>	<u>898,987</u>
Net cash (used in) provided by financing activities	<u>(5,538,118)</u>	<u>3,991,909</u>
Net (decrease) increase in cash and cash equivalents	<u>(6,934,816)</u>	<u>20,606,238</u>
<b>Cash and cash equivalents</b>		
Beginning of year	<u>62,834,427</u>	<u>42,228,189</u>
End of year	<u>\$ 55,899,611</u>	<u>\$ 62,834,427</u>
<b>Supplemental disclosures of cash flow information</b>		
Cash paid for interest	\$ 4,013,472	\$ 4,047,720

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, 2013 and 2012

---

### 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. Prior to September 3, 2013, it consisted 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”).

As of September 3, 2013, Southeastern Healthcare System, Inc. (“SHS”), a not-for-profit corporation located in Rhode Island and southeastern MA, became a subsidiary of the Health System. CNE became the parent organization and sole member as a result of this acquisition. CNE and SHS agreed that the acquisition will greatly improve their ability to provide comprehensive healthcare services.

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
- SHS and its affiliates, Memorial Hospital of Rhode Island (“Memorial”), Primary Care Centers of New England, Inc. (“PCCNE”), and Blackstone Health, Inc. (“BHI”). Memorial is the sole corporate member of SHS Ventures, Inc. (“Ventures”).

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 four Hospitals, the Agency, and other affiliated organizations.

# Care New England Health System and Affiliates

## Notes to Consolidated Financial Statements

September 30, 2013 and 2012

---

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").

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.



# Care New England Health System and Affiliates

## Notes to Consolidated Financial Statements

### September 30, 2013 and 2012

---

Memorial is a 294-bed, acute care, not-for-profit community teaching and research hospital located in Pawtucket, RI, and is affiliated with Brown University School of Medicine. PCCNE provides staffing to Ventures and Memorial. Ventures consists of Massachusetts-based physician practices. BHI receives and administers certain grant funds, and provides services to elderly and disabled residents in the local area.

The change in control of SHS was accounted for under the acquisition method. As such, CNE recorded \$24,345,364 of goodwill which is included in the 2013 consolidated balance sheet. This amount represents the excess of the fair value of liabilities and net assets assumed over the fair value of assets acquired. The consolidated statement of operations for the year ended September 30, 2013 reflects the activity of SHS from the date of acquisition to year end. No consideration was exchanged for the acquisition.

The fair value of assets acquired, liabilities assumed and net assets of SHS at September 3, 2013 were as follows:

	<b>September 3, 2013</b>
Cash and cash equivalents	\$ 2,459,257
Patient accounts receivable, net	22,626,414
Other receivables	3,183,764
Assets whose use is limited or restricted as to use	16,299,472
Inventory	736,860
Prepaid expenses	1,152,310
Deferred financing costs	156,052
Other assets	1,078,846
Property, plant and equipment, net	32,191,309
Intangibles	5,400,000
Goodwill	24,345,364
<b>Total assets</b>	<b>\$ 109,629,648</b>
Accounts payable and accrued expenses	\$ 24,579,104
Estimated third-party payor settlements	11,413,422
Long-term debt and capital leases	9,520,579
Self-insurance reserves	2,175,421
Pension liability	41,883,780
<b>Total liabilities</b>	<b>89,572,306</b>
Unrestricted	7,898,229
Temporarily restricted	1,883,401
Permanently restricted	10,275,712
<b>Total net assets</b>	<b>20,057,342</b>
<b>Total liabilities and net assets</b>	<b>\$ 109,629,648</b>

Goodwill of \$24,345,364 and \$0 at September 30, 2013 and 2012, respectively, are included in the consolidated balance sheets. The goodwill recorded as a result of the acquisition of SHS is attributable to factors such as expected benefits from combining operations of CNE and SHS that do not qualify for separate recognition.

# Care New England Health System and Affiliates

## Notes to Consolidated Financial Statements

### September 30, 2013 and 2012

Intangible assets of \$5,400,000 and \$0 at September 30, 2013 and 2012, respectively, are included in the consolidated balance sheets and attributable to trade name valuation with an indefinite useful life

A summary of the financial results of SHS included in the consolidated statement of operations for the period September 4, 2013 through September 30, 2013 are as follows

Total revenues and gains	\$ 11,333,908
Total operating expenses	<u>13,520,428</u>
Loss from operations	(2,186,520)
Net nonoperating losses	<u>(109,704)</u>
Excess of expenses and losses over revenues and gains	(2,296,224)
Pension adjustment	<u>(232,607)</u>
Decrease in unrestricted net assets	<u>\$ (2,528,831)</u>

The changes in net assets of SHS included in the consolidated statement of changes in net assets for the period September 4, 2013 through September 30, 2013 are as follows

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Net Assets, September 3, 2013	\$ 7,898,229	\$ 1,883,401	\$ 10,275,712	\$ 20,057,342
Excess of expenses over revenues	(2,296,224)	-	-	(2,296,224)
Pension adjustment	(232,607)	-	-	(232,607)
Income from investments	-	72	-	72
Net realized and unrealized gains from investments	-	25,505	108,882	134,387
Net assets released from restrictions	-	(1,924)	-	(1,924)
(Decrease) increase in net assets	<u>(2,528,831)</u>	<u>23,653</u>	<u>108,882</u>	<u>(2,396,296)</u>
Net assets, September 30, 2013	<u>\$ 5,369,398</u>	<u>\$ 1,907,054</u>	<u>\$ 10,384,594</u>	<u>\$ 17,661,046</u>

A summary of the unaudited pro forma financial results of CNE and SHS for the years ended September 30, 2013 and 2012 as if the acquisition had occurred on October 1, 2011 are as follows

	2013 (Unaudited)		
	CNE	SHS	Total
Total revenues and gains	\$ 873,938,052	\$ 137,313,142	\$ 1,011,251,194
Total operating expenses	<u>862,045,993</u>	<u>173,638,300</u>	<u>1,035,684,293</u>
Income (loss) from operations	11,892,059	(36,325,158)	(24,433,099)
Other gains	<u>7,078,601</u>	<u>3,712,690</u>	<u>10,791,291</u>
Excess (deficiency) of revenue over expenses	18,970,660	(32,612,468)	(13,641,808)
Other support	<u>31,862,498</u>	<u>27,086,791</u>	<u>58,949,289</u>
Total increase (decrease) in unrestricted net assets	<u>\$ 50,833,158</u>	<u>\$ (5,525,677)</u>	<u>\$ 45,307,481</u>

**Care New England Health System and Affiliates**  
**Notes to Consolidated Financial Statements**  
**September 30, 2013 and 2012**

	<b>2012 (Unaudited)</b>		
	<b>CNE</b>	<b>SHS</b>	<b>Total</b>
Total revenues and gains	\$ 846,153,342	\$ 159,380,826	\$ 1,005,534,168
Total operating expenses	835,341,996	174,898,466	1,010,240,462
Income (loss) from operations	10,811,346	(15,517,640)	(4,706,294)
Other gains	13,377,873	1,553,489	14,931,362
Excess (deficiency) of revenue over expenses	24,189,219	(13,964,151)	10,225,068
Other support	(9,072,075)	(14,912,559)	(23,984,634)
Total increase (decrease) in unrestricted net assets	\$ 15,117,144	\$ (28,876,710)	\$ (13,759,566)

**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

**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.

# Care New England Health System and Affiliates

## Notes to Consolidated Financial Statements

September 30, 2013 and 2012

---

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 was an outstanding unfunded commitment for alternative investments of \$895,000 at September 30, 2013.

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.

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 \$7,429,492 and \$4,860,022 at September 30, 2013 and 2012, respectively, are included in other current assets in the consolidated balance sheets.

# Care New England Health System and Affiliates

## Notes to Consolidated Financial Statements

### September 30, 2013 and 2012

---

#### 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

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.

# Care New England Health System and Affiliates

## Notes to Consolidated Financial Statements

### September 30, 2013 and 2012

---

For the employees of Butler, Kent and WIC 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.

#### **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.

# Care New England Health System and Affiliates

## Notes to Consolidated Financial Statements

### September 30, 2013 and 2012

---

#### **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.

#### **Income Tax Status**

Care New England, Butler, Kent, WIH, the Agency, Healthtouch, Women & Infants Faculty Physicians, Inc., Women & Infants Corporation, Women & Infants Development Foundation, Palomar, and Kent Hospital Foundation, SHS, Memorial, Ventures, and BHI 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 (the Code). Those organizations are, therefore, exempt from federal taxes on related income pursuant to Section 501(a) of the Code. W&I Indemnity, Ltd and Toll Gate Indemnity, Ltd are foreign corporations with no material tax liability. PCCNE is organized as a for-profit corporation and is, therefore, subject to tax. The provision for income taxes on the earnings of PCCNE is immaterial to the consolidated financial statements. 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 Health System adjusted its self-insurance reserves to recognize \$1,826,201 in anticipated insurance receivable in the consolidated balance sheet at September 30, 2013.

# Care New England Health System and Affiliates

## Notes to Consolidated Financial Statements

### September 30, 2013 and 2012

---

#### ***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 2012 financial statements have been reclassified to conform to the current year presentation.

### **3. 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:

	<b>2013</b>	<b>2012</b>
Revenues forgone, based on established rates	\$ 40,948,837	\$ 36,846,051
Expenses and costs incurred	15,910,413	14,376,362

Of the Health System's total expenses reported (\$875,554,158 and \$835,341,996 in 2013 and 2012, respectively), an estimated \$15,910,413 and \$14,376,362 arose during 2013 and 2012, 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 2013 and 2012.

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.

	<b>2013</b>	<b>2012</b>
Approximated revenues forgone, or cost of the services provided to the community	\$ 7,119,215	\$ 7,131,790



# Care New England Health System and Affiliates

## Notes to Consolidated Financial Statements

### September 30, 2013 and 2012

---

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

In addition to the cost of charity care and other community service programs, the Health System provided \$53,669,209 and \$42,706,347 for uncollectible patient accounts during the years ended September 30, 2013 and 2012, respectively

#### **4. 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 26.7% of net accounts receivable at September 30, 2012, to 29.3% of net accounts receivable at September 30, 2013. The Health System's self-pay charity and bad debt write-offs increased \$12,742,000 from \$70,439,000 for fiscal year 2012 to \$83,181,000 for fiscal year 2013. The increase in write-offs was 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 Health System has not changed its charity care or uninsured discount policies during fiscal years 2012 or 2013.

**Care New England Health System and Affiliates**  
**Notes to Consolidated Financial Statements**  
**September 30, 2013 and 2012**

---

**5. 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:

	<b>2013</b>	<b>2012</b>
Within one year	\$ 1,834,944	\$ 2,065,207
One to five years	2,420,541	2,804,623
Beyond five years	1,498	19,324
	<u>4,256,983</u>	<u>4,889,154</u>
Less: Allowance for uncollectibles	(252,838)	(356,441)
Pledges receivable, net	<u>\$ 4,004,145</u>	<u>\$ 4,532,713</u>

**6. Summary of Investments**

Investments at September 30 are summarized as follows:

	<b>2013</b>	<b>2012</b>
Securities, at market		
Cash and cash equivalents	\$ 32,053,685	\$ 30,726,952
Interest and other receivables	1,216,813	-
Fixed income securities	70,051,191	77,989,608
Equity securities	56,336,592	43,582,040
Mutual funds	73,206,442	80,484,437
Auction rate securities	-	4,175,157
Alternative investments	76,315,520	57,514,333
Assets held under split-interest agreements	18,823,609	11,216,513
Cash surrender value of life insurance	29,166,502	29,333,583
	<u>\$ 357,170,354</u>	<u>\$ 335,022,623</u>

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

Unrestricted investment return for the years ended September 30 consisted of the following:

	<b>2013</b>	<b>2012</b>
Interest and dividend income	\$ 2,698,876	\$ 2,493,051
Net realized gains on sales of investments	12,966,668	8,754,299
Net change in unrealized (losses) gains	(904,264)	13,239,205
	<u>\$ 14,761,280</u>	<u>\$ 24,486,555</u>
Included in operating revenue	\$ 11,353,745	\$ 7,274,177
Included in nonoperating revenue	3,407,535	17,212,378
	<u>\$ 14,761,280</u>	<u>\$ 24,486,555</u>

# Care New England Health System and Affiliates

## Notes to Consolidated Financial Statements

### September 30, 2013 and 2012

---

Care New England, Butler, Kent, WIC, 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, had invested surplus operating cash in auction rate securities with varying maturity dates, which are backed by student loans. These loans were 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. As of September 30, 2012, these securities were recorded as long-term investments and Care New England had recorded an other-than-temporary impairment loss of \$824,844 based on an independent valuation of the securities. During 2013, \$4,175,157 of the remaining auction rate securities were liquidated, resulting in a nonoperating gain of \$590,077. During 2012, \$6,250,000 of the auction rate securities were liquidated at face value, resulting in a nonoperating gain of \$361,466.

The summary of the current and long-term fair value of the auction rate securities is as follows:

	2013	2012
Current investments	\$ -	\$ -
Long term investments	-	4,175,157
	<u>\$ -</u>	<u>\$ 4,175,157</u>

## 7. Property, Plant and Equipment

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

	2013	2012
Land and land improvements	\$ 16,527,677	\$ 10,534,754
Buildings and improvements	382,479,398	349,992,370
Moveable equipment	<u>275,018,659</u>	<u>260,585,416</u>
Total property, plant and equipment	674,025,734	621,112,540
Less Accumulated depreciation and amortization	<u>(389,717,678)</u>	<u>(381,298,883)</u>
	284,308,056	239,813,657
Construction and projects in progress	<u>23,109,626</u>	<u>9,973,632</u>
Property, plant and equipment, net	<u>\$ 307,417,682</u>	<u>\$ 249,787,289</u>

Depreciation expense of property, plant and equipment amounted to \$28,143,692 and \$27,298,979 for the years ended September 30, 2013 and 2012, respectively.

Care New England had property, plant and equipment disposals of \$7,868,432 and \$608,919 with accumulated depreciation of \$3,768,999 and \$529,266 for the years ended September 30, 2013 and 2012, respectively. In addition, the Health System wrote off \$17,260,510 and \$27,753,034 for the years ended September 30, 2013 and 2012, respectively, 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.

# Care New England Health System and Affiliates

## Notes to Consolidated Financial Statements

### September 30, 2013 and 2012

---

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 approximately \$15,000,000. The ambulatory surgical center opened in August 2013 and the remainder of the project including the short stay unit is expected to be completed during fiscal 2014.

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 construction was funded through tax-exempt debt, use of equity, and philanthropic donations. Total cost of the new building is approximately \$16,000,000 and was completed during calendar 2013.

As of September 30, 2013, the Health System estimated the total cost of completion of construction and projects in progress to be approximately \$26,714,176. The funding to complete these projects will come from 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 \$1,841,427 and \$1,680,800 as of September 30, 2013 and 2012, 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 2013 and 2012, there were no significant retirement obligations incurred or settled. Accretion expense of \$71,496 and \$30,641 was recorded during the years ended September 30, 2013 and 2012, respectively.

**Care New England Health System and Affiliates**  
**Notes to Consolidated Financial Statements**  
**September 30, 2013 and 2012**

---

**8. Long-Term Debt and Capital Leases**

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

	2013	2012
Variable rate \$46,730,000 RIHEBC 2008 Series A bonds, final maturity in 2032	\$ 38,845,000	\$ 40,275,000
Variable rate \$38,210,000 RIHEBC 2008 Series B bonds, final maturity in 2037	27,910,000	28,570,000
Fixed rate \$12,000,000 RIHEBC 2010 Series bonds, final maturity in 2031	10,930,064	11,369,682
Fixed rate \$16,000,000 RIHEBC 2011 Series bonds, final maturity in 2031	14,780,517	15,392,733
Fixed rate \$25,000,000 RIHEBC 2003 Series bonds, final maturity in 2019	9,518,714	-
Term, \$300,000 RIHEBC equipment note, final maturity in 2014	30,772	66,102
Term, \$3,750,000 Bank of America mortgage note, final maturity in 2015	2,218,750	2,406,250
Term, \$4,000,000 Time Insurance Company mortgage note, final maturity in 2027	3,479,849	3,578,380
Capital lease obligations	<u>10,200,145</u>	<u>13,112,760</u>
Total long-term debt and capital lease obligations	117,913,811	114,770,907
Less Current portion of long-term debt and capital lease obligations	<u>(7,586,511)</u>	<u>(6,393,013)</u>
Long-term debt and capital lease obligations, excluding current portion	<u>\$ 110,327,300</u>	<u>\$ 108,377,894</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 \$1,480,000 in 2014 to \$2,735,000 in 2032.

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 \$685,000 in 2014 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.

# Care New England Health System and Affiliates

## Notes to Consolidated Financial Statements

### September 30, 2013 and 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, Butler, Kent, and WIC 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 1 to 1. The Health System has been, and remains, compliant with these terms.

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 \$455,810 in 2014 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 severally liable for repayment. Unspent bond proceeds of \$660,026 are included in trustee-held funds in the consolidated balance sheet at September 30, 2013. 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 1 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 \$630,664 in 2014 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 severally liable for repayment. Unspent bond proceeds of \$443,783 are included in trustee-held funds in the consolidated balance sheet at September 30, 2013. 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 1 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, 2013 and 2012

---

In December 2003, RIHEBC issued \$25,000,000 of Series 2003 Hospital Financing Revenue Refunding Bonds (the Bonds) on behalf of Memorial. RIHEBC loaned the proceeds of the Bonds to Memorial pursuant to the Loan and Trust Agreement (the Agreement) dated December 1, 2003. The terms of the Agreement stipulate that interest will be paid at fixed rates ranging from 4.00% to 5.25% per annum (weighted-average rate at September 30, 2013 and 2012 was 4.79% and 4.68%, respectively), with principal installments commencing July 1, 2004, and ending July 1, 2019.

The Bonds are issued under and collateralized by the Agreement. The terms of the Agreement require that Memorial make quarterly payments to the trustee which are sufficient to provide for payment of principal and interest due on the Bonds. The Bonds are collateralized by a lien on the Memorial's gross receipts. Additional debt collateralized on parity with the Bonds may only be incurred by Memorial in accordance with restrictions of the Agreement.

As required by the Agreement, the Bonds are secured by a letter of credit from a commercial bank (the Bank). Accordingly, Memorial has entered into a Reimbursement Agreement, dated December 1, 2003 (the Reimbursement Agreement), and an Unrestricted Endowment Account Control Agreement dated July 31, 2009 (the Account Control Agreement). Under the terms of the Reimbursement Agreement, Memorial must meet the requirements of certain covenants. The Account Control Agreement grants the bank a security interest in certain investments held by Memorial. Under the terms of an Amendment to the Reimbursement Agreement dated February 29, 2012 (the Amendment), the required minimum cash flow coverage ratio covenant was waived for the four quarters ending December 31, 2011. In addition, the requirement to provide annual audited financial statements to the trustee by February 27, 2012 was also waived. The Amendment to the reimbursement agreement amended certain sections of the original reimbursement agreement and required Memorial to fund a debt service fund in an amount equal to the monthly pro-rata portion of the annual debt service on the bonds, release funds to repay the existing line of credit and fund operating losses, and meet certain transaction milestones in fiscal year 2013. The Amendment also limited the amount of monthly losses from operations.

On March 28, 2013, the Reimbursement Agreement was further amended. Under the terms of the March 28, 2013 amendment (March 2013 Amendment) the Bank released its security interest in the investments held by Memorial. The release was contingent upon the sale of a clinic building owned by Memorial located in Plainville, Massachusetts, for an amount not less than \$4,250,000 to CNE. That sale was completed on March 29, 2013. In addition, Section 7(t) of the Reimbursement Agreement, which contained certain debt covenants, was deleted in its entirety and replaced with a requirement that the transaction described in Note 1 with respect to the sale of SHS to CNE be completed by October 1, 2013. Failure to close the transaction with CNE by October 1, 2013 would constitute an event of default under the March 2013 Amendment.

Under Section 906 of the Agreement, Memorial was required to furnish audited financial statements to the trustee by February 27, 2013. Memorial failed to comply with that requirement. Under the terms of the Agreement, Memorial had a cure period which expired on April 5, 2013. Management delivered the audited financial statements to the trustee prior to the expiration of the cure period.

As discussed in Note 22, during November, 2013, CNE and its Obligated Group members, Butler, Kent, WIC, WIH, Memorial and the VNA, issued a total of \$87,385,000 in RIHEBC Hospital Financing Revenue bonds.

# Care New England Health System and Affiliates

## Notes to Consolidated Financial Statements

### September 30, 2013 and 2012

---

#### **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.

#### **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.

As part of the 2008 Series A & B refinancing, CNE (1) 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, 2013 and 2012 was \$38,845,000 and \$40,275,000, respectively, and (2) 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, 2013 and 2012 was \$27,910,000 and \$28,570,000, respectively.

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.



**Care New England Health System and Affiliates**  
**Notes to Consolidated Financial Statements**  
**September 30, 2013 and 2012**

---

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

	2013	2012
Debt outstanding		
October 1 – August 31	\$ 68,845,000	\$ 71,540,000
September 1 – September 30	\$ 66,755,000	\$ 68,845,000
Weighted-average bonds outstanding	\$ 68,670,833	\$ 71,315,417
Interest payments to bondholders plus letter of credit fees paid to bank	\$ 337,509	\$ 357,773
Net cash payments on interest rate swaps	2,711,126	2,790,916
	\$ 3,048,635	\$ 3,148,689
Effective interest rate	4.44 %	4.42 %
Market value of swap agreements at September 30	\$ (8,361,253)	\$ (13,629,389)
Change in market value of swap agreements	\$ 5,268,136	\$ (2,272,855)

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

2014	\$ 5,138,634
2015	7,073,586
2016	5,164,783
2017	5,300,978
2018	5,437,812
Thereafter	79,469,156
	<u>\$ 107,584,949</u>

Care New England had available \$15,000,000 from December 29, 2011 through September 30, 2013 through a line of credit with a financial institution. There were no outstanding balances on the line of credit as of September 30, 2013 and 2012.

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 7).

**Care New England Health System and Affiliates**  
**Notes to Consolidated Financial Statements**  
**September 30, 2013 and 2012**

---

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

2014	\$ 2,608,609
2015	2,020,221
2016	1,520,281
2017	1,517,871
2018	1,509,123
Thereafter	<u>1,509,125</u>
Total minimum lease payments	10,685,230
Less Amount representing interest	<u>485,085</u>
Capital lease obligations at September 30, 2013	<u>\$ 10,200,145</u>

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

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

	<b>2013</b>	<b>2012</b>
Healthcare services	\$ 4,847,128	\$ 4,664,831
Healthcare research	988,045	108,698
General purposes	9,589,468	8,317,602
Indigent care	3,093,290	2,845,711
Health education	2,269,467	2,039,599
Plant replacement and expansion	13,032,281	10,347,455
Endowment	5,832,954	4,320,036
Other	<u>1,472,324</u>	<u>1,397,406</u>
Total temporarily restricted net assets	<u>\$ 41,124,957</u>	<u>\$ 34,041,338</u>

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

	<b>2013</b>	<b>2012</b>
Plant replacement and expansion	\$ 18,823,609	\$ 11,216,513
Indigent care	1,311,835	874,506
General purposes	4,019,732	1,603,479
Research	562,975	539,628
Healthcare services	4,357,831	4,081,187
Health education	<u>1,037,231</u>	<u>1,027,487</u>
Total permanently restricted net assets	<u>\$ 30,113,213</u>	<u>\$ 19,342,800</u>

# Care New England Health System and Affiliates

## Notes to Consolidated Financial Statements

September 30, 2013 and 2012

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, 2013, 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>	\$ 19,935,873	\$ 8,126,287	\$ 28,062,160
Acquired endowment net assets	1,053,502	3,104,224	4,157,726
Investment return			
Investment income	619,262	-	619,262
Net appreciation (realized and unrealized)	1,968,058	-	1,968,058
Total investment return	2,587,320	-	2,587,320
Contributions	(50,000)	59,093	9,093
Appropriation of endowment assets for expenditure	(785,576)	-	(785,576)
<b>Endowment net assets at end of year</b>	<b>\$ 22,741,119</b>	<b>\$ 11,289,604</b>	<b>\$ 34,030,723</b>

# Care New England Health System and Affiliates

## Notes to Consolidated Financial Statements

### September 30, 2013 and 2012

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>	<b>\$ 19,935,873</b>	<b>\$ 8,126,287</b>	<b>\$ 28,062,160</b>

In addition to permanently restricted endowments, Kent and Memorial are income beneficiaries of various trusts. On September 30, 2013 and 2012, the market value of the trust assets, which are recorded as permanently restricted net assets, totaled \$18,823,609 and \$11,216,513, 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 Board.

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, 2013 and 2012. 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 2013 and 2012, net assets were released from donor restrictions by incurring expenses satisfying the following restricted purposes:

	2013	2012
Healthcare services	\$ 1,223,929	\$ 1,234,809
Healthcare research	171,952	2,693
Plant replacement and expansion	2,235,386	2,033,732
Other	1,017,685	1,112,625
Health education	184,135	127,886
Indigent care	206,775	101,943
<b>Total net assets released from restrictions</b>	<b>\$ 5,039,862</b>	<b>\$ 4,613,688</b>

# Care New England Health System and Affiliates

## Notes to Consolidated Financial Statements

September 30, 2013 and 2012

---

### 10. Retirement Plans

The Health System has three separate pension plans. One plan covers the employees of CNE, Butler, Kent and WIC, with the exception of the unionized employees of WIH (who are covered under a multiemployer union plan), and certain WIH-employed physicians. The second plan covers the employees of the Agency, and the third plan covers substantially all of the employees of Memorial.

#### 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 employees of Butler, Kent and WIC, 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. Butler, Kent and WIC 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, 2013 that has not yet been recognized in net periodic pension cost is an actuarial loss of \$53,723,281. 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.

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, 2014 is \$1,011,097.

Lump sum payments during fiscal 2013 triggered settlement accounting for the Plan, and accelerated statement of operations recognition of \$3,496,714 for the fiscal year ended September 30, 2013.

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

	2013	2012
Service cost	\$ 2,306,558	\$ 1,866,870
Interest cost	8,997,812	10,681,494
Expected return on plan assets	(13,899,734)	(13,033,563)
Settlements	3,496,714	-
Amortization of loss	1,777,022	1,471,248
Net periodic pension expenses	<u>\$ 2,678,372</u>	<u>\$ 986,049</u>

**Care New England Health System and Affiliates**  
**Notes to Consolidated Financial Statements**  
**September 30, 2013 and 2012**

---

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

	<b>2013</b>	<b>2012</b>
Discount rate	3.80 %	5.03 %
Expected return on assets	7.50	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>2013</b>	<b>2012</b>
<b>Changes in benefit obligations</b>		
Projected benefit obligations at beginning of year	\$ 245,654,125	\$ 221,054,222
Service cost	2,306,558	1,866,870
Interest cost	8,997,812	10,681,494
Actuarial (gain) loss	(22,211,906)	24,371,104
Settlements	(14,033,366)	-
Benefits and expenses paid	(5,098,103)	(12,319,565)
Projected benefit obligations at end of year	<u>\$ 215,615,120</u>	<u>\$ 245,654,125</u>
<b>Changes in plan assets</b>		
Fair value of plan assets at beginning of period	\$ 191,432,716	\$ 169,224,897
Actual return on plan assets	14,547,692	25,027,384
Employer contributions	6,000,000	9,500,000
Settlements	(14,033,366)	-
Benefits and expenses paid	(5,098,103)	(12,319,565)
Fair value of plan assets at end of period	<u>\$ 192,848,939</u>	<u>\$ 191,432,716</u>
<b>Funded status</b>		
Total pension liability	\$ (22,766,181)	\$ (54,221,409)
Accumulated benefit obligation	214,143,232	243,129,449
<b>Amounts recognized in unrestricted net assets</b>		
Unrestricted net assets at beginning of period	\$ 81,856,881	\$ 70,950,846
Less amounts amortized during the year		
Net loss	1,777,022	1,471,248
Settlement amount	3,496,714	-
Plus amounts occurring during the year		
Net (gain) loss	(22,859,864)	12,377,283
Unrestricted net assets at end of period	<u>\$ 53,723,281</u>	<u>\$ 81,856,881</u>

# Care New England Health System and Affiliates

## Notes to Consolidated Financial Statements

September 30, 2013 and 2012

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

	2013	2012
Discount rate	4.75 %	3.80 %
Rate of compensation increase	3.00 %	4.00 %

### 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 2013	Actual 2012
<b>Asset category</b>			
Alternative investments	18 %	18 %	25 %
Fixed income securities	26	26	28
Equity securities	56	56	47
	<u>100 %</u>	<u>100 %</u>	<u>100 %</u>

Refer to Note 21 for details on assets held by the Plan.

### Contributions

The Health System contributed \$6,000,000 and \$9,500,000 to the Plan in 2013 and 2012, respectively. The Health System expects to contribute \$8,000,000 to the Plan in 2014.

# Care New England Health System and Affiliates

## Notes to Consolidated Financial Statements

### September 30, 2013 and 2012

---

#### **Estimated Future Benefit Payments**

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

<b>Fiscal Year</b>	<b>Pension Benefits</b>
2014	\$ 14,674,982
2015	14,676,208
2016	14,961,708
2017	15,939,214
2018	16,679,769
Years 2019–2023	82,167,097

#### ***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 \$13,264,810 and \$12,736,528 for the nonelective contribution to participant accounts for the fiscal years that ended September 30, 2013 and 2012, respectively. In addition, the Health System recorded an expense of \$3,837,626 and \$3,216,389 for matching credits for fiscal years ended September 30, 2013 and 2012, respectively. The Health System will fund the 2013 expense in calendar year 2014 and funded the 2012 expense in calendar year 2013.

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

Payments to a multiemployer pension plan covering union employees at WIH for the years ended September 30, 2013 and 2012 were \$8,448,495 and \$8,150,291, 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, 2013 and 2012 is an unrecognized actuarial loss of \$2,324,409 and \$3,580,493, respectively. The actuarial loss expected to be recognized in net periodic pension cost during the fiscal year ended September 30, 2014 is \$187,521.

The Agency's pension expense was \$254,917 in 2013 and \$262,262 in 2012.



# Care New England Health System and Affiliates

## Notes to Consolidated Financial Statements

### September 30, 2013 and 2012

---

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

	2013	2012
Discount rate	3.94 %	4.75 %
Expected return on assets	6.50 %	7.50 %
Rate of compensation increase	N/A	N/A

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

	2013	2012
Discount rate	4.92 %	3.94 %
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 100% mutual funds. The fair value of the Plan assets were \$6,743,856 and \$6,459,055 at September 30, 2013 and 2012, respectively.

The funded status of the Agency's defined benefit plan was a total pension liability of \$1,721,021 and \$2,970,298 as of September 30, 2013 and 2012, respectively.

The Agency made required contributions to the Plan of \$248,110 and \$266,294 in 2013 and 2012, respectively. The Agency is expected to make \$271,412 in contributions to the Plan during 2014. Benefit payments are expected to be paid as follows:

Fiscal Year	Pension Benefits
2014	\$ 259,000
2015	304,000
2016	331,000
2017	391,000
2018	489,000
Years 2019–2023	2,729,000

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, 2013 and 2012, respectively, the Agency recorded an expense of \$277,680 and \$256,171.

# Care New England Health System and Affiliates

## Notes to Consolidated Financial Statements

### September 30, 2013 and 2012

#### **Memorial Retirement Plan**

As part of the acquisition of SHS, CNE acquired the assets and assumed the liabilities for Memorial's defined benefit pension plan ("the Plan"), which covers substantially all of its employees. The Plan benefits are based on years of service and employees' compensation during the last five years of covered employment. Memorial makes annual contributions to the Plan, which approximate the amount of net periodic pension cost. Contributions are intended to provide not only for benefits attributed to service to date but also for those expected to be earned in the future.

The following reflects the funded status of Memorial's defined benefit plan:

	<b>2013</b>
Total pension liability at time of acquisition of SHS	\$ 41,883,780
Net periodic pension cost	232,607
Total pension liability as of September 30, 2013	<u>\$ 42,116,387</u>

The assumptions used to determine net periodic benefit cost and projected benefit obligation for the period from date of acquisition through the year ended September 30, 2013 are as follows:

	<u>Net Periodic Pension Cost</u>	<u>Benefit Obligations</u>
Discount rate	4.60 %	5.11 %
Expected rate of return on plan assets	6.00 %	6.00 %
Rate of compensation increase	N/A	N/A

#### **Plan Assets**

The goals of the Plan are to provide a secure retirement benefit for plan participants and to manage plan assets for the exclusive benefit of the participants. The invested assets will be managed on a long-term total return basis and measured against established benchmarks for each asset class. Risk management is achieved by limiting the size of asset class and individual security positions to achieve adequate diversification. The Plan will maintain a funded level sufficient to ensure benefit security.

The pension plan asset allocations (based on market value) at September 30, 2013, by asset category, are as follows:

	<b>Target Allocation</b>	<b>Actual</b>
<b>Asset category</b>		
Equity securities	25 %	23 %
Annuities	64	64
Debt securities	7	9
Alternative investments	3	4
Cash equivalents	1	0
	<u>100 %</u>	<u>100 %</u>

Refer to Note 21 for details on assets held by the Plan.

# Care New England Health System and Affiliates

## Notes to Consolidated Financial Statements

September 30, 2013 and 2012

---

### Contributions

Memorial funds the Plan in accordance with guidelines prescribed by the Employee Retirement Income Security Act of 1974. The Hospital expects to contribute \$4,720,756 to the Plan in 2014.

### Estimated Future Benefit Payments

Benefit payments, which reflect expected future service, are expected to be paid as follows:

Fiscal year	Pension Benefits
2014	\$ 5,739,000
2015	5,942,000
2016	6,444,000
2017	6,745,000
2018	7,323,000
Years 2019–2023	43,068,000

## 11. 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.

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, 2013 and 2012, respectively: unrecognized net transition obligation of \$160,750 and 257,750 and unrecognized actuarial loss of \$91,609 and \$232,036. The unrecognized net transition obligation and actuarial loss expected to be recognized in net periodic postretirement costs during the fiscal year ended September 30, 2014 are \$97,000 and \$0, respectively.

The postretirement benefit cost for these plans was \$162,239 in 2013 and \$181,839 in 2012.

# Care New England Health System and Affiliates

## Notes to Consolidated Financial Statements

### September 30, 2013 and 2012

---

#### 12. 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:

	2013	2012
Medicare and Medicare Managed Care	34 %	32 %
Medicaid and Medicaid Managed Care	20	21
Blue Cross	23	24
Managed care	11	11
Self-pay	5	5
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, 2013 is as follows:

#### Medicare

Cost reports for the Hospitals and the Agency have been filed through 2012, and settled through 2011 for the Agency, 2008 for Butler, and 2009 for Kent, WIH, and Memorial.

#### State of Rhode Island (Medicaid)

Cost reports have been filed through 2010, and settled through 2006 for Butler, Kent, WIH, and Memorial. 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 \$500,000 and \$200,000 in 2013 and 2012, respectively, to reflect the changes in the estimated settlements for certain prior years.

**Care New England Health System and Affiliates**  
**Notes to Consolidated Financial Statements**  
**September 30, 2013 and 2012**

---

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, 2013 and 2012 is summarized as follows:

	2013	2012
Patient service revenue (net of contractual allowances and discounts)		
Third-party payors	\$ 810,741,807	\$ 764,152,967
Self-pay	<u>48,642,837</u>	<u>40,405,117</u>
Total All Payors	<u>\$ 859,384,644</u>	<u>\$ 804,558,084</u>

**13. 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, WIH, and Memorial received payments under the disproportionate share program of \$30,914,963 and \$33,014,520 from the State of Rhode Island's Medicaid program for the years ended September 30, 2013 and 2012, respectively. Kent, WIH, and Memorial also recorded disproportionate share payments of \$4,729,080 and \$4,137,338 from Medicare during 2013 and 2012, respectively.

**14. Concentration of Credit Risk**

As of September 30, 2013 and 2012, 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

## Notes to Consolidated Financial Statements

### September 30, 2013 and 2012

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, 2013 and 2012, was as follows:

	2013	2012
Medicare and Medicare Managed Care	15 %	13 %
Medicaid and Medicaid Managed Care	14	13
Blue Cross	16	20
Managed care	11	12
Self-pay	27	27
Other third-party payors	17	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.

#### 15. 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, 2013 are:

2014	\$ 6,943,379
2015	5,553,042
2016	5,195,140
2017	5,310,916
2018	5,177,590
Later years	<u>43,830,709</u>
Total minimum lease payments	<u>\$ 72,010,776</u>

Total rent expense for operating leases for the years ended September 30, 2013 and 2012 amounted to \$6,832,560 and \$6,235,788, 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 \$3,164,859 and \$3,033,054 for the fiscal years ending September 30, 2013 and 2012, 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.

##### Collective Bargaining Agreements

At September 30, 2013, approximately 38% of the Health System's employees were covered by collective bargaining agreements. All bargaining agreements will be in effect through fiscal 2014.

# Care New England Health System and Affiliates

## Notes to Consolidated Financial Statements

### September 30, 2013 and 2012

---

#### **16. 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 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. In addition, WIH has a self-insurance trust fund for risks relating to prior tail liabilities.

Effective July 1, 2004, professional liability insurance coverage for Memorial was provided on an occurrence basis. Such coverage was provided on a claims-made basis through June 30, 2004. The claims-made policies cover only claims made during the terms of the policies, and not those occurrences for which claims may be made after expiration of the policies. Memorial is self-insured with respect to incurred but not reported (IBNR) claims incurred prior to July 1, 2004. Memorial purchases annually commercial insurance policies to insure professional and general liability risks.

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.

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

Care New England has established workers' compensation trust funds to cover all past and future self-insured claims of workers' compensation activity for CNE, Butler, Kent, WIC, Memorial, and the Agency. The reserve for workers' compensation losses is based on an actuarial study and actual experience. At September 30, 2013 and 2012, the amounts accrued for estimated self-insurance costs have not been discounted.

CNE, on behalf of itself, Butler, Kent, WIC, 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, Butler's, Kent's, WIC's, 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.

# Care New England Health System and Affiliates

## Notes to Consolidated Financial Statements

### September 30, 2013 and 2012

---

#### 18. 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.

#### 19. Affiliation With Accredited Medical Schools

Butler, WIH, and Memorial are affiliated with the Warren Alpert Medical School of Brown University. The affiliation agreements provide that Butler, Memorial and WIH are the Major Affiliated Teaching Hospitals of the Medical School for psychiatry and behavioral, primary care medicine, and activities unique to women and newborns, respectively. Kent is affiliated with the University of New England College of Osteopathic Medicine.

#### 20. 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:

	2013	2012
Healthcare services	\$ 689,107,247	\$ 661,186,079
General and administrative	<u>186,446,911</u>	<u>174,155,917</u>
	<u>\$ 875,554,158</u>	<u>\$ 835,341,996</u>

#### 21. 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.
- Level 2 Observable inputs that are based on inputs not quoted in active markets, but corroborated by market data.



# Care New England Health System and Affiliates

## Notes to Consolidated Financial Statements

### September 30, 2013 and 2012

---

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, 2013 and 2012

Financial instruments carried at fair value for the System's nonpension plan assets as of September 30, 2013 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	\$ 32,052,109	\$ 1,576	\$ -	\$ 32,053,685
Interest and other receivables	1,216,813	-	-	1,216,813
Fixed income securities	38,759,993	31,291,198	-	70,051,191
Equity securities	56,336,592	-	-	56,336,592
Alternative investments	-	40,422,461	35,893,059	76,315,520
Mutual funds	28,332,565	44,873,877	-	73,206,442
Total investments	156,698,072	116,589,112	35,893,059	309,180,243
Assets held under split-interest agreements	-	-	18,823,609	18,823,609
Total assets	<u>\$ 156,698,072</u>	<u>\$ 116,589,112</u>	<u>\$ 54,716,668</u>	<u>\$ 328,003,852</u>
<b>Liabilities</b>				
Interest rate swap agreements	\$ -	\$ (8,361,253)	\$ -	\$ (8,361,253)

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)

The amounts reported in the financial instruments table exclude certain alternative investments valued at approximately \$9,265,898 as of September 30, 2012, which are valued at cost (Notes 2 and 6) and the values of life insurance policies valued at \$29,166,502 as of September 30, 2013 and \$29,333,583 as of September 30, 2012, which are valued at the lesser of discounted value or cash surrender value

**Care New England Health System and Affiliates**  
**Notes to Consolidated Financial Statements**  
**September 30, 2013 and 2012**

---

Financial instruments carried at fair value for assets invested in the CNE Defined Benefit Pension Plan as of September 30, 2013 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	\$ 4,517,298	\$ 2,188	\$ -	\$ 4,519,486
Fixed income securities	25,964,803	-	-	25,964,803
Equity securities	14,419,542	-	-	14,419,542
Mutual funds	7,828,428	-	-	7,828,428
Alternative investments	-	47,555,053	92,561,627	140,116,680
	<u>\$ 52,730,071</u>	<u>\$ 47,557,241</u>	<u>\$ 92,561,627</u>	<u>\$ 192,848,939</u>

Financial instruments carried at fair value for assets invested in the CNE Defined Benefit Pension Plan 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	\$ 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 assets invested in Memorial's Defined Benefit Pension Plan as of September 30, 2013 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	\$ 1,654,003	\$ -	\$ -	\$ 1,654,003
Fixed income securities	2,462,354	-	-	2,462,354
Equity securities	19,145,169	-	-	19,145,169
Mutual funds	11,682,069	-	-	11,682,069
Alternative investments	-	-	60,819,891	60,819,891
	<u>\$ 34,943,595</u>	<u>\$ -</u>	<u>\$ 60,819,891</u>	<u>\$ 95,763,486</u>

# Care New England Health System and Affiliates

## Notes to Consolidated Financial Statements

### September 30, 2013 and 2012

During the years ended September 30, 2013 and 2012, 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

	Alternative Investments	Auction Rate Securities	Split-Interest Agreements	Total Investments
<b>Fair value at October 1, 2012</b>	\$ 24,844,790	\$ 4,175,157	\$ -	\$ 29,019,947
Value at time of acquisition of SHS	-	-	7,171,487	7,171,487
Total gains (losses)				
Dividends and interest income	242,754	-	-	242,754
Net realized gains on investments	822,570	590,077	-	1,412,647
Change in net unrealized appreciation on investments	665,495	234,585	435,609	1,335,689
Purchases	2,404,999	-	-	2,404,999
Sales	(3,528,549)	(4,999,819)	-	(8,528,368)
Transfers in and/or out of Level 3	10,441,000	-	11,216,513	21,657,513
<b>Fair value at September 30, 2013</b>	<b>\$ 35,893,059</b>	<b>\$ -</b>	<b>\$ 18,823,609</b>	<b>\$ 54,716,668</b>

	Fixed Income Securities	Equity Securities	Alternative Investments	Auction Rate Securities	Total Investments
<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>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 24,844,790</b>	<b>\$ 4,175,157</b>	<b>\$ 29,019,947</b>

During the year ended September 30, 2013 and 2012, the changes in the fair value for the System's financial instruments invested in the CNE's Defined Benefit Pension Plan assets measured using significant unobservable inputs (Level 3) were comprised of the following

	2013	2012
<b>Balance at beginning of year</b>	<b>\$ 101,034,079</b>	<b>\$ 77,844,572</b>
Total gains (losses)		
Dividends and interest income	1,071,526	775,356
Net Realized gains on investments	8,055,776	24,818
Change in net unrealized appreciation on investments	(1,424,532)	8,067,102
Purchases	2,200,000	18,600,000
Sales	(36,715,520)	(4,277,769)
Transfers in and/or out of Level 3	18,340,298	-
<b>Balance at end of year</b>	<b>\$ 92,561,627</b>	<b>\$ 101,034,079</b>

# Care New England Health System and Affiliates

## Notes to Consolidated Financial Statements

### September 30, 2013 and 2012

During the year ended September 30, 2013, the changes in the fair value for Memorial's financial instruments invested in Memorial's Defined Benefit Pension Plan assets measured using significant unobservable inputs (Level 3) were comprised of the following

	<b>2013</b>
<b>Balance at beginning of year</b>	\$ -
Value at time of acquisition	59,799,806
Total gains	
Dividends and interest income	182,433
Net Realized gains on investments	-
Change in net unrealized appreciation on investments	369,426
Purchases	856,915
Sales	(388,689)
<b>Balance at end of year</b>	<u>\$ 60,819,891</u>

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, 2013, which are valued at NAV. There was an outstanding unfunded commitment of \$895,000 at September 30, 2013.

	<b>Net Asset Value</b>	<b>Redemption Terms</b>
Fixed Income	\$ 4,589,854	Bi-monthly upon 30 day prior written notice
Common Collective Trust	3,162,969	Monthly upon 30 day prior written notice
Common Collective Trust	3,911,333	Bi-monthly upon 5 day prior written notice
Common Collective Trust	4,575,066	Monthly upon 10 day prior written notice
Hedge Fund Alternative Investments	6,522,200	Quarterly with 90 day prior written notice
Common Collective Trust	3,456,686	First day of each month
Common Collective Trust	5,192,380	Daily
Private Equity	1,891,427	Monthly upon 30 day prior written notice
Private Equity	6,066,862	Monthly upon 8 day prior written notice
Common Collective Trust	6,282,438	Daily
Private Equity	134,073	No redemptions available, fund has 10 year term with 4 one year extensions
Offshore Trust	8,391,659	Weekly upon 5 day prior written notice
International Equity	14,923,405	Daily upon 5 day prior written notice
Absolute Return	8,824,725	Daily upon 1 day prior written notice
Emerging Markets Fund	5,632,579	Daily upon 1 day prior written notice
Total Return Bond Fund	30,306,312	Daily upon 1 day prior written notice
Unconstrained Bond Fund	31,477,790	Daily upon 1 day prior written notice
	<u>\$ 145,341,758</u>	

# Care New England Health System and Affiliates

## Notes to Consolidated Financial Statements

### September 30, 2013 and 2012

---

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 \$108 million at September 30, 2013, excluding capital leases. The estimated fair value of the Health System's long-term debt as of September 30, 2013 approximated its carrying value. It is classified as Level 2 under the valuation hierarchy described in the beginning of Note 21.

## **22. Subsequent Event**

During November, 2013, CNE and its Obligated Group members, Butler, Kent, WIC, WIH, Memorial and the VNA, issued a total of \$87,385,000 in RIHEBC Hospital Financing Revenue bonds. These bonds were issued as CNE 2013 Series A bonds. The proceeds of the CNE 2013 Series A bonds will be used to (a) current refund the Health System's remaining outstanding 2008 Series A bonds (b) terminate the interest rate swap agreement entered into in connection with the 2008 Series A bonds (c) current refund Memorial Hospital's Series 2003 bonds, (d) fund a debt service reserve fund for the Series 2013 A bonds (e) pay the costs of issuing the Series 2013 A bonds and (f) finance or refinance a portion of the fiscal years ending 2013, 2014, 2015 routine capital upgrades of the health care facilities and/or information technology hardware and software.

Care New England Health System has assessed the impact of subsequent events through January 10, 2014, the date the audited financial statements were issued and has concluded that there were no such events other than noted above requiring 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, 2013**

	Butler and Affiliates	Kent and Affiliates	WIC and Affiliates	Care New England	The Agency	Southeastern Healthcare System, Inc and Affiliates	Eliminations	Total
<b>Assets</b>								
Current assets								
Cash and cash equivalents	\$ 12,058,552	\$ (2,897,924)	\$ 70,398,845	\$ (19,507,004)	\$ (5,202,485)	\$ 1,049,627	\$ -	\$ 55,899,611
Investments	-	-	-	29,724,606	-	-	-	29,724,606
Patient accounts receivable	10,695,386	67,489,630	73,495,966	-	2,916,237	38,366,774	-	192,963,993
Less Allowance for doubtful accounts	(2,286,234)	(24,986,851)	(12,692,209)	-	(233,019)	(16,334,390)	-	(56,532,703)
Net patient accounts receivable	8,409,152	42,502,779	60,803,757	-	2,683,218	22,032,384	-	136,431,290
Other receivables	3,379,362	3,345,517	7,348,086	272,199	118,758	3,421,303	(108,243)	17,776,982
Pledges receivable, net	353,215	753,720	564,649	-	-	-	-	1,671,584
Other current assets	816,958	5,254,908	5,309,940	3,192,221	33,261	1,809,893	-	16,417,181
Current portion of assets whose use is limited	456,367	830,141	283,735	80,131	-	2,060,484	-	3,710,858
Due from affiliates—other	3,132,331	3,454,083	1,519,329	13,141,307	221,753	-	(21,468,803)	-
Due from affiliates—debt	-	-	-	96,904,510	-	-	(96,904,510)	-
Total current assets	28,605,937	53,243,224	146,228,341	123,807,970	(2,145,495)	30,373,691	(118,481,556)	261,632,112
Assets whose use is limited or restricted as to use								
Endowment funds	16,772,322	16,339,347	8,907,591	-	-	12,351,211	-	54,370,471
Board-designated funds	4,533,952	26,499,528	72,770,727	-	692,406	3,016,778	-	107,513,391
Trustee-held funds	3,075,004	27,281,403	126,852,185	3,081,537	-	661,055	-	160,951,184
Deferred compensation funds	1,920,375	732,202	1,148,398	715,434	94,293	-	-	4,610,702
Total assets limited as to use	26,301,653	70,852,480	209,678,901	3,796,971	786,699	16,029,044	-	327,445,748
Less Amounts required to meet current obligations	(456,367)	(830,141)	(283,735)	(80,131)	-	(2,060,484)	-	(3,710,858)
Noncurrent assets limited as to use	25,845,286	70,022,339	209,395,166	3,716,840	786,699	13,968,560	-	323,734,890
Goodwill	-	-	-	-	-	24,345,364	-	24,345,364
Intangibles	-	-	-	-	-	5,400,000	-	5,400,000
Property, plant and equipment, net	33,015,694	77,152,373	153,456,591	10,981,019	821,844	31,990,161	-	307,417,682
Pledges receivable, net	442,204	1,665,642	224,715	-	-	-	-	2,332,561
Investments	-	-	-	-	-	-	-	-
Insurance receivable	-	-	-	747,355	-	1,078,846	-	1,826,201
Other assets	67,404	936,737	341,187	412,697	-	153,822	-	1,911,847
Total assets	\$ 87,976,525	\$ 203,020,315	\$ 509,646,000	\$ 139,665,881	\$ (536,952)	\$ 107,310,444	\$ (118,481,556)	\$ 928,600,657

The accompanying notes are an integral part of these financial statements



**Care New England Health System and Affiliates**  
**Consolidating Balance Sheet**  
**September 30, 2013**

	Butler and Affiliates	Kent and Affiliates	WIC and Affiliates	Care New England	The Agency	Southeastern Healthcare System, Inc and Affiliates	Eliminations	Total
<b>Liabilities and Net Assets</b>								
Current liabilities								
Accounts payable and accrued expenses	\$ 12,943,834	\$ 29,681,559	\$ 44,837,245	\$ 17,878,096	\$ 1,980,275	\$ 24,153,708	\$ (108,243)	\$ 131,366,474
Current portion of estimated third-party payor settlements and advances	319,456	2,528,041	5,171,083	-	243,802	4,400,415		12,662,797
Current portion of long-term debt and capital leases	207,315	935,612	187,500	4,637,927	30,772	1,587,385		7,586,511
Current portion of long-term debt, due to parent	739,337	1,572,739	2,064,618	-	-	-	(4,376,694)	-
Self-insurance reserves	-	-	-	7,251,066	-	-		7,251,066
Pension liability	1,725,032	5,875,820	2,936,521	2,259,863	110,269	-		12,907,505
Interest rate swaps				8,361,253				8,361,253
Other current liabilities	2,756,184	1,682,672	5,163,620	369,753	391,744	-		10,363,973
Due to affiliates	1,814,747	6,542,624	11,207,571	1,244,494	546,365	113,002	(21,468,803)	-
Total current liabilities	20,505,905	48,819,067	71,568,158	42,002,452	3,303,227	30,254,510	(25,953,740)	190,499,579
Long term liabilities								
Self-insurance reserves	2,162,432	31,191,800	90,256,541	7,275,980	-	2,286,978		133,173,731
Long-term portion of estimated third-party payor settlements and advances	2,384,292	5,766,067	17,359,764	-	-	7,060,194		32,570,317
Long-term debt and capital leases	3,421,904	481,323	2,031,249	96,461,495	-	7,931,329		110,327,300
Pension liability	4,224,460	10,444,258	5,302,634	2,794,824	1,721,021	42,116,387		66,603,584
Postretirement liability	-	1,545,568	-	-	-	-		1,545,568
Other liabilities	1,705,673	1,831,151	2,011,021	1,595,029	108,256	-		7,251,130
Due to parent, long-term debt	14,630,975	27,421,086	50,475,755	-	-	-	(92,527,816)	-
Total long-term liabilities	28,529,736	78,681,253	167,436,964	108,127,328	1,829,277	59,394,888	(92,527,816)	351,471,630
Net assets								
Unrestricted	18,624,477	52,626,585	254,904,172	(10,463,899)	(5,669,456)	5,369,399	-	315,391,278
Temporarily restricted	17,895,566	9,835,124	11,487,214	-	-	1,907,053	-	41,124,957
Permanently restricted	2,420,841	13,058,286	4,249,492	-	-	10,384,594	-	30,113,213
Total net assets	38,940,884	75,519,995	270,640,878	(10,463,899)	(5,669,456)	17,661,046	-	386,629,448
Total liabilities and net assets	\$ 87,976,525	\$ 203,020,315	\$ 509,646,000	\$ 139,665,881	\$ (536,952)	\$ 107,310,444	\$ (118,481,556)	\$ 928,600,657

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, 2013**

	Butler and Affiliates	Kent and Affiliates	WIC and Affiliates	Care New England	The Agency	Southeastern Healthcare System, Inc. and Affiliates	Eliminations	Total
<b>Revenues and gains</b>								
Patient service revenue (net of contractual allowances and discounts)	\$ 68,603,189	\$ 339,855,424	\$ 421,866,454	\$ 1,406,037	\$ 16,227,917	\$ 11,964,882	\$ (539,259)	\$ 859,384,644
Provision for bad debts	(4,449,706)	(37,399,364)	(10,453,885)	-	17,566	(1,383,820)	-	(53,669,209)
Net patient service revenue less provision for bad debts	64,153,483	302,456,060	411,412,569	1,406,037	16,245,483	10,581,062	(539,259)	805,715,435
Net assets released from restrictions and used for operations	489,802	586,746	1,726,004	-	-	1,924	-	2,804,476
Research revenue	10,850,844	-	13,185,417	-	-	231,975	-	24,268,236
Contribution of Southeastern Healthcare System	-	-	-	-	-	7,898,229	-	7,898,229
Other revenue	18,071,567	11,106,361	36,429,822	92,961,467	995,541	518,947	(107,612,155)	52,471,550
Total revenues and gains	93,565,696	314,149,167	462,753,812	94,367,504	17,241,024	19,232,137	(108,151,414)	893,157,926
<b>Operating expenses</b>								
Salaries and benefits	65,168,660	167,857,564	258,112,275	58,739,768	13,981,658	8,409,307	(2,808,185)	569,461,047
Supplies and other expenses	16,330,580	110,014,039	129,852,497	33,063,419	2,751,549	3,811,502	(105,234,986)	190,588,600
Research expenses	10,539,829	-	13,079,721	-	-	231,975	-	23,851,525
Depreciation and amortization	3,387,337	9,607,045	14,184,824	592,331	203,227	321,311	-	28,296,075
Insurance	1,855,246	12,512,932	12,289,852	63,076	116,762	160,563	(108,243)	26,890,188
Licensure fee	-	13,904,662	18,401,048	-	-	534,525	-	32,840,235
Interest	411,286	821,501	2,167,214	172,652	2,590	51,245	-	3,626,488
Total operating expenses	97,692,938	314,717,743	448,087,431	92,631,246	17,055,786	13,520,428	(108,151,414)	875,554,158
Income (loss) from operations	(4,127,242)	(568,576)	14,666,381	1,736,258	185,238	5,711,709	-	17,603,768
<b>Nonoperating gains (losses)</b>								
Investment income on assets limited as to use	958,984	788,993	2,521,692	224,772	36,381	(219,023)	-	4,311,799
Unrestricted gifts and bequests	60,558	1,300	244,158	3,465	44,925	13,637	-	368,043
Change in fair value of interest rate swaps	-	-	-	5,268,136	-	-	-	5,268,136
Change in net unrealized (losses) gains on investments	185,750	369,955	(1,348,450)	(226,196)	18,995	95,682	-	(904,264)
Nonoperating expenditures	(451,539)	(789,021)	(828,913)	-	(5,343)	-	-	(2,074,816)
Net nonoperating gains (losses)	753,753	371,227	588,487	5,270,177	94,958	(109,704)	-	6,968,898
Excess (deficiency) of revenues and gains over expenses and losses	\$ (3,373,489)	\$ (197,349)	\$ 15,254,868	\$ 7,006,435	\$ 280,196	\$ 5,602,005	\$ -	\$ 24,572,666

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, 2013

	Butler and Affiliates	Kent and Affiliates	WIC and Affiliates	Care New England	The Agency	Southeastern Healthcare System, Inc and Affiliates	Eliminations	Total
<b>Unrestricted net assets</b>								
Excess (deficiency) of revenues and gains over expenses and losses	\$ (3,373,489)	\$ (197,349)	\$ 15,254,868	\$ 7,006,435	\$ 280,196	\$ 5,602,005	\$ -	\$ 24,572,666
Pension and postretirement adjustment	9,868,031	11,754,020	4,874,338	1,874,639	1,256,084	(232,607)	-	29,394,505
Net assets released from restrictions used for purchase of property, plant and equipment	183,160	1,253,236	798,990	-	-	-	-	2,235,386
Transfers	-	-	-	-	-	-	-	-
Transfer to deferred revenue	-	-	-	-	-	-	-	-
Increase (decrease) in unrestricted net assets	6,677,702	12,809,907	20,928,196	8,881,074	1,536,280	5,369,398	-	56,202,557
<b>Temporarily restricted net assets</b>								
Contributions	1,537,696	1,824,214	3,692,541	-	-	-	-	7,054,451
Contribution of Southeastern Healthcare System	-	-	-	-	-	1,883,401	-	1,883,401
Income from investments	238,457	778,837	139,275	-	-	72	-	1,156,641
Net realized and unrealized gains from investments	833,809	510,128	659,546	-	-	25,505	-	2,028,988
Net assets released from restrictions	(672,962)	(1,839,982)	(2,524,994)	-	-	(1,924)	-	(5,039,862)
Increase in temporarily restricted net assets	1,937,000	1,273,197	1,966,368	-	-	1,907,054	-	7,083,619
<b>Permanently restricted net assets</b>								
Net realized and unrealized gains from investments	-	326,727	-	-	-	108,882	-	435,609
Contribution of Southeastern Healthcare System	-	-	-	-	-	10,275,712	-	10,275,712
Contributions	(1,653)	10,745	50,000	-	-	-	-	59,092
(Decrease) increase in permanently restricted net assets	(1,653)	337,472	50,000	-	-	10,384,594	-	10,770,413
Increase (decrease) in net assets	8,613,049	14,420,576	22,944,564	8,881,074	1,536,280	17,661,046	-	74,056,589
Net assets at beginning of year	30,327,835	61,099,419	247,696,314	(19,344,973)	(7,205,736)	-	-	312,572,859
Net assets at end of year	\$ 38,940,884	\$ 75,519,995	\$ 270,640,878	\$ (10,463,899)	\$ (5,669,456)	\$ 17,661,046	\$ -	\$ 386,629,448

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	Southeastern Healthcare System, Inc and Affiliates	Eliminations	Total
<b>Assets</b>								
Current assets								
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
Assets whose use is limited or restricted as to use								
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	Southeastern Healthcare System, Inc and Affiliates	Eliminations	Total
<b>Liabilities and Net Assets</b>								
Current liabilities								
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)	-
Self-insurance reserves	-	-	-	7,032,484	-	-	-	7,032,484
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	44,144,316	3,134,824	-	(38,360,601)	137,937,038
Long term liabilities								
Self-insurance reserves	2,248,423	26,584,860	83,300,596	6,764,890	-	-	-	118,898,769
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	127,967,609	3,093,676	-	(92,528,014)	333,298,804
Net assets								
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	Southeastern Healthcare System, Inc and Affiliates	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	61,988,999	162,850,160	255,117,298	58,838,037	13,320,568	-	(4,451,471)	547,663,591
Supplies and other expenses	16,147,119	100,260,325	118,679,890	27,763,949	2,216,131	-	(97,243,558)	167,823,856
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	Southeastern Healthcare System, Inc. and Affiliates	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	-	-	-	-	-	-	-	-
Transfer to deferred revenue	26,000	26,000	26,000	(100,000)	22,000	-	-	-
	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