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Form 990

Return of Organization Exempt From Income Tax

2012

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)

Open to Public Inspection

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

B Check if applicable	C Name of organization MIDDLESEX HOSPITAL		D Employer identification number 06-0646718
<input type="checkbox"/> Address change	Doing Business As		
<input type="checkbox"/> Name change			
<input type="checkbox"/> Initial return	Number and street (or P O box if mail is not delivered to street address)	Room/suite	E Telephone number (860) 358-6395
<input type="checkbox"/> Terminated			
<input type="checkbox"/> Amended return	City or town, state or country, and ZIP + 4 MIDDLETOWN, CT 06457		
<input type="checkbox"/> Application pending			G Gross receipts \$ 378,930,100

F Name and address of principal officer
VINCENT CAPECE - PRESIDENTCEO
28 Crescent Street
Middletown, CT 06457H(a) Is this a group return for affiliates? Yes NoH(b) Are all affiliates included? Yes No
If "No," attach a list (see instructions)

H(c) Group exemption number ►

I Tax-exempt status 501(c)(3) 501(c) () (insert no) 4947(a)(1) or 527

J Website: ► WWW.MIDDLESEXHOSPITAL.ORG

K Form of organization Corporation Trust Association Other ► L Year of formation 1895 M State of legal domicile CT

Part I Summary

1 Briefly describe the organization's mission or most significant activities MIDDLESEX HOSPITAL EXISTS TO PROVIDE THE SAFEST, HIGHEST-QUALITY HEALTH CARE AND THE BEST EXPERIENCE POSSIBLE FOR OUR COMMUNITY	
2 Check this box ► 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 11
4 Number of independent voting members of the governing body (Part VI, line 1b)	4 8
5 Total number of individuals employed in calendar year 2012 (Part V, line 2a)	5 3,224
6 Total number of volunteers (estimate if necessary)	6 612
7a Total unrelated business revenue from Part VIII, column (C), line 12	7a 4,410,512
b Net unrelated business taxable income from Form 990-T, line 34	7b

8 Contributions and grants (Part VIII, line 1h)	Prior Year 5,380,626	Current Year 5,032,550
9 Program service revenue (Part VIII, line 2g)	348,999,762	348,379,202
10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)	2,997,354	6,856,293
11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	9,976,768	9,320,271
12 Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	367,354,510	369,588,316

13 Grants and similar amounts paid (Part IX, column (A), lines 1-3)	0 0
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)	199,306,965 201,505,574
16a Professional fundraising fees (Part IX, column (A), line 11e)	0 0
b Total fundraising expenses (Part IX, column (D), line 25) ► 900,861	
17 Other expenses (Part IX, column (A), lines 11a-11d, 11f-24e)	138,777,708 144,283,780
18 Total expenses Add lines 13-17 (must equal Part IX, column (A), line 25)	338,084,673 345,789,354
19 Revenue less expenses Subtract line 18 from line 12	29,269,837 23,798,962

20 Total assets (Part X, line 16)	Beginning of Current Year 440,085,000	End of Year 460,311,000
21 Total liabilities (Part X, line 26)	279,080,000	196,145,000
22 Net assets or fund balances Subtract line 21 from line 20	161,005,000	264,166,000

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

Sign Here	Signature of officer VIN CAPECE PRESIDENT/CEO Type or print name and title	2014-08-14 Date
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Paid Preparer Use Only	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
	Firm's name ► ERNST & YOUNG US LLP			Firm's EIN ►	
	Firm's address ► 111 MONUMENT CIRCLE SUITE 4000 INDIANAPOLIS, IN 46204			Phone no (317) 681-7000	

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

Part III Statement of Program Service AccomplishmentsCheck if Schedule O contains a response to any question in this Part III **1** Briefly describe the organization's mission

MIDDLESEX HOSPITAL EXISTS TO PROVIDE THE SAFEST, HIGHEST-QUALITY HEALTH CARE AND THE BEST EXPERIENCE POSSIBLE FOR OUR COMMUNITY

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 \$ 139,147,876 including grants of \$ 0) (Revenue \$ 159,829,791)

IN THE FISCAL YEAR ENDING 9/30/2013, INPATIENT CARE REPRESENTED 15,162 DISCHARGES AND 62,546 PATIENT CARE DAYS. ARMED WITH SKILLED STAFF, PROGRESSIVE DIAGNOSTIC TOOLS AND ADVANCED SURGICAL TECHNIQUES, THE HOSPITAL WAS WELL POSITIONED TO ENSURE A COMFORTABLE, SAFE ENVIRONMENT FOR EXCEPTIONAL MEDICAL TREATMENT AND RECOVERY. SEE SCHEDULE O FOR FURTHER DETAIL

4b (Code) (Expenses \$ 48,185,941 including grants of \$ 0) (Revenue \$ 64,796,539)

MIDDLESEX HOSPITAL EMERGENCY DEPARTMENT DELIVERS CARE AT THE WHALEN EMERGENCY CENTER AT THE HOSPITAL'S MAIN CAMPUS AS WELL AS TWO SATELLITE SITES LOCATED AT THE SHORELINE MEDICAL CENTER IN ESSEX AND THE MIDDLESEX HOSPITAL MEDICAL CENTER IN MARLBOROUGH. THE EMERGENCY DEPARTMENT TREAT AND RELEASE VISITS FOR THE FISCAL YEAR ENDING 9/30/2013 WERE 81,193. IN EACH, EMERGENCY CARE IS DEPLOYED BY EXPERT, BOARD-CERTIFIED EMERGENCY MEDICINE DOCTORS AND SPECIFICALLY TRAINED PHYSICIAN ASSISTANTS, NURSES, PATIENT CARE TECHNICIANS AND OTHER SUPPORT PERSONNEL. SEE SCHEDULE O FOR FURTHER DETAIL

4c (Code) (Expenses \$ 16,510,261 including grants of \$ 0) (Revenue \$ 27,603,446)

IN FISCAL YEAR ENDING 09/30/2013 THERE WERE 6,705 REVENUE GENERATING AMBULATORY SURGERY CASES FROM ENDOSCOPY/COLONOSCOPY TO ORTHOPEDIC AND OTHER OUTPATIENT PROCEDURES. SEE SCHEDULE O FOR FURTHER DETAIL

4d Other program services (Describe in Schedule O)

(Expenses \$ 77,540,092 including grants of \$ 2,999,000) (Revenue \$ 100,803,253)

4e **Total program service expenses** 281,384,170

Part IV Checklist of Required Schedules

1 Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? If "Yes," complete Schedule A

2 Is the organization required to complete Schedule B, *Schedule of Contributors* (see instructions)?

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

4 **Section 501(c)(3) organizations.** 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

5 Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? If "Yes," complete Schedule C, Part III

6 Did the organization maintain any donor advised funds or any similar funds or accounts for which donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? If "Yes," complete Schedule D, Part I

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

8 Did the organization maintain collections of works of art, historical treasures, or other similar assets? If "Yes," complete Schedule D, Part III

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

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

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

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

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

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

e Did the organization report an amount for other liabilities in Part X, line 25? If "Yes," complete Schedule D, Part X

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 XI

12a Did the organization obtain separate, independent audited financial statements for the tax year? If "Yes," complete Schedule D, Parts XI and XII

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

13 Is the organization a school described in section 170(b)(1)(A)(ii)? If "Yes," complete Schedule E

14a Did the organization maintain an office, employees, or agents outside of the United States?

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

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

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

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)

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

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

20a Did the organization operate one or more hospital facilities? If "Yes," complete Schedule H

b If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return?

	Yes	No
1	Yes	
2	Yes	
3		No
4	Yes	
5		No
6		No
7		No
8		No
9		No
10	Yes	
11a	Yes	
11b		No
11c		No
11d		No
11e	Yes	
11f		No
12a	Yes	
12b	Yes	
13		No
14a		No
14b		No
15		No
16		No
17		No
18	Yes	
19		No
20a	Yes	
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? If "Yes," complete Schedule I, Parts I and II	21		No
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? If "Yes," complete Schedule I, Parts I and III	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? If "Yes," complete Schedule J	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? If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25	24a	Yes	
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	24b		No
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		No
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	24d		No
25a	Section 501(c)(3) and 501(c)(4) organizations. Did the organization engage in an excess benefit transaction with a disqualified person during the year? If "Yes," complete Schedule L, Part 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? If "Yes," complete Schedule L, Part 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? If "Yes," complete Schedule L, Part II	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? If "Yes," complete Schedule L, Part III	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)	28a		No
a	A current or former officer, director, trustee, or key employee? If "Yes," complete Schedule L, Part IV	28b	Yes	
b	A family member of a current or former officer, director, trustee, or key employee? If "Yes," complete Schedule L, Part IV	28c	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? If "Yes," complete Schedule L, Part IV	29	Yes	
29	Did the organization receive more than \$25,000 in non-cash contributions? If "Yes," complete Schedule M	30		No
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? If "Yes," complete Schedule M	31		No
31	Did the organization liquidate, terminate, or dissolve and cease operations? If "Yes," complete Schedule N, Part I	32		No
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? If "Yes," complete Schedule N, Part II	33		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? If "Yes," complete Schedule R, Part I	34	Yes	
34	Was the organization related to any tax-exempt or taxable entity? If "Yes," complete Schedule R, Part II, III, or IV, and Part V, line 1	35a	Yes	
35a	Did the organization have a controlled entity within the meaning of section 512(b)(13)?	35b	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)? If "Yes," complete Schedule R, Part V, line 2	36		No
36	Section 501(c)(3) organizations. Did the organization make any transfers to an exempt non-charitable related organization? If "Yes," complete Schedule R, Part V, line 2	37		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? If "Yes," complete Schedule R, Part VI	38	Yes	
38	Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11b and 19? Note. All Form 990 filers are required to complete Schedule O			

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	1a	172	
b Enter the number of Forms W-2G included in line 1a Enter -0- if not applicable	1b	0	
c Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	1c	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	2a	3,224	
b If at least one is reported on line 2a, did the organization file all required federal employment tax returns? Note. If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions)	2b	Yes	
3a Did the organization have unrelated business gross income of \$1,000 or more during the year?	3a	Yes	
b If "Yes," has it filed a Form 990-T for this year? If "No," provide an explanation in Schedule O	3b	Yes	
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)?	4a	No	
b If "Yes," enter the name of the foreign country 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?	5a	No	
b Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?	5b	No	
c If "Yes," to line 5a or 5b, did the organization file Form 8886-T?	5c		
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?	6a	No	
b If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	6b		
7 Organizations that may receive deductible contributions under section 170(c).	7a	Yes	
a 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?	7b	Yes	
b If "Yes," did the organization notify the donor of the value of the goods or services provided?	7c	No	
c Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?	7d		
d If "Yes," indicate the number of Forms 8282 filed during the year	7e	No	
e Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	7f	No	
f Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?	7g		
g If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?	7h		
h If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?	8		
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?	9a		
9 Sponsoring organizations maintaining donor advised funds.	9b		
a Did the organization make any taxable distributions under section 4966?			
b Did the organization make a distribution to a donor, donor advisor, or related person?			
10 Section 501(c)(7) organizations. Enter	10a		
a Initiation fees and capital contributions included on Part VIII, line 12	10b		
b Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities			
11 Section 501(c)(12) organizations. Enter	11a		
a Gross income from members or shareholders	11b		
b Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them)			
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		
a Is the organization licensed to issue qualified health plans in more than one state? Note. See the instructions for additional information the organization must report on Schedule O	13b		
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	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	1a	11		
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				
b Enter the number of voting members included in line 1a, above, who are independent	1b	8		
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		No	
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		No	
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		
b 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	Yes		
a The governing body?	8b	Yes		
b Each committee with authority to act on behalf of the governing body?	9	No		
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				

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	
b 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	
b 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	
b Were officers, directors, or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	12b	Yes	
c 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	Yes	
a The organization's CEO, Executive Director, or top management official	15b	Yes	
b Other officers or key employees of the organization			
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	Yes	
b 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	Yes	

Section C. Disclosure

- 17 List the States with which a copy of this Form 990 is required to be filed CT
- 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
 Own website Another's website Upon request 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
 DONALD LUDWIG CPA 28 CRESCENT STREET Middletown, CT (860) 358-6879

Part VII Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent ContractorsCheck if Schedule O contains a response to any question in this Part VII **Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees**

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

• List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation. Enter -0- in columns (D), (E), and (F) if no compensation was paid• List all of the organization's **current** key employees, if any. See instructions for definition of "key employee."• List the organization's five **current** highest compensated employees (other than an officer, director, trustee or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than \$100,000 from the organization and any related organizations• List all of the organization's **former** officers, key employees, or highest compensated employees who received more than \$100,000 of reportable compensation from the organization and any related organizations• List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than \$10,000 of reportable compensation from the organization and any related organizations

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

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

(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	Office	Key employee	Highest compensated	Former			
(1) John Rafal Director	1 0 1 0	X						0	0	0
(2) Eric Thornburg Director	1 0 1 0	X						0	0	0
(3) Barbara Weiss Director	1 0 1 0	X						0	0	0
(4) Vincent Capece Jr President CEO	40 0 1 0	X		X				757,217	0	362,397
(5) David Baggish MD Chief of Medicine & Secretary	40 0 1 0	X		X				331,012	0	5,037
(6) R Christopher Seaton Chairman	1 0 1 0	X		X				0	0	0
(7) Gary Willis Vice Chairman	1 0 1 0	X		X				0	0	0
(8) Geoffrey Herter MD Assistant Secretary	1 0 1 0	X		X				0	0	0
(9) Chandler Howard Director	1 0 1 0	X						0	0	0
(10) Hugh MacKenzie Director	1 0 1 0	X						0	0	0
(11) Bruce MacMillian Director	1 0 1 0	X						0	0	0
(12) Susan Martin VP Finance Treasurer	40 0 1 0			X				1,369,857	0	90,670
(13) Arthur McDowell MD VP Clinical Affairs	40 0 0 0				X			659,889	0	240,208
(14) Harry Evert Sr VP Strategic Planning Ops	40 0 0 0				X			411,866	0	58,782
(15) Jesse Wagner MD VP Quality and Patient Safety	40 0 0 0				X			411,976	0	101,642
(16) Gregory Nokes VP Human Resources	40 0 0 0				X			459,586	0	148,140
(17) Jacquelyn Calamari VP Nursing	40 0 0 0				X			282,936	0	70,256

Part VII Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees (continued)

(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	Individual trustee or director	Office	Key employee	Highest compensated employee	Former			
(18) Garrett Havican VP Operations	40 0 0 0			X				222,278	0	63,488
(19) Michael Saxe MD Chairman Emergency Medicine	40 0 0 0			X				402,948	0	6,440
(20) David Giuffrida VP, Facilities & Support Svcs	40 0 0 0			X				258,983	0	62,000
(21) Jonathan Bankoff MD Physician Emergency Department	40 0 0 0				X			352,111	0	5,642
(22) Randolph Goodwin MD Clinical Dir Infectious Dis	40 0 0 0				X			357,538	0	1,225
(23) Mario Capuzzi MD Medical Dir , Emergency Dept	40 0 0 0				X			319,742	0	6,552
(24) David Consentino MD Medical Dir , Emergency Dept	40 0 0 0				X			318,543	0	5,147
(25) Robert Grillo MD Chief, Dept of Psychiatry	40 0 0 0				X			312,231	0	5,525
1b Sub-Total										
c Total from continuation sheets to Part VII, Section A										
d Total (add lines 1b and 1c)								7,228,713	0	1,233,151

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 ►259

	Yes	No
3 Did the organization list any former officer, director or trustee, key employee, or highest compensated employee on line 1a? If "Yes," complete Schedule J for such individual	3	No
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? If "Yes," complete Schedule J for such individual	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? If "Yes," complete Schedule J for such person	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
ARAMARK CORPORATION , 66 OXFORD DRIVE FRANKLIN MA 02038	DIETARY/HOUSEKEEPING	1,514,492
QUEST DIAGNOSTICS , 2025 COLLECTION CENTER DRIVE CHICAGO IL 60693	LABORATORY SERVICES	1,334,934
COMPANY 1 CONSULTING , 6 CRAIG DRIVE MONROE CT 06468	INFORMATION SERVICES	892,655
TOBIN CARBERRY O'MALLEY , PO BOX 58 NEW LONDON CT 06320	LEGAL SERVICES	853,202
PHILBRICK TRANSCRIPTIONS , 59 CARMEL HILL ROAD BETHLEHEM CT 06751	TRANSCRIPTION SVCS	823,110
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 ►70		

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	99,006			
	d Related organizations	1d				
	e Government grants (contributions)	1e	1,026,164			
	f All other contributions, gifts, grants, and similar amounts not included above	1f	3,907,380			
	g Noncash contributions included in lines 1a-1f \$		557,840			
	h Total. Add lines 1a-1f		5,032,550			
Program Service Revenue	2a Patient revenues	Business Code				
		621110	343,984,296	343,984,296	0	
	b Specimen laboratory	621500	3,186,704	0	3,186,704	
	c Technical laboratory	621500	1,208,202	0	1,208,202	
	d					
	e					
	f All other program service revenue					
	g Total. Add lines 2a-2f		348,379,202			
Other Revenue	3 Investment income (including dividends, interest, and other similar amounts)		760,275		760,275	
	4 Income from investment of tax-exempt bond proceeds		20,018		20,018	
	5 Royalties		0			
	6a Gross rents	(i) Real	(ii) Personal			
		643,540				
	b Less rental expenses	389,545				
	c Rental income or (loss)	253,995	0			
	d Net rental income or (loss)			253,995		253,995
7a Gross amount from sales of assets other than inventory	(i) Securities	(ii) Other				
	14,952,760					
b Less cost or other basis and sales expenses	8,876,760					
c Gain or (loss)	6,076,000					
d Net gain or (loss)			6,076,000		6,076,000	
8a Gross income from fundraising events (not including \$ 99,006 of contributions reported on line 1c) See Part IV, line 18						
b Less direct expenses	a 77,416					
c Net income or (loss) from fundraising events	b 75,479		1,937		1,937	
9a Gross income from gaming activities See Part IV, line 19	a					
b Less direct expenses	b					
c Net income or (loss) from gaming activities			0			
10a Gross sales of inventory, less returns and allowances	a					
b Less cost of goods sold	b					
c Net income or (loss) from sales of inventory			0			
Miscellaneous Revenue	Business Code					
11a CAFETERIA REVENUE	722210	1,245,629	1,245,629	0	0	
b MEDICARE DEMONSTRATION PR	900099	1,642,000	1,642,000	0	0	
c EQUITY IN JOINT VENTURE INCOME	900099	2,021,783	2,021,783	0	0	
d All other revenue		4,154,927	4,139,321	15,606	0	
e Total. Add lines 11a-11d		9,064,339				
12 Total revenue. See Instructions		369,588,316	353,033,029	4,410,512	7,112,225	

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	0	0		
2 Grants and other assistance to individuals in the United States See Part IV, line 22	0	0		
3 Grants and other assistance to governments, organizations, and individuals outside the United States See Part IV, lines 15 and 16	0	0		
4 Benefits paid to or for members	0	0		
5 Compensation of current officers, directors, trustees, and key employees . . .	5,476,483	4,381,186	1,095,297	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) . . .	235,005	235,005	0	0
7 Other salaries and wages	159,897,043	143,629,874	16,267,169	0
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions) . . .	11,159,520	10,070,406	1,089,114	0
9 Other employee benefits . . .	13,656,796	12,268,535	1,388,261	0
10 Payroll taxes . . .	11,080,727	9,941,471	1,139,256	0
11 Fees for services (non-employees)				
a Management . . .	39,954,882	23,446,778	15,607,243	900,861
b Legal . . .	447,095	0	447,095	0
c Accounting . . .	194,525	0	194,525	0
d Lobbying . . .	51,500	0	51,500	0
e Professional fundraising services See Part IV, line 17	0			0
f Investment management fees . . .	0	0	0	0
g Other (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Schedule O) . . .	0	0	0	0
12 Advertising and promotion . . .	1,530,208	735,084	795,124	0
13 Office expenses . . .	11,706,022	8,729,379	2,976,643	0
14 Information technology . . .	0	0	0	0
15 Royalties . .	0	0	0	0
16 Occupancy . . .	6,628,988	3,995,782	2,633,206	0
17 Travel . . .	1,639,800	1,279,087	360,713	0
18 Payments of travel or entertainment expenses for any federal, state, or local public officials . . .	0	0	0	0
19 Conferences, conventions, and meetings . . .	648,989	441,835	207,154	0
20 Interest . . .	3,016,511	0	3,016,511	0
21 Payments to affiliates . . .	0	0	0	0
22 Depreciation, depletion, and amortization . . .	22,145,057	21,133,028	1,012,029	0
23 Insurance . . .	5,009,092	0	5,009,092	0
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 MEDICAL EXPENSES	36,955,430	36,955,430	0	0
b TRANS TO MHS PRIMARY CARE	2,999,000	2,999,000	0	0
c STATE NET PATIENT REV TAX	9,221,970	0	9,221,970	0
d ALL OTHER EXPENSES	2,134,711	1,142,290	992,421	0
e All other expenses				
25 Total functional expenses. Add lines 1 through 24e	345,789,354	281,384,170	63,504,323	900,861
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 ► if following SOP 98-2 (ASC 958-720)				

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

		(A) Beginning of year	(B) End of year
Assets	1 Cash—non-interest-bearing	54,769,000	1 39,387,000
	2 Savings and temporary cash investments	10,187,000	2 20,741,000
	3 Pledges and grants receivable, net	1,668,000	3 2,082,000
	4 Accounts receivable, net	47,154,000	4 45,387,000
	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	645,000	7 617,000
	8 Inventories for sale or use	1,347,000	8 1,251,000
	9 Prepaid expenses and deferred charges	3,970,000	9 4,058,000
	10a Land, buildings, and equipment cost or other basis Complete Part VI of Schedule D	10a 416,504,000	
	b Less accumulated depreciation	10b 230,191,000	179,846,000
		10c	186,313,000
	11 Investments—publicly traded securities	138,950,000	11 151,822,000
	12 Investments—other securities See Part IV, line 11	0	12 0
	13 Investments—program-related See Part IV, line 11	0	13 0
	14 Intangible assets	0	14 0
	15 Other assets See Part IV, line 11	1,549,000	15 8,653,000
	16 Total assets. Add lines 1 through 15 (must equal line 34)	440,085,000	16 460,311,000
Liabilities	17 Accounts payable and accrued expenses	53,975,000	17 50,292,000
	18 Grants payable	0	18 0
	19 Deferred revenue	671,000	19 769,000
	20 Tax-exempt bond liabilities	66,330,000	20 63,180,000
	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	1,620,000	23 47,000
	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	156,484,000	25 81,857,000
	26 Total liabilities. Add lines 17 through 25	279,080,000	26 196,145,000
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	144,992,000	27 247,940,000
	28 Temporarily restricted net assets	9,049,000	28 9,250,000
	29 Permanently restricted net assets	6,964,000	29 6,976,000
	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	161,005,000	33 264,166,000
	34 Total liabilities and net assets/fund balances	440,085,000	34 460,311,000

Part XI Reconciliation of Net AssetsCheck 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	369,588,316
2	Total expenses (must equal Part IX, column (A), line 25)	2	345,789,354
3	Revenue less expenses Subtract line 2 from line 1	3	23,798,962
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	161,005,000
5	Net unrealized gains (losses) on investments	5	5,770,000
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	73,592,038
10	Net assets or fund balances at end of year Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	264,166,000

Part XII Financial Statements and ReportingCheck if Schedule O contains a response to any question in this Part XII

	Yes	No
1 Accounting method used to prepare the Form 990 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	2a	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 type="checkbox"/> Consolidated basis <input checked="" type="checkbox"/> Both consolidated and separate basis	2b	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	2c	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?	3a	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	3b	Yes

SCHEDULE A
(Form 990 or 990EZ)**Public Charity Status and Public Support****2012****Open to Public
Inspection**Department of the Treasury
Internal Revenue Service

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.

Name of the organization
MIDDLESEX HOSPITAL**Employer identification number**

06-0646718

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

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

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

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

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

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

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

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

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

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

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

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

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

e a Type I b Type II c Type III - Functionally integrated d Type III - Non-functionally integrated

f 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)

g 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

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

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

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

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

i 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
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 III Support 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

2012

Open to Public
Inspection**SCHEDULE C**
(Form 990 or 990-EZ)**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.

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
MIDDLESEX HOSPITAL

Employer identification number

06-0646718

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? Yes No
- 4a Was a correction made? Yes 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? Yes 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			
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	0
d	Mailings to members, legislators, or the public?		No	0
e	Publications, or published or broadcast statements?		No	0
f	Grants to other organizations for lobbying purposes?		No	0
g	Direct contact with legislators, their staffs, government officials, or a legislative body?		No	0
h	Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?		No	0
i	Other activities?	Yes		51,500
j	Total Add lines 1c through 1i			51,500
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 ACTIVITY	SCHEDULE C, PART II-B, LINE 1I	MIDDLESEX HOSPITAL PAYS DUES TO BOTH THE AMERICAN HOSPITAL ASSOCIATION (AHA) AND THE CONNECTICUT HOSPITAL ASSOCIATION (CHA) A PERCENTAGE OF THOSE DUES FUNDED LOBBYING ACTIVITIES DURING THE FISCAL YEAR. THE PORTION OF AHA DUES TOTALED \$10,112 AND THE PORTION OF CHA DUES TOTALED \$25,448. IN ADDITION, MIDDLESEX HOSPITAL CONTRACTED WITH A CONSULTANT WHO PERFORMED LOBBYING ACTIVITIES. THOSE EXPENSES TOTALED \$15,940.

SCHEDULE D
(Form 990)**Supplemental Financial Statements****2012****Open to Public
Inspection**

► Complete if the organization answered "Yes," to Form 990, Part IV, line 6, 7, 8, 9, 10, 11a, 11b, 11c, 11d, 11e, 11f, 12a, or 12b
 ► Attach to Form 990. ► See separate instructions.

Department of the Treasury
Internal Revenue Service

Employer identification number
06-0646718

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? Yes No

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? Yes No

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)	<input type="checkbox"/> Preservation of land for public use (e.g., recreation or education) <input type="checkbox"/> Preservation of an historically important land area
	<input type="checkbox"/> Protection of natural habitat <input type="checkbox"/> Preservation of a certified historic structure
	<input type="checkbox"/> 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	
a Total number of conservation easements	Held at the End of the Year
b Total acreage restricted by conservation easements	2a
c Number of conservation easements on a certified historic structure included in (a)	2b
d Number of conservation easements included in (c) acquired after 8/17/06, and not on a historic structure listed in the National Register	2c
3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the tax year ► _____	2d
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? <input type="checkbox"/> Yes <input type="checkbox"/> 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)? <input type="checkbox"/> Yes <input type="checkbox"/> 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	► \$ _____

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 <input type="checkbox"/> Public exhibition	d <input type="checkbox"/> Loan or exchange programs
b <input type="checkbox"/> Scholarly research	e <input type="checkbox"/> Other
c <input type="checkbox"/> Preservation for future generations	

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	(c) Two years back	(d) Three years back	(e) Four years back
1a Beginning of year balance	102,354,000	87,389,000	87,748,000	80,828,000	79,900,000
b Contributions	869,000	83,000	85,000	208,000	416,000
c Net investment earnings, gains, and losses	11,675,000	14,929,000	-354,000	6,856,000	597,000
d Grants or scholarships					
e Other expenditures for facilities and programs	111,000	47,000	90,000	144,000	85,000
f Administrative expenses					
g End of year balance	114,787,000	102,354,000	87,389,000	87,748,000	80,828,000

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

a Board designated or quasi-endowment ► 90 000 %

b Permanent endowment ► 6 000 %

c Temporarily restricted endowment ► 4 000 %

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

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

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		8,674,000			8,674,000
b Buildings		237,627,000	118,816,000		118,811,000
c Leasehold improvements		2,062,000	1,302,000		760,000
d Equipment		145,685,000	107,175,000		38,510,000
e Other		22,456,000	2,898,000		19,558,000
Total. Add lines 1a through 1e (Column (d) must equal Form 990, Part X, column (B), line 10(c).)					186,313,000

Part VII Investments—Other Securities. See Form 990, Part X, line 12.

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation Cost or end-of-year market value
(1) Financial derivatives		
(2) Closely-held equity interests		
Other		
Total. (Column (b) must equal Form 990, Part X, col (B) line 12.)		

Part VIII Investments—Program Related. See Form 990, Part X, line 13.

(a) Description of investment type	(b) Book value	(c) Method of valuation Cost or end-of-year market value
Total. (Column (b) must equal Form 990, Part X, col (B) line 13.)		

Part IX Other Assets. See Form 990, Part X, line 15.

(a) Description	(b) Book value
Total. (Column (b) must equal Form 990, Part X, col.(B) line 15.)	

Part X Other Liabilities. See Form 990, Part X, line 25.

(a) Description of liability	(b) Book value
Federal income taxes	0
ACCRUED RETIREMENT LIABILITIES	49,029,000
SELF INSURANCE LIABILITIES	18,079,000
ASSET RETIREMENT OBLIGATION	1,040,000
LEASE INCENTIVE OBLIGATION	25,000
UNALLOCATED 3RD PARTY	13,680,000
SECURITY DEPOSITS	4,000
Total. (Column (b) must equal Form 990, Part X, col (B) line 25.)	81,857,000

2. Fin 48 (ASC 740) Footnote In Part XIII, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FIN 48 (ASC 740). Check here if the text of the footnote has been provided in Part XIII

Part XI Reconciliation of Revenue per Audited Financial Statements With Revenue per Return

1	Total revenue, gains, and other support per audited financial statements	1	366,407,000
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12		
a	Net unrealized gains on investments	2a	
b	Donated services and use of facilities	2b	
c	Recoveries of prior year grants	2c	
d	Other (Describe in Part XIII)	2d	
e	Add lines 2a through 2d	2e	
3	Subtract line 2e from line 1	3	366,407,000
4	Amounts included on Form 990, Part VIII, line 12, but not on line 1		
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	
b	Other (Describe in Part XIII)	4b	3,181,316
c	Add lines 4a and 4b	4c	3,181,316
5	Total revenue Add lines 3 and 4c. (This must equal Form 990, Part I, line 12)	5	369,588,316

Part XII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return

1	Total expenses and losses per audited financial statements	1	342,279,000
2	Amounts included on line 1 but not on Form 990, Part IX, line 25		
a	Donated services and use of facilities	2a	
b	Prior year adjustments	2b	
c	Other losses	2c	
d	Other (Describe in Part XIII)	2d	
e	Add lines 2a through 2d	2e	
3	Subtract line 2e from line 1	3	342,279,000
4	Amounts included on Form 990, Part IX, line 25, but not on line 1:		
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	
b	Other (Describe in Part XIII)	4b	3,510,354
c	Add lines 4a and 4b	4c	3,510,354
5	Total expenses Add lines 3 and 4c. (This must equal Form 990, Part I, line 18)	5	345,789,354

Part XIII Supplemental Information

Complete this part to provide the descriptions required for Part II, lines 3, 5, and 9, Part III, lines 1a and 4, Part IV, lines 1b and 2b, Part V, line 4, Part X, 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, LINE 4	BOARD-DESIGNATED (QUASI-ENDOWMENT) FUNDS ARE ASSETS SET ASIDE BY THE BOARD FOR FUTURE UNSPECIFIED USES AND TO SUPPORT EDUCATION AND OTHER PROGRAMS OVER WHICH THE BOARD RETAINS CONTROL AND MAY, AT ITS DISCRETION, SUBSEQUENTLY USE FOR OTHER PURPOSES. PERMANENT ENDOWMENT FUNDS ARE ASSETS RECEIVED WITH THE DONOR STIPULATION THAT THE PRINCIPAL BE INVESTED IN PERPETUITY AND THAT ONLY THE INCOME EARNED THEREON IS AVAILABLE FOR SPECIFIC OR GENERAL SERVICES, SUCH AS FREE BED FUNDS AND SUPPORT OF HOSPITAL OPERATIONS TEMPORARILY RESTRICTED ENDOWMENT FUNDS ARE ASSETS RESTRICTED BY THE DONOR EITHER AS TO PURPOSE AND/OR AS TO TIME OF EXPENDITURE, SUCH AS EDUCATION, HEALTH SERVICES AND CAPITAL PURCHASES
RECONCILIATION OF REVENUE PER AFS WITH REVENUE PER RETURN	SCHEDULE D, PART XI, LINE 4B	RESTRICTED CONTRIBUTIONS 2,295,000 RESTRICTED INVESTMENT INCOME 375,000 NET FUND RAISING ACTIVITIES 900,861 RENTAL EXPENSES (389,545) LINE 4B TOTAL 3,181,316 RECONCILIATION OF EXPENSES PER AFS WITH EXPENSES PER RETURN SCHEDULE D, PART XII, LINE 4B PAYMENTS TO AFFILIATES 2,999,000 NET FUND RAISING ACTIVITIES 900,861 RENTAL EXPENSES (389,545) ROUNDING 38 LINE 4B TOTAL 3,510,354

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.

		(a) Event #1	(b) Event #2	(c) Other events	(d) Total events (add col (a) through col (c))
		<u>TPC Golf</u> (event type)	<u>Hospice Golf</u> (event type)	<u>2</u> (total number)	
1	Gross receipts . . .	114,015	45,776	16,631	176,422
2	Less Contributions . . .	77,200	15,550	6,256	99,006
3	Gross income (line 1 minus line 2) . . .	36,815	30,226	10,375	77,416
4	Cash prizes . . .				
5	Noncash prizes . . .	2,450	3,044		5,494
6	Rent/facility costs . . .	36,066	17,463		53,529
7	Food and beverages . . .				
8	Entertainment . . .				
9	Other direct expenses . .	9,356	240	6,860	16,456
10	Direct expense summary Add lines 4 through 9 in column (d)				(75,479)
11	Net income summary Combine line 3, column (d), and line 10				1,937

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

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

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

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

b If "No," explain _____

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

b If "Yes," explain _____

Does the organization operate gaming activities with nonmembers? Yes No

12 Is the organization a grantor, beneficiary or trustee of a trust or a member of a partnership or other entity formed to administer charitable gaming? Yes No

13 Indicate the percentage of gaming activity operated in

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

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

Name ► _____

Address ► _____

15a Does the organization have a contract with a third party from whom the organization receives gaming revenue? Yes No

b If "Yes," enter the amount of gaming revenue received by the organization ► \$ _____ and the amount of gaming revenue retained by the third party ► \$ _____

c If "Yes," enter name and address of the third party

Name ► _____

Address ► _____

16 Gaming manager information

Name ► _____

Gaming manager compensation ► \$ _____

Description of services provided ► _____

Director/officer

Employee

Independent contractor

17 Mandatory distributions

a Is the organization required under state law to make charitable distributions from the gaming proceeds to retain the state gaming license? Yes No

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

Part IV 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
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2012

Open to Public
InspectionSCHEDULE 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.Name of the organization
MIDDLESEX HOSPITAL

Employer identification number

06-0646718

Part I Financial Assistance and Certain Other Community Benefits at Cost

1a Did the organization have a financial assistance policy during the tax year? If "No," skip to question 6a

b If "Yes," was it a written policy?

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

Applied uniformly to all hospital facilities Applied uniformly to most hospital facilities

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

a Did the organization use Federal Poverty Guidelines (FPG) as a factor in determining eligibility for providing *free* care? If "Yes," indicate which of the following was the FPG family income limit for eligibility for *free* care

100% 150% 200% Other _____ %

b Did the organization use FPG as a factor in determining eligibility for providing *discounted* care? If "Yes," indicate which of the following was the family income limit for eligibility for discounted care

200% 250% 300% 350% 400% Other _____ 500 %

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"?

5a Did the organization budget amounts for free or discounted care provided under its financial assistance policy during the tax year?

b If "Yes," did the organization's financial assistance expenses exceed the budgeted amount?

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?

6a Did the organization prepare a community benefit report during the tax year?

b If "Yes," did the organization make it available to the public?

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

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)		6,751	4,484,459	1,618,666	2,865,793	0 830 %
b Medicaid (from Worksheet 3, column a)		16,107	58,491,447	38,087,735	20,403,712	5 900 %
c Costs of other means-tested government programs (from Worksheet 3, column b)		378	744,832	551,750	193,082	0 060 %
d Total Financial Assistance and Means-Tested Government Programs		23,236	63,720,738	40,258,151	23,462,587	6 790 %
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)		26,051	4,586,704	17,037	4,569,667	1 320 %
f Health professions education (from Worksheet 5)		1,304	8,287,968	2,033,063	6,254,905	1 810 %
g Subsidized health services (from Worksheet 6)		25,735	43,914,282	26,546,337	17,367,945	5 020 %
h Research (from Worksheet 7)		123	884,550	0	884,550	0 260 %
i Cash and in-kind contributions for community benefit (from Worksheet 8)		5,951	364,882	0	364,882	0 110 %
j Total Other Benefits		59,164	58,038,386	28,596,437	29,441,949	8 520 %
k Total Add lines 7d and 7j		82,400	121,759,124	68,854,588	52,904,536	15 310 %

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

	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community building expense	(d) Direct offsetting revenue	(e) Net community building expense	(f) Percent of total expense
1 Physical improvements and housing						
2 Economic development			12,346		12,346	
3 Community support		10	193,019		193,019	0 060 %
4 Environmental improvements						
5 Leadership development and training for community members						
6 Coalition building		991	12,651		12,651	
7 Community health improvement advocacy						
8 Workforce development		104	67,546		67,546	0 020 %
9 Other						
10 Total		1,105	285,562		285,562	0 080 %

Part III Bad Debt, Medicare, & Collection Practices

Section A. Bad Debt Expense	Yes	No
1 Did the organization report bad debt expense in accordance with Healthcare Financial Management Association Statement No 15?	1	No
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	11,094,963
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	1,109,496
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	85,392,574
6 Enter Medicare allowable costs of care relating to payments on line 5	6	102,250,037
7 Subtract line 6 from line 5. This is the surplus (or shortfall)	7	-16,857,463
8 Describe in Part VI the extent to which any shortfall reported in line 7 should be treated as community benefit. Also describe in Part VI the costing methodology or source used to determine the amount reported on line 6. Check the box that describes the method used		
<input type="checkbox"/> Cost accounting system	<input type="checkbox"/> Cost to charge ratio	<input checked="" type="checkbox"/> Other
Section C. Collection Practices		
9a Did the organization have a written debt collection policy during the tax year?	9a	Yes
b If "Yes," did the organization's collection policy that applied to the largest number of its patients during the tax year contain provisions on the collection practices to be followed for patients who are known to qualify for financial assistance? Describe in Part VI	9b	Yes

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

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

Part V Facility Information

Section A. Hospital Facilities

(list in order of size from largest to smallest—see instructions)

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

1

Name, address, and primary website address

Other (Describe)

Facility reporting group

Part V Facility Information (continued)**Section B. Facility Policies and Practices**

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

MIDDLESEX HOSPITAL

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	<input checked="" type="checkbox"/> 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 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 12			
3	In conducting its most recent CHNA, did the hospital facility take into account input from representatives of the community served by the hospital facility, including those with special knowledge of or expertise in public health? If "Yes," describe in Part VI how the hospital facility took into account input from persons who represent the community, and identify the persons the hospital facility consulted		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	No	
5	Did the hospital facility make its CHNA report widely available to the public?		5	Yes	
	If "Yes," indicate how the CHNA report was made widely available (check all that apply)				
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
9 Did the hospital facility have in place during the tax year a written financial assistance policy that explained eligibility criteria for financial assistance, and whether such assistance includes free or discounted care?	9	Yes	
10 Used federal poverty guidelines (FPG) to determine eligibility for providing <i>free</i> care?	10	Yes	
If "Yes," indicate the FPG family income limit for eligibility for free care <u>200</u> %			
If "No," explain in Part VI the criteria the hospital facility used			
11 Used FPG to determine eligibility for providing <i>discounted</i> care?	11	Yes	
If "Yes," indicate the FPG family income limit for eligibility for discounted care <u>500</u> %			
If "No," explain in Part VI the criteria the hospital facility used			
12 Explained the basis for calculating amounts charged to patients?	12	Yes	
If "Yes," indicate the factors used in determining such amounts (check all that apply)			
a <input checked="" type="checkbox"/> Income level			
b <input checked="" type="checkbox"/> Asset level			
c <input type="checkbox"/> Medical indigency			
d <input type="checkbox"/> Insurance status			
e <input type="checkbox"/> Uninsured discount			
f <input type="checkbox"/> Medicaid/Medicare			
g <input checked="" type="checkbox"/> State regulation			
h <input checked="" type="checkbox"/> Other (describe in Part VI)			
13 Explained the method for applying for financial assistance?	13	Yes	
14 Included measures to publicize the policy within the community served by the hospital facility?	14	Yes	
If "Yes," indicate how the hospital facility publicized the policy (check all that apply)			
a <input checked="" type="checkbox"/> The policy was posted on the hospital facility's website			
b <input checked="" type="checkbox"/> The policy was attached to billing invoices			
c <input checked="" type="checkbox"/> The policy was posted in the hospital facility's emergency rooms or waiting rooms			
d <input checked="" type="checkbox"/> The policy was posted in the hospital facility's admissions offices			
e <input checked="" type="checkbox"/> The policy was provided, in writing, to patients on admission to the hospital facility			
f <input checked="" type="checkbox"/> The policy was available upon request			
g <input type="checkbox"/> Other (describe in Part VI)			

Billing and Collections

15 Did the hospital facility have in place during the tax year a separate billing and collections policy, or a written financial assistance policy (FAP) that explained actions the hospital facility may take upon non-payment?	15	Yes	
16 Check all of the following actions against an individual that were permitted under the hospital facility's policies during the tax year before making reasonable efforts to determine the patient's eligibility under the facility's FAP			
a <input type="checkbox"/> Reporting to credit agency			
b <input type="checkbox"/> Lawsuits			
c <input type="checkbox"/> Liens on residences			
d <input type="checkbox"/> Body attachments			
e <input type="checkbox"/> Other similar actions (describe in Part VI)			
17 Did the hospital facility or an authorized third party perform any of the following actions during the tax year before making reasonable efforts to determine the patient's eligibility under the facility's FAP?	17	No	
If "Yes," check all actions in which the hospital facility or a third party engaged			
a <input type="checkbox"/> Reporting to credit agency			
b <input type="checkbox"/> Lawsuits			
c <input type="checkbox"/> Liens on residences			
d <input type="checkbox"/> Body attachments			
e <input type="checkbox"/> Other similar actions (describe in Part VI)			

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

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?

If "No," indicate why

- a The hospital facility did not provide care for any emergency medical conditions
- b The hospital facility's policy was not in writing
- c The hospital facility limited who was eligible to receive care for emergency medical conditions (describe in Part VI)
- d Other (describe in Part VI)

	Yes	No
19 Yes		

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 The hospital facility used its lowest negotiated commercial insurance rate when calculating the maximum amounts that can be charged
- b The hospital facility used the average of its three lowest negotiated commercial insurance rates when calculating the maximum amounts that can be charged
- c The hospital facility used the Medicare rates when calculating the maximum amounts that can be charged
- d Other (describe in Part VI)

21		No

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?

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?

If "Yes," explain in Part VI

22		No

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?

1

Name and address	Type of Facility (describe)
1 MIDDLESEX HOSPITAL HOMECARE 770 SAYBROOK ROAD MIDDLETON, CT 06457	HOMECARE SERVICES, REHAB, HEART HEALTH, OTHER SERVICES
2	
3	
4	
5	
6	
7	
8	
9	
10	

schedule H (Form 990) 2012

Part VI Supplemental Information

Complete this part to provide the following

- 1 Required descriptions.** Provide the descriptions for Section A, and Part V, Section B, lines 1 through 10.
- 2 Needs assessment.** Describe how the organization uses needs assessments reported in Part V, Section B, lines 11 through 15.

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
PART I, LINE 3C IN GENERAL, MIDDLESEX HOSPITAL ("THE HOSPITAL") USES FPG		<p>TO DETERMINE ELIGIBILITY THERE ARE, HOWEVER, SPECIAL CIRCUMSTANCES (SUCH AS A CATASTROPHIC EVENT) WHICH MAY AFFECT A PATIENT'S ABILITY TO PAY IN THIS CASE, THE HOSPITAL EVALUATES THE APPLICATION WITH CONSIDERATION GIVEN TO THE PATIENT'S CURRENT SITUATION WITH SPECIAL CIRCUMSTANCES THE FPG THRESHOLD MAY BE IGNORED AND THE HOSPITAL MAY USE THE PATIENT'S ASSETS AND/OR TAX RETURN ITEMIZED DEDUCTIONS TO DETERMINE THE AMOUNT OF FINANCIAL ASSISTANCE</p> <p>PART I, LINE 6A N/A PART I, LINE 7G MIDDLESEX HOSPITAL INCLUDES ITS FAMILY MEDICINE GROUP AS A SUBSIDIZED SERVICE FOR FY13, 9,803 UNIQUE INDIVIDUALS WERE SERVED WITH A TOTAL HOSPITAL SUBSIDY OF \$1,910,055 MIDDLESEX COUNTY HAS BEEN DESIGNATED BY THE HEALTH RESOURCES AND SERVICES ADMINISTRATION (HRSA) TO BE A MEDICALLY UNDERSERVED AREA EXPERIENCING A SHORTAGE OF SELECT HEALTH SERVICES WHICH INCLUDE TOO FEW PRIMARY CARE PROVIDERS IN ADDITION, HRSA REPORTS THAT MIDDLESEX COUNTY IS A HEALTH PROFESSIONAL SHORTAGE AREA (HPSA) FOR PRIMARY MEDICAL CARE MIDDLESEX HOSPITAL'S FAMILY MEDICINE GROUP FILLS A VITAL COMMUNITY HEALTH NEED BY PROVIDING ACCESS TO PRIMARY CARE SERVICES PART I, LINE 7, COLUMN (F) N/A PART I, LINE 7 FOR PART 1, LINE 7 SECTIONS (A) FINANCIAL ASSISTANCE AT COST, (B) MEDICAID, (C) COSTS OF OTHER MEANS-TESTED GOVERNMENT PROGRAMS, PORTIONS OF (F) HEALTH PROFESSIONS EDUCATION, AND (G) SUBSIDIZED HEALTH SERVICES, THE COSTING METHODOLOGY USED IS A HYBRID COST ACCOUNTING/MEDICARE COST-TO-CHARGE RATIO CALCULATION THE PERCENTAGES ARE DERIVED FROM THE MOST CURRENT MEDICARE COST REPORT AND APPLIED BY CHARGE LINE APPROPRIATELY INDIRECT</p>

ACCURATELY ADDRESS INPATIENT AND OUTPATIENT, HOMECARE AND TO AN EXTENT PHYSICIAN SERVICES SECTIONS (E) COMMUNITY HEALTH IMPROVEMENT, PORTIONS OF (F) HEALTH PROFESSIONS EDUCATION, (H) RESEARCH, AND (I) CASH AND IN-KIND CONTRIBUTIONS TO COMMUNITY GROUPS ARE COMPRISED (EXCEPT FOR CASH DONATIONS AND IN-KIND MATERIAL DONATIONS) OF 1) SUPPLY EXPENSES, 2) PURCHASED SERVICES, AND 3) THE DIRECT SALARY COSTS FOR HOSPITAL STAFF WHOSE TIME WAS COMPENSATED BY THE HOSPITAL FOR TIME SPENT PARTICIPATING IN ACTIVITIES THAT QUALIFY AS COMMUNITY BENEFITS PLUS THE CURRENT FISCAL YEAR FRINGE BENEFIT RATE INDIRECT COSTS WERE APPLIED TO SUBSIDIZED SERVICES AND TO A SMALL SELECTION OF SALARIES AND SERVICES UNDER COMMUNITY HEALTH IMPROVEMENT, RESEARCH, AND COMMUNITY BENEFIT OPERATIONS, BUT NOT BROADLY ACROSS ALL COMMUNITY BENEFIT ACTIVITY ENTRIES PART II MIDDLESEX HOSPITAL'S PARTICIPATION IN COMMUNITY BUILDING ACTIVITIES HAS A VITAL ROLE IN CONTINUING TO PROMOTE THE HEALTH, WELL-BEING AND SAFETY FOR RESIDENTS IN ITS SERVICE AREA. THE HOSPITAL OFFERS ITS RESOURCES AND EXPERTISE TO SUPPORT AND STRENGTHEN COMMUNITY ASSETS IN A VARIETY OF PROGRAMS THAT FALL UNDER THE SCOPE OF COMMUNITY BUILDING STAFF MEMBERS ARE HIGHLY PARTICIPATIVE IN COMMUNITY PARTNERSHIPS AND COALITIONS, THE SUCCESS OF WHICH ARE GREATLY ENHANCED BY HOSPITAL COLLABORATION - MANY COMMUNITY INITIATIVES WOULD NOT BE AS EFFECTIVE WITHOUT THE HOSPITAL'S ADMINISTRATIVE AND CLINICAL STAFF IN-KIND INVOLVEMENT, SUPPORT AND EXPERTISE AS COMMUNITY BUILDING PARTICIPATION IS FOCUSED ON HAVING A DIRECT IMPACT ON IMPROVING THE HEALTH OF THE COMMUNITY, IT MEETS THE CRITERIA FOR INCLUSION IN COMMUNITY BENEFIT AGGREGATE TOTALS IN FY13 THE HOSPITAL'S COMMUNITY BUILDING ACTIVITIES TOTALED \$285,562 AND SERVED 1,105 INDIVIDUALS EXAMPLES INCLUDE (BUT ARE NOT LIMITED TO) "OPPORTUNITY KNOCKS (OK) A MULTIDISCIPLINARY COMMUNITY COALITION THAT INCLUDES 70+ COLLABORATORS COMPRISED OF LOCAL HEALTH AND SOCIAL SERVICE AGENCIES, EARLY CARE AND EDUCATION PROVIDERS AND PARENTS. THE GOALS ARE TO ENSURE THAT CHILDREN ENTER KINDERGARTEN PHYSICALLY AND EMOTIONALLY HEALTHY AND READY TO SUCCEED SINCE ITS INCEPTION IN 2003, OK HAS SERVED APPROXIMATELY 8,900 CHILDREN AGES 0-5. MIDDLESEX HOSPITAL PROVIDES FUNDING, THE PROGRAM PLANNER, A PHYSICIAN CHAMPION, GRANT-WRITING SUPPORT, FISCAL ADMINISTRATION FOR THE FUNDING SOURCES AND PARTICIPATION FROM MULTIPLE DEPARTMENTAL STAFF MEMBERS "DISASTER READINESS FOR DISASTER READINESS, THE HOSPITAL PLAYS A PIVOTAL ROLE BY WORKING IN COLLABORATION WITH KEY COMMUNITY PARTNERS TO ENSURE THE SAFETY OF THE COMMUNITY AT LARGE DURING A POTENTIAL DISASTER TO PREPARE FOR DISASTERS, THE HOSPITAL PARTICIPATES IN SCHOOL SAFETY COMMITTEES, COMMUNITY FLU PREPARATION COMMITTEES, STATEWIDE/REGIONAL EMERGENCY MANAGEMENT COMMITTEES, REGULAR COLLABORATIVE COMMUNITY EDUCATION AND DRILLS, AND HOSTS YEARLY RADIATION DRILLS FOR THE STAFF OF A LOCAL NUCLEAR POWER PLANT IN ADDITION, THE HOSPITAL PURCHASES AND STOCK-PILE LARGES QUANTITIES OF EXTENSIVE PANDEMIC SUPPLIES TO BE USED SHOULD A COMMUNITY-WIDE DISASTER OCCUR INCLUDED IN THIS STOCK-PILE ARE MEDICATIONS FOR INFECTIOUS DISEASE AND CHEMICAL EXPOSURE CURATIVES THE MAJORITY OF THE VALUE OF THE SUPPLIES, SPACE UTILIZATION AND COSTS ASSOCIATED TO MONITOR AND REPLENISH PANDEMIC PRODUCTS (WITHIN EXPIRATION DATES) ARE ABSORBED BY THE HOSPITAL "SHORELINE MEDICAL CENTER MENTORING FOR CAREERS IN HEALTHCARE. THE HOSPITAL'S SHORELINE MEDICAL CENTER (SMC) HAS WELL-DEVELOPED EDUCATIONAL PROGRAMS FOR LOCAL STUDENTS INTERESTED IN MEDICAL CAREERS SHORTAGES OF CERTAIN TRAINED MEDICAL PROFESSIONALS SUCH AS NURSES AND RADIOLOGIC TECHNOLOGISTS SERVED AS THE IMPETUS FOR STARTING THESE PROGRAMS 1) CAREER DAY IS AN EXPERIENTIAL LEARNING EVENT WHERE HIGH SCHOOL STUDENTS INTERACT WITH STAFF MEMBERS FROM A VARIETY OF CLINICAL FIELDS AND PARTICIPATE IN INTERACTIVE MOCK DEMONSTRATIONS/SIMULATIONS 2) INTERNSHIPS SMC PROVIDES INTERNSHIPS FOR LOCAL HIGH SCHOOL STUDENTS AMONG MANY OTHER EXPERIENCES, STUDENTS ARE INVOLVED IN PATIENT ROUNDS AND ARE EXPOSED TO HOW DIAGNOSES ARE MADE 3) WORLD OF WORK IS AN EDUCATIONAL EXPERIENCE FOR MIDDLE SCHOOLS STUDENTS WHERE STUDENTS LEARN ABOUT SPECIFIC HEALTH CARE FIELDS AND THE EDUCATION REQUIRED FOR EACH SPECIALTY STUDENTS ALSO RECEIVE DEMONSTRATIONS ON HEALTH CARE MODALITIES PART III, LINE 2 THE BAD DEBT EXPENSE AMOUNT IN PART III, LINE 2 IS BASED ON CHARGES AND TIED TO THE HOSPITAL'S AUDITED FINANCIAL STATEMENTS THE HOSPITAL ACCOUNTS FOR DISCOUNTS AND PAYMENTS ON PATIENT ACCOUNTS IN DETERMINING BAD DEBT EXPENSE BY REDUCING BAD DEBT BY RECOVERIES ON THE HOSPITAL'S FINANCIALS PART III, LINE 3 FOR PART III, LINE 3, THE HOSPITAL ESTIMATES THAT 10% OF ITS BAD DEBT EXPENSE IS ATTRIBUTABLE TO PATIENTS ELIGIBLE UNDER THE ORGANIZATION'S FINANCIAL ASSISTANCE POLICY. THE HOSPITAL HAS A WELL-ESTABLISHED PROCESS WITH ITS THIRD PARTY AGENCIES TO CAPTURE AS MANY PATIENTS ELIGIBLE FOR FINANCIAL ASSISTANCE AS POSSIBLE AND AWARDS FINANCIAL ASSISTANCE TO THOSE PATIENTS IN COLLECTIONS WHO ARE KNOWN TO QUALIFY. ONCE IN COLLECTIONS, THERE ARE TWO METHODS WHICH ENABLE PATIENTS TO RECEIVE FINANCIAL ASSISTANCE AWARDS 1) PATIENTS COMPLETE A FINANCIAL ASSISTANCE APPLICATION, MEET ELIGIBILITY CRITERIA AND ARE APPROVED, OR 2) THE THIRD PARTY ORGANIZATIONS THAT WORK ON BEHALF OF THE HOSPITAL TO COLLECT BALANCES SCREEN FOR FINANCIAL ASSISTANCE ELIGIBILITY IN ORDER TO ENSURE THAT ALL PATIENTS IN COLLECTIONS ARE AWARE OF FINANCIAL ASSISTANCE AVAILABILITY, THE HOSPITAL REQUIRES THIRD PARTY ORGANIZATIONS TO FOLLOW THE HOSPITAL'S POLICIES REGARDING PATIENT NOTIFICATION ABOUT THE HOSPITAL'S FINANCIAL ASSISTANCE PROGRAM. WITHIN THE POLICY THERE IS A PROVISION WHEREBY COLLECTION AGENCIES, USING GUIDELINES SET FORTH BY THE HOSPITAL, ASSIST THE HOSPITAL IN IDENTIFYING PATIENTS WHO DO NOT HAVE A MEANS TO PAY FOR SERVICES AND THEREFORE QUALIFY FOR THE HOSPITAL'S FINANCIAL ASSISTANCE PROGRAM - WHILE THESE PATIENTS HAVE NOT GONE THROUGH THE FORMAL APPLICATION PROCESS, THEY MEET THE ELIGIBILITY GUIDELINES FOR FINANCIAL ASSISTANCE AS DEFINED BY THE HOSPITAL. THESE PATIENTS ARE THEN TRANSFERRED AND INCLUDED UNDER THE HOSPITAL'S FINANCIAL ASSISTANCE UMBRELLA WHILE THIS PROCESS CAPTURES THE MAJORITY OF THOSE WHO ARE ELIGIBLE FOR FINANCIAL ASSISTANCE, THE HOSPITAL RECOGNIZES IT WILL STILL HAVE A POPULATION OF PATIENTS WHO COULD POTENTIALLY QUALIFY FOR FINANCIAL ASSISTANCE AND DO NOT RECEIVE AWARDS - THOSE WHO ARE UNCOOPERATIVE, UNRESPONSIVE OR HAVE MOVED AWAY BAD DEBT DOLLARS ARE NOT INCLUDED IN ANY OF THE HOSPITAL'S PROGRAMMATIC COMMUNITY BENEFIT VALUES AND, WHILE NOTED, ARE NOT INCLUDED IN THE HOSPITAL'S COMMUNITY BENEFIT TOTALS IN ANY HOSPITAL COMMUNITY BENEFIT PUBLICATION PART III, LINE 4 THE HOSPITAL ESTIMATES A RESERVE FOR UNCOLLECTIBLE ACCOUNTS AGAINST ITS PATIENT ACCOUNTS RECEIVABLES WHEN BAD DEBTS ARE IDENTIFIED, THEY ARE ACCOUNTED FOR AS A COMPONENT OF THE OPERATING EXPENSE PROVISION FOR BAD DEBTS NET OF RECOVERIES. PAGE 15 OF THE MIDDLESEX HOSPITAL'S FY13 AUDITED FINANCIAL STATEMENT STATES FOR RECEIVABLES ASSOCIATED WITH SELF-PAY PATIENTS WHICH INCLUDES BOTH PATIENTS WITHOUT INSURANCE AND PATIENTS WITH DEDUCTIBLE AND COPAYMENT B STATES THAT PATIENTS WHO QUALIFY FOR FINANCIAL ASSISTANCE WILL BE RESPONSIBLE FOR PAYING ANY BALANCE REMAINING AFTER THE FINANCIAL ASSISTANCE ALLOWANCE HAS BEEN APPLIED (THAT IS, IF 100% FINANCIAL ASSISTANCE HAS NOT BEEN AWARDED) THE POLICY ALSO OUTLINES THE PROCESS FOR PAYING OUTSTANDING BALANCES SHOULD THE PATIENT BE FOUND TO HAVE THE MEANS TO PAY A PARTIAL AMOUNT AFTER THE HOSPITAL'S FINANCIAL ASSISTANCE DETERMINATION. THE HOSPITAL WILL NOTIFY THE PATIENT OF THIS/HER/ITABILITY IF PAYMENT IS NOT MADE, THE POLICY STATES THAT THE HOSPITAL WILL USE APPROPRIATE METHODS TO PURSUE COLLECTION, WHICH MAY INCLUDE COLLECTION AGENCIES AND ATTORNEYS. THIS PRACTICE IS BROADLY UTILIZED FOR ALL PATIENTS WITH OUTSTANDING BALANCES. THE HOSPITAL MAKES EVERY EFFORT TO ENSURE THAT ALL PATIENTS KNOW PAYMENT PLANS ARE AVAILABLE FOR ANY BALANCE, INCLUDING THOSE PATIENTS WHO HAVE A BALANCE LEFT OVER AFTER A FINANCIAL ASSISTANCE AWARD HAS BEEN APPLIED IN ORDER TO CAPTURE THE PATIENTS WHO ARE KNOWN TO QUALIFY FOR FINANCIAL ASSISTANCE, THE HOSPITAL HAS PROVISIONS IN ITS COLLECTION POLICY IN THE CASE WHERE PATIENTS WHO WOULD QUALIFY FOR FINANCIAL ASSISTANCE DO NOT COMPLETE A FINANCIAL ASSISTANCE APPLICATION AND ARE PLACED INTO COLLECTIONS, THE THIRD PARTY ORGANIZATIONS THAT WORK ON BEHALF OF THE HOSPITAL TO COLLECT

WORK ON BEHALF OF THE HOSPITAL TO COLLECT

Identifier	ReturnReference	Explanation
Q4 - COMMUNITY INFORMATION MIDDLESEX HOSPITAL IS THE SOLE HOSPITAL		<p>PROVIDER IN ITS SERVICE AREA, WHICH INCLUDES THE LARGE GEOGRAPHIC AREA OF MIDDLESEX COUNTY AND SURROUNDING TOWNS IT ENCOMPASSES 24 MUNICIPALITIES, INCLUDING THE 15 TOWNS OF MIDDLESEX COUNTY (MIDDLETON, CROMWELL, PORTLAND, EAST HAMPTON, EAST HADDAM, HADDAM, MIDDLEFIELD, DURHAM, KILLINGWORTH, CHESTER, DEEP RIVER, ESSEX, OLD SAYBROOK, WESTBROOK, CLINTON) AND 9 TOWNS ON MIDDLESEX COUNTY'S PERIPHERY (ROCKY HILL, GLASTONBURY, HEBRON, MARLBOROUGH, COLCHESTER, SALEM, LYME/OLD LYME, MADISON, GUILFORD) THE MIX OF SUBURBAN AND RURAL TOWNS EXIST WITHIN A LAND MASS OF APPROXIMATELY 623 SQUARE MILES AND HAS A POPULATION OF APPROXIMATELY 250,000 [WITH A POPULATION OF 165,676 (2010 CENSUS) IN MIDDLESEX COUNTY PROPER] MIDDLESEX COUNTY IS LOCATED IN SOUTHEASTERN CONNECTICUT AND RANKS 3RD OF THE EIGHT CT COUNTIES IN POPULATION SIZE 72% OF THE COUNTY'S RESIDENTS LIVE IN URBAN AREAS WITH 28% LIVING IN RURAL ENVIRONMENTS THE MAIN INDUSTRY INCLUDES MIDDLESEX HOSPITAL, WESLEYAN UNIVERSITY, PRATT & WHITNEY AND THE SMALL BUSINESS COMMUNITY THE COUNTY'S RACIAL COMPOSITION IS 89.2% WHITE, 4.6% BLACK OR AFRICAN AMERICAN, 2.6% ASIAN PACIFIC, 0.2% NATIVE AMERICAN AND 3.4% OTHER/MULTI-RACE, WITH AN ETHNIC MAKE-UP OF 5.1% HISPANIC OR LATINO (2011) MIDDLETON IS THE LARGEST MUNICIPALITY IN THE COUNTY, WITH A POPULATION OF 47,648 (2010 CENSUS) AND DEMOGRAPHICALLY STANDS ALONE FROM THE OTHER TOWNS WITHIN MIDDLESEX COUNTY MIDDLETON'S RACIAL COMPOSITION IS 76% WHITE, 12% BLACK OR AFRICAN AMERICAN, 4% ASIAN PACIFIC, 0.1% NATIVE AMERICAN AND 7.5% OTHER/MULTI-RACE, WITH AN ETHNIC MAKE-UP OF 6.8% HISPANIC OR LATINO (2010) REGARDING THE SOCIOECONOMIC MEASURES OF INCOME LEVEL, POVERTY RATE, AND EDUCATION ATTAINMENT 1) THE AVERAGE ANNUAL HOUSEHOLD INCOME IS \$61,791 IN MIDDLETON AND \$74,627 IN MIDDLESEX COUNTY (2010), 2) THE POVERTY RATE IS 11.8% IN MIDDLETON AND 5.8% IN MIDDLESEX COUNTY (2009), AND 3) 10.3% OF ADULTS AGE 25 OR OLDER IN MIDDLETON DON'T HAVE A HIGH SCHOOL DIPLOMA COMPARED TO 7% IN MIDDLESEX COUNTY (2007-2011) IN 2013, THE PERCENT OF HOSPITAL DISCHARGES FOR MEDICAID/SAGA/UNINSURED COMBINED FOR THE FOLLOWING SERVICE LINES WERE 14.8% INPATIENT, 37.6% NEWBORN, 12.3% OUTPATIENT SURGERY, 31.4% EMERGENCY DEPARTMENT NON-ADMISSION AND 14.7% OUTPATIENT OBSERVATION Q5 - PROMOTION OF COMMUNITY HEALTH AS MIDDLESEX HOSPITAL IS A COMMUNITY HOSPITAL, INVOLVING COMMUNITY MEMBERS IN KEY FUNCTIONS HAS ALWAYS BEEN A PRIORITY THE HOSPITAL'S BOARD IS COMPRISED MAINLY OF COMMUNITY MEMBERS WHO ARE NEITHER EMPLOYEES, FAMILY MEMBERS NOR CONTRACTORS OF THE ORGANIZATION, BUT ARE LONG-TERM RESIDENTS WHOSE PRIMARY INTEREST IS THE HEALTH AND WELL-BEING OF THE COMMUNITY AT LARGE MIDDLESEX HOSPITAL EXTENDS MEDICAL STAFF PRIVILEGES TO ALL QUALIFIED PHYSICIANS IN THE COMMUNITY BASED ON THE HOSPITAL'S CURRENT AND PROJECTED PATIENT CARE, TEACHING AND RESEARCH NEEDS, AND OVERALL COMMUNITY NEED MEDICAL STAFF INPUT AND PARTICIPATION IS HIGHLY VALUED BY THE HOSPITAL AS EVIDENCED BY INCLUSION IN THE HOSPITAL'S MEDICAL EXECUTIVE COMMITTEE, THE MEDICAL STAFF COUNCIL AND COUNTLESS OTHER WORKING COMMITTEES THE HOSPITAL HAS A FORMAL PROCESS FOR ALLOCATION OF SURPLUS FUNDS, A MULTIDISCIPLINARY CAPITAL BUDGETING COMMITTEE MEETS AND SETS PRIORITIES FOR INVESTMENTS IN PATIENT CARE, EDUCATION AND RESEARCH, AND PHYSICAL STRUCTURE THE APPROACH TAKES INTO CONSIDERATION PATIENT, COMMUNITY AND STAFF NEEDS EACH YEAR THE HOSPITAL ALLOCATES A PORTION OF SURPLUS FUNDING TO A WIDE ARRAY OF COMMUNITY BENEFIT PROGRAMS AND SERVICE LINES, INCLUDING SUBSTANTIAL HEALTH AND WELLNESS ACTIVITIES AND INITIATIVES, SUBSIDIZED SERVICES, MEDICAL EDUCATION, RESEARCH AND HEALTH ASSESSMENT COSTS CONTINUOUS DEDICATION TO THE COMMUNITIES IT SERVES REMAINS THE HALLMARK OF MIDDLESEX HOSPITAL'S VISION, MISSION, AND STRATEGIC PLANNING AMBITIOUS COMMUNITY BENEFIT GOALS, THE INCORPORATION OF COMMUNITY BENEFIT INTO ANNUAL ORGANIZATIONAL PLANNING, AND THE PROVISION OF COMMUNITY BENEFIT PROGRAMS THAT TARGET THE COMMUNITY'S MOST VULNERABLE AND AT-RISK POPULATIONS HAS ALLOWED THE HOSPITAL TO PUT A FORMAL STRUCTURE AROUND ITS FUNDAMENTAL PURPOSE THE HOSPITAL'S COMMUNITY BENEFIT TOTAL FOR FY13 WAS \$52,904,536 (EXCLUDING COMMUNITY BUILDING) WITH 82,400 SERVED (EXCLUDING COMMUNITY BUILDING) THE FOLLOWING IS AN OVERVIEW OF THE HOSPITAL'S COMMUNITY BENEFIT PROGRAM COMMUNITY HEALTH IMPROVEMENT SERVICES THE HOSPITAL UNDERWRITES A VAST RANGE OF COMMUNITY HEALTH EDUCATION AND HEALTH IMPROVEMENT PROGRAMS, NONE OF WHICH ARE DEVELOPED FOR MARKETING PURPOSES, ALL OF WHICH ARE SUPPORTED AS A MEANS OF FULFILLING THE HOSPITAL'S MISSION TO SERVE ITS COMMUNITY ALMOST 100% OF THE TIME THESE SERVICES ARE OFFERED FREE OF CHARGE, IN THE RARE INSTANCE WHERE A NOMINAL FEE IS ASSESSED THE COST OF PROVIDING THE SERVICE IS NOT COVERED COMMUNITY HEALTH EDUCATION IS PROVIDED TO THE COMMUNITY AT LARGE SOME OF THE PROGRAMS REPRESENT ONE TIME EVENTS, HOWEVER MOST ARE ONGOING AND OVER THE YEARS HAVE BECOME ENTRENCHED IN THE COMMUNITY AS A SOURCE OF SUPPORT AND CONTINUED EDUCATION FOR A HEALTHFUL FUTURE EXAMPLES OF COMMUNITY HEALTH IMPROVEMENT SERVICES INCLUDE (BUT ARE NOT LIMITED TO) 1) HEALTH EDUCATION (COMMUNITY EDUCATION PRESENTATIONS, HEALTH AND WELLNESS EVENTS/HEALTH FAIRS, SUPPORT GROUPS, LARGE SCALE CANCER AWARENESS AND EDUCATIONAL EVENTS, AND THE AVAILABILITY OF HEALTH LITERATURE), 2) COMMUNITY-BASED CLINICAL SERVICES (CLINICS AND SCREENINGS, ANNUAL FLU SHOTS, BLOOD PRESSURE CLINICS), AND 3) HEALTHCARE SUPPORT SERVICES OFFERED TO INCREASE ACCESS AND QUALITY OF CARE TO INDIVIDUALS, ESPECIALLY THOSE LIVING IN POVERTY AND/OR OTHER VULNERABLE POPULATIONS (CENTER FOR CHRONIC CARE MANAGEMENT DISEASE MANAGEMENT OUTPATIENT PROGRAMS FOR ADULT ASTHMA, CHILD ASTHMA, DIABETES EDUCATION AND DISEASE MANAGEMENT, MEDICAL NUTRITION THERAPY, SMOKING CESSION, CHRONIC HEART FAILURE, AND CHILDHOOD WEIGHT MANAGEMENT) IN FY13, THE HOSPITAL'S COMMUNITY HEALTH IMPROVEMENT SERVICES SERVED 26,051 INDIVIDUALS AT A TOTAL COST OF \$4,165,765 TO THE HOSPITAL HEALTH PROFESSIONALS EDUCATION HELPING TO PREPARE FUTURE HEALTH CARE PROFESSIONALS IS A LONG-STANDING COMMITMENT OF MIDDLESEX HOSPITAL AND DISTINGUISHING CHARACTERISTIC THAT CONSTITUTES A SIGNIFICANT COMMUNITY BENEFIT THE HOSPITAL'S FAMILY MEDICINE RESIDENCY PROGRAM GRADUATES FAMILY PRACTICE PHYSICIANS, MANY OF WHOM CONTINUE TO PRACTICE IN THE MIDDLESEX COUNTY AREA AFTER THEIR TRAINING IS COMPLETE THIS IS ESPECIALLY IMPORTANT GIVEN THAT MIDDLESEX COUNTY HAS BEEN DESIGNATED BY THE HEALTH RESOURCES AND SERVICES ADMINISTRATION (HRSA) TO BE A MEDICALLY UNDERSERVED AREA EXPERIENCING A SHORTAGE OF SELECT HEALTH SERVICES WHICH INCLUDE TOO FEW PRIMARY CARE PROVIDERS IN ADDITION, HRSA REPORTS THAT MIDDLESEX COUNTY IS A HEALTH PROFESSIONAL SHORTAGE AREA (HPSA) FOR PRIMARY MEDICAL CARE THE HOSPITAL ALSO WELCOMES MEDICAL AND NURSING STUDENT INTERNS AND PROVIDES ON-SITE TRAINING DURING CLINICAL ROTATIONS NURSING STUDENTS FROM LOCAL COLLEGES AND PROGRAMS RECEIVE HANDS-ON MENTORSHIP IN THE MAJORITY OF CLINICAL SERVICE LINES YEAR-ROUND OTHER HEALTHCARE PROFESSIONAL EDUCATION INCLUDES THE HOSPITAL'S RADIOLOGY SCHOOL (WHICH OPERATES AT A LOSS FOR THE HOSPITAL) AND - (WHICH CLINICAL/NON-CLINICAL EDUCATIONAL STUDENT TRAINING IN MULTIPLE FIELDS IN FY13, THE HOSPITAL'S 1,304 INDIVIDUALS AT A TOTAL COST OF \$6,254,905 TO THE HOSPITAL) SUBSIDIZED HEALTH SERVICES THE HOSPITAL'S SUBSIDIZED HEALTH SERVICES REPRESENT A SIGNIFICANT PORTION OF MIDDLESEX HOSPITAL'S ANNUAL COMMUNITY BENEFIT AGGREGATE SERVICES ARE PARTICULAR CLINICAL PROGRAMS PROVIDED TO THE COMMUNITY DESPITE A FINANCIAL LOSS WITH NEGATIVE MARGINS REMAINING AFTER SPECIFIC SHORTFALLS (MEDICAID) ARE REMOVED IN ORDER TO MEET CERTAIN HEALTH SERVICE CRITERIA AND WOULD AN IDENTIFIED NEED IN THE COMMUNITY, AND WOULD BECOME UNAVAILABLE OR THE RESPONSIBILITY OF A GOVERNMENTAL OR ANOTHER NOT-FOR-PROFIT AGENCY TO PROVIDE IF THE HOSPITAL DISCONTINUED THE SERVICE MIDDLESEX HOSPITAL'S SUBSIDIZED SERVICES FOR FY13 INCLUDE FAMILY PRACTICE SUBSIDIZED SERVICES, BEHAVIORAL HEALTH (INPATIENT AND OUTPATIENT), HOME CARE, CARDIAC REHABILITATION, PARAMEDICS, HOSPICE, DIABETES EDUCATION, WOUND CARE AND PULMONARY REHABILITATION IN FY13 THE HOSPITAL'S SUBSIDIZED SERVICES SERVED 25,735 PEOPLE WITH A TOTAL COST OF \$17,367,945 TO THE HOSPITAL RESEARCH MIDDLESEX HOSPITAL CONDUCTS RESEARCH IN THE DOMAINS OF CLINICAL AND COMMUNITY HEALTH CLINICAL EXAMPLES INCLUDE NATIONAL TRIALS BY THE HOSPITAL'S CANCER CENTER FOR BREAST, LUNG, PROSTATE, COLORECTAL, AMONG OTHERS FOR FY13, THE HOSPITAL'S ASSOCIATED COSTS FOR ALL RESEARCH PROJECTS TOTAL \$884,550 AND SERVED 123 INDIVIDUALS FINANCIAL AND IN-KIND CONTRIBUTIONS MIDDLESEX HOSPITAL SUPPORTS THE COMMUNITY IN THE FORM OF FINANCIAL AND IN-KIND CONTRIBUTIONS THE HOSPITAL'S IN-KIND CONTRIBUTIONS</p>

Schedule J
(Form 990)**Compensation Information**

OMB No 1545-0047

Department of the Treasury
Internal Revenue Service

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.

2012**Open to Public Inspection**Name of the organization
MIDDLESEX HOSPITAL

Employer identification number

06-0646718

Part I Questions Regarding Compensation

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

<input checked="" type="checkbox"/> First-class or charter travel	<input type="checkbox"/> Housing allowance or residence for personal use
<input checked="" type="checkbox"/> Travel for companions	<input type="checkbox"/> Payments for business use of personal residence
<input checked="" type="checkbox"/> Tax indemnification and gross-up payments	<input checked="" type="checkbox"/> Health or social club dues or initiation fees
<input type="checkbox"/> Discretionary spending account	<input checked="" type="checkbox"/> Personal services (e.g., maid, chauffeur, chef)

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

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?

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

<input checked="" type="checkbox"/> Compensation committee	<input type="checkbox"/> Written employment contract
<input checked="" type="checkbox"/> Independent compensation consultant	<input checked="" type="checkbox"/> Compensation survey or study
<input checked="" type="checkbox"/> Form 990 of other organizations	<input checked="" type="checkbox"/> Approval by the board or compensation committee

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?

b Participate in, or receive payment from, a supplemental nonqualified retirement plan?

c Participate in, or receive payment from, an equity-based compensation arrangement?

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?

b Any related organization?

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?

b Any related organization?

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

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

9 If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53.4958-6(c)?

	Yes	No
1b	Yes	
2	Yes	
4a		No
4b	Yes	
4c		No
5a		No
5b		No
6a	Yes	
6b		No
7		No
8		No
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
SUPPLEMENTAL COMPENSATION INFORMATION	BENEFITS	<p>SCHEDULE J, PART I, LINE 1A FIRST CLASS TRAVEL - THE HOSPITAL'S POLICY AUTHORIZES FIRST CLASS TRAVEL FOR THE CHIEF EXECUTIVE OFFICER ON TRIPS EXCEEDING FOUR HOURS IN DURATION. NONE WAS USED DURING THE REPORTING PERIOD. TRAVEL FOR COMPANIONS - THE HOSPITAL'S POLICY PROVIDES FOR SPOUSAL OR "SIGNIFICANT OTHER" TRAVEL IN CERTAIN INSTANCES RELATED TO BUSINESS ACTIVITIES AND PREScribes THE PROPER TAX TREATMENT OF THAT BENEFIT. THIS BENEFIT WAS TREATED AS TAXABLE COMPENSATION. SOCIAL CLUB DUES - REPRESENTS A CORPORATE MEMBERSHIP AT A GOLF CLUB USED FOR VARIOUS BUSINESS PURPOSES. TO THE EXTENT THIS MEMBERSHIP IS USED FOR PERSONAL REASONS THE ASSOCIATED COST IS INCLUDED IN THE TAXABLE INCOME OF THE EXECUTIVE STAFF MEMBER ACCORDING TO IRS RULES AND REGULATIONS. THIS BENEFIT WAS TREATED AS TAXABLE COMPENSATION. PERSONAL SERVICES - REPRESENTS TAX PLANNING AND/OR TAX PREPARATION FEES FOR TWO (2) MEMBERS OF THE EXECUTIVE STAFF. THIS BENEFIT WAS TREATED AS TAXABLE COMPENSATION. SUPPLEMENTAL NON-QUALIFIED RETIREMENT PLAN SCHEDULE J, PART I, LINE 4B NONQUALIFIED RETIREMENT BENEFITS ARE PROVIDED AS PART OF A COMPETITIVE TOTAL COMPENSATION PROGRAM AND TO ENCOURAGE RETENTION OF KEY EXECUTIVES. THE NONQUALIFIED RETIREMENT PLAN BENEFIT ACCRUES ANNUALLY AND THE PLAN PROVIDES THAT A PARTICIPANT VESTS AFTER THREE (3) YEARS OF SERVICE. THE AMOUNT OF THE VESTED BENEFITS IS CONSIDERED "INCOME" TO THE EXECUTIVE'S W-2 FORM AND IS TAXABLE. CERTAIN EXECUTIVES ALSO PARTICIPATE IN A FORMER PLAN, WHERE ACCRUALS CEASED IN 2010 AND THE VESTED BENEFITS WILL BE DISTRIBUTED ON TERMINATION OF EMPLOYMENT. THE FOLLOWING INDIVIDUALS PARTICIPATED IN THE NONQUALIFIED RETIREMENT PLAN. THE AMOUNTS REPORTED BELOW REPRESENT BENEFITS ACCRUED DURING CALENDAR YEAR 2012, NOT PAYABLE UNTIL RETIREMENT.</p> <p>SUSAN MARTIN \$890,245 ARTHUR McDowell, MD \$118,818 GREGORY NOKES \$70,486 HARRY EVERT \$27,700 THE FOLLOWING PARTICIPANTS HAD FUNDS CONTRIBUTED TO THEIR SERP ACCOUNT IN 2012:</p> <p>ARTHUR McDowell, MD \$155,720 DAVID GIUFFRIDA \$22,000 GREGORY NOKES \$84,300 VINCENT CAPECE \$171,750 SUSAN MARTIN \$13,440 GARY HAVICAN \$20,000 JESSE WAGNER, MD \$34,000 JACQUELYN CALAMARI \$21,200</p> <p>COMPENSATION CONTINGENT ON NET REVENUE SCHEDULE J, PART I, LINE 6A THERE ARE FOUR (4) BROAD CATEGORIES OF EXECUTIVE INCENTIVE GOALS: CLINICAL QUALITY AND PATIENT SATISFACTION (40%), FINANCIAL STRENGTH (30%), WORKPLACE ENVIRONMENT (20%), AND COMMUNITY BENEFIT/CHARITABLE MISSION EFFECTIVENESS (10%). WITHIN EACH CATEGORY ARE MORE SPECIFIC GOALS WHICH ARE DETERMINED FROM OUR OWN PAST EXPERIENCE AS WELL AS STATE AND NATIONAL BENCHMARK DATA. THE INCENTIVE COMPENSATION OF THE EXECUTIVE STAFF IS DETERMINED WITH REFERENCE TO PERFORMANCE RELATIVE TO THESE GOALS. BONUS & INCENTIVE COMPENSATION - COLUMN B(II) SCHEDULE J, PART II THE AMOUNTS REPRESENT INCENTIVE COMPENSATION PAYMENTS MADE IN CALENDAR YEAR 2012. PAYMENTS INCLUDE AMOUNTS EARNED IN 2011 AND DEFERRED, WHERE APPLICABLE.</p>

Software ID:
Software Version:
EIN: 06-0646718
Name: MIDDLESEX HOSPITAL

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				
Susan Martin	(i) 332,712 (II) 0	141,500 0	895,645 0	87,440 0	3,230 0	1,460,527 0	958,020 0
Arthur McDowell MD	(i) 381,737 (II) 0	150,500 0	127,652 0	232,720 0	7,488 0	900,097 0	340,109 0
Harry Evert	(i) 272,492 (II) 0	99,500 0	39,874 0	55,000 0	3,782 0	470,648 0	44,500 0
Jesse Wagner MD	(i) 407,756 (II) 0	0 0	4,220 0	95,500 0	6,142 0	513,618 0	15,000 0
Gregory Nokes	(i) 275,712 (II) 0	108,000 0	75,874 0	143,300 0	4,840 0	607,726 0	193,215 0
Jacquelyn Calamari	(i) 210,180 (II) 0	69,500 0	3,256 0	68,200 0	2,056 0	353,192 0	32,500 0
Garrett Havican	(i) 220,397 (II) 0	0 0	1,881 0	56,000 0	7,488 0	285,766 0	13,000 0
Michael Saxe MD	(i) 359,372 (II) 0	38,118 0	5,458 0	0 0	6,440 0	409,388 0	15,000 0
Jonathan Bankoff MD	(i) 266,690 (II) 0	85,421 0	0 0	0 0	5,642 0	357,753 0	77,565 0
Randolph Goodwin MD	(i) 306,920 (II) 0	23,225 0	27,393 0	0 0	1,225 0	358,763 0	5,767 0
Mario Capuzzi MD	(i) 249,132 (II) 0	70,610 0	0 0	0 0	6,552 0	326,294 0	0 0
David Giuffrida	(i) 216,025 (II) 0	40,000 0	2,958 0	62,000 0	0 0	320,983 0	0 0
David Consentino MD	(i) 253,378 (II) 0	64,922 0	243 0	0 0	5,147 0	323,690 0	66,224 0
Robert Grillo MD	(i) 258,840 (II) 0	33,610 0	19,781 0	0 0	5,525 0	317,756 0	0 0
Vincent Capece Jr	(i) 564,719 (II) 0	176,500 0	15,998 0	354,750 0	7,647 0	1,119,614 0	334,028 0
David Baggish MD	(i) 322,215 (II) 0	8,554 0	243 0	0 0	5,037 0	336,049 0	0 0

**Schedule K
(Form 990)****2012**Department of the Treasury
Internal Revenue Service**Supplemental Information on Tax Exempt Bonds**

► Complete if the organization answered "Yes" to Form 990, Part IV, line 24a. Provide descriptions, explanations, and any additional information in Part VI.
 ► Attach to Form 990. ► See separate instructions.

**Open to Public
Inspection**Name of the organization
MIDDLESEX HOSPITAL**Employer identification number**
06-0646718**Part I Bond Issues**

	(a) Issuer name	(b) Issuer EIN	(c) CUSIP #	(d) Date issued	(e) Issue price	(f) Description of purpose	(g) Defeased		(h) On behalf of issuer		(i) Pool financing	
							Yes	No	Yes	No	Yes	No
A	STATE OF CT HEALTH & EDUCATIONAL FACILITIES AUTH	06-0806186	20774UGQ2	12-07-2006	23,613,507	CONSTRUCTION OF NEW EMERGENCY ROOM		X		X		X
B	STATE OF CT HEALTH & EDUCATIONAL FACILITIES AUTH	06-0806186	20774UGR0	12-07-2006	16,620,000	REFINANCE 11/15/2002 (SERIES K)		X		X		X
C	STATE OF CT HEALTH & EDUCATIONAL FACILITIES AUTH	06-0806186	20774YAW7	07-26-2011	33,803,383	REFINANCE 10/9/1997 (SERIES H)		X		X		X

Part II Proceeds

			A	B	C	D
			2,250,000	3,890,000	3,775,000	
1	Amount of bonds retired		0	0	0	
2	Amount of bonds legally defeased					
3	Total proceeds of issue		24,649,762	16,775,130	33,803,651	
4	Gross proceeds in reserve funds		1,625,617	1,219,669	0	
5	Capitalized interest from proceeds		0	0	0	
6	Proceeds in refunding escrows		0	0	0	
7	Issuance costs from proceeds		392,822	256,847	537,961	
8	Credit enhancement from proceeds		720,290	429,253	0	
9	Working capital expenditures from proceeds		0	0	0	
10	Capital expenditures from proceeds		21,821,549	14,869,361	33,265,690	
11	Other spent proceeds		89,483	0	0	
12	Other unspent proceeds		0	0	0	
13	Year of substantial completion		2008	2007	2011	
14	Were the bonds issued as part of a current refunding issue?		Yes	No	Yes	No
15	Were the bonds issued as part of an advance refunding issue?			X		X
16	Has the final allocation of proceeds been made?		X		X	
17	Does the organization maintain adequate books and records to support the final allocation of proceeds?		X		X	

Part III Private Business Use

		A	B	C	D		
		Yes	No	Yes	No	Yes	No
1	Was the organization a partner in a partnership, or a member of an LLC, which owned property financed by tax-exempt bonds?		X				
2	Are there any lease arrangements that may result in private business use of bond-financed property?		X				

Part III Private Business Use (Continued)

	A		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	No
3a Are there any management or service contracts that may result in private business use of bond-financed property?		X						
b If "Yes" to line 3a, does the organization routinely engage bond counsel or other outside counsel to review any management or service contracts relating to the financed property?								
c Are there any research agreements that may result in private business use of bond-financed property?		X						
d If "Yes" to line 3c, does the organization routinely engage bond counsel or other outside counsel to review any research agreements relating to the financed property?								
4 Enter the percentage of financed property used in a private business use by entities other than a section 501(c)(3) organization or a state or local government ►			0 %			0 %		
5 Enter the percentage of financed property used in a private business use as a result of unrelated trade or business activity carried on by your organization, another section 501(c)(3) organization, or a state or local government ►			%			%		
6 Total of lines 4 and 5			%			%		
7 Does the bond issue meet the private security or payment test?								
8a Has there been a sale or disposition of any of the bond financed property to a nongovernmental person other than a 501(c)(3) organization since the bonds were issued?								
b If "Yes" to line 8a, enter the percentage of bond-financed property sold or disposed of			%			%		
c If "Yes" to line 8a, was any remedial action taken pursuant to Regulations sections 1 141-12 and 1 145-2?								
9 Has the organization established written procedures to ensure that all nonqualified bonds of the issue are remediated in accordance with the requirements under Regulations sections 1 141-12 and 1 145-2?								

Part IV Arbitrage

	A		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	No
1 Has the issuer filed Form 8038-T?		X		X		X		
2 If "No" to line 1, did the following apply?								
a Rebate not due yet?								
b Exception to rebate?								
c No rebate due?								
If you checked "No rebate due" in line 2c, provide in Part VI the date the rebate computation was performed								
3 Is the bond issue a variable rate issue?		X		X		X		
4a Has the organization or the governmental issuer entered into a qualified hedge with respect to the bond issue?		X		X		X		
b Name of provider	0		0		0			
c Term of hedge								
d Was the hedge superintegrated?								
e Was a hedge terminated?								

Part IV Arbitrage (Continued)

	A		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	No
5a Were gross proceeds invested in a guaranteed investment contract (GIC)?		X		X		X		
b Name of provider	0		0		0			
c Term of GIC								
d Was the regulatory safe harbor for establishing the fair market value of the GIC satisfied?								
6 Were any gross proceeds invested beyond an available temporary period?		X		X		X		
7 Has the organization established written procedures to monitor the requirements of section 148?								

Part V Procedures To Undertake Corrective Action

	A		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	No
1 Has the organization established written procedures to ensure that violations of federal tax requirements are timely identified and corrected through the voluntary closing agreement program if self-remediation is not available under applicable regulations?	X		X		X			

Part VI Supplemental Information. Complete this part to provide additional information for responses to questions on Schedule K (see instructions).

Identifier	Return Reference	Explanation
TOTAL PROCEEDS OF ISSUE	SCHEDULE K, PART II, LINE 3 (ALL BONDS)	THE DIFFERENCE BETWEEN THE ISSUE PRICE AND THE TOTAL PROCEEDS IS INTEREST IN THE AMOUNT OF \$1,036,255 FOR COLUMN A BOND, \$155,130 FOR COLUMN B BOND AND \$268 FOR COLUMN C BOND ISSUANCE COSTS FROM PROCEEDS SCHEDULE K, PART II, LINE 7 (COLUMN C BOND) THIS AMOUNT WILL NOT TIE TO 8038 DUE TO ALLOCATION TO OBLIGATED GROUP

Schedule L

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

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Department of the Treasury
Internal Revenue Service

Name of the organization
MIDDLESEX HOSPITAL

Employer identification number

06-0646713

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	Yes	No

2 Enter the amount of tax incurred by organization managers or disqualified persons during the year under section 4958 _____ \$ _____

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

Part III Grants or Assistance Benefitting Interested Persons.

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

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) Anne Calamari-LCSW Coordinator	Family member-J Calamari	63,312	Receipt of wages/compensation		No
(2) Steve McDowell-Purchasing Manager	Family member-A McDowell	100,027	Receipt of wages/compensation		No
(3) Victoria McDowell-Registered Nurse	Family member-A McDowell	71,666	Receipt of wages/compensation		No
(4) Essex Financial Services	John W Rafal/Director	626,850	Entity more than 35% owned		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 WITH INTERESTED PERSONS	SCHEDULE L, PART IV	ANNE CALAMARI, LCSW COORDINATOR, IS THE DAUGHTER OF JACQUELYN CALAMARI, VP NURSING ANNE CALAMARI'S WAGES FOR 10/01/12 TO 09/30/13 TOTLED \$63,312 STEVE McDowell, PURCHASING MANAGER, IS THE BROTHER OF ARTHUR McDowell, VICE PRESIDENT OF CLINICAL AFFAIRS STEVE McDowell's WAGES FOR 10/01/12 TO 09/30/13 TOTLED \$100,027 VICTORIA McDowell, REGISTERED NURSE, IS THE SISTER-IN-LAW OF ARTHUR McDowell, VICE PRESIDENT OF CLINICAL AFFAIRS VICTORIA McDowell's WAGES FOR 10/01/12 TO 09/30/13 TOTLED \$71,666 JOHN W RAFAL, DIRECTOR, IS 40% OWNER OF ESSEX FINANCIAL SERVICES DURING THE REPORTING PERIOD, \$626,850 OF MIDDLESEX HOSPITAL EMPLOYER CONTRIBUTIONS WERE TRANSFERRED TO ESSEX FINANCIAL SERVICES FOR MANAGEMENT IN 403(B) PLANS

SCHEDULE M
(Form 990)

Noncash Contributions

OMB No 1545-0047

2012

Open to Public
InspectionDepartment of the Treasury
Internal Revenue Service►Complete if the organizations answered "Yes" on Form
990, Part IV, lines 29 or 30.
►Attach to Form 990.Name of the organization
MIDDLESEX HOSPITAL

Employer identification number

06-0646718

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				
2 Art—Historical treasures				
3 Art—Fractional interests				
4 Books and publications				
5 Clothing and household goods				
6 Cars and other vehicles				
7 Boats and planes				
8 Intellectual property				
9 Securities—Publicly traded	X	8	557,840	SELLING PRICE
10 Securities—Closely held stock				
11 Securities—Partnership, LLC, or trust interests				
12 Securities—Miscellaneous				
13 Qualified conservation contribution—Historic structures				
14 Qualified conservation contribution—Other				
15 Real estate—Residential				
16 Real estate—Commercial				
17 Real estate—Other				
18 Collectibles				
19 Food inventory				
20 Drugs and medical supplies				
21 Taxidermy				
22 Historical artifacts				
23 Scientific specimens				
24 Archeological artifacts				
25 Other ► (_____)				
26 Other ► (_____)				
27 Other ► (_____)				
28 Other ► (_____)				
29 Number of Forms 8283 received by the organization during the tax year for contributions for which the organization completed Form 8283, Part IV, Donee Acknowledgement			29	

	Yes	No
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	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
USE OF THIRD PARTIES TO SELL NONCASH CONTRIBUTIONS	SCHEDULE M, PART I, LINE 32B	DONORS OF STOCK ARE INSTRUCTED TO TRANSFER TO MERRILL LYNCH, IN WHICH MERRILL LYNCH IS INSTRUCTED TO SELL STOCK IMMEDIATELY

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.

2012**Open to Public
Inspection**

Name of the organization

MIDDLESEX HOSPITAL

Employer identification number

06-0646718

Identifier	Return Reference	Explanation
PROGRAM SERVICES	PROGRAM SERVICE #1, INPATIENT CARE	
MEMBERS OR STOCKHOLDERS	FORM 990, PART VI, SECTION A, LINES 6, 7A AND 7B	<p>THE SOLE MEMBER OF THE HOSPITAL SHALL BE MIDDLESEX HEALTH SYSTEM, INC., A CONNECTICUT NON-STOCK CORPORATION, OR ITS SUCCESSOR IN INTEREST ("SOLE MEMBER"), WHICH SHALL HAVE ALL OF THE MEMBERSHIP RIGHTS CONFERRED BY LAW, THE CERTIFICATE OF INCORPORATION OR THE MIDDLESEX HOSPITAL BY-LAWS, BY VOTE OF ITS BOARD OF DIRECTORS, ITS PRESIDENT, OR BY OR THROUGH ANY OTHER PERSON(S) DESIGNATED BY ITS BOARD OF DIRECTORS ON ITS BEHALF. ANY SUCH ACTION MAY ALSO BE TAKEN WITHOUT A MEMBERSHIP MEETING IF CONSENT THERETO IS CONFIRMED THROUGH A WRITTEN COMMUNICATION OF A DULY AUTHORIZED REPRESENTATIVE OF THE SOLE MEMBER ACTING WITHIN THE LIMITS OF SUCH REPRESENTATIVE'S AUTHORITY. ANY SUCH ACTION BY THE SOLE MEMBER OR ITS DULY AUTHORIZED REPRESENTATIVE SHALL BE FILED WITH THE SECRETARY OF THE HOSPITAL. THE ANNUAL ELECTRONIC REVIEW PROCESS FORM 990, PART VI, SECTION B, LINE 11A DRAFT FORMS OF THE 990, INCLUDING REQUIRED SCHEDULES, ARE PROVIDED TO EACH BOARD MEMBER FOR REVIEW. MEMBERS REVIEW THE DOCUMENTS, HIGHLIGHT ANY SIGNIFICANT CHANGES AND ATTEST TO THEIR APPROVAL. ANY QUESTIONS OR COMMENTS ARE PRESENTED TO EXECUTIVE MANAGEMENT PRIOR TO FILING. A COPY OF THE FINAL FORM 990 WILL BE PROVIDED TO THE BOARD PRIOR TO FILING WITH THE IRS VIA A WEB BASED COMMUNICATION PORTAL. CONFLICT OF INTEREST POLICY FORM 990, PART VI, SECTION B, LINE 12C CONFLICT OF INTEREST FORMS ARE DISTRIBUTED ANNUALLY TO KEY EMPLOYEES, OFFICERS AND THE BOARD OF DIRECTORS. RESPONSES ARE RETURNED TO, TRACKED, AND REVIEWED BY THE COMPLIANCE OFFICER. INFORMATION REPORTED IS CONSIDERED PERSONAL AND CONFIDENTIAL AND ONLY DISCLOSED WHEN DEEMED NECESSARY TO PROTECT THE HOSPITAL AGAINST THE EFFECTS OF CONFLICTS OF INTEREST AND ONLY AFTER ADVISING THE REPORTING PERSON OF THE PROPOSED DISCLOSURE AND OFF ITS EXTENT MATERIAL CONFLICTS ARE REPORTED TO THE BOARDS AUDIT COMMITTEE FOR REVIEW AND DETERMINATION. IN ADDITION TO COMPLETING THE ANNUAL CONFLICT OF INTEREST FORM, BOARD MEMBERS MUST IMMEDIATELY DISCLOSE ANY INTEREST AND ALL MATERIAL FACTS TO THE BOARD OF DIRECTORS. THE BOARD THEN REVIEWS THE FACTS AND MAKES THE DETERMINATION AS TO WHETHER A SIGNIFICANT CONFLICT OF INTEREST EXISTS. IF SO, THE BOARD FOLLOWS DISABLING GUIDELINES TO DETERMINE IF THE BOARD MEMBER SHOULD BE ASKED TO RESIGN OR BE REMOVED. COMPENSATION POLICY FORM 990, PART VI, SECTION B, LINES 15A & 15B EXECUTIVE TEAM COMPENSATION IS REVIEWED ANNUALLY BY THE EXECUTIVE COMPENSATION COMMITTEE OF THE BOARD. THE COMMITTEE HAS A CHARTER AND A POLICY STATEMENT SETTING FORTH A PROCESS AND CERTAIN GUIDELINES FOR DETERMINING COMPENSATION. EXECUTIVES RECEIVE A BASE SALARY AND HAVE THE OPPORTUNITY FOR INCENTIVE COMPENSATION WITHIN A RANGE SET BY THE POLICY. FOLLOWING THE CLOSE OF EACH FISCAL YEAR, THE COMMITTEE RECEIVES A MARKET ANALYSIS FROM INDEPENDENT CONSULTANTS REGARDING COMPENSATION AT PEER GROUPS OF COMPARABLE HOSPITALS AND HEALTH SYSTEMS. POSITIONS WITHIN THE EXECUTIVE TEAM ARE COMPARED TO BENCHMARK POSITIONS WITHIN THIS MARKET. DATA AND THEIR COMPENSATION IS COMPARED TO THE DATA BOTH WITH RESPECT TO CASH COMPENSATION AND TOTAL COMPENSATION INCLUDING FRINGE BENEFITS. THE CEO RECOMMENDS THE INCENTIVE AWARDS AND BASE SALARY ADJUSTMENTS TO THE COMMITTEE. THE COMMITTEE REVIEWS THOSE RECOMMENDATIONS, APPROVES OR MODIFIES THEM, AND ALSO DETERMINES ANY INCENTIVE AWARD AND BASE SALARY ADJUSTMENT FOR THE CEO. THE CONSULTANTS PROVIDE A WRITTEN OPINION ANNUALLY CONFIRMING THAT THE COMPENSATION OF THE EXECUTIVES, AS ADJUSTED BY THIS PROCESS, IS "REASONABLE" WITHIN APPLICABLE GUIDELINES. KEY EMPLOYEE COMPENSATION IS SET FOLLOWING THE GUIDELINES SET FORTH IN THE HOSPITAL COMPENSATION POLICY. THE OBJECTIVE OF THIS POLICY IS TO PAY EMPLOYEES BASED UPON HOSPITAL NEED, THE PROPER EXTERNAL LABOR MARKET AND PERFORMANCE. PUBLIC DISCLOSURE FORM 990, PART VI, SECTION C, LINE 19 MIDDLESEX HOSPITAL MAINTAINS A QUALITY AND COMPLIANCE SECTION ON ITS WEBSITE, MIDDLESEXHOSPITAL.ORG. THE HOSPITAL POSTS THE MOST CURRENT AUDITED FINANCIAL STATEMENTS THEREAS THEY BECOME AVAILABLE, AS WELL AS STATEMENTS FROM AT LEAST TWO PREVIOUS FISCAL YEARS. THE HOSPITAL'S CONFLICT OF INTEREST POLICY IS ALSO POSTED ON THE WEB SITE IN THE VENDORS AND SUPPLIERS SECTION. IN ADDITION, THE ORGANIZATION'S FORM 990 IS AVAILABLE AT WWW.GUIDESTAR.ORG AND UPON REQUEST. OTHER CHANGES IN NET ASSETS FORM 990, PART X, LINE 9 CHANGE IN ACCUMULATED PENSION CHARGES \$74,406,000 EXPENDITURES FOR INTENDED PURCHASES (\$814,000) ROUNDING 38 TOTAL \$73,592,038.</p>

**SCHEDULE R
(Form 990)**

Related Organizations and Unrelated Partnerships

OMB No 1545-0047

2012

**Open to Public
Inspection**

Department of the Treasury
Internal Revenue Service

Name of the organization
MIDDLESEX HOSPITAL

Employer identification number

06-0646718

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

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.)

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.)

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.)

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		No
1b	Yes	
1c		No
1d	Yes	
1e		No
1f		No
1g		No
1h		No
1i		No
1j		No
1k	Yes	
1l		No
1m		No
1n		No
1o	Yes	
1p	Yes	
1q	Yes	
1r		No
1s		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
See Additional Data Table			

Part VI Unrelated Organizations Taxable as a Partnership (Complete if the organization answered "Yes" to Form 990, Part IV, line 37.)

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.

Software ID:
Software Version:
EIN: 06-0646718
Name: MIDDLESEX HOSPITAL

Schedule R (Form 990) 2012

Page 5

Part VII Supplemental Information

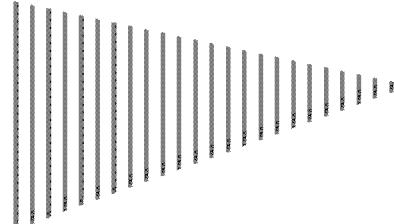
Complete this part to provide additional information for responses to questions on Schedule R (see instructions)

Identifier	Return Reference	Explanation		
--> Form 990, Schedule R, Part V - Transactions With Related Organizations				
	(a) Name of other organization	(b) Transaction type(a-s)	(c) Amount Involved	(d) Method of determining amount involved
Middlesex Health System Inc		b	2,999,000	
Middlesex Health Resources Inc		k	507,536	
Middlesex Health Services Inc		o	136,203	
Middlesex Health Services Inc		d	4,905,000	
Middlesex Health Services Inc		q	2,254,245	
MHS Primary Care Inc		q	2,332,000	
Middlesex Health System Inc		p	976,340	

FINANCIAL STATEMENTS

Middlesex Hospital
Years Ended September 30, 2013 and 2012
With Report of Independent Auditors

Ernst & Young LLP



Building a better
working world

Middlesex Hospital

Financial Statements

Years Ended September 30, 2013 and 2012

Contents

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Statements of Changes in Net Assets	5
Statements of Cash Flows	6
Notes to Financial Statements	7



Ernst & Young LLP
555 Madison Avenue
New York
New York 10022-3211
T 212 554 1000

Report of Independent Auditors

The Board of Directors
Middlesex Hospital

We have audited the accompanying financial statements of Middlesex Hospital, which comprise the balance sheets as of September 30, 2013 and 2012, and the related statements of operations, changes in net assets and cash flows for the years then ended, and the related notes to the financial statements

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in conformity with U.S. generally accepted accounting principles, this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free of material misstatement, whether due to fraud or error

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the 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 entity'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 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 financial statements referred to above present fairly, in all material respects, the financial position of Middlesex Hospital at September 30, 2013 and 2012, and the results of its operations, changes in its net assets and its cash flows for the years then ended in conformity with U S generally accepted accounting principles

Change in Presentation of the Provision for Bad Debts

As discussed in Notes 2 and 3 to the financial statements, in 2013 Middlesex Hospital adopted the provisions of Accounting Standards Update No 2011-07, *Presentation and Disclosure of Patient Service Revenue, Provision for Bad Debts, and the Allowance for Doubtful Accounts for Certain Health Care Entities*, which resulted in a change to the presentation of the provision for bad debts on the statements of operations effective October 1, 2012. Our opinion is not modified with respect to this matter

Ernst & Young LLP

December 23, 2013

Middlesex Hospital

Balance Sheets

	September 30	
	2013	2012
<i>(In thousands)</i>		
Assets		
Current assets		
Cash and cash equivalents	\$ 39,387	\$ 54,769
Short-term investments (Note 5)	20,741	10,187
Patient accounts receivable – less reserve for uncollectible amounts of approximately \$11,000 and \$11,600 in 2013 and 2012, respectively	44,032	45,169
Prepaid and other current assets	7,268	7,236
Estimated third-party favor settlements	2,914	–
Current portion of investments limited as to use (Note 5)	4,091	4,527
Total current assets	<u>118,433</u>	121,888
Investments limited as to use (Note 5)	133,959	118,942
Long-term investments (Note 5)	13,772	15,481
Other assets		
Due from related parties (Note 14)	53	103
Other	7,781	7,304
Total other assets	<u>7,834</u>	7,407
Property and equipment, net (Note 6)	186,313	179,846
Total assets	<u><u>\$ 460,311</u></u>	<u><u>\$ 443,564</u></u>
Liabilities and net assets		
Current liabilities		
Current portion of long-term debt (Note 7)	\$ 3,156	\$ 4,618
Accounts payable	16,703	19,149
Accrued payroll and related liabilities	31,544	32,727
Estimated third-party favor settlements	–	2,944
Other accrued liabilities	2,045	2,099
Current portion of estimated self-insurance liability (Note 10)	4,139	4,350
Current portion of accrued retirement liabilities (Note 8)	44	48
Total current liabilities	<u>57,631</u>	65,935
Long-term liabilities		
Long-term debt, net of current portion (Note 7)	60,071	63,332
Estimated self-insurance liability, net of current portion (Note 10)	13,940	12,640
Accrued retirement liabilities, net of current portion (Note 8)	48,985	129,719
Estimated third-party favor settlements and other	15,518	10,933
Total long-term liabilities	<u>138,514</u>	216,624
Total liabilities	<u><u>196,145</u></u>	<u><u>282,559</u></u>
Commitments and contingencies (Notes 2, 3, 6, 7, 8, 9 and 10)		
Net assets		
Unrestricted	247,940	144,992
Temporarily restricted (Notes 11 and 12)	9,250	9,049
Permanently restricted (Notes 11 and 12)	6,976	6,964
Total net assets	<u>264,166</u>	161,005
Total liabilities and net assets	<u><u>\$ 460,311</u></u>	<u><u>\$ 443,564</u></u>

See accompanying notes

Middlesex Hospital
Statements of Operations

	Year Ended September 30	
	2013	2012
<i>(In thousands)</i>		
Unrestricted revenues		
Patient service revenue, net of contractual allowances and other discounts <i>(Notes 2 and 3)</i>	\$ 358,266	\$ 347,836
Provisions for bad debts <i>(Notes 1 and 3)</i>	<u>(11,095)</u>	<u>(12,199)</u>
Net patient service revenue, less provision for bad debts	<u>347,171</u>	<u>335,637</u>
Other revenue	<u>12,173</u>	<u>11,871</u>
Total unrestricted revenues	<u>359,344</u>	<u>347,508</u>
Operating expenses		
Salaries and wages	164,393	161,675
Fringe benefits	37,112	37,632
Purchased services	29,281	25,861
Supplies	36,955	34,609
Depreciation and amortization	22,127	21,449
Interest	3,017	3,106
Other operating expenses	<u>49,394</u>	<u>38,006</u>
Total operating expenses	<u>342,279</u>	<u>322,338</u>
Income from operations	<u>17,065</u>	<u>25,170</u>
Other income (expense)		
Unrestricted gifts and bequests	293	467
Net investment income	5,701	2,153
Other nonoperating income	23	—
Equity in joint venture income	2,022	2,176
Other nonoperating expenses	<u>(976)</u>	<u>(892)</u>
Total other income, net	<u>7,063</u>	<u>3,904</u>
Excess of revenues over expenses	<u>\$ 24,128</u>	<u>\$ 29,074</u>

See accompanying notes.

Middlesex Hospital

Statements of Changes in Net Assets

	Year Ended September 30	
	2013	2012
	<i>(In thousands)</i>	
Unrestricted net assets		
Excess of revenues over expenses	\$ 24,128	\$ 29,074
Change in net unrealized gains on other than trading securities	5,422	12,924
Change in accumulated pension charges to unrestricted net assets <i>(Note 8)</i>	74,406	(19,085)
Transfer to parent	(2,999)	(2,998)
Net assets released from restrictions for purchase of property and equipment	1,991	144
Change in unrestricted net assets	102,948	20,059
Temporarily restricted net assets		
Contributions	2,284	2,889
Net realized investment gains	375	222
Change in net unrealized gains	347	1,049
Net assets released from restrictions for purchase of property and equipment	(1,991)	(144)
Expenditures for intended purposes	(814)	(1,226)
Change in temporarily restricted net assets	201	2,790
Permanently restricted net assets		
Contributions	11	83
Change in net unrealized gains	1	1
Total other income, net	12	84
Change in net assets	103,161	22,933
Net assets, beginning of year	161,005	138,072
Net assets, end of year	\$ 264,166	\$ 161,005

See accompanying notes.

Middlesex Hospital
Statements of Cash Flows

	Year Ended September 30	
	2013	2012
	(In thousands)	
Cash flows from operating activities		
Change in net assets	\$ 103,161	\$ 22,933
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation and amortization	22,127	21,449
Provision for bad debts, net of recoveries	11,095	12,199
Change in accumulated pension charges to unrestricted net assets	(74,406)	19,085
Restricted contributions, net of expenditures	(1,481)	(1,746)
Transfer to parent	2,999	2,998
Change in net unrealized and realized gains on investments	(11,845)	(16,349)
Change in operating assets and liabilities		
Patient accounts receivable	(9,958)	(14,407)
Due from related parties	50	7
Prepaid and other assets	(2,360)	(1,640)
Accounts payable, accrued payroll and related liabilities, and other liabilities	(3,683)	312
Accrued retirement liabilities	(6,332)	(6,615)
Estimated self-insurance liability	1,089	711
Estimated third-party payor settlements	(1,273)	2,737
Net cash provided by operating activities	29,183	41,674
Cash flows from investing activities		
Purchases of property and equipment, net	(28,699)	(26,664)
Short-term investments, net	(10,554)	460
Long-term investments, net	1,709	(15,481)
Proceeds from sales of investments limited as to use	11,056	3,569
Purchases of investments limited as to use	(19,867)	(6,643)
Distributions from joint venture	1,850	1,800
Investment income	6,076	2,440
Net cash used in investing activities	(38,429)	(40,519)
Cash flows from financing activities		
Transfer to parent	(2,999)	(2,998)
Proceeds from issuance of long-term debt	—	2,987
Repayment of long-term debt	(4,618)	(4,580)
Restricted contributions, net of expenditures	1,481	1,746
Net cash used in financing activities	(6,136)	(2,845)
Net decrease in cash and cash equivalents	(15,382)	(1,690)
Cash and cash equivalents, beginning of year	54,769	56,459
Cash and cash equivalents, end of year	\$ 39,387	\$ 54,769
Supplemental disclosure of cash flow information		
Cash paid for interest	\$ 3,038	\$ 3,028

See accompanying notes

Middlesex Hospital

Notes to Financial Statements

September 30, 2013

(Amounts in thousands)

1. Organization and Significant Accounting Policies

Organization

Middlesex Hospital (the Hospital) is a not-for-profit acute care hospital. The Hospital is controlled by Middlesex Health System, Inc (the System). The Hospital also has a 50% ownership in the Middlesex Center for Advanced Orthopedic Surgery, LLC.

Basis of Presentation

The accompanying financial statements have been prepared on the accrual basis of accounting in conformity with U.S. generally accepted accounting principles.

Cash Equivalents and Short-Term Investments

Cash equivalents represent highly liquid investments with maturities of less than three months. Short-term investments are primarily corporate bonds and commercial paper, with maturities of three to twelve months. Both exclude amounts limited as to use by the Board of Directors (Board) designation or other restrictive arrangements.

Patient Accounts Receivable and Net Patient Service Revenue

Patient accounts receivable result from health care services provided by the Hospital. The amount of the allowance for uncollectible accounts is based on management's assessment of historical and expected net collections, business and economic conditions, trends in Medicare and Medicaid health care coverage and other collection indicators. Additions to the allowance for uncollectibles result from the provision for bad debts. Accounts written off as uncollectible are deducted from the allowance for uncollectibles. See Note 3 for additional information relative to third-party payor programs.

Net patient service revenue is reported at the estimated net realizable amounts from patients, third-party payors, and others for services rendered, including estimated retroactive adjustments under reimbursement agreements with third-party payors. Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods as final settlements are determined.

Middlesex Hospital

Notes to Financial Statements (continued)

(Amounts in thousands)

1. Organization and Significant Accounting Policies (continued)

Investments and Investment Income

Investment income includes unrestricted realized gains and losses and unrestricted interest and dividends from board-designated funds and donor restricted funds included in investments limited as to use on the accompanying balance sheets. Income on short-term investment funds held by a trustee and assets deposited in the Hospital's self-insurance trust fund are reported as other revenue.

If donor restricted, the realized investment income and losses from donor restricted investments are added to the appropriate restricted net assets. Unrealized gains and losses on all investments are excluded from the excess of revenues over expenses and recorded as a component of net assets, except when certain declines represent an other-than-temporary impairment in accordance with the Hospital's policy. Other-than-temporary impairments of \$64 was recorded in net investment income in the statements of operations for the fiscal year ended September 30, 2012 (none for the year ended September 30, 2013).

Investments Limited as to Use

Investments limited as to use include assets set aside by the Board for future unspecified uses and to support education and other programs. The Board retains control over these funds and may at its discretion subsequently authorize the use of these funds for any purpose. Investments limited as to use also include donor restricted assets, assets held by trustees under revenue bond agreements, and a self-insurance trust arrangement.

Inventories

Inventories, included in prepaid and other current assets, are valued at average cost and are used in the provision of patient care.

Deferred Financing Costs

Deferred financing costs represent costs incurred to obtain long-term financing. Amortization of these costs is provided over the term of the applicable indebtedness using a method which does not differ materially from the effective interest method. Such amortization expense is included in depreciation and amortization in the accompanying statements of operations.

Middlesex Hospital

Notes to Financial Statements (continued)

(Amounts in thousands)

1. Organization and Significant Accounting Policies (continued)

Property and Equipment, Net

Property and equipment acquisitions are recorded at cost. Property and equipment donated to the Hospital are recorded at fair value at the date of receipt. Improvements and major renewals are capitalized, and maintenance and repairs are charged to expense as incurred.

Depreciation is provided over the estimated useful life of each class of asset and is computed on the straight-line method. Estimated useful lives range from 3 to 10 years for equipment and 20 to 40 years for buildings and land improvements.

Long-Lived Assets

The Hospital reviews long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset exceeds its fair value and may not be recoverable. If long-lived assets are deemed to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value. Assets to be disposed of are reported at the lower of the carrying amount or the fair value, less costs to sell. At September 30, 2013 and 2012, no impairment was recorded.

Estimated Self-Insurance Liability

The Hospital has adopted a policy of self-insuring the deductible portion of its medical malpractice and general liability insurance coverage. The deductible limits were \$1,000 per claim and \$3,000 in aggregate annually during 2013 and 2012. The Hospital, in consultation with its actuary, records as a liability an estimate of expected losses. Such liability, discounted at 3.0%, totaled \$8,960 and \$8,403 at September 30, 2013 and 2012, respectively. In addition, the Hospital self-insures its workers' compensation program and has purchased excess insurance for those losses exceeding \$600 and \$400 per occurrence during fiscal 2013 and 2012, respectively (see Note 10).

In addition, the Hospital has recognized estimated insurance claims receivable and estimated insurance claims liabilities of approximately \$3,100 and \$2,700 at September 30, 2013 and 2012, respectively. Such amounts represent the actuarially determined present value, discounted at approximately 3.0%, of insurance claims that are anticipated to be covered by insurance. The

Middlesex Hospital

Notes to Financial Statements (continued)

(Amounts in thousands)

1. Organization and Significant Accounting Policies (continued)

estimated insurance claims receivable and estimated insurance claims liabilities are included in other assets and estimated self-insurance liability, respectively, in the accompanying balance sheets

Net Asset Categories

To ensure observance of limitations and restrictions placed on the use of resources available to the Hospital, the accounts of the Hospital are maintained in the following net asset categories

Unrestricted

Unrestricted net assets represent available resources other than donor restricted contributions. Included in unrestricted net assets are assets set aside by the Board for future unspecified uses and to support education and other programs over which the Board retains control and may, at its discretion, subsequently use for other purposes

Temporarily Restricted

Temporarily restricted net assets represent contributions that are restricted by the donor either as to purpose and/or as to time of expenditure

Permanently Restricted

Permanently restricted net assets represent contributions received with the donor stipulation that the principal be invested in perpetuity and that only the income earned thereon be available for specific or general purposes

Contributions, Pledges and Restricted Gifts

The Hospital encourages contributions and donations for capital replacement and expansion and other specific purposes. Amounts received for capital replacement and expansion or specific operating or endowment purposes are added to the respective temporarily restricted or permanently restricted net asset balances

Middlesex Hospital

Notes to Financial Statements (continued)

(Amounts in thousands)

1. Organization and Significant Accounting Policies (continued)

Contributions, including unconditional promises to give cash and other assets, are reported at fair value on the date the contribution is received. The 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 to unrestricted net assets and reported as net assets released from restrictions. Donor-restricted contributions whose restrictions are met within the same year as received are classified as unrestricted contributions in the accompanying financial statements.

Excess of Revenues over Expenses

The combined statements of operations and combined statements of changes in net assets include excess of revenues over expenses as the performance indicator. Changes in unrestricted net assets which are excluded from the performance indicator include the change in net unrealized gains on other than trading securities, equity transfers from affiliates, both temporarily and permanently restricted contributions and investment income, changes in perpetual trust arrangements and the change in accumulated pension charges.

Transactions deemed by management to be ongoing, major or central to the provision of health care services are reported as operating revenue and operating expenses and are included in income from operations. Peripheral transactions or transactions of an infrequent nature are excluded from income from operations.

Income Taxes

The Hospital is a not-for-profit corporation as described in Section 501(c)(3) of the Internal Revenue Code and is generally exempt from Federal income taxes on related income pursuant to Section 501(a) of the Internal Revenue Code. The Hospital also is exempt from state and local income taxes.

Middlesex Hospital

Notes to Financial Statements (continued)

(Amounts in thousands)

1. Organization and Significant Accounting Policies (continued)

The Hospital's unrelated trade or business activities are generally limited to income from the laboratory and linen services departments. The laboratory provides services to patients referred by private physician practices and tests patient specimens submitted by skilled nursing facilities. The linen services department provides linen services to local physician offices and health care organizations.

Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements. Estimates also affect the amounts of revenue and expenses reported during the period. In the accompanying financial statements, estimates relate primarily, although not exclusively, to revenue recognition in the valuation of bad debt and contractual allowances and in the valuation of amounts due to and from third-party payors, the estimation of self-insured professional liabilities and other contingent liabilities and the measurement of actuarially determined retirement liabilities. There is at least a reasonable possibility that certain estimates will change by material amounts in the near term. Actual results could differ from those estimates.

Reclassifications

Certain reclassifications were made to the 2012 financial statements in order that they may be consistent with the current year presentation.

Recently Issued Authoritative Pronouncement

In July 2011, the Financial Accounting Standards Board (the FASB) issued Accounting Standards Update (ASU) No 2011-07, *Presentation and Disclosure of Patient Service Revenue, Provision for Bad Debts, and the Allowance for Doubtful Accounts for Certain Health Care Entities* (ASU No 2011-07). Under ASU No 2011-07, certain health care entities that recognize significant amounts of patient service revenue at the time the services are rendered without assessing the patient's ability to pay are required to change the presentation of their statement of operations by reclassifying the provision for bad debts associated with patient service revenue.

Middlesex Hospital

Notes to Financial Statements (continued)

(Amounts in thousands)

1. Organization and Significant Accounting Policies (continued)

from an operating expense to a deduction from patient service revenue (net of contractual allowances and discounts) Additionally, those health care entities are required to provide enhanced disclosure about their policies for recognizing revenue and assessing bad debts, as well as qualitative and quantitative information about changes in the allowance for doubtful accounts The guidance is effective for fiscal years beginning after December 31, 2011 and is required to be applied retrospectively The Hospital adopted the provisions of ASU No 2011-07 as of and for the year ended September 30, 2013 and retrospectively applied the presentation requirements to all periods presented

2. Health Care Regulatory Environment

Federal Regulatory Environment

The health care industry is subject to numerous laws and regulations of Federal, state, and local governments These laws and regulations include, but are not necessarily limited to, matters such as licensure, accreditation, government health care program participation requirements, reimbursement for patient services, Medicare and Medicaid fraud and abuse and security and privacy of health information Government activity has increased with respect to investigations and allegations concerning possible violations of fraud and abuse statutes and regulations by health care providers Violations of these laws and regulations could result in expulsion from government health care programs together with the imposition of significant fines and penalties, as well as significant repayments for patient services previously billed Management believes that the Hospital is in compliance with fraud and abuse regulations, as well as other applicable government laws and regulations Compliance with such laws and regulations can be subject to future government review and interpretation, as well as regulatory actions unknown or unasserted at this time

The State of Connecticut Public Act No 11-6, An Act Concerning the Budget for the Biennium Ending June 30, 2013 and Other Provisions Relating to Revenue, includes a tax on the net patient revenues of hospitals and changes to the Disproportionate Share Hospital (DSH) payments to hospitals effective for the State's fiscal year beginning July 1, 2011 The Hospital's combined negative impact on its income from operations was \$5,720 and \$1,414 for 2013 and 2012, respectively

Middlesex Hospital

Notes to Financial Statements (continued)

(Amounts in thousands)

3. Net Patient Service Revenue

The following table summarizes revenues from services to patients

	2013	2012
Gross patient service revenue		
Inpatient	\$ 574,805	\$ 497,333
Outpatient	<u>641,716</u>	621,817
	<u>1,216,521</u>	1,119,150
Deductions		
Allowances	(849,725)	(763,805)
Charity care	<u>(8,530)</u>	(7,509)
	<u>(858,255)</u>	(771,314)
Patient service revenue, net of contractual allowances and other discounts	358,266	347,836
Provision for bad debts	(11,095)	(12,199)
Net patient service revenue, less provision for bad debts	\$ 347,171	\$ 335,637

The Hospital recognizes accounts receivable and 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

The Hospital has agreements with third-party payors that provide reimbursement to the Hospital at amounts different from the Hospital's established billing rates. These differences, including self-insured portion of health care benefits provided at its facilities for its employees and their dependents, are accounted for as allowances in determining net patient service revenue

Middlesex Hospital

Notes to Financial Statements (continued)

(Amounts in thousands)

3. Net Patient Service Revenue (continued)

Patient service revenue for the year ended September 30, 2013, net of contractual allowances and discounts (but before the provision for bad debts), recognized in the period from these major payor sources based on primary insurance designation, is as follows

	Third-Party Payors	Self Pay	Total All Payors
Patient service revenue (net of contractual allowances and other discounts)	\$ 338,717	\$ 19,549	\$ 358,266

Deductibles and copayments under third-party payment programs within the third-party payor amount above are the patient's responsibility and the Hospital considers these amounts in its determination of the provision for bad debts based on collection experience

Accounts receivable are also reduced by an allowance for doubtful accounts. In evaluating the collectibility of accounts receivable, the Hospital 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 Hospital analyzes contractually due amounts and provides an allowance for doubtful accounts and a provision for bad debts, if necessary (for example, 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 Hospital 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 the portion of their bill for which they are financially responsible. The difference between discounted rates and the amounts actually collected after all reasonable collection efforts have been exhausted is charged off against the allowance for doubtful accounts.

Middlesex Hospital

Notes to Financial Statements (continued)

(Amounts in thousands)

3. Net Patient Service Revenue (continued)

The Hospital's allowance for doubtful accounts totaled approximately \$11,000 and \$11,600 at September 30, 2013 and 2012, respectively. The allowance for doubtful accounts for self-pay patients was approximately 88% and 89% of self-pay accounts receivable as of September 30, 2013 and 2012, respectively. Overall, the total of self-pay discounts and write-offs has not changed significantly for the year ended September 30, 2013. The Hospital has not experienced significant changes in write-off trends and has not changed its charity care policy for the year ended September 30, 2013.

The Hospital has a longstanding commitment to providing health care to all those in need, regardless of their ability to pay. The Hospital provides both free care and care at reduced rates. The costs for providing these services were calculated using an adjusted cost-to-charge ratio. The charges written off for patients that qualified for free care under the Hospital's Charity Care Program totaled approximately \$8,530 and \$7,509 in 2013 and 2012, respectively. The estimated costs for these services were \$2,212 and \$2,081 in 2013 and 2012, respectively.

During 2013 and 2012, approximately 34% of net patient service revenue was received under the Medicare program, 9% under the state Medicaid and city welfare programs, 48% was received from contracts with private health payors and 9% from patients and others.

As of September 30, 2013 and 2012, approximately 30% and 25%, respectively, of patient accounts receivable was due from Medicare, 5% and 6%, respectively, was due from Medicaid and city welfare, 40% and 42%, respectively, was due from private health payors and 25% and 27%, respectively, was due from patients and others.

During 2013 and 2012, the Hospital revised estimates made in prior years to reflect the passage of time and the availability of more recent information. During the years ended September 30, 2013 and 2012, changes in estimates related to settlements with third-party payors for prior years increased (decreased) net patient service revenue by approximately \$500 and (\$1,400), respectively.

Middlesex Hospital

Notes to Financial Statements (continued)

(Amounts in thousands)

4. Other Revenue

Other revenue consists of the following for fiscal years ending 2013 and 2012

	2013	2012
Grants	\$ 2,522	\$ 2,011
Medicare demonstration project	1,642	—
Cafeteria sales	1,246	1,264
Technical laboratory income	1,208	1,164
Investment income	780	622
EHR income	665	2,838
Rental income	644	376
Purchase discounts	415	363
Net assets released from restriction used for operations	396	474
Miscellaneous	2,655	2,759
	<u>\$ 12,173</u>	<u>\$ 11,871</u>

The American Recovery and Reinvestment Act of 2009 included provisions for implementing health information technology under the Health Information Technology for Economic and Clinical Health Act (HITECH). The provisions were designed to increase the use of electronic health record (EHR) technology and establish the requirements for a Medicare and Medicaid incentive payment program beginning in 2011 for eligible providers that adopt and meaningfully use certified EHR technology. Eligibility for annual Medicare incentive payments is dependent on providers demonstrating meaningful use of EHR technology in each period over a four-year period. Initial Medicaid incentive payments are available to providers that adopt, implement or upgrade certified EHR technology. In subsequent years, providers must demonstrate meaningful use of such technology in subsequent years to qualify for additional Medicaid incentive payments. Hospitals that do not successfully demonstrate meaningful use of EHR technology are subject to payment penalties or downward adjustments to their Medicare payments beginning in federal fiscal year 2015.

Middlesex Hospital

Notes to Financial Statements (continued)

(Amounts in thousands)

4. Other Revenue (continued)

The Hospital uses a gain contingency model to recognize revenue for the Medicare and Medicaid EHR incentive payments. Under this accounting policy, EHR incentive payment revenue is recognized as revenue after the Hospital has demonstrated that it complied with the meaningful use criteria over the entire applicable compliance period and the 12-month cost report period that will be used to determine the final incentive payment has ended. The Hospital recognizes revenue from Medicaid incentive payments after it has demonstrated compliance with the meaningful use criteria. Incentive payments totaling approximately \$665 and \$2,838 for the years ended September 30, 2013 and 2012 are included in other revenue in the accompanying statements of operations. Income from incentive payments is subject to retrospective adjustment, as the incentive payments are calculated using Medicare cost report data that is subject to audit. Additionally, the Hospital's compliance with the meaningful use criteria is subject to audit by the federal government.

5. Investments

Investments and investments limited as to use are reported at fair value based on readily determinable fair market values or estimated fair value. Donated investments are reported at fair value at the date of receipt, which is then treated as cost.

Cost and fair values for investments as of September 30 are summarized as follows:

	2013		2012	
	Total	Fair Value	Total	Fair Value
Mutual funds				
Equity	\$ 72,954	\$ 61,106	\$ 71,289	\$ 59,469
Fixed income	48,891	41,087	38,780	35,464
Common stock				
U S equity	6,532	3,877	4,672	3,039
Non-U S equity	764	388	720	463
Corporate debt securities	27,455	27,408	13,728	13,740
U S Government and Agency obligations	8,380	8,378	12,782	12,777
Money market funds	7,180	7,180	5,346	5,345
Cash	407	407	1,820	1,820
Total	\$ 172,563	\$ 149,831	\$ 149,137	\$ 132,117

Middlesex Hospital

Notes to Financial Statements (continued)

(Amounts in thousands)

5. Investments (continued)

Investments limited as to use consisted of the following as of September 30

	2013	2012		
	Fair Value	Cost	Fair Value	Cost
Funds held in trust under revenue bond agreements	\$ 4,294	\$ 4,296	\$ 4,321	\$ 4,319
Funds held in trust for estimated				
Self-insurance liability	9,009	8,610	8,413	7,705
Board-designated funds	109,616	86,880	95,568	81,484
Donor-restricted funds	15,131	11,993	15,167	12,932
Total	\$ 138,050	\$ 111,779	\$ 123,469	\$ 106,440

At September 30, 2013, investments with a fair value below cost for less than 12 months included certain mutual funds, common stock and U S Government and Agency obligations with a fair value of \$10,483, \$309 and \$1,550, respectively, and an unrealized loss of \$479, \$18 and \$2, respectively

At September 30, 2012, investments with a fair value below cost for more than 12 months included certain common stock with a fair value of \$55 and an unrealized loss of \$65

Included in net investment income for the years ended September 30, 2013 and 2012 was investment income of \$3,897 and \$2,981, respectively, and realized gains (losses) on sales of investments of \$2,179 and \$(606), respectively

Middlesex Hospital

Notes to Financial Statements (continued)

(Amounts in thousands)

5. Investments (continued)

FASB Accounting Standards Codification (ASC) 820, *Fair Value Measurements and Disclosures*, establishes a formal hierarchy and framework for measuring fair value, and expanded disclosure about fair value measurements and the reliability of valuation inputs. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy under ASC 820 are described below.

- **Level 1** – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Hospital has the ability to access
- **Level 2** – Inputs to the valuation methodology include
 - Quoted prices for similar assets or liabilities in active markets,
 - Quoted prices for identical or similar assets or liabilities in inactive markets,
 - Inputs other than quoted prices that are observable for the asset or liability,
 - Inputs that are derived principally from or corroborated by observable market data by correlation or other means

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

- **Level 3** – Inputs to the valuation methodology are unobservable and significant to the fair value measurement

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Middlesex Hospital

Notes to Financial Statements (continued)

(Amounts in thousands)

5. Investments (continued)

Investment securities, in general, are exposed to various risks. Recent market conditions have resulted in an unusually high degree of volatility and increased the risks and short term liquidity of certain investments held by the Hospital which could impact the value of investments after the date of these financial statements.

The following table sets forth by level, within the fair value hierarchy, the Hospital's assets at fair value as of September 30, 2013.

	Fair Value as Determined by Quoted Prices in Active Markets (Level 1)	Valuation Techniques Based on Observable Market Data (Level 2)	Valuation Techniques Incorporating Information Other Than Observable Market Data (Level 3)	Total
Mutual funds				
Equity	\$ 72,954	\$ —	\$ —	\$ 72,954
Fixed income	—	48,891	—	48,891
Common stock				
U S equity	6,532	—	—	6,532
Non-U S equity	764	—	—	764
Corporate debt securities	—	27,455	—	27,455
U S Government and Agency obligations	—	8,380	—	8,380
Money market funds	7,180	—	—	7,180
Cash and cash equivalents	39,794	—	—	39,794
	<u>\$ 127,224</u>	<u>\$ 84,726</u>	<u>\$ —</u>	<u>\$ 211,950</u>

Middlesex Hospital

Notes to Financial Statements (continued)

(Amounts in thousands)

5. Investments (continued)

The following table sets forth by level, within the fair value hierarchy, the Hospital's assets at fair value as of September 30, 2012

	Fair Value as Determined by Quoted Prices in Active Markets (Level 1)	Valuation Techniques Based on Observable Market Data (Level 2)	Valuation Techniques Incorporating Information Other Than Observable Market Data (Level 3)	Total
Mutual funds				
Equity	\$ 71,289	\$ —	\$ —	\$ 71,289
Fixed income	—	38,780	—	38,780
Common stock				
U S equity	4,672	—	—	4,672
Non-U S equity	720	—	—	720
Corporate debt securities	—	13,728	—	13,728
U S Government and Agency obligations	—	12,782	—	12,782
Money market funds	5,346	—	—	5,346
Cash and cash equivalents	56,589	—	—	56,589
	\$ 138,616	\$ 65,290	\$ —	\$ 203,906

The amounts reported in the tables above exclude assets invested in the Hospital's defined benefit pension plan (see Note 8)

The Hospital's long-term debt obligations are reported at carrying value. The fair value of the Hospital's long-term debt obligations, excluding capitalized lease obligations, is approximately \$63,755 and \$69,258 at September 30, 2013 and 2012, respectively. The fair value of the Hospital's bonds payable is based on quoted market prices for the related bonds and other valuation considerations. The fair value of other debt is based upon discounted cash flow analyses. Fair value of debt is classified as Level 2 of the fair value hierarchy.

Mutual funds and common stock are traded actively on exchanges and price quotes for these shares are readily available.

Middlesex Hospital

Notes to Financial Statements (continued)

(Amounts in thousands)

5. Investments (continued)

For corporate debt securities and U S government and agency obligations multiple prices and price types are obtained from pricing vendors whenever possible, which enables cross-provider validations. A primary price source is identified based on asset type, class or issue for each security. The fair values of fixed-income securities are based on evaluated prices that reflect observable market information, such as actual trade information of similar securities, adjusted for observable differences.

6. Property and Equipment, Net

Property and equipment and the related accumulated depreciation as of September 30 consist of the following

	2013	2012
Land and land improvements	\$ 12,617	\$ 11,972
Buildings and fixed equipment	237,627	222,251
Other equipment	145,685	136,913
Leasehold improvements	2,062	2,062
	397,991	373,198
Less accumulated depreciation	(230,191)	(208,046)
	167,800	165,152
Construction in progress (estimated cost to complete \$10,796)	18,513	14,694
Property and equipment, net	\$ 186,313	\$ 179,846

Total rental expense under operating leases for the years ended September 30, 2013 and 2012 was approximately \$5,977 and \$5,440, respectively.

Middlesex Hospital

Notes to Financial Statements (continued)

(Amounts in thousands)

6. Property and Equipment, Net (continued)

The following is a schedule of future minimum rentals under operating lease agreements

2014	\$ 3,672
2015	2,448
2016	1,717
2017	1,493
2018	1,240
Thereafter	6,154
	<hr/>
	\$ 16,724

7. Long-Term Debt

As of September 30, 2013 and 2012, the Hospital's long-term debt consisted primarily of the following State of Connecticut Health and Educational Facilities Authority (CHEFA) Revenue Bonds and certain mortgage notes payable and capital leases which are secured by certain real estate and other real property

	2013	2012
Fixed Rate Revenue Bonds, Series N, due July 1, 2027	\$ 28,155	\$ 30,020
Fixed Rate Revenue Bonds, Series M, due July 1, 2027	12,155	12,850
Fixed Rate Revenue Bonds, Series L, due July 1, 2036	20,510	20,995
Mortgage notes and capital leases, net of interest	47	1,620
	<hr/>	<hr/>
	60,867	65,485
Add bond premium	2,360	2,465
Less current portion	<hr/>	<hr/>
	(3,156)	(4,618)
	<hr/>	<hr/>
	\$ 60,071	\$ 63,332

Middlesex Hospital

Notes to Financial Statements (continued)

(Amounts in thousands)

7. Long-Term Debt (continued)

CHEFA Series L Revenue Bonds (Series L bonds) and CHEFA Series M Auction Rate Bonds (Series M bonds) were issued on December 7, 2006 for \$22,760 and \$16,620, respectively. The Series L bonds proceeds were used to finance the construction of a new emergency department facility and the Series M bonds proceeds were used to refinance the Series K bonds. The Series L bonds mature from July 1, 2009 through July 1, 2036 at interest rates between 4.0% and 5.0%. On April 17, 2008, the Series M bonds were converted from their initial auction rate mode to a fixed rate mode. The Series M bonds mature from July 1, 2008 through July 1, 2027 at interest rates between 3.0% and 4.9%. CHEFA Series N Revenue Bonds (Series N bonds) were issued on July 26, 2011 for \$31,930. The Series N proceeds were used to refinance the Series H bonds. The Series N bonds mature from July 1, 2012 through July 1, 2027 at interest rates between 3.0% and 5.0%.

The Hospital has entered into a formal unsecured revolving line of credit agreement with a local bank. The maximum borrowing limit on this line of credit totaled \$6,000 as of September 30, 2013 and 2012. Advances under this agreement have an annual interest rate based on the LIBOR rate plus 1.0% as determined for each interest period. The line of credit expires on April 30, 2014. As of September 30, 2013 and 2012 there were no advances.

In 2011, CHEFA Series N Revenue Bonds (Series N bonds) were issued on behalf of Services to refinance the Series I bonds. The Series N bonds mature from July 1, 2012 through July 1, 2027 at interest rates between 3.0% and 5.0%. As a member of the obligated group, the Hospital is a guarantor of the Series N bonds. The outstanding balance of these bonds was \$4,905 at September 30, 2013.

The Hospital is required to maintain certain deposits with a trustee relating to its outstanding CHEFA bonds. Such deposits are included in investments limited as to use in the accompanying financial statements and consist of \$4,294 in debt service funds. All of the outstanding CHEFA bonds and mortgage notes place limits on the incurrence of additional borrowings and require that the Hospital satisfy certain measures of financial performance, as long as the bonds and mortgage notes are outstanding. All of the outstanding CHEFA bonds are secured by the gross receipts of the Hospital.

Middlesex Hospital

Notes to Financial Statements (continued)

(Amounts in thousands)

7. Long-Term Debt (continued)

The unamortized amount of deferred bond issuance costs was \$1,727 and \$1,828 at September 30, 2013 and 2012, respectively. Bond issuance costs are amortized over the life of the bonds using a method which does not differ materially from the effective interest method in the amount sufficient to amortize the costs over the term of the bonds.

Aggregate scheduled repayments on long-term debt and capital lease payments are as follows:

	Long-Term Debt	Mortgage Notes/ Capital Leases
2014	\$ 3,135	\$ 21
2015	3,255	21
2016	3,410	5
2017	3,565	—
2018	3,730	—
Thereafter	43,725	—
	60,820	47
Add bond premium	2,360	—
	\$ 63,180	\$ 47

8. Defined Benefit Retirement Plans

The Hospital sponsors several retirement plans, including a noncontributory, defined benefit pension plan (the Plan) covering substantially all of its employees. The Plan's benefits are based on years of credited service and average base pay during the employees' five highest-paid consecutive calendar years of credited service. The Plan is funded in accordance with the Employee Retirement Income Security Act of 1974 (ERISA) minimum funding requirements.

On July 31, 2009, the Hospital adopted a soft freeze of the Plan, effective January 1, 2010. All pension accruals have ceased under the terms of the Plan, with the limited exception that participants who were actively employed on December 31, 2009 will continue to have eligible compensation earned after December 31, 2009 recognized in the calculation of their accrued benefit beyond December 31, 2009.

Middlesex Hospital

Notes to Financial Statements (continued)

(Amounts in thousands)

8. Defined Benefit Retirement Plans (continued)

On September 20, 2013, the Hospital further amended the Plan to reflect a freeze in participants' eligible compensation recognized for purposes of determining average monthly compensation in the calculation of their accrued benefit, effective as of the participants' termination of employment or December 31, 2016, whichever occurs first.

The following tables provide a reconciliation of the changes in each plan's benefit obligations and fair value of plan assets for the years ended September 30, 2013 and 2012, as well as a statement of the funded status of the plans as of September 30, 2013 and 2012.

	2013	2012
Accumulated benefit obligation	\$ 230,402	\$ 252,066
Change in projected benefit obligation		
Projected benefit obligation, beginning of year	\$ 301,543	\$ 260,453
Interest cost	11,579	11,994
Actuarial (gain) loss	(32,299)	35,601
Benefits paid	(7,217)	(6,505)
Plan amendment	(32,347)	—
Projected benefit obligation, end of year	241,259	301,543
Change in plan assets		
Fair value of plan assets, beginning of year	\$ 174,418	\$ 145,231
Actual return on plan assets	17,767	25,729
Employer contributions	10,850	9,963
Benefits paid	(7,217)	(6,505)
Fair value of plan assets, end of year	195,818	174,418
Funded status	\$ (45,441)	\$ (127,125)
Amounts recognized in balance sheets consist of		
Current liability	\$ (44)	\$ (48)
Noncurrent liability	(45,397)	(127,077)
Net amount recognized	\$ (45,441)	\$ (127,125)
Amounts recognized as accumulated charges to unrestricted net assets consist of		
Net actuarial loss	\$ 51,971	\$ 126,377
	\$ 51,971	\$ 126,377

Middlesex Hospital

Notes to Financial Statements (continued)

(Amounts in thousands)

8. Defined Benefit Retirement Plans (continued)

The net actuarial loss included in unrestricted net assets and expected to be recognized in net periodic benefit cost during the year ending September 30, 2014 is approximately \$1,356

The following table provides the components of the net periodic benefit cost for the plans for the years ended September 30

	2013	2012
Components of net periodic benefit cost		
Interest cost	\$ 11,579	\$ 11,994
Expected return on plan assets	(11,478)	(11,408)
Amortization of unrecognized net actuarial loss	3,471	2,195
Net periodic benefit cost	\$ 3,572	\$ 2,781

Weighted-average assumptions used to determine benefit obligations at September 30 and net periodic benefit cost for the years ended September 30 are as follows

	2013	2012
Weighted average assumptions as of September 30		
Discount rate (obligation – see below)	4.80%	3.90%
Discount rate (service cost – see below)	3.90	4.65
Expected long-term return on plan assets	7.00	7.00
Rate of compensation increase	3.50	3.50

The discount rate is based on high-grade bond yield curve under which benefits were projected and discounted at spot rates along the curve. The discount rate was then determined as a single rate yielding the same present value

Middlesex Hospital

Notes to Financial Statements (continued)

(Amounts in thousands)

8. Defined Benefit Retirement Plans (continued)

The following table sets forth by level, within the fair value hierarchy, the Plan's assets at fair value as of September 30, 2013

	Fair Value as Determined by Quoted Prices in Active Markets (Level 1)	Valuation Techniques Based on Observable Market Data (Level 2)	Valuation Techniques Incorporating Information Other Than Observable Market Data (Level 3)	Total
Mutual funds				
Equity	\$ 115,507	\$ —	\$ —	\$ 115,507
Fixed income	—	58,747	—	58,747
Common collective trust	—	10,040	—	10,040
Common stock				
U S equity	9,219	—	—	9,219
Non-U S equity	1,087	—	—	1,087
Money market funds	1,218	—	—	1,218
	\$ 127,031	\$ 68,787	\$ —	\$ 195,818

Middlesex Hospital

Notes to Financial Statements (continued)

(Amounts in thousands)

8. Defined Benefit Retirement Plans (continued)

The following table sets forth by level, within the fair value hierarchy, the Plan's assets at fair value as of September 30, 2012

	Fair Value as Determined by Quoted Prices in Active Markets (Level 1)	Valuation Techniques Based on Observable Market Data (Level 2)	Valuation Techniques Incorporating Information Other Than Observable Market Data (Level 3)	Total
Mutual funds				
Equity	\$ 96,936	\$ —	\$ —	\$ 96,936
Fixed income	—	58,545	—	58,545
Common collective trust	—	10,170	—	10,170
Common stock				
U S equity	6,306	—	—	6,306
Non-U S equity	1,205	—	—	1,205
Money market funds	1,256	—	—	1,256
	\$ 105,703	\$ 68,715	\$ —	\$ 174,418

Mutual funds and common stock are traded actively on exchanges and price quotes for these shares are readily available

For corporate debt securities and U S government and agency obligations multiple prices and price types are obtained from pricing vendors whenever possible, which enables cross-provider validations. A primary price source is identified based on asset type, class or issue for each security. The fair values of fixed-income securities are based on evaluated prices that reflect observable market information, such as actual trade information of similar securities, adjusted for observable differences

Middlesex Hospital

Notes to Financial Statements (continued)

(Amounts in thousands)

8. Defined Benefit Retirement Plans (continued)

The common collective trusts invest in other public or private individual assets as determined and managed by the fund. The Plan's interest in the common collective trust is based on the fair values of the underlying investments. Investment in the collective trust is valued at the NAV per share/unit on the valuation date. The Plan can redeem this investment at NAV on a daily basis.

The Plan's weighted average asset allocations at September 30, 2013 and 2012, by asset category, are as follows:

	Target	2013	2012
Equity securities	57%	60%	56%
Debt securities	38	35	39
Balanced funds	5	5	5
Total	100%	100%	100%

The investment policy, as established by the Investment Committee, is to equal or exceed the rate of return of a benchmark composed 60% of a set of stock indexes, 35% of a custom bond index and 5% of the Salomon Smith Barney World Government Bond Index. For performance evaluation purposes, all rates of return will be examined on a net-of-fee basis. Plan assets are to be broadly diversified so as to limit the impact of large losses in individual investments on the total portfolio. The asset allocation is reviewed on a quarterly basis.

Contributions of \$10,800 are expected to be paid to the Plan in 2014.

Middlesex Hospital

Notes to Financial Statements (continued)

(Amounts in thousands)

8. Defined Benefit Retirement Plans (continued)

The following benefit payments, which reflect expected future service for the retirement plans, are expected to be paid as follows

2014	\$ 8,425
2015	9,112
2016	9,909
2017	10,813
2018	11,707
2019 – 2023	69,696
	<hr/>
	\$ 119,662

The Hospital does not provide post-retirement medical or health insurance benefits

9. Defined Contribution Plans

Effective January 1, 2010, the Hospital implemented a new retirement program called the Middlesex Retirement Savings and Investment Plan which provides an automatic core contribution and a matching contribution when participants choose to make pre-tax contributions. The Hospital matches 50% of the first 4% that an employee contributes. In addition, employees become eligible for a core contribution upon completion of 12 months service provided they earn at least 1,000 hours of service in a calendar year and are actively employed on December 31, unless they retire or become disabled. The core contribution, which ranges from 2-6% of eligible pay, is based on the employee's age and years of service on December 31. The Hospital's contributions to the plan totaled \$2,892 and \$2,795 in 2013 and 2012, respectively. In addition, a core contribution of \$4,233, which is scheduled to be paid in 2014, is included in accrued payroll and related liabilities in the accompanying balance sheet.

In addition, the Hospital sponsors other defined contribution plans for eligible employees. The Hospital's contributions to these plans totaled approximately \$711 and \$706 in 2013 and 2012, respectively.

Middlesex Hospital

Notes to Financial Statements (continued)

(Amounts in thousands)

10. Estimated Self-Insurance Liability and Other Contingencies

There have been malpractice, general liability, and workers' compensation claims that fall within the Hospital's partially self-insured program (see Note 1) which have been asserted against the Hospital. In addition, there are known incidents that have occurred through September 30, 2013 that may result in the assertion of claims.

The Hospital has established an irrevocable trust, funded based upon actuarially determined funding levels, to provide for the payment of malpractice and general liability claims and related expenses.

In addition, the Hospital is involved in litigation arising in the ordinary course of business. In the opinion of Hospital management, the ultimate resolution of these claims will not have a material impact on the Hospital's financial position or results of operations.

11. Temporarily and Permanently Restricted Net Assets

Temporarily restricted net assets are those whose use by the Hospital has been limited by the donors for a specific purpose. Temporarily restricted net assets are available for the following purposes as of September 30, 2013 and 2012.

	2013	2012
Education	\$ 2,145	\$ 1,993
Health services	2,403	1,489
Capital and other	4,702	5,567
	<u>\$ 9,250</u>	<u>\$ 9,049</u>

Middlesex Hospital

Notes to Financial Statements (continued)

(Amounts in thousands)

11. Temporarily and Permanently Restricted Net Assets (continued)

Permanently restricted net assets have been restricted by donors to be maintained by the Hospital in perpetuity. Permanently restricted net assets as of September 30, 2013 and 2012 are as follows:

	2013	2012
Free beds	\$ 1,564	\$ 1,563
Support of hospital operations	4,714	4,705
Other	698	696
	\$ 6,976	\$ 6,964

12. Endowments

The Uniform Prudent Management of Institutional Funds Act (UPMIFA) provides guidance on investment decisions and endowment expenditures for nonprofit organizations. The Hospital has interpreted UPMIFA as requiring the preservation of the fair value of the original gift at the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result, the Hospital classifies as permanently restricted net assets (a) the original value of the gifts donated to the permanent endowment, (b) the original value of the subsequent gifts to the permanent endowment, and (c) 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 fund that is not classified as permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure.

The Hospital's endowments consist of 13 individual funds established for a variety of purposes, including both donor-restricted endowment funds and funds designated by the Board to function as endowments. Net assets associated with endowment funds, including funds designated by the Board to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

Middlesex Hospital

Notes to Financial Statements (continued)

(Amounts in thousands)

12. Endowments (continued)

Endowment funds consist of the following at September 30, 2013

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor-restricted endowment funds	\$ -	\$ 4,549	\$ 6,976	\$ 11,525
Board-designated endowment funds	<u>103,262</u>	<u>-</u>	<u>-</u>	<u>103,262</u>
Total endowment net assets	<u>\$ 103,262</u>	<u>\$ 4,549</u>	<u>\$ 6,976</u>	<u>\$ 114,787</u>

Endowment funds consist of the following at September 30, 2012

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor-restricted endowment funds	\$ -	\$ 3,482	\$ 6,964	\$ 10,446
Board-designated endowment funds	<u>91,908</u>	<u>-</u>	<u>-</u>	<u>91,908</u>
Total endowment net assets	<u>\$ 91,908</u>	<u>\$ 3,482</u>	<u>\$ 6,964</u>	<u>\$ 102,354</u>

Middlesex Hospital

Notes to Financial Statements (continued)

(Amounts in thousands)

12. Endowments (continued)

Changes in endowment funds for the year ended September 30, 2013 are as follows

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, October 1, 2012	\$ 91,908	\$ 3,482	\$ 6,964	\$ 102,354
Investment return				
Investment income	5,701	120	—	5,821
Net appreciation	5,730	123	1	5,854
Total investment return	11,431	243	1	11,675
Contributions, gifts and bequests	—	—	11	11
Transfers	—	858	—	858
Appropriation of endowment assets for expenditure	(77)	(34)	—	(111)
Endowment net assets, September 30, 2013	\$ 103,262	\$ 4,549	\$ 6,976	\$ 114,787

Middlesex Hospital

Notes to Financial Statements (continued)

(Amounts in thousands)

12. Endowments (continued)

Changes in endowment funds for the year ended September 30, 2012 are as follows

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, October 1, 2011	\$ 77,417	\$ 3,092	\$ 6,880	\$ 87,389
Investment return				
Investment income	2,160	49	—	2,209
Net appreciation	12,423	296	1	12,720
Total investment return	14,583	345	1	14,929
Contributions, gifts and bequests	—	—	83	83
Transfers	—	71	—	71
Appropriation of endowment assets for expenditure	(92)	(26)	—	(118)
Endowment net assets, September 30, 2012	<u>\$ 91,908</u>	<u>\$ 3,482</u>	<u>\$ 6,964</u>	<u>\$ 102,354</u>

The Hospital has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Hospital must hold in perpetuity or for a donor-specified period as well as board-designated funds. The Hospital's spending policy authorizes the use of up to 5% of the fiscal year's beginning fair market value of each donor-restricted and board-designated fund each year. In addition, total expenditures from all funds shall not exceed 2% of the total fair market value of the total endowment fund as of the beginning of the fiscal year.

Middlesex Hospital

Notes to Financial Statements (continued)

(Amounts in thousands)

12. Endowments (continued)

To satisfy its long-term rate-of-return objectives, the Hospital relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Hospital targets a diversified asset allocation that places emphasis on investments in equities, fixed income and alternative investments to achieve its long-term return objectives with prudent risk constraints.

The Hospital follows a policy of spending an amount that approximates the investment income earned, in addition to specific purchases of capital equipment. Accordingly, the Hospital expects its spending policy will allow its endowment funds to be maintained in perpetuity by growing at a rate at least equal to the planned payouts. Additional real endowment growth will be provided through new gifts and any excess investment return.

13. Functional Expenses

The Hospital provides health care services primarily to residents within its geographic location. Expenses to provide these services for the years ended September 30, 2013 and 2012 are as follows:

	2013	2012
Health care services	\$ 279,906	\$ 271,982
Administrative and general	<u>62,373</u>	<u>50,356</u>
	<u>\$ 342,279</u>	<u>\$ 322,338</u>

Middlesex Hospital

Notes to Financial Statements (continued)

(Amounts in thousands)

14. Related Party Transactions

As of September 30, 2013 and 2012, the Hospital had the following receivables from related parties

	2013	2012
Middlesex Health Resources, Inc	\$ 7	\$ 6
Middlesex Health Services, Inc	18	15
MHS Primary Care, Inc	28	82
Total due from related parties	\$ 53	\$ 103

Certain general and administrative supplies and services and other miscellaneous costs are paid by the Hospital on behalf of certain affiliates. Amounts due for these services are reflected as receivables in the preceding table

The Hospital paid Middlesex Health Resources, Inc approximately \$508 and \$463 respectively, during 2013 and 2012 for rent

In addition, the Hospital had promissory notes due from MHS Primary Care, Inc for lines of credit totaling \$166 at a rate of 7% to be paid in 120 monthly installments. The balances due on these notes were \$6 and \$27 at September 30, 2013 and 2012, respectively

The Hospital made a cash transfer to the System of \$2,999 and \$2,998 for 2013 and 2012, respectively. The Hospital, in support of the System's mission, transfers funds annually to the System in conjunction with supporting activities within the integrated network. As of September 30, 2013, the Hospital has committed to transfer \$4,283 to the System in fiscal 2014

15. Subsequent Events

The Hospital has evaluated events through December 23, 2013, which represents the date the financial statements were issued and noted no subsequent events that would have impacted the Hospital's financial statements

Middlesex Hospital

Notes to Financial Statements (continued)

(Amounts in thousands)

16. Community Benefit (Unaudited)

(Statistical information in whole numbers)

Community Benefit Program

Continuous dedication to the communities the Hospital serves remains the hallmark of the Hospital's purpose. The Hospital's mission is to provide the safest, highest quality health care and the best experience possible for the community. The Hospital has a long-standing commitment to community benefit and providing programs/services that meet identified need, most specifically for underserved and vulnerable populations. Our community benefit program exemplifies our core purpose of bettering the health of the community we serve. We understand the importance of measuring community health and uncovering barriers to care, creating evidence-based programs that respond to identified need and collaborating with community partners to develop meaningful and sustained health improvement.

The Hospital's Community Benefit program was formalized in 2006 as a natural outgrowth for housing our long-standing community services under one roof. Since then, strengthening our Community Benefit program with targeted programs to address community health and wellbeing needs and promoting community-wide health improvement services has been an annual priority initiative for the Hospital's leadership and remains a core institutional program. Our comprehensive Community Benefit model encompasses the following domains: executive involvement and commitment, a defined reporting structure, dedicated staffing resources, governance engagement, staff participation, annual goals, inclusion in annual organizational planning, internal and external communications, and inclusion of community members and agency partners. This footnote provides an overview of the Hospital's community benefit activities, organized by the categorical accounting standards as determined by the Catholic Health Association/VHA structure (Catholic Health Association, "A Guide For Planning and Reporting Community Benefit").

Middlesex Hospital

Notes to Financial Statements (continued)

(Amounts in thousands)

16. Community Benefit (Unaudited) (continued)

Community Health Improvement Services

The Hospital subsidizes a vast range of community health education and health improvement programs, none of which are developed for marketing purposes, all of which are supported as a means of fulfilling the Hospital's mission to serve its community. Almost 100% of the time these services are offered free of charge, in the rare instance where a nominal fee is assessed, the cost of providing the service is not covered. Community health education is provided to the community at large, including (but not limited to) local schools, colleges, assisted living and skilled nursing facilities, small businesses and chamber of commerce, local health care provider agencies, non-Hospital affiliated health care providers, and social services. Some of the programs represent one time events, however most are ongoing and over the years have become entrenched in the community as a source of support and continued education for a healthy future. Community health education is provided by the Hospital in many formats including lectures, written materials, interactive presentations and other group programs/activities. Examples of health educational programming include (but are not limited to)

- *Community Education Presentations:* Such programs include cancer prevention, integrative medicine, caregiver resources, chronic pulmonary obstructive disease/respiratory care, arthritis, diabetes, asthma (adult and pediatric), chronic heart failure, childhood obesity, smoking cessation, nutrition, stroke education, fall prevention
- *Health and Wellness Events Health Fairs:* It is common practice for the Hospital's staff members to answer the call of the community any time a request is made for educational support – one example is the annual request by Connecticut Valley Hospital, the state's department of mental health and addiction services, for the Hospital to participate in its employee and patient day-long health fair – the Hospital provides staffing to share information on multiple health topics to 400+ attendees, which includes a vulnerable general patient population as well as those held in the forensic division. The Hospital regularly participates in area health fairs/wellness events to share critical health information on topics and services, including diabetes, asthma, chronic obstructive pulmonary disease, slips and fall prevention and safety, blood pressure screenings, cancer awareness, including breast, prostate and skin, smoking cessation data and information, bone density screening, maternal child health education, rehabilitation therapy, and youth behavioral health issues

Middlesex Hospital

Notes to Financial Statements (continued)

(Amounts in thousands)

16. Community Benefit (Unaudited) (continued)

- *Support Groups:* The Hospital provides, at no charge, many support groups for patients and their families in response to the community's need for additional support in addressing the social, psychological or emotional issues that often occur in connection with disease, disability and grief. The support and skills of trained professionals offer self-help techniques and wellness/health-promotion. Support groups include bereavement, caregivers, diabetes, prostate cancer, leukemia, lymphoma, and multiple myeloma, cancer's survivors, breastfeeding, first foods, the Mama Connection, and the Better Breather's Club.
- *Cancer Center Health Awareness:* as facing cancer can be one of life's most challenging experiences for patients, the Hospital's Cancer Center provides extensive free-of-charge services in an educational and supportive environment. An emphasis is placed on including family members in all support services. In addition to the substantial number of cancer-related support groups, the Cancer Center offers – at no cost – an annual Breast Cancer Awareness event, annual Cancer Survivor's Day, annual prostate event, annual Healthy Living Through Prevention wellness event, an art therapy program, movement through dance, nutrition and exercise class for breast cancer patients, wig room and a comprehensive educational series with a multi-dimensional approach to defining cancer – including dealing with side effects, the importance of nutrition and exercise, coping with emotions and spirituality, alternative and integrative medicine therapies, and methods for communication.
- *Maternal Child Support:* To reach out to the community's vulnerable population, the Hospital's Pregnancy and Birth Center (PBC) waives class fees for participants from the Hospital's Family Advocacy Maternal Child Health Program – a comprehensive service within the Behavioral Health Department that outreaches to low-income families lacking necessary resources. Tuition waiver allows access for Family Advocacy members to PBC's newborn and infant classes, breastfeeding classes and prepared childbirth classes.

Middlesex Hospital

Notes to Financial Statements (continued)

(Amounts in thousands)

16. Community Benefit (Unaudited) (continued)

- *Health Literature:* Providing no-cost access to health care literature and resources to the public is possible through the Hospital's libraries and publications. The Hospital's main campus and Cancer Center libraries encourage community use of health and medicine resource information. The community, including students, patients, non-employed nurses and physicians routinely utilizes the library's extensive collection of books and periodicals and depends on librarian support as a part of information gathering. The Cancer Center library is an active participant of the CT Library On Request System, which is available in public libraries as a resource to locate and borrow books, videos and tapes – with the assistance of the Hospital's librarian, patients and families are able to obtain desired cancer health information by use of this service. In addition, the Cancer Center issues a quarterly newsletter (2,500 household mailing) that reviews cancer-related and health living topics.

Throughout the year, the Hospital provides a number of community-based clinical services, including clinics and screenings offered on a reoccurring basis or as a special event. The Hospital views screenings and clinics as valuable secondary prevention measures that enable the detection of early illness/disease onset, bring awareness to the screened individual regarding the importance of detection and early treatment intervention, and provide referral when appropriate and necessary. These services are offered to meet identified community needs and/or improve community health. Examples of the Hospital's community based clinical services offered to the community at large throughout the year include (but are not limited to) diabetes care free A1C screenings, annual flu shots and free blood pressure and cholesterol clinics provided by the Hospital's Homecare department, a subsidized service, to local seniors, free flu immunizations and TB testing offered to those who are unable to pay, and community-wide free screenings for blood pressure.

Health care support services include all programs offered by the Hospital in order to increase access and quality of care to individuals, especially those living in poverty and/or other vulnerable populations. As these services represent targeted programs and interventions based on need, they are critical for assisting patients in achieving improved health and wellness.

Middlesex Hospital

Notes to Financial Statements (continued)

(Amounts in thousands)

16. Community Benefit (Unaudited) (continued)

Given the intensity and duration of the initiatives, life-long positive impacts are often realized Examples include (but are not limited to)

- *Center for Chronic Care Management (CCCM) Disease Management:* Currently over 10 years of age, a combined 10,000+ patients have been served by CCCM's various programs The impetus for the CCCM was an identified sub-set of repeat users of emergency department and inpatient services for asthma A multidisciplinary team was tasked with examining notable resource gaps for this ambulatory care sensitive condition (that is, one that should be treated in the outpatient setting) A deficit of available outpatient services and coordination of care for asthmatics resulting in barriers for achievement of self-management was identified and, in response, using the Chronic Care Model, an evidence-based, patient-centered outpatient asthma service for adults (AIRMiddlesex) and children (LittleAIR) was designed and implemented, offering a comprehensive and systematic approach to the management of asthma as a chronic illness The asthma care program became the prototype for identifying and meeting community need for chronic care interventions by adding accessible and oftentimes free-of-charge outpatient services Added services include diabetes disease management (provided since mid-1990, formalized in 2001) and its component medical nutrition therapy, smoking cessation (1999), chronic heart failure (2005), and childhood weight management (2008) The CCCM's disease management programs have evolved as a critical part of the health delivery system in Middlesex County by filling unmet chronic care needs Within the CCCM model, special attention is paid to those unable to access services elsewhere patients who experience multiple social issues, are often uninsured, are unable to achieve and sustain improved health, and frequently encounter barriers to care Most programs are offered at no cost to the patient and the program is therefore heavily underwritten by the Hospital Each of CCCM's initiatives cooperate with community agencies to provide chronic disease management education
- *Cancer Care Management:* The Cancer Care Program is a free program offered to patients with a breast, colon, lung, prostate, testicular, bladder, OB-gyn, kidney diagnosis With compassion, reassurance and expert knowledge, the Nurse Navigators assist cancer patients in navigating the complex maze from diagnosis through the prescribed treatment and recovery phases of their illness Additional support is given

Middlesex Hospital

Notes to Financial Statements (continued)

(Amounts in thousands)

16. Community Benefit (Unaudited) (continued)

through education regarding medication and self-care requirements. The Nurse Navigators work with the network of specialists and technicians to ensure that the succession of tests and treatments are expedited in the best sequence with full consideration of the patient's needs.

- *Transportation & Prescription Voucher Assistance:* The Hospital provides a no-cost transportation service for patients requiring radiation oncology treatment who struggle with transportation – with a special emphasis on providing the service for the elderly. Transportation vouchers are supplied to patients in urgent situations and prescription vouchers are given to help to defray costs for patients who are unable to pay for medication.
- *Financial Counseling:* The Hospital provides information about its financial assistance program to all patients and makes this assistance available to individuals who meet established guidelines. Financial counselors and social workers are available to answer questions and aid in the application process. In addition, the Hospital has an internal committee that monitors its financial assistance processes, reviews guidelines for appropriateness, and makes adjustments as needed to ensure optimal accessibility to the support.
- *Alternative to Hospitalization Program (ATH):* ATH is a collaborative system offered in the Hospital's Emergency Department, where staff works with state behavioral health services to identify eligible individuals for linkage to community-based substance abuse treatment programs.
- *Women, Infants and Children (WIC) Program:* WIC serves to safeguard the health of low-income women, infants, and children up to age five who are at nutritional risk by providing nutritious foods to supplement diets, information on healthy eating, and referrals to health care. The Hospital recently became the local subcontractor for WIC when the City of Middletown Health Department, after 25 years, was unable to renew the contract. In addition, due to significant city budget cut-backs, the Middletown program had merged with another county, which made accessibility challenging for local WIC clients. When community members suggested the Hospital assume the program, the Hospital agreed with the importance of keeping the program local, improving accessibility of services, and responding to community need. The service currently

Middlesex Hospital

Notes to Financial Statements (continued)

(Amounts in thousands)

16. Community Benefit (Unaudited) (continued)

resides under the Hospital's comprehensive Family Advocacy Maternal Child Health program which provides support and outreach to a segment of the community's at-risk population

- *Community Care Team (CCT):* The Community Care Team is a collaboration among nine community agencies that specialize in the delivery of care for people with serious mental illness and/or substance abuse in Middlesex County. The team's objective is to provide patient-centered care and improve health outcomes by developing and implementing wrap-around services through multi-agency intervention and care planning. CCT has found that the traditional model of episodic care delivery does not adequately meet the needs of its shared population – at its center is the belief that collaborations strengthen communities and can significantly impact outcomes if provided in both an evidence-based and innovative manner. The partners offer patients CCT intervention and team members meet on a weekly basis to review cases, uncover service gaps, and develop individualized care plans. Common traits of CCT patients include behavioral health problems, disjointed care/lack of care coordination, poor primary care connections, housing issues, lack of a social network, noncompliance, loneliness/hopelessness and over-use of Emergency Department services

Health Professions Education

Helping to prepare future health care professionals is a long-standing commitment of the Hospital and is a distinguishing characteristic that constitutes a significant community benefit. Year round, the Hospital supports health professions education for medical students, nursing students and technicians. The nationally respected Middlesex Hospital Family Medicine Residency Program graduates an impressive number of Family Practice physicians, many of whom continue to practice in the Middlesex County area after their training is complete. For more than 40 years the Hospital's Family Medicine Residency Program has trained physicians for a future in family practice. The educational curriculum encompasses a balanced approach in the domains of practical experiences and academics, independent and supervised study, office practice and hospital care, biomedical and psychosocial issues, personal medical care and community health perspectives, and core requirements and self-directed learning. Specialty tracks include, maternal/child, palliative medicine/geriatric, international health, integrative medicine, academic and leadership. To strengthen commitment to community health, each

Middlesex Hospital

Notes to Financial Statements (continued)

(Amounts in thousands)

16. Community Benefit (Unaudited) (continued)

resident is required to participate in a community project as a means of understanding the community's available resources and health needs Many of the residency projects have developed into on-going support programs for community members

In addition to its Family Practice residents, the hospital welcomes medical and nursing student interns and provides on-site training during clinical rotations Nursing students from local colleges and programs receive hands-on mentorship in the majority of clinical service lines year-round For the nursing students, a good portion of the student-staff interaction is 11 The objective of the rotational format is to complement classroom learning with practical application, expose students to the integration of evidence-based practice, train students in the care for patients with complex needs, and aid students in developing the organizational, interpersonal, and critical thinking skills needed to enter the field of nursing Other health care professional education includes the Hospital's Radiology School – a 50+ year old program that graduates radiologic technologists with an associate's degree, prepares them to pass the national certification test for radiographers and qualify for state licensure, and operates at a loss for the Hospital, and clinical educational student training in the fields of pharmacy, social work, hospice, behavioral health, nuclear medicine, rehabilitation and physical therapy, infection prevention, phlebotomy, emergency responders, surgical services, among other areas of health care The Hospital also welcomes non-clinical students for educational experience and has supported an Administrative Fellowship for 20+ years Other student on-site educational experiences include public health, pastoral care, biomedical, food and nutrition, linen services, finance and health information systems

In addition to teaching within the walls of the Hospital, staff members continuously work with non-Hospital employed health care providers and agencies in the community – topics have included (but are not limited to) stroke education, smoking cessation, chronic obstructive pulmonary disease, nutritional counseling, asthma, diabetes, chronic heart failure, childhood obesity, stress management, fall prevention, mammography, pain management, elder care, nurturing parenting training, and child and adolescent behavioral health The Hospital's paramedics share their knowledge with health providers in the community on an on-going basis by providing regular EMS in-service training to volunteer emergency medical service organizations such as fire departments and ambulance associations

Middlesex Hospital

Notes to Financial Statements (continued)

(Amounts in thousands)

16. Community Benefit (Unaudited) (continued)

Subsidized Health Services

The Hospital's subsidized health services represent a significant portion of the Hospital's annual community benefit aggregate financials and numbers served. Subsidized services are particular clinical programs provided to the community despite a financial loss, with negative margins remaining after specific dollars (charity care and bad debt) and shortfalls (Medicaid) are removed. In order to qualify as a subsidized service, the program must meet certain health delivery criteria, meet an identified need in the community, and would become unavailable or the responsibility of a governmental or another not-for-profit agency to provide if the Hospital discontinued the service. The Hospital's subsidized services include Family Medicine Group, Behavioral Health (inpatient and outpatient), Homecare, Cardiac Rehabilitation, Paramedics, Hospice, Wound Care and Pulmonary Rehabilitation.

- *Family Medicine Group:* The Family Medicine Group of the Hospital is made up of twelve faculty physicians and twenty-four resident physicians who are completing their four-year training in the specialty of Family Medicine (note faculty and residency costs are captured under Health Professions Education). The group has been providing high-quality medical care to Middlesex County's community members since 1974. The practice serves patients of all ages with health care often coordinated for the entire family. Referrals to specialists are made when needed, with the Family Medicine physician following patient care jointly with the specialist. In addition to caring for patients in the office, the Family Medicine physicians follow the care of their patients when they are in the Hospital and some local nursing and convalescent homes. If the need arises and patients are confined to their homes, house calls can also be arranged. The Family Medicine Group is comprised of three locations: Middletown, East Hampton and Portland. Nurse health educators are available in the three family practice offices to provide counseling on health-related topics that promote a healthy lifestyle. The offices are equipped for comprehensive preventive health care procedures, such as Pap smears, vision and hearing testing, pulmonary function testing, and electrocardiograms. Minor surgical procedures can also be performed in all three offices. As the Family Medicine group is within the Middlesex Hospital Health System, it relies on the broad services offered by the system. Services include access to multiple laboratory facilities for routine tests and counseling, among many other outpatient service lines. In addition, all faculty

Middlesex Hospital

Notes to Financial Statements (continued)

(Amounts in thousands)

16. Community Benefit (Unaudited) (continued)

physicians and resident physicians are on the staff of the Hospital The Hospital's Family Medicine group is a critically important subsidized outpatient services, as it fills a gap in primary care services and addresses access to care challenges

Middlesex County has been designated by the Health Resources and Services Administration (HRSA) to be a Medically Underserved Area, experiencing a shortage of select health services which include too few primary care providers In addition, HRSA reports that Middlesex County is a Health Professional Shortage Area (HPSA) for primary medical care

- *Middlesex Hospital's Behavioral Health Program:* This program provides a large spectrum of behavioral health services, including inpatient and outpatient therapy and support, child and adolescent services and a maternal child health program – and is heavily subsidized by the Hospital The Hospital recognizes that the life disruptions caused by mental illness, severe behavioral problems, and addiction especially coupled with medical complexities can be devastating for patients and their families and is committed to providing the highest standard of care for both the physical and behavioral health needs of its psychiatric patients Treatment is provided regardless of the patient's background and/or ability to pay The behavioral health system at the Hospital is premised on guiding principles designed to empower each individual to attain optimal functioning in a compassionate, supportive, professional, collaborative environment Each care plan is individualized with careful consideration of the patient's physical and mental needs and preferences The Hospital has a 20-bed psychiatric unit for patients requiring inpatient stays, Day Treatment Program that provides intensive outpatient and partial hospital services for adolescents, adults and geriatric patients with psychiatric and co-occurring substance abuse/psychiatric disorders, Outpatient Behavioral Health Clinic that offers treatment in individual, family, and group therapy to meet general adult and senior psychiatric needs, Family Advocacy Program (FAP) that offers comprehensive psychiatric services designed to improve the lives of children, adolescents and their families and improve access to critical resources, and FAP Maternal Child Health which provides primary prevention, case management and home-based parenting skill building wrap around and support services for at-risk first time families involved in Department of Children and Families (DCF)

Middlesex Hospital

Notes to Financial Statements (continued)

(Amounts in thousands)

16. Community Benefit (Unaudited) (continued)

- *Middlesex Hospital Homecare:* Recognizing the need for medical services for patients who are homebound, the Hospital's Homecare department, founded in 1900, makes over 160,000 visits per year to community residents with services available 7 days/week, 24 hours/day. While the program requires subsidy from the Hospital, it meets a vital need in community health. Staffing includes specialty nurses, home health aides, physical therapists, occupational therapists, speech therapists, medical social workers and nutritionists. The broad array of comprehensive services offered to meet the needs of the homecare patient encompass (1) behavioral, (2) diabetes care and education, (3) specialized cardiac care, (4) geriatric care which focuses on the special needs of senior patients and includes management of conditions, complex medications and/or long-term illness, (5) infusion therapy, (6) the emergency response Lifeline program, (7) maternal/child health services, (8) hospice and palliative care services, (9) psychiatric nursing for patients with primary psychiatric illness living in the community, (10) medical rehabilitation, (11) respiratory/pulmonary care, (12) wound/ostomy care, and (13) various community health services, including flu shots and health fairs.
- *Middlesex Hospital Cardiac Rehabilitation:* Cardiac Rehabilitation is a service offered by the Hospital due to community request. In response, the Hospital makes this comprehensive program available to its community members despite a financial loss. The service includes progressive cardiac-monitored exercise plans customized per individual, risk-factor education, and is designed to assist patients who have had a recent heart attack, cardiac bypass, cardiac valve surgery, coronary angioplasty, or newly stabilized angina symptoms in achieving a speedy recovery and a healthy, productive lifestyle. Services for patients (and often their caregivers) include education on diagnosis, plan of care, and the requirements necessary to best manage their condition, discussion regarding appropriate lifestyle modifications given the new diagnosis, support to help diminish the fear of appropriate exercise and guidance on level of exertion and pulse rate monitoring, and symptom management education and recognition.

Middlesex Hospital

Notes to Financial Statements (continued)

(Amounts in thousands)

16. Community Benefit (Unaudited) (continued)

- *Middlesex Hospital Paramedics Service:* This service provides 24 hours/day, 7 days/week skilled emergency care and critical treatment to patients prior to arrival at the hospital. Paramedics work alongside fire and EMS personnel and are an important adjunct to emergency transport services, often administering care and providing advanced life support to the patient in the ambulance en route to the hospital – having care begin at the earliest opportunity is vital for best outcomes, particularly in cases of stroke and cardiac emergencies. The Hospital’s paramedic program is one of three such hospital-based services in the State – its mission is to provide high quality, cost-effective, community focused emergency medical services to those who require immediate response. Patients receive the best possible paramedic level of care, regardless of their ability to pay or condition. Since inception of the service, the Hospital has covered the program’s annual financial shortfalls.
- *Middlesex Hospital’s Hospice Program:* The program is committed to caring for the terminally ill and their families by enhancing quality of life for the patient. Services include comfort care with relief of physical symptoms, the provision of emotional and spiritual support, and the desire to support the patient’s right to make choices and remain as autonomous as possible during this phase of life. As terminal illness brings a host of new and difficult challenges for both patient and family, the Hospital’s Hospice program views patient and family as a single unit of care. Care is delivered through an interdisciplinary team that includes physicians, nurses, social workers, physical therapists, occupational therapists, nutritionists, home health aides, spiritual support, pharmacists, bereavement counselors, and specially-trained volunteers. The care setting includes home hospice, as well as an inpatient unit designed to provide short-term care for patients requiring pain and symptom control, as well as respite care, during the last days of life. This vital community program functions at a loss for the Hospital. The Hospital also offers outpatient Palliative Care services which assist patients and families with critical decisions while providing maximum physical comfort and emotional support. Outpatient Palliative care services include pain and symptom control, psychosocial support, patient education about self-determination and advance directives, negotiating end-of-life decisions, and helping patients and loved ones understand and cope with the process of dying.

Middlesex Hospital

Notes to Financial Statements (continued)

(Amounts in thousands)

16. Community Benefit (Unaudited) (continued)

- *The Hospital Wound Care:* The Hospital performed a study and found that there was a gap in outpatient services for those experiencing complex and chronic wounds. In response, the Hospital created the Wound Care Center where a full range of services for effective wound treatment is provided. Clinical providers at both of the Hospital's Wound Care Center locations aid in determining what local or systemic factors are impeding the healing process, and assist in developing a specialized and individualized treatment care plan. Using a planned, systematic approach which includes consideration of all factors that affect wound healing, the Center treats four primary wound types: venous stasis ulcers, diabetic foot ulcers, ischemic ulcers and stage III and IV pressure ulcers. The Wound Care Center functions at a loss for the hospital and requires subsidy.
- *Pulmonary Rehabilitation:* The Hospital's Pulmonary Rehabilitation program was developed in direct response to the health assessment findings which identified half the adult population in Middlesex County to be at risk for COPD (18% are current smokers and 33% are former smokers). The study recommended development of a COPD pathway and program. In response, an inpatient COPD pathway was generated in conjunction with a supporting outpatient pulmonary rehabilitation program. The program is one of both education and exercise classes – it teaches patients about their lungs, how to exercise and do activities with less shortness of breath, and how to live better with a lung condition. Pulmonary Rehabilitation is offered to any patient with impaired pulmonary endurance. The Pulmonary Rehabilitation program offers the Better Breather's Club, an adjunct service formed to help patients with respiratory diseases cope with their difficulties. The free support group is for community members with COPD, asthma and other chronic lung disease and is run by a respiratory therapist and invites pertinent guest speakers to enhance the education of the patient and their families about the respiratory illness from which they suffer. Pulmonary Rehab functions at a loss and requires Hospital subsidy in order to continue to be available to the community.

Research

The Hospital conducts research in the domains of clinical and community health. Clinical examples include national trials by the Hospital's Cancer Center for breast, lung, prostate, colorectal, among others.

Middlesex Hospital

Notes to Financial Statements (continued)

(Amounts in thousands)

16. Community Benefit (Unaudited) (continued)

Financial and In-Kind Contributions

The Hospital supports the community in the form of financial and in-kind contributions. The Hospital's in-kind contributions include equipment, food, linens and medical supplies that are donated both locally and globally. The Hospital regularly donates collected medical supplies to an international organization as well as to the Sayaxche Hospital in Guatemala, as part of the Middlesex-Sayaxche Project, an initiative linking Middlesex community with a sister health system in Guatemala intended to bolster the health care infrastructure in one of the poorest regions of the country. Other in-kind donations include absorption of costs of copies of health information records for patients who cannot afford to pay for them, cafeteria discounts for YMCA residents, and staff coordination of community support drives, including the United Way, Adopt-A-Family holiday gift program, American Cancer Society Daffodil Days, Families Feeding Families, Lions' Club eyeglasses and hearing aid collection, Cell Phones for Soldiers, Light One Little Candle and Reach Out and Read childhood readership. The Hospital's main campus and satellite locations make meeting space available, free-of-charge and on an on-going basis, for many community groups that would otherwise struggle to pay for space. Examples of community programs that utilize hospital space include (but are not limited to) CT Parkinson's meeting group, CT Unity, Asperger Spouse & Family Support Group, Face Forward Peer to Peer Support Group with Schizophrenia and Schizoaffective Disorder, National Alliance Mentally Ill, and local nursing school programs. In addition, each year the Hospital makes substantial cash donations to carefully selected mission-driven community organizations throughout its service area. Examples include (but are not limited to) transportation for the elderly and continuation of a large annual contribution to the Middlesex Chamber of Commerce AskMe3 health literacy initiative designed to promote awareness and working solutions for low literacy and its direct health impact by providing essential skills for patients and providers during any patient-provider interaction/conversation.

Community Building Activities

The Hospital's participation in Community Building activities has a vital role in continuing to promote health and well-being for residents in its service area and, in some cases, the international community. The Hospital offers its resources and expertise to support and strengthen community assets in a variety of programs that fall under the scope of community building. Staff members are highly participative in community partnerships and coalitions, the

Middlesex Hospital

Notes to Financial Statements (continued)

(Amounts in thousands)

16. Community Benefit (Unaudited) (continued)

success of which are greatly enhanced by Hospital collaboration – many community initiatives would not be as effective without the Hospital's administrative and clinical staff in-kind involvement, support and expertise. The Hospital's participation in all community building activities is solely to benefit the community's health and well-being by improving access to health services and enhancing overall public health and in no case is the motivation for marketing purposes. Examples include (but are not limited to) staff involvement in the Middlesex Chamber of Commerce's Prevention Committee, Safety Committee and Healthcare Council, United Way School Readiness Community Impact Team, United Way Community Impact Council, Middlesex Community Council, Safe Kids, Interfaith Council of Middletown, Middletown's 10 Year Plan to End Homelessness, Middlesex Elderly Service Providers, St Luke's Gatekeeper Program, State of CT Stroke Committee, State of CT Childhood Obesity Group, Association for Ambulatory Behavioral Healthcare, Middlesex County Children's Coalition, Middlesex Community College Advisory Board For Human Services, CT Council for Child & Adolescent Psychology, Middletown School System Safety Committee and Community Flu Preparation Committee. The following programs highlight the importance of the Hospital's involvement in community building activities.

- Opportunity Knocks (OK) was formed in 2003 when three Middletown community leaders specializing in early childhood development – Middlesex Hospital's Medical Director of Nurseries & Pediatric Faculty for the Family Practice Residency Program, Middlesex Hospital's Family Advocacy Maternal Child Health Program supervisor and Middletown's School Readiness coordinator – recognized that the health and developmental needs of Middletown's high-need young children could best be met through a coalition that crossed a variety of sectors. The multidisciplinary community coalition comprised of local health and social service agencies, early care and education providers, not-for-profit organizations and parents established goals that focused on the health and well-being of at-risk children ages 0-5. Since the inception of the program, Opportunity Knocks has served approximately 5,500 children ages 0-5 and countless family members. The Hospital provides OK's program planner, physician champion, grant-writing support and fiscal administration for the funding sources. In

Middlesex Hospital

Notes to Financial Statements (continued)

(Amounts in thousands)

16. Community Benefit (Unaudited) (continued)

addition, staff members from multiple Hospital departments actively participate in the collaborative, including representatives from Family Advocacy Maternal Child Health, Diabetes Management, Asthma Management, Fit For Kids, Family Practice, the Family Medicine Residency program, and the Pregnancy & Birth Center

- The Middlesex Hospital-Sayaxche Community Partnership extends the Hospital's involvement in community health to the global community. The goal of the project, started in 2008, is to establish a long-term, collaborative, mutually beneficial and ethically sound partnership between the Hospital and Middletown, CT community with the health care infrastructure of the Peten region in Guatemala, including Sayaxche Hospital, the Ministry of Health and the local health promoters. Based on a needs assessment conducted by the Hospital employees at the Sayaxche Hospital, the partnership has focused on addressing multiple areas of priority. Annual visits by delegations from Sayaxche to the Hospital, with the purpose of education and training in key areas, are underwritten by the Hospital. The Hospital contributes in-kind staff hours, donated supplies and hosts a local community collaborative committee comprised of interested agencies. The committee's objective is to set achievable goals that will improve access to health services by strengthening the health care infrastructure of the target population in the Peten region.
- The Hospital partakes in many good neighbor community activities outside of the scope of the health care delivery system, such participation often incurs significant expense to the Hospital. For Disaster Readiness, the Hospital plays a pivotal role by working in collaboration with key community partners to ensure the safety of the community at large during a potential disaster. Hospital employees participate on multiple community boards and initiatives designed specifically to address disaster preparedness, control and address the ongoing overall safety of the community. Only the activities and associated cost which exceed licensure and standard practice requirements are included in the Hospital's community benefit inventory. Disaster readiness requires a comprehensive, community-wide coordinated effort for coping with such emergencies as natural disasters, infectious disease outbreaks, bio terrorism, or acts of civil unrest. Hospital security staff, paramedics, infectious diseases specialists, nursing and medical staff are all involved in the continuing effort to be prepared for whatever community emergencies might arise.

Middlesex Hospital

Notes to Financial Statements (continued)

(Amounts in thousands)

16. Community Benefit (Unaudited) (continued)

Examples include participation in community disaster preparation committees, community education and natural disaster drills, pandemic preparedness and stockpiling of supplies that exceeds regulatory standards, and hosting yearly radiation drills for the staff of a local nuclear power plant where Hospital staff train power plant workers (at no-cost) on protocols for internal contamination

- The Hospital's Shoreline Medical Center (SMC) is committed to working with local schools to introduce the concept of a medical career in a full range of medical related professions and reinforce the importance of continuing one's education. Each year SMC hosts a multidisciplinary Career Day, World of Work, and oversees high school student mentorship. In response to a looming nursing shortage a dedicated nurse at SMC created Career Day, an annual event where students from the community can experience an emergency in real time and learn what it's like to be a health professional. An additional benefit of Career Day includes spurring many high school students to intern at SMC throughout the school year – the internship provides a unique opportunity for students to receive direct mentorship from health care professionals and exposure to a variety of health delivery disciplines. As a result, many have chosen to pursue careers in health post high school graduation. Yet Another program designed specifically to encourage a career in health is SMC's World of Work where students from a local middle school spend half a day on-site learning about paramedics and emergency medical services, radiology, nursing and laboratory services. The idea is to foster an interest in health as a career at an early age.

Community Benefit Operations

Community Benefit Operations include activities and costs associated with community benefit strategic planning, administration, and health assessment production and execution. The Hospital has a dedicated manager of community benefit, along with a community benefit steering committee (comprised of hospital leadership) that oversees community benefit planning and operations.

The Hospital was invited by the Chatham Health District to participate in a county-wide community health needs assessment which was completed in 2013. Middlesex County was selected to be part of the Centers for Disease Control and Prevention Community Transformation

Middlesex Hospital

Notes to Financial Statements (continued)

(Amounts in thousands)

16. Community Benefit (Unaudited) (continued)

Grant project in Connecticut From this initiative, the Middlesex County Coalition on Community Wellness was formed, which includes community partners from the sectors of public health, health care, social services, community services and education Coalition goals included (1) working together to conduct a Middlesex County community health needs assessment, (2) identifying key issues that impact health and wellbeing, and (3) developing collaborative programs to meet identified need

The process of formally measuring the health of the community through a community health needs assessment allows for a comprehensive understanding of a community's health status as well as the needs, gaps and barriers to health and health services Using this data, the Hospital has developed a prioritized implementation strategy to address identified need, its community health needs assessment implementation strategy outlines the process for prioritization and serves as the foundation for the Hospital's Community Benefit strategic plan Based on analysis of the community health needs assessment data, the Hospital has selected the following five priority areas 1) Mental Health – increasing access to care, 2) Substance Abuse – increasing access to care, 3) Older Adults – increasing access to care, 4) Middlesex County Coalition on Community Wellness Tobacco Free Living – support and collaboration, and 5) Middlesex County Coalition on Community Wellness Clinical Preventive Services, Hypertension – support and collaboration

Financial Assistance

Financial assistance includes free or discounted health services provided to persons who cannot afford to pay and who meet the Hospital's criteria for financial assistance Great concern is taken to make sure that patients are informed of the availability of patient assistance funding programs Signs (in English and Spanish) are posted in conspicuous places within the Hospital, including registration, administration, the emergency department, social services, billing, and waiting rooms A patient guide is provided upon registration which outlines patient billing and financial services The guide answers questions regarding available financial assistance qualifications and application processes A financial assistance brochure is made widely available throughout the organization Contact information is provided so that patients can easily reach a financial counselor to assist them Applicants are screened for financial eligibility and assistance is provided to complete the paperwork To ensure that the Hospital's generous financial assistance program is accessible, a Financial Assistance Workgroup was formed in 2008 to review all

Middlesex Hospital

Notes to Financial Statements (continued)

(Amounts in thousands)

16. Community Benefit (Unaudited) (continued)

processes related to the financial assistance process, including user-friendliness of the application, expansion of financial assistance awards, and enhanced communication regarding the financial assistance availability. The Workgroup continues to meet to monitor and update, when needed, protocols related to financial assistance.

State Sponsored Health Care, Unpaid Costs

Community benefits related to government sponsored programs include the unpaid cost of specific public programs. In FY2013, payments received for Medicaid services provided by the Hospital did not cover the actual cost of providing these services, these unpaid costs are reported in the financial statements.

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