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Part IIIStatement of Program Service Accomplishments

Check if Schedule O contains a response or note to any line in this Part III

1Briefly describe the organization’s mission

THE WILLIAM W BACKUS HOSPITAL DELIVERS AND COORDINATES A CONTINUUM OF HIGH QUALITY HEALTH CARE THAT IS SENSITIVE TO THE NEEDS OF INDIVIDUALS IN EASTERN CONNECTICUT THE HOSPITAL IS COMMITTED TO BEING RESPONSIVE AND ACCOUNTABLE TO THOSE FOR WHOSE BENEFIT IT EXISTS, AND TO IMPROVING THE HEALTH OF ITS COMMUNITIES

2Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ?

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

3Did the organization cease conducting, or make significant changes in how it conducts, any program services?

If "Yes," describe these changes on Schedule O

4Describe 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 \$ 206,360,909 including grants of \$ 145,509 ) (Revenue \$ 303,812,409 )

IN FISCAL YEAR 2014, BACKUS HOSPITAL HAD 9,801 ADMISSIONS, 78,481 EMERGENCY DEPARTMENT VISITS, AND 486,854 OUTPATIENT VISITS THE HOSPITAL DELIVERED 896 BABIES AND 6,363 SAME DAY SURGICAL PROCEDURES BACKUS PERFORMED 137,707 OUTPATIENT IMAGING EXAMS, 7,293 MRI EXAMINATIONS, 7,985 PSYCHIATRIC CLINICAL VISITS AND 8,093 PSYCHIATRIC PARTIAL HOSPITAL VISITS

4b

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

4c

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

4dOther program services (Describe in Schedule O )























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

4eTotal program service expenses

206,360,909

Part IV

Checklist of Required Schedules

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

Part IV

Checklist of Required Schedules (continued)

21	Did the organization report more than \$5,000 of grants or other assistance to any domestic organization or government on Part IX, column (A), line 1? <i>If "Yes," complete Schedule I, Parts I and II</i> . . . . .	21	Yes	
22	Did the organization report more than \$5,000 of grants or other assistance to individuals in the United States on Part IX, column (A), line 2? <i>If "Yes," complete Schedule I, Parts I and III</i> . . . . .	22	Yes	
23	Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? <i>If "Yes," complete Schedule J</i> . . . . .	23	Yes	
24a	Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? <i>If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25a</i> . . . . .	24a		No
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception? . . . .	24b		
c	Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds? . . . . .	24c		
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year? . . . .	24d		
25a	<b>Section 501(c)(3) and 501(c)(4) organizations.</b> Did the organization engage in an excess benefit transaction with a disqualified person during the year? <i>If "Yes," complete Schedule L, Part I</i> . . . . .	25a		No
b	Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? <i>If "Yes," complete Schedule L, Part I</i> . . . . .	25b		No
26	Did the organization report any amount on Part X, line 5, 6, or 22 for receivables from or payables to any current or former officers, directors, trustees, key employees, highest compensated employees, or disqualified persons? <i>If so, complete Schedule L, Part II</i> . . . . .	26		No
27	Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor or employee thereof, a grant selection committee member, or to a 35% controlled entity or family member of any of these persons? <i>If "Yes," complete Schedule L, Part III</i> . . . . .	27		No
28	Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions)			
a	A current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i> . . . . .	28a		No
b	A family member of a current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i> . . . . .	28b		No
c	An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? <i>If "Yes," complete Schedule L, Part IV</i> . . . . .	28c	Yes	
29	Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M</i> . . . .	29		No
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If "Yes," complete Schedule M</i> . . . . .	30		No
31	Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I</i> . . . . .	31		No
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? <i>If "Yes," complete Schedule N, Part II</i> . . . . .	32		No
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? <i>If "Yes," complete Schedule R, Part I</i> . . . . .	33		No
34	Was the organization related to any tax-exempt or taxable entity? <i>If "Yes," complete Schedule R, Part II, III, or IV, and Part V, line 1</i> . . . . .	34	Yes	
35a	Did the organization have a controlled entity within the meaning of section 512(b)(13)?	35a	Yes	
b	If 'Yes' to line 35a, did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? <i>If "Yes," complete Schedule R, Part V, line 2</i> . . . . .	35b	Yes	
36	<b>Section 501(c)(3) organizations.</b> Did the organization make any transfers to an exempt non-charitable related organization? <i>If "Yes," complete Schedule R, Part V, line 2</i> . . . . .	36		No
37	Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? <i>If "Yes," complete Schedule R, Part VI</i> . . . . .	37		No
38	Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11b and 19? <b>Note.</b> All Form 990 filers are required to complete Schedule O . . . . .	38	Yes	

Part V

Statements Regarding Other IRS Filings and Tax Compliance

Check if Schedule O contains a response or note to any line in this Part V

☐

		Yes	No
1a	Enter the number reported in Box 3 of Form 1096. Enter -0- if not applicable.	202	
1b	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable.	0	
1c Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?		Yes	
2a	Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return.	2,061	
2b If at least one is reported on line 2a, did the organization file all required federal employment tax returns? <b>Note.</b> If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions).		Yes	
3a Did the organization have unrelated business gross income of \$1,000 or more during the year?		Yes	
3b If "Yes," has it filed a Form 990-T for this year? If "No" to line 3b, provide an explanation in Schedule O.		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)?			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?			No
5b Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?			No
5c If "Yes," to line 5a or 5b, did the organization file Form 8886-T?			
6a Does the organization have annual gross receipts that are normally greater than \$100,000, and did the organization solicit any contributions that were not tax deductible as charitable contributions?			No
6b If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?			
7 Organizations that may receive deductible contributions under section 170(c).			
7a Did the organization receive a payment in excess of \$75 made partly as a contribution and partly for goods and services provided to the payor?		Yes	
7b If "Yes," did the organization notify the donor of the value of the goods or services provided?		Yes	
7c Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?			No
d If "Yes," indicate the number of Forms 8282 filed during the year.		7d	
7e Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?			No
7f Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?			No
7g If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?			
7h If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?			
8 Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations. Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?		8	
9 Sponsoring organizations maintaining donor advised funds.			
9a Did the organization make any taxable distributions under section 4966?		9a	
9b Did the organization make a distribution to a donor, donor advisor, or related person?		9b	
10 Section 501(c)(7) organizations. Enter			
10a Initiation fees and capital contributions included on Part VIII, line 12.		10a	
10b Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities.		10b	
11 Section 501(c)(12) organizations. Enter			
11a Gross income from members or shareholders.		11a	
11b Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them).		11b	
12a Section 4947(a)(1) non-exempt charitable trusts. Is the organization filing Form 990 in lieu of Form 1041?		12a	
b If "Yes," enter the amount of tax-exempt interest received or accrued during the year.		12b	
13 Section 501(c)(29) qualified nonprofit health insurance issuers.			
13a Is the organization licensed to issue qualified health plans in more than one state? <b>Note.</b> See the instructions for additional information the organization must report on Schedule O.		13a	
b Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans.		13b	
c Enter the amount of reserves on hand.		13c	
14a Did the organization receive any payments for indoor tanning services during the tax year?		14a	No
b If "Yes," has it filed a Form 720 to report these payments? If "No," provide an explanation in Schedule O.		14b	

Part VI

Governance, Management, and Disclosure

For each "Yes" response to lines 2 through 7b below, and for a "No" response to lines 8a, 8b, or 10b below, describe the circumstances, processes, or changes in Schedule O. See instructions.

Check if Schedule O contains a response or note to any line 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 . . . . .		
	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 . . . . .		
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee? . . . . .	2	Yes
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person? . . . . .	3	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		
a	The governing body? . . . . .	8a	Yes
b	Each committee with authority to act on behalf of the governing body? . . . . .	8b	Yes
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O . . . . .	9	No

Section B. Policies

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

		Yes	No
10a	Did the organization have local chapters, branches, or affiliates? . . . . .	10a	No
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?		
a	The organization's CEO, Executive Director, or top management official . . . . .	15a	Yes
b	Other officers or key employees of the organization . . . . .	15b	Yes
	If "Yes" to line 15a or 15b, describe the process in Schedule O (see instructions)		
16a	Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year? . . . . .	16a	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	No

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 ▶DANIEL LOHR 326 WASHINGTON STREET NORWICH, CT 06360 (860) 889-8331

Part VII

Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors

Check if Schedule O contains a response or note to any line 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	Officer	Key employee	Highest compensated employee	Former			
(1) DAVID WHITEHEAD TRUSTEE/PRESIDENT/CEO	40 00 7 00	X		X				731,171	0	45,918
(2) JOHN BILDA TRUSTEE	2 00 1 00	X						0	0	0
(3) STEPHEN BRIGGS TRUSTEE	2 00 1 00	X						0	0	0
(4) ELIZABETH CONWAY TRUSTEE/VICE CHAIRMAN	6 00 1 00	X		X				0	0	0
(5) JAMES CARDON MD TRUSTEE	2 00 1 00	X						0	0	0
(6) NANCY GENTES TRUSTEE	2 00 1 00	X						0	0	0
(7) ANTHONY JOYCE TRUSTEE/CHAIRMAN	6 00 1 00	X		X				0	0	0
(8) PETER MANERI TRUSTEE	2 00 1 00	X						0	0	0
(9) PAUL MAXFIELD TRUSTEE	2 00 1 00	X						0	0	0
(10) DEBORAH MONAHAN TRUSTEE/SECRETARY	6 00 1 00	X		X				0	0	0
(11) LYNNE QUINTAL-HILL TRUSTEE	2 00 1 00	X						0	0	0
(12) ROBERT RAMSDELL TRUSTEE/TREASURER	6 00 1 00	X		X				0	0	0
(13) DONNA ROMITO TRUSTEE	2 00 1 00	X						0	0	0
(14) DENNIS SLATER TRUSTEE	2 00 1 00	X						0	0	0
(15) MARK TRAMONTOZZI TRUSTEE	2 00 1 00	X						0	0	0
(16) ELLIOT JOSEPH TRUSTEE	2 00 40 00	X						0	1,847,535	347,786
(17) DANIEL LOHR SENIOR VP/CFO	40 00 9 00			X				481,725	0	38,685



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	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
(18) CAROLYN TRANTALIS VP OPERATIONS EAST REGION	1 00 40 00			X				0	195,013	21,586
(19) MARY BYLONE VP PATIENT CARE EAST REGION	40 00			X				246,598	0	20,900
(20) THERESA BUSS VP HUMAN RESOURCES E REGION	40 00			X				234,419	0	20,380
(21) PETER SHEA SENIOR VP/MEDICAL DIRECTOR	40 00				X			452,908	0	38,268
(22) SERGIO CASILLAS PHYSICIAN	40 00					X		552,668	0	36,254
(23) ROBERT SIDMAN PHYSICIAN	40 00					X		436,250	0	37,598
(24) MARK TOUSIGNANT PHYSICIAN	40 00					X		440,368	0	37,598
(25) WILLIAM HORGAN PHYSICIAN	40 00					X		358,568	0	37,598
(26) RICHARD GOULDING PHYSICIAN	40 00					X		361,040	0	37,598
<b>1b Sub-Total</b>										
<b>c Total from continuation sheets to Part VII, Section A</b>										
<b>d Total (add lines 1b and 1c)</b>								4,295,715	2,042,548	720,169

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▶191

		Yes	No
3	Did the organization list any <b>former</b> officer, director or trustee, key employee, or highest compensated employee on line 1a? <i>If "Yes," complete Schedule J for such individual</i>		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? <i>If "Yes," complete Schedule J for such individual</i>	Yes	
5	Did any person listed on line 1a receive or accrue compensation from any unrelated organization or individual for services rendered to the organization? <i>If "Yes," complete Schedule J for such person</i>		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
ALLIANCE HEALTHCARE SERVICES PO BOX 96485 CHICAGO IL 60693	MEDICAL SERVICES	3,187,496
YALE NEW HAVEN HOSPITAL 20 YORK STREET NEW HAVEN CT 06504	MEDICAL SERVICES	2,311,515
ROPES & GRAY LLP PO BOX 414265 BOSTON MA 02241	LEGAL	1,416,980
BARTON & ASSOCIATES PO BOX 417844 BOSTON MA 02241	MEDICAL SERVICES	1,326,206
EXECUTIVE HEALTH RESOURCES PO BOX 822688 PHILADELPHIA PA 19182	CONSULTING	975,105

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 ▶37

Part VIII

Statement of Revenue

Check if Schedule O contains a response or note to any line in this Part VIII

			(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512-514
Contributions, Gifts, Grants and Other Similar Amounts	1a	Federated campaigns . . . . . 1a				
	b	Membership dues . . . . . 1b				
	c	Fundraising events . . . . . 1c	82,858			
	d	Related organizations . . . . . 1d	1,710			
	e	Government grants (contributions) 1e	556,154			
	f	All other contributions, gifts, grants, and similar amounts not included above 1f	1,733,378			
	g	Noncash contributions included in lines 1a-1f \$	3,765			
	h	Total. Add lines 1a-1f . . . . .	2,374,100			
Program Service Revenue	2a	INPATIENT	Business Code 900099	123,906,609	123,906,609	
	b	OUTPATIENT	900099	116,551,873	116,551,873	
	c	EMERGENCY DEPT	900099	58,535,862	58,535,862	
	d	LAB COURIER SERVICE	621500	2,658,878	2,658,878	
	e	EHR REVENUE	900099	1,058,108	1,058,108	
	f	All other program service revenue				
	g	Total. Add lines 2a-2f . . . . .	302,711,330			
Other Revenue	3	Investment income (including dividends, interest, and other similar amounts) . . . . .	3,751,637			3,751,637
	4	Income from investment of tax-exempt bond proceeds . . . . .				
	5	Royalties . . . . .				
	6a	Gross rents	(i) Real 1,177,783	(ii) Personal		
	b	Less rental expenses	1,655,972			
	c	Rental income or (loss)	-478,189			
	d	Net rental income or (loss) . . . . .	-478,189			-478,189
	7a	Gross amount from sales of assets other than inventory	(i) Securities 32,039,843	(ii) Other 93,500		
	b	Less cost or other basis and sales expenses	26,093,258	280,351		
	c	Gain or (loss)	5,946,585	-186,851		
	d	Net gain or (loss) . . . . .	5,759,734			5,759,734
	8a	Gross income from fundraising events (not including \$ 82,858 of contributions reported on line 1c) See Part IV, line 18 . . . . .				
		a	24,800			
	b	Less direct expenses . . . . . b	56,725			
	c	Net income or (loss) from fundraising events . . . . .	-31,925			-31,925
	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 . . . . .				
	10a	Gross sales of inventory, less returns and allowances . . . . .				
		a	499,903			
	b	Less cost of goods sold . . . . . b	352,986			
	c	Net income or (loss) from sales of inventory . . . . .	146,917			146,917
		Miscellaneous Revenue	Business Code			
	11a	CAFETERIA	722320	1,250,359		1,250,359
	b	PURCHASE DISCOUNTS	900099	285,378	285,378	
	c	CHILD CARE	624410	191,350		191,350
	d	All other revenue . . . . .		815,701	762,373	53,328
	e	Total. Add lines 11a-11d . . . . .	2,542,788			
	12	Total revenue. See Instructions . . . . .	316,776,392	301,100,203	2,712,206	10,589,883

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 or note to any line 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.	135,509	135,509		
2	Grants and other assistance to individuals in the United States. See Part IV, line 22.	10,000	10,000		
3	Grants and other assistance to governments, organizations, and individuals outside the United States. See Part IV, lines 15 and 16.				
4	Benefits paid to or for members.				
5	Compensation of current officers, directors, trustees, and key employees.	2,025,125	430,003	1,595,122	
6	Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B).				
7	Other salaries and wages.	110,766,120	101,785,251	8,848,523	132,346
8	Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions).	3,092,638	2,802,653	286,356	3,629
9	Other employee benefits.	10,453,351	9,473,181	967,904	12,266
10	Payroll taxes.	7,942,298	7,197,580	735,399	9,319
11	Fees for services (non-employees):				
a	Management.				
b	Legal.	604,127		604,127	
c	Accounting.	596,470		596,470	
d	Lobbying.	64,774		64,774	
e	Professional fundraising services. See Part IV, line 17.				
f	Investment management fees.	213,746		213,746	
g	Other (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Schedule O).	28,797,163	15,378,807	13,418,356	
12	Advertising and promotion.	142,823	119,444		23,379
13	Office expenses.	4,705,389	3,679,610	1,023,712	2,067
14	Information technology.	3,584,111	462,903	3,121,208	
15	Royalties.				
16	Occupancy.	5,558,850	517,301	5,041,549	
17	Travel.	268,727	133,647	135,080	
18	Payments of travel or entertainment expenses for any federal, state, or local public officials.				
19	Conferences, conventions, and meetings.	27,319	4,633	22,686	
20	Interest.	2,777,042		2,777,042	
21	Payments to affiliates.				
22	Depreciation, depletion, and amortization.	15,002,794	6,543,596	8,459,198	
23	Insurance.	1,924,718	1,363,097	561,621	
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	37,083,444	37,083,444		
b	BAD DEBT	8,078,005	8,035,283	42,722	
c	MAINT/SERVICE CONTRACTS	5,112,846	3,981,740	1,131,106	
d	LAB EXPENSES	4,227,272	4,227,272		
e	All other expenses	5,421,904	2,995,955	2,129,694	296,255
25	Total functional expenses. Add lines 1 through 24e.	258,616,565	206,360,909	51,776,395	479,261
26	Joint costs. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation. Check here <input type="checkbox"/> if following SOP 98-2 (ASC 958-720).				

Part X

Balance Sheet

Check if Schedule O contains a response or note to any line in this Part X

				(A)		(B)
				Beginning of year		End of year
Assets	1	Cash—non-interest-bearing		1,643,564	1	2,710,787
	2	Savings and temporary cash investments		130,996,812	2	184,674,883
	3	Pledges and grants receivable, net		29,416	3	460
	4	Accounts receivable, net		31,013,657	4	36,980,052
	5	Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees Complete Part II of Schedule L			5	
	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			6	
	7	Notes and loans receivable, net		53,821	7	11,760
	8	Inventories for sale or use		3,778,841	8	3,836,103
	9	Prepaid expenses and deferred charges		2,941,851	9	2,589,705
	10a	Land, buildings, and equipment cost or other basis Complete Part VI of Schedule D	10a303,097,892			
	b	Less accumulated depreciation	10b175,263,190	138,743,906	10c	127,834,702
	11	Investments—publicly traded securities		158,491,234	11	145,614,943
	12	Investments—other securities See Part IV, line 11		12,632	12	12,632
	13	Investments—program-related See Part IV, line 11			13	
	14	Intangible assets			14	
	15	Other assets See Part IV, line 11		9,358,083	15	9,598,258
	16	Total assets. Add lines 1 through 15 (must equal line 34)		477,063,817	16	513,864,285
Liabilities	17	Accounts payable and accrued expenses		21,300,221	17	22,981,573
	18	Grants payable			18	
	19	Deferred revenue			19	
	20	Tax-exempt bond liabilities		62,005,476	20	
	21	Escrow or custodial account liability Complete Part IV of Schedule D			21	
	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			22	
	23	Secured mortgages and notes payable to unrelated third parties		1,527,930	23	1,463,627
	24	Unsecured notes and loans payable to unrelated third parties			24	
	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		66,400,904	25	134,524,185
	26	Total liabilities. Add lines 17 through 25		151,234,531	26	158,969,385
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		314,456,228	27	343,007,454
	28	Temporarily restricted net assets		3,305,592	28	3,534,497
	29	Permanently restricted net assets		8,067,466	29	8,352,949
	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		325,829,286	33	354,894,900
	34	Total liabilities and net assets/fund balances		477,063,817	34	513,864,285

Part XI Reconciliation of Net Assets

Check if Schedule O contains a response or note to any line in this Part XI

1	Total revenue (must equal Part VIII, column (A), line 12)	1	316,776,392
2	Total expenses (must equal Part IX, column (A), line 25)	2	258,616,565
3	Revenue less expenses Subtract line 2 from line 1	3	58,159,827
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	325,829,286
5	Net unrealized gains (losses) on investments	5	604,064
6	Donated services and use of facilities	6	
7	Investment expenses	7	-407,865
8	Prior period adjustments	8	
9	Other changes in net assets or fund balances (explain in Schedule O)	9	-29,290,412
10	Net assets or fund balances at end of year Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	354,894,900

Part XII Financial Statements and Reporting

Check if Schedule O contains a response or note to any line in this Part XII

		Yes	No
1	Accounting method used to prepare the Form 990 <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O		
2a	Were the organization's financial statements compiled or reviewed by an independent accountant? If "Yes," check a box below to indicate whether the financial statements for the year were compiled or reviewed on a separate basis, consolidated basis, or both <input type="checkbox"/> Separate basis <input type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis		No
2b	Were the organization's financial statements audited by an independent accountant? If "Yes," check a box below to indicate whether the financial statements for the year were audited on a separate basis, consolidated basis, or both <input type="checkbox"/> Separate basis <input type="checkbox"/> Consolidated basis <input checked="" type="checkbox"/> Both consolidated and separate basis	Yes	
2c	If "Yes," to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant? If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O	Yes	
3a	As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?		No
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		

SCHEDULE A

(Form 990 or 990EZ)

Department of the  
Treasury  
Internal Revenue Service

Public Charity Status and Public Support

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

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

▶ Information about Schedule A (Form 990 or 990-EZ) and its instructions is at [www.irs.gov/form990](http://www.irs.gov/form990).

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization THE WILLIAM W BACKUS HOSPITAL	Employer identification number 06-0250773
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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<sup>1</sup>/<sub>3</sub>% 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<sup>1</sup>/<sub>3</sub>% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975 See **section 509(a)(2).** (Complete Part III )
- 10

☐

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

☐

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

a

☐

Type I

b

☐

Type II

c

☐

Type III - Functionally integrated

d

☐

Type III - Non-functionally integrated

e

☐

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

f

☐

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

g

☐

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

(i)

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

(ii)

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

(iii)

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

h

☐

Provide the following information about the supported organization(s)

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

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

Part II

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

Section A. Public Support						
Calendar year (or fiscal year beginning in) ▶	(a) 2009	(b) 2010	(c) 2011	(d) 2012	(e) 2013	(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) 2009	(b) 2010	(c) 2011	(d) 2012	(e) 2013	(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 2013 (line 6, column (f) divided by line 11, column (f))		14				
15 Public support percentage for 2012 Schedule A, Part II, line 14		15				
16a 33 1/3% support test—2013. 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—2012. 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—2013. 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—2012. If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and stop here. Explain in Part IV how the organization meets the "facts-and-circumstances" test The organization qualifies as a publicly supported organization ▶						
18 Private foundation. If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions ▶						

Part IIISupport Schedule for Organizations Described in Section 509(a)(2)

(Complete only if you checked the box on line 9 of Part I or if the organization failed to qualify under Part II. If the organization fails to qualify under the tests listed below, please complete Part II.)

Section A. Public Support						
Calendar year (or fiscal year beginning in) ▶	(a) 2009	(b) 2010	(c) 2011	(d) 2012	(e) 2013	(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) 2009	(b) 2010	(c) 2011	(d) 2012	(e) 2013	(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 2013 (line 8, column (f) divided by line 13, column (f))	15	
16 Public support percentage from 2012 Schedule A, Part III, line 15	16	

Section D. Computation of Investment Income Percentage		
17 Investment income percentage for 2013 (line 10c, column (f) divided by line 13, column (f))	17	
18 Investment income percentage from 2012 Schedule A, Part III, line 17	18	
19a 33 1/3% support tests—2013. 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—2012. 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.** 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		
Return Reference	Explanation	

SCHEDULE C

(Form 990 or 990-EZ)

Department of the Treasury  
Internal Revenue Service

Political Campaign and Lobbying Activities

For Organizations Exempt From Income Tax Under section 501(c) and section 527  
▶ **Complete if the organization is described below.** ▶ **Attach to Form 990 or Form 990-EZ.**  
▶ **See separate instructions.** ▶ **Information about Schedule C (Form 990 or 990-EZ) and its instructions is at *www.irs.gov/form990*.**

OMB No 1545-0047

2013

Open to Public Inspection

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

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

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

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

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

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

Name of the organization  
THE WILLIAM W BACKUS HOSPITAL

Employer identification number  
06-0250773

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															
<table><tr><td>If the amount on line 1e, column (a) or (b) is:</td><td>The lobbying nontaxable amount is:</td></tr><tr><td>Not over \$500,000</td><td>20% of the amount on line 1e</td></tr><tr><td>Over \$500,000 but not over \$1,000,000</td><td>\$100,000 plus 15% of the excess over \$500,000</td></tr><tr><td>Over \$1,000,000 but not over \$1,500,000</td><td>\$175,000 plus 10% of the excess over \$1,000,000</td></tr><tr><td>Over \$1,500,000 but not over \$17,000,000</td><td>\$225,000 plus 5% of the excess over \$1,500,000</td></tr><tr><td>Over \$17,000,000</td><td>\$1,000,000</td></tr></table>		If the amount on line 1e, column (a) or (b) is:	The lobbying nontaxable amount is:	Not over \$500,000	20% of the amount on line 1e	Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000	Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000	Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000	Over \$17,000,000	\$1,000,000		
If the amount on line 1e, column (a) or (b) is:	The lobbying nontaxable amount is:														
Not over \$500,000	20% of the amount on line 1e														
Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000														
Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000														
Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000														
Over \$17,000,000	\$1,000,000														
g Grassroots nontaxable amount (enter 25% of line 1f)															
h Subtract line 1g from line 1a If zero or less, enter -0-															
i Subtract line 1f from line 1c If zero or less, enter -0-															
j If there is an amount other than zero on either line 1h or line 1i, did the organization file Form 4720 reporting section 4911 tax for this year?		<input type="checkbox"/> Yes <input type="checkbox"/> No													

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

Lobbying Expenditures During 4-Year Averaging Period					
Calendar year (or fiscal year beginning in)	(a) 2010	(b) 2011	(c) 2012	(d) 2013	(e) Total
2a Lobbying nontaxable amount					
b Lobbying ceiling amount (150% of line 2a, column(e))					
c Total lobbying expenditures					
d Grassroots nontaxable amount					
e Grassroots ceiling amount (150% of line 2d, column (e))					
f Grassroots lobbying expenditures					

Part II-B

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

For each "Yes" response to lines 1a through 1i below, provide in Part IV a detailed description of the lobbying activity.		(a)		(b)
		Yes	No	Amount
1	During the year, did the filing organization attempt to influence foreign, national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of			
	a Volunteers?		No	
	b Paid staff or management (include compensation in expenses reported on lines 1c through 1i)?		No	
	c Media advertisements?		No	
	d Mailings to members, legislators, or the public?		No	
	e Publications, or published or broadcast statements?		No	
	f Grants to other organizations for lobbying purposes?	Yes		64,774
	g Direct contact with legislators, their staffs, government officials, or a legislative body?		No	
	h Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?		No	
	i Other activities?		No	
	j Total. Add lines 1c through 1i.			64,774
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).	2a	
a	Current year		
b	Carryover from last year		
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

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.

Return Reference	Explanation
PART II-B, LINE 1	LOBBYING ACTIVITIES ARE PRIMARILY COMPRISED OF THE PORTION OF DUES PAID TO THE CONNECTICUT HOSPITAL ASSOCIATION AND THE AMERICAN HOSPITAL ASSOCIATION THAT THOSE INSTITUTIONS DEEM LOBBYING BASED ON THE MEDICARE DEFINITION

[illegible]

SCHEDULE D  
(Form 990)

Department of the Treasury  
Internal Revenue Service

Supplemental Financial Statements

▶ **Complete if the organization answered "Yes," to Form 990, Part IV, line 6, 7, 8, 9, 10, 11a, 11b, 11c, 11d, 11e, 11f, 12a, or 12b**  
▶ **Attach to Form 990.** ▶ **See separate instructions.** ▶ **Information about Schedule D (Form 990) and its instructions is at [www.irs.gov/form990](http://www.irs.gov/form990).**

OMB No 1545-0047

2013

Open to Public Inspection

<b>Name of the organization</b> THE WILLIAM W BACKUS HOSPITAL	<b>Employer identification number</b>  06-0250773
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Part I

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

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

Part II

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

1

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

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

2

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

	Held at the End of the Year
a	Total number of conservation easements
b	Total acreage restricted by conservation easements
c	Number of conservation easements on a certified historic structure included in (a)
d	Number of conservation easements included in (c) acquired after 8/17/06, and not on a historic structure listed in the National Register

3

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

4

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

5

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

☐ Yes ☐ No

6

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

7

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

8

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

☐ Yes ☐ No

9

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

Part III

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

1a

If the organization elected, as permitted under SFAS 116 (ASC 958), not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide, in Part XIII, the text of the footnote to its financial statements that describes these items

b

If the organization elected, as permitted under SFAS 116 (ASC 958), to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items

(i) Revenues included in Form 990, Part VIII, line 1

▶ \$ \_\_\_\_\_

(ii) Assets included in Form 990, Part X

▶ \$ \_\_\_\_\_

2

If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 (ASC 958) relating to these items

a

Revenues included in Form 990, Part VIII, line 1

▶ \$ \_\_\_\_\_

b

Assets included in Form 990, Part X

▶ \$ \_\_\_\_\_

Part III

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

- 3

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

a

☐ Public exhibition

b

☐ Scholarly research

c

☐ Preservation for future generations

d

☐ Loan or exchange programs

e

☐ Other
- 4

Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIII
- 5

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

☐ Yes

☐ No

Part IV

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

- 1a

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

☐ Yes

☐ No
- b

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

	Amount
1c	
1d	
1e	
1f	
- 2a

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

☐ Yes

☐ No
- b

If "Yes," explain the arrangement in Part XIII Check here if the explanation has been provided in Part XIII

☐

Part V

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

	(a)Current year	(b)Prior year	b (c)Two years back	(d)Three years back	(e)Four years back
1a Beginning of year balance	5,551,985	5,396,859	5,396,859	5,320,786	4,841,631
b Contributions				5,000	358,064
c Net investment earnings, gains, and losses	169,678	159,637	5,226	76,505	505,259
d Grants or scholarships					
e Other expenditures for facilities and programs					378,271
f Administrative expenses	2,217	4,511	5,226	5,432	5,897
g End of year balance	5,719,446	5,551,985	5,396,859	5,396,859	5,320,786

- 2

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

a

Board designated or quasi-endowment

b

Permanent endowment 100 000 %

c

Temporarily restricted endowment

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

3a

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

(i) unrelated organizations

3a(i)

Yes

No

(ii) related organizations

3a(ii)

Yes

No

b

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

3b

Yes

No

4

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

Part VI

Land, Buildings, and Equipment. Complete if the organization answered 'Yes' to Form 990, Part IV, line 11a. 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		5,011,878		5,011,878
b Buildings	10,381,267	118,751,476	38,393,196	90,739,547
c Leasehold improvements		64,622,232	57,266,471	7,355,761
d Equipment		104,145,346	79,603,523	24,541,823
e Other		185,693		185,693
Total. Add lines 1a through 1e (Column (d) must equal Form 990, Part X, column (B), line 10(c).)				127,834,702

Schedule D (Form 990) 2013





Part XI

Reconciliation of Revenue per Audited Financial Statements With Revenue per Return

Complete if the organization answered 'Yes' to Form 990, Part IV, line 12a.

1	Total revenue, gains, and other support per audited financial statements . . . . .	1	318,530,621
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12		
a	Net unrealized gains on investments . . . . .	2a	604,064
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	604,064
3	Subtract line 2e from line 1 . . . . .	3	317,926,557
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	596,611
b	Other (Describe in Part XIII ) . . . . .	4b	-1,746,776
c	Add lines 4a and 4b . . . . .	4c	-1,150,165
5	Total revenue Add lines 3 and 4c. (This must equal Form 990, Part I, line 12 ) . . . . .	5	316,776,392

Part XII

Reconciliation of Expenses per Audited Financial Statements With Expenses per Return.

Complete if the organization answered 'Yes' to Form 990, Part IV, line 12a.

1	Total expenses and losses per audited financial statements . . . . .	1	260,250,295
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	1,899,548
e	Add lines 2a through 2d . . . . .	2e	1,899,548
3	Subtract line 2e from line 1 . . . . .	3	258,350,747
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	188,746
b	Other (Describe in Part XIII ) . . . . .	4b	77,072
c	Add lines 4a and 4b . . . . .	4c	265,818
5	Total expenses Add lines 3 and 4c. (This must equal Form 990, Part I, line 18 ) . . . . .	5	258,616,565

Part XIII

Supplemental Information

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.

Return Reference	Explanation
PART V, LINE 4	THE PERMANENTLY RESTRICTED ENDOWMENT FUNDS ARE MEANT TO PROVIDE LONG TERM SUPPORT FOR CAPITAL AND OPERATING PROGRAMS FOR THE HOSPITAL IN ACCORDANCE WITH THE DONOR'S WISHES
PART XI, LINE 4B - OTHER ADJUSTMENTS	AUXILIARY INCOME-152,130 K-1 PASSTHROUGH-642 LOSS ON FIXED ASSETS-(186,851) RENTAL EXPENSES-(1,655,972) GOLF TOURNAMENT EXPENSES-(56,725)
PART XII, LINE 2D - OTHER ADJUSTMENTS	RENTAL EXPENSES-1,655,972 GOLF TOURNAMENT EXPENSES-56,725 LOSS ON FIXED ASSETS-186,851
PART XII, LINE 4B - OTHER ADJUSTMENTS	AUXILIARY EXPENSES-77,072
SCHEDULE D PART X LINE 2	ASC 740-10, UNCERTAIN TAX POSITIONS, PRECRIPTIONS A RECOGNITION THRESHOLD AND MEASUREMENT ATTRIBUTE FOR THE FINANCIAL STATEMENT RECOGNITION AND MEASUREMENT OF A TAX POSITION TAKEN OR EXPECTED TO BE TAKEN IN A TAX RETURN THIS INTERPRETATION ALSO PROVIDES GUIDANCE ON DERECOGNITION, CLASSIFICATION, INTEREST AND PENALTIES, ACCOUNTING IN INTERIM PERIODS, AND DISCLOSURE REQUIREMENTS FOR UNCERTAIN TAX POSITION MANAGEMENT HAS EVALUATED THE IMPLICATIONS OF ASC 740-10 AND DETERMINED THAT ITS IMPACT ON THE FINANCIAL STATEMENTS IS NOT SIGNIFICANT

[illegible]

Additional Data

Software ID:

Software Version:

EIN: 06-0250773

Name: THE WILLIAM W BACKUS HOSPITAL

Form 990, Schedule D, Part X, - Other Liabilities

1	(a) Description of Liability	(b) Book Value
	DUE TO 3RD PARTIES	8,036,715
	EMPLOYEE RELATED OBLIGATIONS	42,795,856
	SELF-INSURED PROF LIABILITY	9,181,837
	CAPITAL LEASE OBLIGATIONS	6,848,070
	OTHER LIABILITIES	4,532,110
	DUE FROM AFFILIATES	2,841,766
	TAX EXEMPT SERIES E BOND PREMIUM	1,503,488
	LT INTERCOMPANY DEBT SERIES E	58,784,343

SCHEDULE G  
(Form 990 or 990-EZ)

Department of the Treasury  
Internal Revenue Service

Supplemental Information Regarding  
Fundraising or Gaming Activities

Complete if the organization answered "Yes" to Form 990, Part IV, lines 17, 18, or 19, or if the organization entered more than \$15,000 on Form 990-EZ, line 6a.  
▶ Attach to Form 990 or Form 990-EZ. ▶ See separate instructions.

▶ Information about Schedule G (Form 990 or 990-EZ) and its instructions is at [www.irs.gov/form990](http://www.irs.gov/form990).

OMB No 1545-0047

2013

Open to Public  
Inspection

Name of the organization THE WILLIAM W BACKUS HOSPITAL	Employer identification number  06-0250773
---	--

**Part I Fundraising Activities.** Complete if the organization answered "Yes" to Form 990, Part IV, line 17.  
Form 990-EZ filers are not required to complete this part.

- 1

Indicate whether the organization raised funds through any of the following activities. Check all that apply.
- a

☐ Mail solicitations
- e

☐ Solicitation of non-government grants
- b

☐ Internet and email solicitations
- f

☐ Solicitation of government grants
- c

☐ Phone solicitations
- g

☐ Special fundraising events
- d

☐ In-person solicitations
- 2a

Did the organization have a written or oral agreement with any individual (including officers, directors, trustees or key employees listed in Form 990, Part VII) or entity in connection with professional fundraising services?

☐ Yes

☐ No
- b

If "Yes," list the ten highest paid individuals or entities (fundraisers) pursuant to agreements under which the fundraiser is to be compensated at least \$5,000 by the organization.

(i) Name and address of individual or entity (fundraiser)	(ii) Activity	(iii) Did fundraiser have custody or control of contributions?		(iv) Gross receipts from activity	(v) Amount paid to (or retained by) fundraiser listed in col (i)	(vi) Amount paid to (or retained by) organization
		Yes	No			
1						
2						
3						
4						
5						
6						
7						
8						
9						
10						
Total . . . . . ▶						

- 3

List all states in which the organization is registered or licensed to solicit contributions or has been notified it is exempt from registration or licensing.
- 
-

Part II Fundraising Events. Complete if the organization answered "Yes" to Form 990, Part IV, line 18, or reported more than \$15,000 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
		GOLF TOURNAMENT (event type)	SEDER GOLF TOURNAMENT (event type)	(total number)	(add col (a) through col (c))
Revenue	1	Gross receipts . . . .	58,110	49,548	107,658
	2	Less Contributions . .	40,510	42,348	82,858
	3	Gross income (line 1 minus line 2) . . . .	17,600	7,200	24,800
Direct Expenses	4	Cash prizes . . . .			
	5	Noncash prizes . .	5,100	1,500	6,600
	6	Rent/facility costs . .	16,910	8,580	25,490
	7	Food and beverages .	3,485	8,664	12,149
	8	Entertainment . . . .		750	750
	9	Other direct expenses .	7,768	3,968	11,736
	10	Direct expense summary Add lines 4 through 9 in column (d) . . . . . ▶			(56,725)
	11	Net income summary Subtract line 10 from line 3, column (d) . . . . . ▶			-31,925

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

Revenue		(a) Bingo	(b) Pull tabs/Instant bingo/progressive bingo	(c) Other gaming	(d) Total gaming (add col (a) through col (c))
	1 Gross revenue . . . . .				
Direct Expenses	2 Cash prizes . . . . .				
	3 Non-cash prizes . . . . .				
	4 Rent/facility costs . . . . .				
	5 Other direct expenses . . . . .				
	6 Volunteer labor . . . . .	<div><div><div>Yes</div><div>No</div></div><div>%</div></div>	<div><div><div>Yes</div><div>No</div></div><div>%</div></div>	<div><div><div>Yes</div><div>No</div></div><div>%</div></div>	
	7 Direct expense summary Add lines 2 through 5 in column (d) . . . . . ▶				
	8 Net gaming income summary Subtract line 7 from line 1, 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

<b>13</b> Indicate the percentage of gaming activity operated in		
<b>a</b> The organization's facility . . . . .	<b>13a</b>	%
<b>b</b> An outside facility . . . . .	<b>13b</b>	%

**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.** 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).

Return Reference	Explanation
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SCHEDULE H  
(Form 990)

Department of the Treasury  
Internal Revenue Service

Hospitals

► Complete if the organization answered "Yes" to Form 990, Part IV, question 20.  
► Attach to Form 990. ► See separate instructions.  
► Information about Schedule H (Form 990) and its instructions is at *www.irs.gov/form990*.

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization  
THE WILLIAM W BACKUS HOSPITAL

Employer identification number  
06-0250773

Part I

Financial Assistance and Certain Other Community Benefits at Cost

		Yes	No
1a	Did the organization have a financial assistance policy during the tax year? If "No," skip to question 6a . . . .	1a Yes	
b	If "Yes," was it a written policy? . . . . .	1b Yes	
2	If the organization had multiple hospital facilities, indicate which of the following best describes application of the financial assistance policy to its various hospital facilities during the tax year <div><input type="checkbox"/> Applied uniformly to all hospital facilities <input type="checkbox"/> Applied uniformly to most hospital facilities <input type="checkbox"/> Generally tailored to individual hospital facilities</div>		
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 <i>free</i> care? If "Yes," indicate which of the following was the FPG family income limit for eligibility for <i>free</i> care <div><input type="checkbox"/> 100% <input type="checkbox"/> 150% <input type="checkbox"/> 200% <input checked="" type="checkbox"/> Other <u>25000 0000000000 %</u></div>	3a Yes	
b	Did the organization use FPG as a factor in determining eligibility for providing <i>discounted</i> care? If "Yes," indicate which of the following was the family income limit for eligibility for discounted care . . . . . <div><input type="checkbox"/> 200% <input type="checkbox"/> 250% <input type="checkbox"/> 300% <input type="checkbox"/> 350% <input checked="" type="checkbox"/> 400% <input type="checkbox"/> Other _____ %</div>	3b Yes	
c	If the organization used factors other than FPG in determining eligibility, describe in Part VI the income based criteria for determining eligibility for free or discounted care Include in the description whether the organization used an asset test or other threshold, regardless of income, as a factor in determining eligibility for free or discounted care		
4	Did the organization's financial assistance policy that applied to the largest number of its patients during the tax year provide for free or discounted care to the "medically indigent"? . . . . .	4 Yes	
5a	Did the organization budget amounts for free or discounted care provided under its financial assistance policy during the tax year? . . . . .	5a Yes	
b	If "Yes," did the organization's financial assistance expenses exceed the budgeted amount? . . . . .	5b	No
c	If "Yes" to line 5b, as a result of budget considerations, was the organization unable to provide free or discounted care to a patient who was eligible for free or discounted care? . . . . .	5c	
6a	Did the organization prepare a community benefit report during the tax year? . . . . .	6a Yes	
b	If "Yes," did the organization make it available to the public? . . . . .	6b Yes	
	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) . . . .			1,788,699		1,788,699	0 710 %
b Medicaid (from Worksheet 3, column a) . . . . .			59,487,196	39,651,920	19,835,276	7 920 %
c Costs of other means-tested government programs (from Worksheet 3, column b) . . . .						
d <b>Total</b> Financial Assistance and Means-Tested Government Programs . . . . .			61,275,895	39,651,920	21,623,975	8 630 %
<b>Other Benefits</b>						
e Community health improvement services and community benefit operations (from Worksheet 4) . . . .			532,644	5,455	527,189	0 210 %
f Health professions education (from Worksheet 5) . . . .			221,658		221,658	0 090 %
g Subsidized health services (from Worksheet 6) . . . .			2,194,502		2,194,502	0 880 %
h Research (from Worksheet 7) . . . . .			11,812		11,812	0 %
i Cash and in-kind contributions for community benefit (from Worksheet 8) . . . .			63,564		63,564	0 030 %
j <b>Total.</b> Other Benefits . . . .			3,024,180	5,455	3,018,725	1 210 %
k <b>Total.</b> Add lines 7d and 7j . . . .			64,300,075	39,657,375	24,642,700	9 840 %

Part IICommunity Building Activities

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

	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community building expense	(d) Direct offsetting revenue	(e) Net community building expense	(f) Percent of total expense
1Physical improvements and housing						
2Economic development						
3Community support			57,761		57,761	0.020 %
4Environmental improvements						
5Leadership development and training for community members						
6Coalition building			3,694		3,694	0 %
7Community health improvement advocacy			2,702		2,702	0 %
8Workforce development						
9Other						
10Total			64,157		64,157	0.020 %

Part IIIBad Debt, Medicare, & Collection Practices

Section A. Bad Debt Expense

1Did the organization report bad debt expense in accordance with Healthcare Financial Management Association Statement No. 15?

1

No

2Enter the amount of the organization's bad debt expense. Explain in Part VI the methodology used by the organization to estimate this amount.

2

8,035,283

3Enter 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

617,246

4Provide 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

5Enter total revenue received from Medicare (including DSH and IME).

5

73,314,619

6Enter Medicare allowable costs of care relating to payments on line 5.

6

84,280,637

7Subtract line 6 from line 5. This is the surplus (or shortfall).

7

-10,966,018

8Describe in Part VI the extent to which any shortfall reported in line 7 should be treated as community benefit. Also describe in Part VI the costing methodology or source used to determine the amount reported on line 6. Check the box that describes the method used.

☐ Cost accounting system

☐ Cost to charge ratio

☒ Other

Section C. Collection Practices

9aDid the organization have a written debt collection policy during the tax year?

9a

Yes

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

9b

Yes

Part IVManagement Companies and Joint Ventures

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

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



Part V

Facility Information

Section A. Hospital Facilities

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

Name, address, primary website address, and state license number

		Licensed hospital	General medical & surgical	Children's hospital	Teaching hospital	Critical access hospital	Research facility	ER-24 hours	ER-other	Other (Describe)	Facility reporting group
	See Additional Data Table										

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 )

THE WILLIAM W BACKUS HOSPITAL

Name of hospital facility or facility reporting group

If reporting on Part V, Section B for a single hospital facility only: line number of hospital facility (from Schedule H, Part V, Section A )

1

	Yes	No
<b>Community Health Needs Assessment</b> (Lines 1 through 8c are optional for tax years beginning on or before March 23, 2012)		
<b>1</b> During the tax year or either of the two immediately preceding tax years, did the hospital facility conduct a community health needs assessment (CHNA)? If "No," skip to line 9 . . . . . If "Yes," indicate what the CHNA report describes (check all that apply)	<b>1</b> Yes	
<b>a</b> <input checked="" type="checkbox"/> A definition of the community served by the hospital facility		
<b>b</b> <input checked="" type="checkbox"/> Demographics of the community		
<b>c</b> <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		
<b>d</b> <input checked="" type="checkbox"/> How data was obtained		
<b>e</b> <input checked="" type="checkbox"/> The health needs of the community		
<b>f</b> <input checked="" type="checkbox"/> Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups		
<b>g</b> <input checked="" type="checkbox"/> The process for identifying and prioritizing community health needs and services to meet the community health needs		
<b>h</b> <input checked="" type="checkbox"/> The process for consulting with persons representing the community's interests		
<b>i</b> <input checked="" type="checkbox"/> Information gaps that limit the hospital facility's ability to assess the community's health needs		
<b>j</b> <input type="checkbox"/> Other (describe in Part VI)		
<b>2</b> Indicate the tax year the hospital facility last conducted a CHNA 20 <u>12</u>		
<b>3</b> In conducting its most recent CHNA, did the hospital facility take into account input from persons who represent the broad interests 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 . . . . .	<b>3</b> Yes	
<b>4</b> Was the hospital facility's CHNA conducted with one or more other hospital facilities? If "Yes," list the other hospital facilities in Part VI . . . . .	<b>4</b>	No
<b>5</b> Did the hospital facility make its CHNA report widely available to the public? . . . . . If "Yes," indicate how the CHNA report was made widely available (check all that apply)	<b>5</b> Yes	
<b>a</b> <input checked="" type="checkbox"/> Hospital facility's website (list url) <u>WWW BACKUSHOSPITAL ORG/HEALTHSURVEY</u>		
<b>b</b> <input type="checkbox"/> Other website (list url) _____		
<b>c</b> <input checked="" type="checkbox"/> Available upon request from the hospital facility		
<b>d</b> <input checked="" type="checkbox"/> Other (describe in Part VI)		
<b>6</b> If the hospital facility addressed needs identified in its most recently conducted CHNA, indicate how (check all that apply as of the end of the tax year)		
<b>a</b> <input checked="" type="checkbox"/> Adoption of an implementation strategy that addresses each of the community health needs identified through the CHNA		
<b>b</b> <input checked="" type="checkbox"/> Execution of the implementation strategy		
<b>c</b> <input checked="" type="checkbox"/> Participation in the development of a community-wide plan		
<b>d</b> <input checked="" type="checkbox"/> Participation in the execution of a community-wide plan		
<b>e</b> <input checked="" type="checkbox"/> Inclusion of a community benefit section in operational plans		
<b>f</b> <input checked="" type="checkbox"/> Adoption of a budget for provision of services that address the needs identified in the CHNA		
<b>g</b> <input checked="" type="checkbox"/> Prioritization of health needs in its community		
<b>h</b> <input checked="" type="checkbox"/> Prioritization of services that the hospital facility will undertake to meet health needs in its community		
<b>i</b> <input type="checkbox"/> Other (describe in Part VI)		
<b>7</b> 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 . . . . .	<b>7</b>	No
<b>8a</b> 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)? . . . . .	<b>8a</b>	No
<b>b</b> If "Yes" to line 8a, did the organization file Form 4720 to report the section 4959 excise tax? . . . . .	<b>8b</b>	
<b>c</b> If "Yes" to line 8b, what is the total amount of section 4959 excise tax the organization reported on Form 4720 for all of its hospital facilities? \$ _____		

Part V

Facility Information (continued)

Financial Assistance Policy		Yes	No		
<b>9</b> Did the hospital facility have in place during the tax year a written financial assistance policy that Explained eligibility criteria for financial assistance, and whether such assistance includes free or discounted care?		<b>9</b>	Yes		
<b>10</b> Used federal poverty guidelines (FPG) to determine eligibility for providing <i>free</i> care? . . . . . If "Yes," indicate the FPG family income limit for eligibility for free care <u>250 00000000000000</u> % If "No," explain in Part VI the criteria the hospital facility used		<b>10</b>	Yes		
<b>11</b> Used FPG to determine eligibility for providing <i>discounted</i> care? . . . . . If "Yes," indicate the FPG family income limit for eligibility for discounted care <u>400 00000000000000</u> % If "No," explain in Part VI the criteria the hospital facility used		<b>11</b>	Yes		
<b>12</b> Explained the basis for calculating amounts charged to patients? . . . . . If "Yes," indicate the factors used in determining such amounts (check all that apply)		<b>12</b>	Yes		
<b>a</b> <input checked="" type="checkbox"/> Income level					
<b>b</b> <input type="checkbox"/> Asset level					
<b>c</b> <input checked="" type="checkbox"/> Medical indigency					
<b>d</b> <input checked="" type="checkbox"/> Insurance status					
<b>e</b> <input checked="" type="checkbox"/> Uninsured discount					
<b>f</b> <input checked="" type="checkbox"/> Medicaid/Medicare					
<b>g</b> <input checked="" type="checkbox"/> State regulation					
<b>h</b> <input type="checkbox"/> Residency					
<b>i</b> <input type="checkbox"/> Other (describe in Part VI)					
<b>13</b> Explained the method for applying for financial assistance? . . . . .		<b>13</b>	Yes		
<b>14</b> Included measures to publicize the policy within the community served by the hospital facility? . . . . . If "Yes," indicate how the hospital facility publicized the policy (check all that apply)		<b>14</b>	Yes		
<b>a</b> <input checked="" type="checkbox"/> The policy was posted on the hospital facility's website					
<b>b</b> <input checked="" type="checkbox"/> The policy was attached to billing invoices					
<b>c</b> <input type="checkbox"/> The policy was posted in the hospital facility's emergency rooms or waiting rooms					
<b>d</b> <input checked="" type="checkbox"/> The policy was posted in the hospital facility's admissions offices					
<b>e</b> <input type="checkbox"/> The policy was provided, in writing, to patients on admission to the hospital facility					
<b>f</b> <input checked="" type="checkbox"/> The policy was available upon request					
<b>g</b> <input type="checkbox"/> Other (describe in Part VI)					
Billing and Collections					
<b>15</b> Did the hospital facility have in place during the tax year a separate billing and collections policy, or a written financial assistance policy (FAP) that explained actions the hospital facility may take upon non-payment? . . . . .		<b>15</b>	Yes		
<b>16</b> Check all of the following actions against an individual that were permitted under the hospital facility's policies during the tax year before making reasonable efforts to determine the individual's eligibility under the facility's FAP					
<b>a</b> <input type="checkbox"/> Reporting to credit agency					
<b>b</b> <input type="checkbox"/> Lawsuits					
<b>c</b> <input type="checkbox"/> Liens on residences					
<b>d</b> <input type="checkbox"/> Body attachments					
<b>e</b> <input type="checkbox"/> Other similar actions (describe in Section C)					
<b>17</b> Did the hospital facility or an authorized third party perform any of the following actions during the tax year before making reasonable efforts to determine the individual's eligibility under the facility's FAP? . . . . .				<b>17</b>	No
If "Yes," check all actions in which the hospital facility or a third party engaged					
<b>a</b> <input type="checkbox"/> Reporting to credit agency					
<b>b</b> <input type="checkbox"/> Lawsuits					
<b>c</b> <input type="checkbox"/> Liens on residences					
<b>d</b> <input type="checkbox"/> Body attachments					
<b>e</b> <input type="checkbox"/> Other similar actions (describe in Section C)					

**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 individuals regarding the individuals' bills
- d**

☒

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

☐

Other (describe in Section C)

**Policy Relating to Emergency Medical Care**

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

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

<b>20</b>	Indicate how the hospital facility determined, during the tax year, the maximum amounts that can be charged to FAP-eligible individuals for emergency or other medically necessary care		
<b>a</b>	<input type="checkbox"/> The hospital facility used its lowest negotiated commercial insurance rate when calculating the maximum amounts that can be charged		
<b>b</b>	<input checked="" type="checkbox"/> The hospital facility used the average of its three lowest negotiated commercial insurance rates when calculating the maximum amounts that can be charged		
<b>c</b>	<input type="checkbox"/> The hospital facility used the Medicare rates when calculating the maximum amounts that can be charged		
<b>d</b>	<input type="checkbox"/> Other (describe in Part VI)		
<b>21</b>	During the tax year, did the hospital facility charge any FAP-eligible individual 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		No
<b>22</b>	During the tax year, did the hospital facility charge any FAP-eligible individual an amount equal to the gross charge for any service provided to that individual? . . . . . If "Yes," explain in Part VI		No

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

**Section C. Supplemental Information for Part V, Section B.** Provide descriptions required for Part V, Section B, lines 1j, 3, 4, 5d, 6i, 7, 10, 11, 12i, 14g, 16e, 17e, 18e, 19c, 19d, 20d, 21, and 22. If applicable, provide separate descriptions for each facility in a facility reporting group, designated by "Facility A," "Facility B," etc.

[illegible]

**Part V**

**Facility Information** *(continued)*

**Section D. 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? 11

Name and address	Type of Facility (describe)
<b>1</b> See Additional Data Table	
<b>2</b>	
<b>3</b>	
<b>4</b>	
<b>5</b>	
<b>6</b>	
<b>7</b>	
<b>8</b>	
<b>9</b>	
<b>10</b>	

Part VI

Supplemental Information

Provide the following information

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

Form and Line Reference	Explanation
PART I, LINE 7, COLUMN (F)	THE BAD DEBT EXPENSE INCLUDED ON FORM 990, PART IX, LINE 25, COLUMN (A), BUT SUBTRACTED FOR PURPOSES OF CALCULATING THE PERCENTAGE IN THIS COLUMN IS \$ 8,078,005

Form and Line Reference	Explanation
PART III, LINE 4	SEE PAGES 10&19 OF THE AUDITED FINANCIAL STATEMENTS LINE 3-COST METHODOLOGY EQUALS RCC FROM 2014 OHCA FILING PORTION OF BAD DEBT CONSIDERED COMMUNITY BENEFIT IS BASED ON THE COST OF THE ACCOUNTS RETURNED FROM THE COLLECTION AGENCY AS UNCOLLECTIBLE



Form and Line Reference	Explanation
PART III, LINE 8	THE MEDICARE SHORTFALL WAS NOT INCLUDED IN THE COMMUNITY BENEFIT COST THE COSTING METHODOLOGY CONSISTED OF INFORMATION FROM THE HOSPITAL'S COST ACCOUNTING SYSTEM AS WELL AS COSTS FROM THE MEDICARE COST REPORT

Form and Line Reference	Explanation
PART III, LINE 9B	IN THE SELF-PAY POLICY, SECTION IIB, STATES THAT THE MEDICAL BUREAU OF ECONOMICS (MBE) RECEIVES A WEEKLY LIST OF PATIENTS WHO WERE SENT FINANCIAL ASSISTANCE APPLICATIONS FROM BACKUS STAFF THIS INFORMATION IS FROM THE PATIENT ACCOUNTS OR FINANCIAL COUNSELING DEPARTMENTS MBE'S COLLECTION ACTIVITY ON THESE PATIENTS IS HAULTED UNTIL IT HAS BEEN DETERMINED IF THE PATIENT QUALIFIES FOR FINANCIAL ASSISTANCE UNDER THE HOSPITAL'S POLICY,BY THE HOSPITAL FINANCIAL COUNCELING UNIT COLLECTION ACTION IS ONLY RESUMED ONCE IT IS DETERMINED THE PATIENT DOES NOT QUALIFY FOR FINANCIAL ASSISTANCE

Form and Line Reference	Explanation
PART VI, LINE 2	IN 2012, THE WILLIAM W BACKUS HOSPITAL COMMISSIONED A COMPREHENSIVE COMMUNITY HEALTH NEEDS ASSESSMENT CONDUCTED BY HOLLERAN, A PROFESSIONAL RESEARCH FIRM THE ASSESSMENT CONSISTED OF 461 TELEPHONE INTERVIEWS WHICH WERE CONDUCTED THROUGHOUT THE HOSPITAL'S SERVICE REGION (BOTH NEW LONDON AND WINDHAM COUNTIES) THE ASSESSMENT ALSO INCLUDED A DETAILED ANALYSIS OF SECONDARY DATA SOURCES, AS WELL AS KEY INFORMANT INTERVIEWS AND THREE FOCUS GROUPS THE NEEDS ASSESSMENT WAS PRESENTED AND DISTRIBUTED, AND CAN BE ACCESSED AT <a href="http://WWW.BACKUSHOSPITAL.ORG/HEALTHSURVEY">WWW.BACKUSHOSPITAL.ORG/HEALTHSURVEY</a> THE SUMMARY REPORT IS AVAILABLE AT <a href="http://BACKUSHOSPITAL.ORG/WP-CONTENT/UPLOADS/2013/05/CHNA-FINAL-REPORT.PDF">HTTP //BACKUSHOSPITAL.ORG/WP-CONTENT/UPLOADS/2013/05/CHNA-FINAL-REPORT.PDF</a>

Form and Line Reference	Explanation
PART VI, LINE 3	<p>NOTIFICATION ABOUT CHARITABLE CARE AND ASSISTANCE PROGRAMS IS AVAILABLE AT ALL REGISTRATIO N AREAS, ON AND OFF THE MAIN HOSPITAL CAMPUS, IN WAITING AREAS, IN THE PATIENT HANDBOOK, O N OUR WEBSITE, AND ON PROMINENTLY PLACED SIGNS (IN ENGLISH AND IN SPANISH) ADDITIONALLY, CARE MANAGEMENT STAFF MEET WITH PARENTS, FAMILY, CLERGY, AND OTHERS AS APPROPRIATE TO DISCUSS ASSISTANCE PROGRAMS AND SERVICES THAT MAY BE AVAILABLE IN ADDITION TO THE COMPLETE FI NANCIAL ASSISTANCE POLICY AND APPLICATION FOR FINANCIAL ASSISTANCE, HERE IS THE INFORMATIO N INCLUDED ON THE HOSPITAL WEBSITE FINANCIAL ASSISTANCEBACKUS HOSPITAL PROVIDES FINANCIAL ASSISTANCE PROGRAMS FOR CERTAIN QUALIFIED PATIENTS WHO ARE UNABLE TO PAY ALL OR PART OF TH EIR BILL FOR INPATIENT, OUTPATIENT AND EMERGENCY SERVICES RENDERED AT THE HOSPITAL IF YOU ARE COPING WITH A FINANCIAL HARDSHIP, AND ARE FACING DEBTS OWED TO BACKUS HOSPITAL, FINANC IAL ASSISTANCE MAY BE AVAILABLE TO YOU INCOME VERIFICATIONBACKUS REQUESTS INCOME INFORMATI ON FROM THE APPLICANT VERIFICATION OF REPORTED INCOME SHOULD BE INCLUDED WITHIN THE APPLI CATION PACKAGE APPROPRIATE VERIFICATION SOURCES INCLUDE " MOST RECENT FEDERAL TAX RETURN A ND W-2" MOST RECENT 3 PAYROLL CHECKS" COPIES OF UNEMPLOYMENT CHECKS" COPIES OF ANY PENSION , ALIMONY, CHILD SUPPORT OR OTHER SOURCES OF INCOME" COPIES OF SOCIAL SECURITY EARNINGS, I F ANY" ANY OTHER PERTINENT INFORMATIONIF THE APPLICANT HAS NO INCOME A STATEMENT DETAILING THE CURRENT METHOD OF SUPPORT WILL BE ACCEPTED PROOF OF INCOME OR EARNINGS IS REQUIRED WITH APPLICATION OR THE APPLICATION WILL NOT BE CONSIDERED FINANCIAL ASSISTANCE OPTIONSTHE LEVEL OF FINANCIAL ASSISTANCE THAT YOU MAY BE ELIGIBLE TO RECEIVE WILL BE BASED UPON THE C RITERIA DEFINED IN THE FINANCIAL ASSISTANCE POLICY THE WILLIAM W BACKUS HOSPITAL CONSIDER S FINANCIAL ASSISTANCE AWARDS ON A CASE-BY-CASE BASIS PLEASE CONTACT US IF YOU HAVE QUEST IONS REGARDING ELIGIBILITY FINANCIALLY INDIGENTFINANCIALLY INDIGENT IS DEFINED AS AN INDIV IDUAL WHOSE TOTAL GROSS ANNUAL INCOME IS LESS THAN OR EQUAL TO 250% OF THE FEDERAL POVERTY GUIDELINES (FPG) PATIENTS AT OR BELOW 250% FPG ARE ELIGIBLE FOR A 100% DISCOUNT OFF OF TH EIR OUTSTANDING BALANCES INDIVIDUALS ABOVE 250% UP TO 400% FPG ARE ELIGIBLE FOR A DISCOUN T BASED ON THEIR TOTAL GROSS ANNUAL INCOME MEDICALLY INDIGENTBACKUS HOSPITAL CONSIDERS AN INDIVIDUAL TO BE MEDICALLY INDIGENT IF THEIR TOTAL ANNUAL GROSS INCOME IS ABOVE 400% FPG A ND THEIR OUTSTANDING MEDICAL OBLIGATIONS ARE GREATER THAN 50% OF THEIR TOTAL ANNUAL GROSS INCOME THESE INDIVIDUALS MAY BE ELIGIBLE FOR A DISCOUNT SEPARATE FROM TRADITIONAL FINANCIA L ASSISTANCE PLEASE REFER TO THE FINANCIAL ASSISTANCE POLICY FOR DETAILS REGARDING ELIGIB ILITY AND THE DISCOUNT SCHEDULE MEDICALLY INDIGENT IS DEFINED BY THE IRS AS "PERSONS WHOM THE ORGANIZATION HAS DETERMINED ARE UNABLE TO PAY SOME OR ALL OF THEIR MEDICAL BILLS BECA USE THEIR MEDICAL BILLS EXCEED A CERTAIN PERCENTAGE OF THEIR FAMILY OR HOUSEHOLD INCOME OR ASSETS (FOR EXAMPLE, DUE TO CATASTROPHIC COSTS OR CONDITIONS), EVEN THOUGH THEY HAVE INCO ME OR ASSETS THAT OTHERWISE EXCEED THE GENERALLY APPLICABLE ELIGIBILITY REQUIREMENTS FOR F FREE OR DISCOUNTED CARE UNDER THE ORGANIZATION'S FINANCIAL ASSISTANCE POLICY "BACKUS HOSPIT AL TREATS EACH APPLICATION INDIVIDUALLY IF YOU HAVE ANY QUESTIONS ABOUT YOUR SPECIFIC SIT UATION, PLEASE CONTACT OUR CUSTOMER SERVICE REPRESENTATIVES AT 860-889-8331, EXT 2917, MO NDAY THROUGH FRIDAY FROM 7 30 AM TO 4 PM FINANCIAL ASSISTANCE LETTERTHE WILLIAM W BACKUS HOSPITAL PROVIDES FINANCIAL ASSISTANCE FOR CERTAIN QUALIFIED PATIENTS WHO ARE UNABLE TO PA Y ALL OR PART OF THEIR BILL FOR INPATIENT, OUTPATIENT AND EMERGENCY SERVICES RENDERED AT T HE HOSPITAL IF YOU ARE COPING WITH A FINANCIAL HARDSHIP AND ARE FACING DEBTS OWED TO THE WILLIAM W BACKUS HOSPITAL, FINANCIAL ASSISTANCE SUCH AS FREE CARE OR A SLIDING SCALE DISCO UNT MAY BE AVAILABLE TO YOU THE FINANCIAL COUNSELING PROCESS WILL INDICATE WHAT OPTIONS E XIST TO ASSIST YOU WITH YOUR OUTSTANDING BALANCE FINANCIAL ASSISTANCE APPLIES TO BACKUS HO SPITAL BILLS ONLY IT DOES NOT APPLY TO RADIOLOGISTS, PATHOLOGISTS, ANESTHESIOLOGISTS OR O THER PROFESSIONAL SERVICES INVOLVED IN YOUR CARE THAT ARE BILLED SEPARATELY FREQUENTLY ASK ED QUESTIONS 1 DOES THE HOSPITAL HAVE A FINANCIAL ASSISTANCE POLICY?THE WILLIAM W BACKUS HOSPITAL DOES HAVE A WRITTEN FINANCIAL ASSISTANCE POLICY THAT DEFINES THE DISCOUNT STRUCT URE AND PROGRAMS AVAILABLE TO QUALIFYING PATIENTS THE WILLIAM W BACKUS HOSPITAL BASES ALL FINANCIAL ASSISTANCE ON THE MOST CURRENT FEDERAL POVERTY GUIDELINES (FPG), WHICH ARE BASE D ON THE GROSS INCOME AND HOUSEHOLD SIZE BACKUS GRANTS 100% CHARITY CARE TO THOSE APPLICAN TS WHOSE GROSS HOUSEHOLD INCOME IS AT OR BELOW 250% FPG A SLIDING DISCOUNT IS AVAILABLE T O THOSE PATIENTS WHO HAVE GROSS INCOME UP TO 400% FPG CURRENTLY, THE FEDERAL GOVERNMENT DE FINES 100% OF POVERTY AS AN INDIVIDUAL EARNING A GROSS INCOME OF \$11,670 PER YEAR THE WIL LIAM W BACKUS HOSPITAL FINANCIAL ASSISTANCE POLIC</p>

Form and Line Reference	Explanation
PART VI, LINE 3	<p>Y GRANTS 100% CHARITY CARE TO A FAMILY OF ONE EARNING UP TO \$29,175 PER YEAR, OR 250% FPG INCOME THRESHOLDS INCREASE RELATIVE TO HOUSEHOLD SIZE A DISCOUNT IS AVAILABLE FOR APPLICANTS EARNING UP TO 400% FPG 2 WHAT SERVICES DOES THE FINANCIAL ASSISTANCE POLICY COVER?THE WILLIAM W BACKUS HOSPITAL'S FINANCIAL ASSISTANCE POLICY COVERS SERVICES RENDERED AT THE WILLIAM W BACKUS HOSPITAL, INCLUDING INPATIENT, EMERGENCY, AND OUTPATIENT PROCEDURES FINANCIAL ASSISTANCE MAY NOT BE GRANTED FOR SOME PROCEDURES, SUCH AS ELECTIVE PROCEDURES OR SOME SPECIAL SITUATIONS, SUCH AS THAT OF AN INDIVIDUAL WHO IS ELIGIBLE FOR INSURANCE BUT HAS REFUSED TO APPLY OR FUNDS ARE AVAILABLE THROUGH ANOTHER SOURCE FOR PAYMENT (IE SETTLEMENTS, STATE FUNDED PROGRAMS) FINANCIAL ASSISTANCE APPLIES TO BACKUS HOSPITAL BILLS ONLY IT DOES NOT APPLY TO RADIOLOGISTS, PATHOLOGISTS, ANESTHESIOLOGISTS OR OTHER PROFESSIONAL SERVICES INVOLVED IN YOUR CARE THAT ARE BILLED SEPARATELY 3 DOES THE HOSPITAL PROVIDE PERSONNEL TO HELP WITH APPLICATIONS AND TO ANSWER QUESTIONS?THE WILLIAM W BACKUS HOSPITAL EMPLOYES FINANCIAL COUNSELORS TO HELP PATIENTS APPLY FOR FINANCIAL ASSISTANCE, MEDICAID, AND OTHER STATE HEALTH PROGRAMS THE HOSPITAL ALSO HAS RESOURCES TO HELP WITH APPLICATIONS FOR STATE NUTRITIONAL ASSISTANCE PROGRAMS (SNAP) AND PHARMACY ASSISTANCE PROGRAMS FINANCIAL COUNSELORS CAN HELP TO DETERMINE APPROPRIATE REFERRALS TO THESE RESOURCES THE WILLIAM W BACKUS HOSPITAL PROVIDES LANGUAGE TRANSLATION VIA CYRACOM AND MARTTI LANGUAGE LINES 4 DOES THE HOSPITAL COMMUNICATE THE AVAILABILITY OF FINANCIAL ASSISTANCE TO THE COMMUNITY?THE WILLIAM W BACKUS HOSPITAL BELIEVES IT IS IMPORTANT TO COMMUNICATE THE AVAILABILITY OF FINANCIAL ASSISTANCE TO THE COMMUNITIES IT SERVES THEREFORE, A NOTICE OF THE AVAILABILITY OF FINANCIAL ASSISTANCE IS INCLUDED WITH THE PAPER BILL SENT TO THE PATIENT'S HOME, IS POSTED IN ALL MAIN REGISTRATION AREAS, IS AVAILABLE ON THE HOSPITAL'S WEBSITE, AND UPON REQUEST OF HOSPITAL STAFF OR REPRESENTATIVES 5 DOES THE HOSPITAL EVER DENY CARE BASED ON INABILITY TO PAY?THE WILLIAM W BACKUS HOSPITAL WILL NEVER DELAY OR DENY EMERGENCY CARE OR NECESSARY SERVICES DUE TO AN INABILITY TO PAY 6 DOES THE HOSPITAL HAVE A PROGRAM FOR PATIENTS WHO DO NOT QUALIFY FOR TRADITIONAL FINANCIAL ASSISTANCE BUT INCUR CATASTROPHIC MEDICAL DEBTS?THE HOSPITAL HAS A WRITTEN POLICY THAT COVERS CATASTROPHIC FINANCIAL ASSISTANCE FOR THE MEDICALLY INDIGENT THE POLICY IS INCLUDED IN THE FINANCIAL ASSISTANCE POLICY, IS AVAILABLE ON THE WEBSITE, AND UPON REQUEST</p>

Form and Line Reference	Explanation
PART VI, LINE 4	THE WILLIAM W BACKUS HOSPITAL IS LOCATED IN NORWICH, 45 MINUTES SOUTHEAST OF HARTFORD, IN THE PAST DECADE, THE REGION HAS UNDERGONE MAJOR ECONOMIC CHANGES, DUE TO THE OPERATION OF TWO NATIVE-AMERICAN OWNED ENTERTAINMENT VENUES BRINGING THOUSANDS OF VISITORS INTO THE REGION EACH DAY THE CASINOS ARE THE LARGEST EMPLOYERS, AND ARE EXPERIENCING FINANCIAL DIFFICULTIES AS THE ECONOMY DECLINES THE HOSPITAL'S SERVICE AREA HAS AN ESTIMATED POPULATION OF ABOUT 243,000 THE SERVICE AREA CONSISTS OF LARGER COMMUNITIES, SUCH AS NEW LONDON AND GROTON, AND SMALLER LOWER-DENSITY RURAL COMMUNITIES THE SERVICE AREAS CONTAIN MUNICIPALITIES IN THE NEW LONDON AND WINDHAM COUNTIES

Form and Line Reference	Explanation
PART VI, LINE 5	<p>A) THE HOSPITAL IS GOVERNED BY A VOLUNTEER COMMUNITY BOARD OF DIRECTORS/TRUSTEES THESE INDIVIDUALS REPRESENT AN ARRAY OF PROFESSIONS AND BACKGROUNDS B) THE HOSPITAL HAS 125 CORPORATORS - VOLUNTEER MEMBERS CHOSEN FROM ALL THE COMMUNITIES IN OUR PRIMARY AND SECONDARY SERVICE AREAS IN ADDITION TO THEIR OFFICIAL CAPACITY AS NOMINATORS OF BOARD MEMBERS, THE CORPORATORS SERVE AS THE HOSPITAL'S EYES AND EARS THROUGHOUT ITS SERVICE AREA C) THE HOSPITAL OWNS AND OPERATES A MOBILE HEALTH RESOURCE CENTER- A 40-FOOT VAN AND A SMALLER "CAREVAN" THAT TRAVELS TO VARIOUS LOCATIONS IN EASTERN CONNECTICUT OFFERING HEALTH EDUCATION, COUNSELING, AND SCREENINGS THE VANS MAKE REGULARLY SCHEDULED STOPS AT SENIOR CITIZEN CENTERS, SOUP KITCHENS, ELDERLY HOUSING COMPLEXES, AND HOMELESS SHELTERS NOT-FOR PROFIT GROUPS ARE ENCOURAGED TO REQUEST THE VANS AND THEIR SERVICES AT THEIR FUNCTIONS OR OFFICES D) THE HOSPITAL PROVIDES INDIVIDUALS WHO DO NOT IDENTIFY AS HAVING A PRIMARY MEDICAL HOME WITH A FOLLOW UP VISIT POST DISCHARGE TO LINK THESE INDIVIDUALS WITH A PRIMARY CARE PHYSICIAN IN THE COMMUNITY THIS IS FACILITATED THROUGH THE "MY HEALTH DIRECT" PROGRAM, A WEB-BASED TOOL THAT ALLOWS HOSPITAL STAFF TO ACCESS BLOCKED APPOINTMENTS FOR PHYSICIANS IN THE COMMUNITY FROM 10/1/13 TO 9/30/14 THE HOSPITAL LINKED 1,171 INDIVIDUALS WITH PRIMARY AND PREVENTIVE CARE E) THE HOSPITAL PROVIDES FREE COMMUNITY PROSTATE SCREENINGS, DIABETES EDUCATION, BACKPACK SAFETY, HIV EDUCATION/TESTING, BLOOD PRESSURE TESTS, SKIN CANCER SCREENINGS, NUTRITION EDUCATION, AND MANY OTHER SERVICES F) THE HOSPITAL PROVIDES A COMPREHENSIVE MEDICAL LIBRARY, WHICH IS OPEN TO ALL STAFF THE LIBRARY HAS SUBSCRIPTIONS TO HUNDREDS OF MAJOR SCIENTIFIC AND CLINICAL JOURNALS, AS WELL AS AN ON-STAFF LIBRARIAN TO HELP WITH SPECIFIC REQUESTS G) THE HOSPITAL PROVIDES FREE MEDICATION CARDS TO HELP PATIENTS KEEP TRACK OF THEIR CURRENT MEDICATIONS, AND ITS PHARMACISTS OFFER FREE REGULAR EDUCATION REVIEWS TO CHECK FOR POSSIBLE INTERACTIONS AND EXPIRED MEDICATION H) THE HOSPITAL OFFERS FREE WIRELESS INTERNET (WI-FI) USE THROUGHOUT THE CAMPUS, AND PROVIDES FREE COMPUTER USE TO VISITORS I) THE HOSPITAL PUBLISHES A BI-MONTHLY HEALTH MAGAZINE THE PUBLICATION CONTAINS INFORMATION ABOUT HEALTH ISSUES AND TRENDS, A CALENDAR OF FREE HEALTHCARE EDUCATION AND SCREENINGS, AND CONTACT INFORMATION FOR HEALTHCARE PROVIDERS 98,000 COPIES ARE DISTRIBUTED BI-MONTHLY</p>

Form and Line Reference	Explanation
PART VI, LINE 6	<p>HARTFORD HEALTHCARE CORPORATION (HHC) IS ORGANIZED AS A SUPPORT ORGANIZATION TO GOVERN, MANAGE AND PROVIDE SUPPORT SERVICES TO ITS AFFILIATES. HHC, THROUGH ITS AFFILIATES INCLUDING HARTFORD HOSPITAL, STRIVES TO IMPROVE HEALTH USING THE "TRIPLE AIM" MODEL: IMPROVING QUALITY AND EXPERIENCE OF CARE, IMPROVING HEALTH OF THE POPULATION (POPULATION HEALTH) AND REDUCING COSTS. THE STRATEGIC PLANNING AND COMMUNITY BENEFIT COMMITTEE OF THE HHC BOARD OF DIRECTORS ENSURES THE OVERSIGHT FOR THESE SERVICES BY EACH HOSPITAL COMMUNITY. IN ADDITION, HHC CONTINUES TO TAKE IMPORTANT STEPS TOWARD ACHIEVING ITS VISION OF BEING "NATIONALLY RESPECTED FOR EXCELLENCE IN PATIENT CARE AND MOST TRUSTED FOR PERSONALIZED, COORDINATED CARE." HHC AFFILIATION CREATES A STRONG, INTEGRATED HEALTH CARE DELIVERY SYSTEM WITH A FULL CONTINUUM OF CARE ACROSS A BROADER GEOGRAPHIC AREA. THIS ALLOWS THE SMALL COMMUNITIES EASY AND EXPEDIENT ACCESS TO THE MORE EXTENSIVE AND SPECIALIZED SERVICES THE LARGER HOSPITALS ARE ABLE TO OFFER. THIS INCLUDES CONTINUING EDUCATION OF HEALTH CARE PROFESSIONALS AT ALL THE AFFILIATED INSTITUTIONS THROUGH THE CENTER OF EDUCATION, SIMULATION AND INNOVATION LOCATED AT HARTFORD HOSPITAL, THE LARGEST OF THE SYSTEM HOSPITALS. THE AFFILIATION FURTHER ENHANCES THE HOSPITALS' ABILITIES TO SUPPORT THEIR MISSIONS, IDENTITY, AND RESPECTIVE COMMUNITY ROLES. THIS IS ACHIEVED THROUGH INTEGRATED PLANNING AND COMMUNICATION TO MEET THE CHANGING NEEDS OF THE REGION. THIS INCLUDES RESPONSIBLE DECISION MAKING AND APPROPRIATE SHARING OF SERVICES, RESOURCES AND TECHNOLOGIES, AS WELL AS CONTAINMENT STRATEGIES. ADDITIONALLY, THE HOSPITAL IS AFFILIATED WITH SEVERAL OTHER NON HOSPITAL CHARITABLE ORGANIZATIONS. THESE ORGANIZATIONS PROVIDE SIGNIFICANT BENEFITS TO THE COMMUNITY. THESE BENEFITS ARE NOT REPORTED IN THE COMMUNITY BENEFIT DATA PROVIDED BY THE HOSPITAL.</p>



Form and Line Reference	Explanation
PART VI, LINE 7, REPORTS FILED WITH STATES	CT

Additional Data

Software ID:  
Software Version:  
EIN: 06-0250773  
Name: THE WILLIAM W BACKUS HOSPITAL

**Section C. Supplemental Information for Part V, Section B.**Provide descriptions required for Part V, Section B, lines 1j, 3, 4, 5d, 6i, 7, 10, 11, 12i, 14g, 16e, 17e, 18e, 19c, 19d, 20d, 21, and 22. If applicable, provide separate descriptions for each facility in a facility reporting group, designated by "Facility A," "Facility B," etc.

Form and Line Reference	Explanation
THE WILLIAM W BACKUS HOSPITAL	PART V, SECTION B, LINE 3 IN THE MOST RECENT CHNA, WILLIAM W BACKUS HOSPITAL CONTRACTED WITH HOLLERAN, AN INDEPENDENT RESEARCH AND CONSULTING FIRM LOCATED IN LANCASTER, PENNSYLVANIA A SAMPLE OF 461 INDIVIDUALS WHO RESIDE WITHIN EASTERN CONNECTICUT WERE INTERVIEWED BY TELEPHONE TO ASSESS THEIR HEALTH BEHAVIORS, PREVENTATIVE PRACTICES, AND ACCESS TO HEALTH CARE INDIVIDUALS WERE RANDOMLY SELECTED FOR PARTICIPATION BASED ON A STATISTICALLY VALID SAMPLING FRAME DEVELOPED BY HOLLERAN THE SAMPLING FRAME REPRESENTED 24 ZIP CODES WITHIN THE HOSPITAL'S SERVICE AREA INTERVIEWS WERE CONDUCTED BY HOLLERAN'S TELE-RESEARCH CENTER BETWEEN THE DATES OF JULY 24, 2012 AND SEPTEMBER 6, 2012 INTERVIEWERS CONTACTED RESPONDENTS VIA LAND-LINE TELEPHONE NUMBERS GENERATED FROM A RANDOM CALL LIST EACH INTERVIEW LASTED APPROXIMATELY 12 - 15 MINUTES DEPENDING ON THE CRITERIA MET AND WAS COMPLETELY CONFIDENTIAL ONLY RESPONDENTS WHO WERE AT LEAST 18 YEARS OF AGE AND LIVED IN A PRIVATE RESIDENCE WERE INCLUDED THE SURVEY WAS ADAPTED FROM THE CENTER FOR DISEASE CONTROL AND PREVENTION'S BEHAVIORAL RISK FACTOR SURVEILLANCE SYSTEM (BRFSS) BRFSS IS THE LARGEST TELEPHONE HEALTH SURVEY IN THE WORLD IT IS USED NATIONALLY TO IDENTIFY NEW HEALTH PROBLEMS, MONITOR CURRENT PROBLEMS AND GOALS, AND ESTABLISH AND EVALUATE HEALTH PROGRAMS AND POLICIES THE SURVEY TOOL CONSISTED OF APPROXIMATELY 100 FACTORS SELECTED FROM THE 2010 AND 2011 BRFSS TOOLS THE FACTORS WERE CHOSEN BY WILLIAM W BACKUS HOSPITAL, IN CONSULTATION WITH HOLLERAN AND ADDRESSED 27 HEALTH-RELATED TOPICS RANGING FROM GENERAL HEALTH STATUS TO CHILD HUMAN PAPILOMA VIRUS IN ADDITION, BRFSS RESULTS FOR CONNECTICUT AND THE UNITED STATES ARE INCLUDED WHEN AVAILABLE TO INDICATE HOW THE HEALTH STATUS OF WILLIAM W BACKUS HOSPITAL'S SERVICE AREA COMPARES ON A STATE AND NATIONAL LEVEL THE SUMMARY REPORT IS AVAILABLE AT <a href="http://BACKUSHOSPITAL.ORG/WP-CONTENT/UPLOADS/2013/05/CHNA-FINAL-REPORT.PDF">HTTP //BACKUSHOSPITAL.ORG/WP-CONTENT/UPLOADS/2013/05/CHNA-FINAL-REPORT.PDF</a>

**Section C. Supplemental Information for Part V, Section B.**Provide descriptions required for Part V, Section B, lines 1j, 3, 4, 5d, 6i, 7, 10, 11, 12i, 14g, 16e, 17e, 18e, 19c, 19d, 20d, 21, and 22. If applicable, provide separate descriptions for each facility in a facility reporting group, designated by "Facility A," "Facility B," etc.

Form and Line Reference	Explanation
THE WILLIAM W BACKUS HOSPITAL	PART V, SECTION B, LINE 5D THE CHNA REPORT WAS MADE WIDELY AVAILABLE TO THE PUBLIC INFORMATION ABOUT THE CHNA AND ITS MAJOR FINDINGS AND IMPLEMENTATION STRATEGY APPEARED IN HEALTHY CONNECTIONS AND THE HOSPITELL BACKUS HOSPITAL PUBLISHES HEALTHY CONNECTIONS EACH MONTH AS A COMMUNITY SERVICE TO THE RESIDENTS OF EASTERN CONNECTICUT INFORMATION IN HEALTHY CONNECTIONS COMES FROM A WIDE RANGE OF MEDICAL RESOURCES THE HOSPITELL IS A WEEKLY NEWSLETTER FOR BACKUS EMPLOYEES, VOLUNTEERS, PATIENTS, AND COMMUNITY MEMBERS IT KEEPS READERS UPDATED ON HOSPITAL NEWS AND CAN BE FOUND IN PRINTED FORM IN THE HOSPITAL AND ITS OFFSITE LOCATIONS AND IT CAN ALSO BE FOUND ONLINE AT THE HOSPITAL'S WEBSITE THE ENTIRE NEEDS ASSESSMENT IS MADE AVAILABLE TO THE PUBLIC VIA THE HOSPITALS WEBSITE AND CAN BE FOUND AT WWW BACKUSHOSPITAL ORG/HEALTHSURVEY YOU CAN ALSO ACCESS THE CHNA REPORT ON THE CONNECTICUT OFFICE OF HEALTHCARE ACCESS WEBSITE AT WWW CT GOV/DPH/CWP/VIEW ASP? A=3902&Q=277344

**Section C. Supplemental Information for Part V, Section B.**Provide descriptions required for Part V, Section B, lines 1j, 3, 4, 5d, 6i, 7, 10, 11, 12i, 14g, 16e, 17e, 18e, 19c, 19d, 20d, 21, and 22. If applicable, provide separate descriptions for each facility in a facility reporting group, designated by "Facility A," "Facility B," etc.

Form and Line Reference	Explanation
THE WILLIAM W BACKUS HOSPITAL	PART V, SECTION B, LINE 7 BY FOCUSING EFFORTS THE CROSS-CUTTING ISSUES OF ACCESS TO CARE, PREVENTATIVE HEALTH (INCLUDING CHRONIC AND INFECTIOUS DISEASE, RESPIRATORY HEALTH, AND OBESITY), AND MENTAL HEALTH (INCLUDING SUBSTANCE ABUSE), THE BACKUS HEALTH SYSTEM WILL TAKE A COMPREHENSIVE APPROACH TO ADDRESSING EIGHT OF THE NINE MOST URGENT NEEDS IN THE COMMUNITIES IT SERVES AS WITH ALL BACKUS HEALTH SYSTEM PROGRAMS, IT WILL CONTINUE TO MONITOR COMMUNITY NEEDS AND ADJUST PROGRAMMING AND SERVICES ACCORDINGLY BACKUS RECOGNIZES THAT THERE ARE NUMEROUS PARTNERS IN THE COMMUNITY THAT CAN HELP TO IMPROVE THE IDENTIFIED HEALTH NEEDS IN SOME CASES, PARTNERS ARE BETTER SUITED TO LEAD THE INITIATIVE TO IMPACT CERTAIN HEALTH NEEDS SUCH IS THE CASE WITH THE BUILT ENVIRONMENT BACKUS HEALTH SYSTEM WILL SUPPORT ONGOING AND NEW EFFORTS TO IMPROVE THE COMMUNITY'S PHYSICAL ENVIRONMENT AND INFRASTRUCTURE TO IMPROVE SAFETY, THE TRANSPORTATION SYSTEM, AND CREATE MORE OPPORTUNITIES FOR PHYSICAL ACTIVITY, BUT SEES ITS PRIMARY ROLE AS ALLOCATING RESOURCES TO ADDRESS DIRECT HEALTH NEEDS FOR THE COMMUNITY

Section D. 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?

\_\_\_\_\_

Name and address	Type of Facility (describe)
BACKUS OUTPATIENT CARE CENTER 111 SALEM TURNPIKE NORWICH,CT 06360	OUTPATIENT SERVICES
MEDICAL OFFICE BUILDING 330 WASHINGTON STREET NORWICH,CT 06360	OUTPATIENT SERVICES
COLCHESTER BACKUS HEALTH CENTER 163 BROADWAY COLCHESTER,CT 06415	OUTPATIENT SERVICES
MONTVILLE BACKUS HEALTH CARE 80 NORWICH/NEW LONDON TURNPIKE UNCASVILLE,CT 06382	OUTPATIENT SERVICES
LEDYARD BACKUS HEALTH CENTER 2 LORENZ PARKWAY LEDYARD,CT 06339	OUTPATIENT SERVICES
FAMILY HEALTH CENTER AT CROSSROADS 196 PARKWAY SOUTH WATERFORD,CT 06385	OUTPATIENT SERVICES
INFECTIOUS DISEASE CLINIC 107 LAFAYETTE STREET NORWICH,CT 06360	OUTPATIENT SERVICES
NORTH STONINGTON BACKUS HEALTH CENTER 82 NORWICH-WESTERLY ROAD NORTH STONINGTON,CT 06359	OUTPATIENT SERVICES
NORWICHTOWN BACKUS PATIENT SERVICE CTR 55 TOWN STREET NORWICH,CT 06360	OUTPATIENT SERVICES
PLAINFIELD EMERGENCY CENTER 582 NORWICH ROAD PLAINFIELD,CT 06374	OUTPATIENT SERVICES
JEWETT CITY PATIENT SERVICE CENTER 70 MAIN STREET JEWETT CITY,CT 06351	OUTPATIENT SERVICES

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Schedule I  
(Form 990)

Department of the Treasury  
Internal Revenue Service

Name of the organization  
THE WILLIAM W BACKUS HOSPITAL

Grants and Other Assistance to Organizations,  
Governments and Individuals in the United States

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

▶ Information about Schedule I (Form 990) and its instructions is at [www.irs.gov/form990](http://www.irs.gov/form990).

DLN: 93493224011675

OMB No 1545-0047

2013

Open to Public  
Inspection

Employer identification number  
06-0250773

Part I

General Information on Grants and Assistance

1

Does the organization maintain records to substantiate the amount of the grants or assistance, the grantees' eligibility for the grants or assistance, and the selection criteria used to award the grants or assistance? . . . . .

Yes

No

2

Describe in Part IV the organization's procedures for monitoring the use of grant funds in the United States

Part II

Grants and Other Assistance to Governments and Organizations in the United States. Complete if the organization answered "Yes" to Form 990, Part IV, line 21, for any recipient that received more than \$5,000. Part II can be duplicated if additional space is needed.

(a) Name and address of organization or government	(b) EIN	(c) IRC Code section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
(1) CHAMBER OF COMMERCE OF SE CT 914 HARTFORD TPKE WATERFORD,CT 06385	06-0475490	501C6	11,000				SPONSORSHIPSPONSORSHIP
(2) DR MARTIN LUTHER KING SCHOLARSHIP TRUST FUND PO BOX 1308 NEW LONDON, CT 06320	06-6107846	501C3	10,000				SPONSORSHIP
(3) CENTER FOR HOSPICE CARE 227 DURHAM STREET NORWICH,CT 06360	22-2667260	501C3	8,500				SPONSORSHIP
(4) UNITED WAY OF SE CT PO BOX 375 GALES FERRY, CT 06335	06-0771393	501C3	8,000				SPONSORSHIP
(5) BROADWAY KIDS 12 PENNSYLVANIA AVE NIANTIC,CT 06357	22-2512537		15,000				SPONSORSHIP
(6) LEE MEMORIAL CHURCH 294 WASHINGTON STREET NORWICH,CT 06360			10,000				SPONSORSHIP
(7) THREE RIVERS COLLEGE FOUNDATION 574 NEW LONDON TRNPKE NORWICH,CT 06360	23-7303151	501C3	72,000				NURSING SCHOOL/SPONSORSHIP

2

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

4

3

Enter total number of other organizations listed in the line 1 table . . . . .

3

**Part III**

**Grants and Other Assistance to Individuals in the United States.** Complete if the organization answered "Yes" to Form 990, Part IV, line 22.  
Part III can be duplicated if additional space is needed.

(a)Type of grant or assistance	(b)Number of recipients	(c)Amount of cash grant	(d)Amount of non-cash assistance	(e)Method of valuation (book, FMV, appraisal, other)	(f)Description of non-cash assistance
(1) SCHOLARSHIP	4	10,000			

**Part IV**

**Supplemental Information.** Provide the information required in Part I, line 2, Part III, column (b), and any other additional information.

Return Reference	Explanation
PART I, LINE 2	DONATIONS MADE FOR LOCAL EVENTS, SUCH AS SPONSORSHIPS ARE TYPICALLY ATTENDED BY HOSPITAL EMPLOYEES FOUR SCHOLARSHIPS IN THE AMOUNT OF \$2500 EACH ARE AWARDED TO STUDENTS WHO WILL ATTEND SCHOOL EITHER FOR NURSING OR IN THE MEDICAL FIELD THE APPLICANTS ARE REVIEWED BY THE SCHOLARSHIP COMMITTEE OF THE AUXILIARY AND WINNERS ARE BASED ON ACADEMICS AS WELL AS COMMUNITY SERVICE

Schedule J  
(Form 990)

Department of the Treasury  
Internal Revenue Service

Compensation Information

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

▶ Complete if the organization answered "Yes" to Form 990, Part IV, line 23.  
▶ Attach to Form 990. ▶ See separate instructions.

▶ Information about Schedule J (Form 990) and its instructions is at [www.irs.gov/form990](http://www.irs.gov/form990).

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization  
THE WILLIAM W BACKUS HOSPITAL

Employer identification number  
06-0250773

Part I

Questions Regarding Compensation

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

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.

Return Reference	Explanation
PART I, LINE 4B	DAVID WHITEHEAD, DANIEL LOHR AND PETER SHEA PARTICIPATE IN A SUPPLEMENTAL NONQUALIFIED RETIREMENT PLAN. THERE WERE NO ACCRUALS OR CONTRIBUTIONS THAT WERE MADE TO THE PLAN DURING THE REPORTING PERIOD. THEY DID RECEIVE DISBURSEMENTS OF \$3800, \$500 AND \$0, RESPECTIVELY.
PART I, LINE 7	THE INDEPENDENT EXECUTIVE COMPENSATION COMMITTEE (COMMITTEE) OF THE BOARD OF DIRECTORS OF HARTFORD HEALTHCARE, ON BEHALF OF BACKUS HOSPITAL, HIRES AN OUTSIDE CONSULTANT, INTEGRATED HEALTHCARE STRATEGIES, TO DETERMINE BEST PRACTICES IN GOVERNING EXECUTIVE COMPENSATION. THE FOLLOWING STEPS WERE TAKEN: - INDEPENDENT EXECUTIVE COMPENSATION COMMITTEE (COMMITTEE) OF THE BOARD OF DIRECTORS OF HARTFORD HEALTHCARE, ON BEHALF OF BACKUS HOSPITAL, ESTABLISHED AND REGULARLY REVIEWS EXECUTIVE COMPENSATION PHILOSOPHY - COMMITTEE REGULARLY REVIEWS SCOPE AND DEPTH OF POSITIONS, TAKING INTO ACCOUNT COMPLEXITY AND THE FINANCIAL IMPACT AND ACCOUNTABILITY OF ALL "DISQUALIFIED PERSONS" - NATIONAL PEER GROUPS ARE SELECTED FOR COMPARATIVE PURPOSES BASED ON ORGANIZATIONAL SIZE, OPERATING REVENUE, GEOGRAPHY AND OTHER RELEVANT FACTORS - ANALYSIS OF CURRENT TOTAL COMPENSATION VERSUS MARKET PERFORMED BY INDEPENDENT THIRD PARTY COMPENSATION CONSULTING FIRM, REVIEWED BY THE COMMITTEE - RECOMMENDATIONS MADE BASED ON DATA ANALYSIS TO ENSURE APPROPRIATE COMPETITIVE POSITIONING WITHIN PARAMETERS OF COMPENSATION PHILOSOPHY - CEO COMPENSATION REVIEWED BY COMMITTEE BASED ON COMPARATIVE MARKET INFORMATION AND ORGANIZATIONAL PERFORMANCE - ALL CHANGES REVIEWED AND APPROVED BY EXECUTIVE COMPENSATION COMMITTEE. THE CEO COMPENSATION DETERMINATION PROCESS IS REVIEWED ON AN ANNUAL BASIS. ALL OTHER EXECUTIVE COMPENSATION IS REGULARLY REVIEWED FOR SCOPE AND DEPTH OF POSITIONS, TAKING INTO ACCOUNT COMPLEXITY AND THE FINANCIAL IMPACT AND ACCOUNTABILITY.

## Additional Data

**Software ID:**  
**Software Version:**  
**EIN:** 06-0250773  
**Name:** THE WILLIAM W BACKUS 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				
DAVID WHITEHEAD TRUSTEE/PRESIDENT/CEO	(i)	708,316	0	22,855	21,420	24,498	777,089	0
	(ii)	0	0	0	0	0	0	0
ELLIOT JOSEPH TRUSTEE	(i)	0	0	0	0	0	0	0
	(ii)	1,133,866	365,065	348,604	307,338	40,448	2,195,321	0
DANIEL LOHR SENIOR VP/CFO	(i)	454,802	0	26,923	21,420	17,265	520,410	0
	(ii)	0	0	0	0	0	0	0
CAROLYN TRANTALIS VP OPERATIONS EAST REGION	(i)	0	0	0	0	0	0	0
	(ii)	194,197	0	816	11,709	9,877	216,599	0
MARY BYLONE VP PATIENT CARE EAST REGION	(i)	244,552	0	2,046	12,321	8,579	267,498	0
	(ii)	0	0	0	0	0	0	0
THERESA BUSS VP HUMAN RESOURCES E REGION	(i)	232,220	0	2,199	11,754	8,626	254,799	0
	(ii)	0	0	0	0	0	0	0
PETER SHEA SENIOR VP/MEDICAL DIRECTOR	(i)	450,316	0	2,592	13,770	24,498	491,176	0
	(ii)	0	0	0	0	0	0	0
SERGIO CASILLAS PHYSICIAN	(i)	499,498	52,771	399	13,770	22,484	588,922	0
	(ii)	0	0	0	0	0	0	0
ROBERT SIDMAN PHYSICIAN	(i)	330,562	105,418	270	13,770	23,828	473,848	0
	(ii)	0	0	0	0	0	0	0
MARK TOUSIGNANT PHYSICIAN	(i)	440,100	0	268	13,770	23,828	477,966	0
	(ii)	0	0	0	0	0	0	0
WILLIAM HORGAN PHYSICIAN	(i)	273,322	85,066	180	13,770	23,828	396,166	0
	(ii)	0	0	0	0	0	0	0
RICHARD GOULDING PHYSICIAN	(i)	279,085	81,775	180	13,770	23,828	398,638	0
	(ii)	0	0	0	0	0	0	0

Schedule L  
(Form 990 or 990-EZ)

Department of the Treasury  
Internal Revenue Service

Transactions with Interested Persons  
▶ Complete if the organization answered "Yes" on Form 990, Part IV, lines 25a, 25b, 26, 27, 28a, 28b, or 28c, or Form 990-EZ, Part V, line 38a or 40b.  
▶ Attach to Form 990 or Form 990-EZ. ▶ See separate instructions.  
▶ Information about Schedule L (Form 990 or 990-EZ) and its instructions is at [www.irs.gov/form990](http://www.irs.gov/form990).

OMB No 1545-0047  
**2013**  
Open to Public Inspection

Name of the organization  
THE WILLIAM W BACKUS HOSPITAL

Employer identification number  
06-0250773

Part I Excess Benefit Transactions (section 501(c)(3) and section 501(c)(4) organizations only).  
Complete if the organization answered "Yes" on Form 990, Part IV, line 25a or 25b, or Form 990-EZ, Part V, line 40b

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

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

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

Part II Loans to and/or From Interested Persons.  
Complete if the organization answered "Yes" on Form 990-EZ, Part V, line 38a, or Form 990, Part IV, line 26, or if the organization reported an amount on Form 990, Part X, line 5, 6, or 22

(a) Name of interested person	(b) Relationship with organization	(c) Purpose of loan	(d) Loan to or from the organization?		(e) Original principal amount	(f) Balance due	(g) In default?		(h) Approved by board or committee?	(i) Written agreement?	
			To	From			Yes	No		Yes	No
Total ▶ \$											

Part III Grants or Assistance Benefitting Interested Persons.  
Complete if the organization answered "Yes" on Form 990, Part IV, line 27.

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of assistance	(d) Type of assistance	(e) Purpose of assistance

**Part IV Business Transactions Involving Interested Persons.**

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

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of transaction	(d) Description of transaction	(e) Sharing of organization's revenues?	
				Yes	No
(1) DAVID WHITEHEAD DANIEL LOHR AND PE	OFFICERS OF BOTH WWBH AND CONNCARE INC	12,031,362	REIMBURSEMENTS PAID BY CONNCARE TO WWBH, \$773,607 LEASED PROPERTY		No
(2) DAVID WHITEHEAD AND DANIEL LOHR	OFFICERS OF BOTH WWBH AND OMNI HOME HEALTH	137,208	MANAGEMENT FEES PAID BY OMNI TO WWBH		No
(3) DAVID WHITEHEAD AND DANIEL LOHR	OFFICERS OF BOTH WWBH AND WWB INC	7,623,267	REIMBURSEMENTS PAID BY WWB TO WWBH		No

**Part V Supplemental Information**

Provide additional information for responses to questions on Schedule L (see instructions)

Return Reference	Explanation
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**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.**  
**▶ Information about Schedule O (Form 990 or 990-EZ) and its instructions is at  
[www.irs.gov/form990](http://www.irs.gov/form990).**

OMB No 1545-0047

**2013**

**Open to Public  
Inspection**

Name of the organization THE WILLIAM W BACKUS HOSPITAL	Employer identification number 06-0250773
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Return Reference	Explanation
FORM 990, PART VI, SECTION A, LINE 2	DAVID WHITEHEAD AND DANIEL LOHR HAVE A BUSINESS RELATIONSHIP WITH EACH OTHER THEY SERVE AS AN OFFICER OR DIRECTOR FOR CONNCARE INC, WWB CORPORATION, AND BACKUS HOME HEALTH WHICH ARE RELATED FOR PROFIT COMPANIES

Return Reference	Explanation
FORM 990, PART VI, SECTION A, LINE 6	BACKUS CORPORATION, A NOT-FOR-PROFIT 501(C)(3) ORGANIZATION, IS THE SOLE MEMBER OF THE WILLIAM W BACKUS HOSPITAL

Return Reference	Explanation
FORM 990, PART VI, SECTION A, LINE 7A	BACKUS CORPORATION, BEING THE SOLE MEMBER OF THE WILLIAM W BACKUS HOSPITAL, HAS THE RIGHT TO ELECT ALL THE BOARD OF TRUSTEES



Return Reference	Explanation
FORM 990, PART VI, SECTION A, LINE 7B	IN ADDITION TO ANY OTHER RIGHTS AND POWERS WHICH THE MEMBER MAY HAVE UNDER LAW, THE MEMBER SHALL HAVE THE RIGHT AND POWER TO (A)APPROVE THE STRATEGIC PLAN AND THE CONSOLIDATION OR CLOSURE OF SIGNIFICANT LINES OF BUSINESS, PROGRAMS OR SERVICES (B)TO EFFECTUATE THE TRANSFER OF FUNDS TO ANOTHER AFFILIATED CORPORATION (C)TO EFFECTUATE THE HOSPITALS PAYMENT TO OR RECEIPT OF PAYMENT FROM THE CORPORATION (D) TO APPROVE THE ACQUISITION OR LEASE OF ANY EQUIPMENT AND ANY PROJECT OR CONSTRUCTION CONTRACT THAT ENTAILS AN EXPENDITURE BY THE HOSPITAL IN EXCESS OF, OR WITH A VALUE OVER, \$400,000 IN ANY FISCAL YEAR AND THAT IS NOT ALREADY INCORPORATED IN AN APPROVED BUDGET (E) TO APPROVE ANY PROJECTS THAT WOULD REQUIRE A CERTIFICATE OF NEED (CON) OR FOR WHICH A CON DETERMINATION WILL BE SUBMITTED TO THE OFFICE OF HEALTH CARE ACCESS (F)TO APPROVE THE REORGANIZATION, MERGER, CONSOLIDATION OR DISSOLUTION OF THE HOSPITAL OR THE AFFILIATION OF THE HOSPITAL WITH ANOTHER HOSPITAL OR HEALTH DELIVERY SYSTEM, OR THE CREATION OR ACQUISITION OF ANY SUBSIDIARY OR AFFILIATE OF THE HOSPITAL (G)TO APPROVE THE HOSPITALS ANNUAL OPERATING BUDGET (H)TO APPROVE PLANS FOR THE BORROWING OF ANY SUM IN EXCESS OF \$400,000 WHICH HAS A STATED TERM GREATER THAN ONE YEAR OR WHICH IS SECURED BY A MORTGAGE OF ALL OR ANY PORTION OF THE HOSPITALS REAL PROPERTY OR BY A SECURITY INTEREST IN THE HOSPITALS ASSETS OR REVENUES (I)TO APPROVE AMENDMENTS TO THE CERTIFICATE OF INCORPORATION OR BYLAWS

Return Reference	Explanation
FORM 990, PART VI, SECTION B, LINE 11	THE 990 IS PREPARED BY THE ACCOUNTING STAFF AND THEN REVIEWED BY AN INDEPENDENT ACCOUNTING FIRM THE 990 IS THEN REVIEWED BY THE CFO AND ANY QUESTIONS ADDRESSED THE FINAL 990 IS THEN PROVIDED TO THE BOARD

Return Reference	Explanation
FORM 990, PART VI, SECTION B, LINE 12C	<p>THE HOSPITAL'S BOARD HAS ADOPTED THE POLICY OF THE MEMBER, HARTFORD HEALTHCARE CORPORATION (HHC) HHC'S CONFLICT OF INTEREST POLICY (POLICY) REQUIRES ALL COVERED INDIVIDUALS, INCLUDING BOARD MEMBERS AND OFFICERS, TO PROVIDE A DISCLOSURE OF RELATIONSHIPS THAT CREATE OR HAVE THE APPEARANCE OF CREATING A CONFLICT OF INTEREST OR COMMITMENT THE POLICY REQUIRES UPDATES IF CHANGES IN CIRCUMSTANCES ARISE DURING THE YEAR THAT EITHER (A) CREATE A NEW POTENTIAL CONFLICT OF INTEREST OR COMMITMENT OR (B) CHANGE OR ELIMINATE A CONFLICT OF INTEREST OR COMMITMENT PREVIOUSLY DISCLOSED CONFLICT OF INTEREST DISCLOSURE STATEMENTS ARE MAINTAINED BY THE HHC OFFICE OF COMPLIANCE, AUDIT &amp; PRIVACY (OCAP) ALL EMPLOYEE DISCLOSURES ARE REVIEWED BY OCAP TO DETERMINE IF THERE IS A POTENTIAL CONFLICT LEGAL COUNSEL REVIEWS ALL CASES WHERE THE INDIVIDUAL HAS A SIGNIFICANT FINANCIAL INTEREST AND THESE CASES ARE FORWARDED TO THE SYSTEM EXECUTIVE COMPLIANCE STEERING COMMITTEE THE SYSTEM EXECUTIVE COMPLIANCE STEERING COMMITTEE ASSESS AND MAY RECOMMEND WHETHER 1) THE CONFLICT BE ELIMINATED, 2) THE PROPOSED ACTIVITY BE PROHIBITED, OR 3) A CONFLICT OF INTEREST MANAGEMENT PLAN BE IMPLEMENTED RESULTS OF THE SURVEY OF BOARD MEMBERS ARE REPORTED TO THE HHC NOMINATING AND GOVERNANCE COMMITTEE FOR DETERMINATIONS OF CONFLICTS AND THE MANAGEMENT OF THEM, WHERE APPLICABLE</p>

Return Reference	Explanation
FORM 990, PART VI, SECTION B, LINE 15	<p>THE INDEPENDENT EXECUTIVE COMPENSATION COMMITTEE (COMMITTEE) OF THE BOARD OF DIRECTORS OF HARTFORD HEALTHCARE ON BEHALF OF BACKUS HOSPITAL HIRES AN OUTSIDE CONSULTANT, INTEGRATED HEALTHCARE STRATEGIES, TO DETERMINE BEST PRACTICES IN GOVERNING EXECUTIVE COMPENSATION THE FOLLOWING STEPS WERE TAKEN - INDEPENDENT EXECUTIVE COMPENSATION COMMITTEE (COMMITTEE) OF THE BOARD OF DIRECTORS OF HARTFORD HEALTHCARE, ON BEHALF OF BACKUS HOSPITAL, ESTABLISHED AND REGULARLY REVIEWS EXECUTIVE COMPENSATION PHILOSOPHY - COMMITTEE REGULARLY REVIEWS SCOPE AND DEPTH OF POSITIONS TAKING INTO ACCOUNT COMPLEXITY AND THE FINANCIAL IMPACT AND ACCOUNTABILITY OF ALL "DISQUALIFIED PERSONS" - NATIONAL PEER GROUPS ARE SELECTED FOR COMPARATIVE PURPOSES BASED ON ORGANIZATIONAL SIZE, OPERATING REVENUE, GEOGRAPHY AND OTHER RELEVANT FACTORS - ANALYSIS OF CURRENT TOTAL COMPENSATION VERSUS MARKET PERFORMED BY INDEPENDENT THIRD PARTY COMPENSATION CONSULTING FIRM, REVIEWED BY THE COMMITTEE - RECOMMENDATIONS MADE BASED ON DATA ANALYSIS TO ENSURE APPROPRIATE COMPETITIVE POSITIONING WITHIN PARAMETERS OF COMPENSATION PHILOSOPHY - CEO COMPENSATION REVIEWED BY COMMITTEE BASED ON COMPARATIVE MARKET INFORMATION AND ORGANIZATIONAL PERFORMANCE - ALL CHANGES REVIEWED AND APPROVED BY EXECUTIVE COMPENSATION COMMITTEE THE CEO COMPENSATION DETERMINATION PROCESS IS REVIEWED ON AN ANNUAL BASIS ALL OTHER EXECUTIVE COMPENSATION IS REGULARLY REVIEWED FOR SCOPE AND DEPTH OF POSITIONS TAKING INTO ACCOUNT COMPLEXITY AND THE FINANCIAL IMPACT AND ACCOUNTABILITY</p>

Return Reference	Explanation
FORM 990, PART VI, SECTION C, LINE 19	THE ORGANIZATIONS FINANCIAL STATEMENTS, GOVERNING DOCUMENTS AND THE CONFLICT OF INTEREST POLICY ARE AVAILABLE FOR INSPECTION UPON REQUEST AT THE ORGANIZATIONS ADDRESS

Return Reference	Explanation
FORM 990, PART IX, LINE 11G	OUTSIDE SERVICES PROGRAM SERVICE EXPENSES 15,378,807 MANAGEMENT AND GENERAL EXPENSES 13,418,356 FUNDRAISING EXPENSES 0 TOTAL EXPENSES 28,797,163

Return Reference	Explanation
PART IX LINE 11 G	PURCHASED SERVICE 11,614,306 PURCHASED SERVICE-LABOR 9,515,242 SY STEM FEES 4,686,168 CONSULTING 2,473,558 COURIER SERVICE 386,019 GROUNDS 83,371 WASTE REMOVAL 34,202 OTHER 4,297 TOTAL 28,797,163

Return Reference	Explanation
FORM 990, PART XI, LINE 9	K-1 PASSTHROUGH -642 TRANSFER TO AFFILIATES -2,553,495 INCREASE IN ASSETS HELD IN TRUST 118,022 CHANGE IN PENSION FUNDING -26,854,297



Return Reference	Explanation
FORM 990 PART XII LINE 2C	THE PROCESS HAS NOT CHANGED FROM PRIOR YEAR

SCHEDULE R

(Form 990)

Department of the Treasury  
Internal Revenue Service

Related Organizations and Unrelated Partnerships

- ▶ Complete if the organization answered "Yes" on Form 990, Part IV, line 33, 34, 35b, 36, or 37.  
▶ Attach to Form 990. ▶ See separate instructions.  
▶ Information about Schedule R (Form 990) and its instructions is at [www.irs.gov/form990](http://www.irs.gov/form990).

OMB No 1545-0047

2013

Open to Public  
Inspection

Name of the organization  
THE WILLIAM W BACKUS HOSPITAL

Employer identification number

06-0250773

Part I Identification of Disregarded Entities

Complete if the organization answered "Yes" on 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" on Form 990, Part IV, line 34 because it had one or more related tax-exempt organizations during the tax year.

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

Part III

Identification of Related Organizations Taxable as a Partnership

Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one or more related organizations treated as a partnership during the tax year.

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

Part IV

Identification of Related Organizations Taxable as a Corporation or Trust

Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one or more related organizations treated as a corporation or trust during the tax year.

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end- of-year assets	(h) Percentage ownership	(i) Section 512 (b)(13) controlled entity?	
								Yes	No
See Additional Data Table									

Part V

Transactions With Related Organizations

Complete if the organization answered "Yes" on 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

No

1e

No

1f

No

1g

No

1h

No

1i

Yes

1j

Yes

1k

No

1l

Yes

1m

Yes

1n

No

1o

Yes

1p

No

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 related organization	(b) Transaction type (a-s)	(c) Amount involved	(d) Method of determining amount involved
See Additional Data Table			

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

[illegible]

Part VII

Supplemental Information

Provide additional information for responses to questions on Schedule R (see instructions)

Return Reference	Explanation
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Additional Data

Software ID:

Software Version:

EIN: 06-0250773

Name: THE WILLIAM W BACKUS HOSPITAL

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501 (c)(3))	(f) Direct controlling entity	(g) Section 512 (b)(13) controlled entity?	
						Yes	No
(1) BACKUS HEALTH CARE INC  326 WASHINGTON STREET NORWICH, CT 06360 22-2481794	SUPPORT	CT	501C3	11A	BACKUS CORP	Yes	
(1) BACKUS CORPORATION  326 WASHINGTON STREET NORWICH, CT 06360 22-2757608	SUPPORT	CT	501C3	11B	HARTFORD HEALTHCARE CORPORATION	Yes	
(2) HARTFORD HOSPITAL  80 SEYMOUR STREET HARTFORD, CT 06102 06-0646668	HEALTHCARE SERVICES	CT	501C3	3	HARTFORD HEALTHCARE CORPORATION	Yes	
(3) WINDHAM COMMUNITY MEMORIAL HOSPITAL  112 MANSFIELD AVE WILLIMANTIC, CT 06226 06-0646966	HEALTHCARE SERVICES	CT	501C3	3	HARTFORD HEALTHCARE CORPORATION	Yes	
(4) MIDSTATE MEDICAL CENTER  435 LEWIS AVENUE MERIDAN, CT 06451 06-0646715	HEALTHCARE SERVICES	CT	501C3	3	HARTFORD HEALTHCARE CORPORATION	Yes	
(5) WINDHAM HOSPITAL FOUNDATION INC  112 MANSFIELD AVE WILLIMANTIC, CT 06226 56-2546632	SUPPORTING ORGANIZATION	CT	501C3	11A	WINDHAM COMMUNITY MEMORIAL HOSPITAL	Yes	
(6) HARTFORD HOSPITAL AUXILIARY CO HARTFORD HOSPITAL  80 SEYMOUR STREET HARTFORD, CT 06115 06-6040747	FUNDRAISING	CT	501C3	11C	HARTFORD HOSPITAL	Yes	
(7) CONNECTICUT HEALTH SYSTEM INC  80 SEYMOUR STREET HARTFORD, CT 06102 22-2779421	COORDINATION OF HEALTH DELIVERY	CT	501C3	11C	HARTFORD HEALTHCARE CORPORATION	Yes	
(8) HARTFORD HEALTHCARE CORPORATION  80 SEYMOUR STREET HARTFORD, CT 06102 22-2672834	SUPPORT & MANAGEMENT SVCS TO HHC & AFFILIATES	CT	501C3	11C		Yes	
(9) INSTITUTE OF LIVING  200 RETREAT AVENUE HARTFORD, CT 06106 06-0646683	SUPPORTING ORGANIZATION TO HARTFORD HOSPITAL	CT	501C3	11C	HARTFORD HOSPITAL	Yes	
(10) NATCHAUG HOSPITAL INC  189 STORRS ROAD MANSFIELD CENTER, CT 06226 06-0966963	BEHAVIORAL HEALTH	CT	501C3	3	HARTFORD HEALTHCARE CORPORATION	Yes	
(11) CARING FOR COLLEAGUES EMPLOYEE CRISIS FUND  100 GRAND STREET NEW BRITAIN, CT 06052 26-4469178	EMPLOYEE FUND	CT	501C3	7	HARTFORD HEALTHCARE CORPORATION	Yes	
(12) VNA HEALTH RESOURCES INC  103 WOODLAND STREET HARTFORD, CT 06105 06-1161422	HOME HEALTHCARE	CT	501C3	9	HARTFORD HEALTHCARE AT HOME	Yes	
(13) RUSHFORD CENTER INC  883 PADDOCK AVENUE MERIDAN, CT 06450 06-0932875	SUBSTANCE ABUSE HEALTHCARE SERVICES	CT	501C3	7	HARTFORD HEALTHCARE CORPORATION	Yes	
(14) THE HATCH HOSPITAL CORP  112 MANSFIELD AVE WILLIMANTIC, CT 06226 06-6076412	HEALTHCARE SERVICES	CT	501C3	3	WINDHAM COMMUNITY MEMORIAL HOSPITAL	Yes	
(15) WCMH WOMEN'S AUXILIARY INC  112 MANSFIELD AVE WILLIMANTIC, CT 06226 06-0677728	FUNDRAISING	CT	501C3	11A	WINDHAM COMMUNITY MEMORIAL HOSPITAL	Yes	
(16) THE HOSPITAL OF CENTRAL CT & BRADLEY MEMORIAL  110 GRAND STREET NEW BRITAIN, CT 06050 06-0646768	HEALTHCARE SERVICES	CT	501C3	3	HARTFORD HEALTHCARE CORPORATION	Yes	
(17) CENTRAL CT SENIOR HEALTH DBA SOUTHING CARE CENTER  45 MERIDEN AVENUE SOUTHINGTON, CT 06489 22-2635676	SUB-ACUTE & LONG TERM CARE	CT	501C3	9	HARTFORD HEALTHCARE CORPORATION	Yes	
(18) BRADLEY HEALTH SERVICES  100 GRAND STREET NEW BRITAIN, CT 06050 06-1367014	HEALTHCARE SERVICES	CT	501C3	9	HARTFORD HEALTHCARE CORPORATION	Yes	
(19) CENTRAL CT HEALTH ALLIANCE  100 GRAND STREET NEW BRITAIN, CT 06050 22-2785033	SUPPORT & MANAGEMENT SVCS TO THOCC & AFFILIATES SHELL	CT	501C3	11B	HARTFORD HEALTHCARE CORPORATION	Yes	

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501 (c)(3))	(f) Direct controlling entity	(g) Section 512 (b)(13) controlled entity?	
						Yes	No
(21) EVA STEARNS FAULKNER FOUNDATION  435 LEWIS AVENUE MERIDAN, CT 06451 06-6065398	SUPPORT SERVICES	CT	501C3	3	MIDSTATE MEDICAL CENTER	Yes	
(1) THE ORCHARDS OF SOUTHTON  34 HOBART STREET SOUTHTON, CT 06489 06-1490803	RESIDENTIAL SERVICES FOR SENIOR CITIZENS	CT	501C3	9	CENTRAL CT SENIOR HEALTH SERVICES INC	Yes	
(2) MULBERRY GARDENS OF SOUTHTON LLC  58 MULBERRY STREET PLANTSVILLE, CT 06479 82-0586577	ASSISTED LIVING & ADULT DAY CARE	CT	501C3	9	CENTRAL CT SENIOR HEALTH SERVICES INC	Yes	
(3) MIDSTATE MEDICAL CENTER AUXILIARY  435 LEWIS AVENUE MERIDAN, CT 06451 06-6063082	FUNDRAISING	CT	501C3	11A	MIDSTATE MEDICAL CENTER	Yes	
(4) HHC PHYSICIANS CARE INC  80 SEYMOUR STREET HARTFORD, CT 06102 45-4456939	PRACTICE MEDICINE & PROVIDE HEALTH CARE TO THE PUBLIC	CT	501C3	9	HARTFORD HEALTHCARE CORPORATION	Yes	
(5) HARTFORD HEALTHCARE ACCOUNTABLE CARE ORG INC  200 RETREAT AVENUE HARTFORD, CT 06102 46-0886367	MANAGE & COORDINATE CARE FOR MEDICARE BENEFICIARIES	CT	501C3	7	HARTFORD HEALTHCARE CORPORATION	Yes	
(6) HARTFORD HEALTHCARE CORP GROUP EMPLOYEE BENEFIT PLAN TRUST  C/O BOA 777 MAIN STREET HARTFORD, CT 06102 26-6671355	PROVIDE BENEFITS TO EMPLOYEES	CT	501C9		HARTFORD HEALTHCARE CORPORATION	Yes	
(7) HARTFORD HEALTHCARE AT HOME  1290 SILAS DEAN HWY STE 4B WETHERSFIELD, CT 06109 06-0646938	HOME HEALTHCARE	CT	501C3	7	HARTFORD HEALTHCARE CORPORATION	Yes	
(8) RUSHFORD FOUNDATION INC  883 PADDOCK AVENUE MERIDAN, CT 06450 06-1432692	SUPPORTING ORGANIZATION	CT	501C3	11A	RUSHFORD CENTER INC	Yes	



Form 990, Schedule R, Part III - Identification of Related Organizations Taxable as a Partnership

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal Domicile (State or Foreign Country)	(d) Direct Controlling Entity	(e) Predominant income(related, unrelated, excluded from tax under sections 512-514)	(f) Share of total income	(g) Share of end- of-year assets	(h) Disproportionate allocations?		(i) Code V-UBI amount in Box 20 of K-1 (Form 1065)	(j) General or Managing Partner?		(k) Percentage ownership
							Yes	No		Yes	No	
OMNI HOME HEALTH  12 CASE STREET NORWICH, CT 06360 06-1458837	HOME HEALTH CARE	CT	WWB INC	RELATED				No			No	99 000 %
HHC SOUTINGTON SURGERY CENTER  81 MERIDEN AVENUE SOUTINGTON, CT 06489 46-5500829	SURGERY SERVICES	CT	HOCC	RELATED				No			No	26 000 %
NEW BRITAIN MRI LIMITED PARTNERSHIP  100 GRAND STREET NEW BRITAIN, CT 06050 06-1271349	MAGNETIC RESONANCE IMAGING	CT	CENCONN SERVICES INC	RELATED				No			No	56 600 %
HARTFORD HEALTHCARE ENDOWMENT LLC  80 SEYMOUR STREET HARTFORD, CT 06102 45-4181103	ENDOWMENT MANAGEMENT	CT		RELATED				No			No	100 000 %
AMBULANCE SERVICE OF MANCHESTER  PO BOX 300 MANCHESTER, CT 06450 06-1557358	AMBULATORY SERVICE	CT		RELATED				No			No	50 000 %
CT IMAGING PARTNERS LLC  111 FOUNDERS PLACE EAST HARTFORD, CT 06108 13-4298940	IMAGING SERVICES	CT		UNRELATED				No			No	50 000 %
GLASTONBURY ENDOSCOPY CENTER LLC  300 WESTERN BLVD STE B GLASTONBURY, CT 06033 26-1721234	ENDOSCOPY SERVICES	CT		RELATED				No			No	50 000 %
GLASTONBURY SURGERY CENTER LLC  195 EASTERN BLVD GLASTONBURY, CT 06033 26-2600828	SURGERY SERVICES	CT		RELATED				No			No	51 000 %
HARTFORD-MIDDLESEX CLINICAL SYSTEM LLC  80 SEYMOUR STREET HARTFORD, CT 06110 06-1543605	AFFILIATE SUPPORT SERVICE	CT		UNRELATED				No			No	50 000 %
MED EAST ASSOC LLC  1703 WEST MAIN STREET WILLIMANTIC, CT 06226 06-1469575	OUTPATIENT CARE CLINIC	CT		RELATED				No			No	50 000 %
HHC SOUTINGTON SURGERY CENTER  81 MERIDEN AVENUE SOUTINGTON, CT 06489 46-5500829	SURGERY SERVICES	CT	MMC	RELATED				No			No	25 000 %

Form 990, Schedule R, Part IV - Identification of Related Organizations Taxable as a Corporation or Trust

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal Domicile (State or Foreign Country)	(d) Direct Controlling Entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership	(i) Section 512(b) (13) controlled entity?	
								Yes	No
WWB CORPORATION 326 WASHINGTON STREET NORWICH, CT 06360 06-1094836	HOLDING COMPANY	CT	BACKUS CORPORATION	C			100 000 %	Yes	
CONNCARE INC 326 WASHINGTON STREET NORWICH, CT 06360 06-1387598	HEALTHCARE SERVICES	CT	BACKUS HEALTH CARE INC	C			100 000 %	Yes	
BACKUS MEDICAL CENTER CONDO ASSOC INC 330 WASHINGTON STREET NORWICH, CT 06360 06-1542647	CONDO ASSOCIATION	CT	THE WILLIAM W BACKUS HOSPITAL	C		12,489	69 000 %	Yes	
HMMOB CORPORATION& SUBSIDIARY 80 SEYMOUR STREET HARTFORD, CT 06102 06-1140244	REAL ESTATE PARKING	CT	HARTFORD HEALTHCARE CORP	C			100 000 %	Yes	
HARTFORD HEALTHCARE INDEMNITY SERVICES LTD FB PERRY BLVD 40 CHURCH ST HAMILTON BD	CAPTIVE INSURANCE	BD	HARTFORD HEALTHCARE CORP	C			100 000 %	Yes	
WINDHAM HEALTH SERVICES INC 112 MANSFIELD AVENUE WILLIMANTIC, CT 06226 06-1461101	HOME HEALTHCARE	CT	WINDHAM	C			100 000 %	Yes	
WINDHAM PHYSICIAN HOSPITAL ORGANIZATION 112 MANSFIELD AVENUE WILLIMANTIC, CT 06226 06-1441614	MEDICAL SERVICES	CT		C			50 000 %	Yes	
WINDHAM FAMILY MEDICAL SERVICES 112 MANSFIELD AVENUE WILLIMANTIC, CT 06226 06-1491649	MEDICAL SERVICES	CT		C				Yes	
CENCONN SERVICES INC 100 GRAND STREET NEW BRITAIN, CT 06050 22-2836001	HOLDING COMPANY	CT	CCHA	C			100 000 %	Yes	
AETNA AMBULANCE SERVICE PO BOX 1150 MANCHESTER, CT 06045 06-0795431	AMBULANCE SERVICE INC	CT		C			50 000 %	Yes	
HARTFORD PHYSICIAN SERVICES 80 SEYMOUR STREET HARTFORD, CT 06102 06-1254082	MEDICAL SERVICES	CT		C				Yes	
MERIDEN IMAGING CENTER 101 NORTH PLAINS INDUSTRIAL RD MERIDEN, CT 06429 06-1541468	IMAGING	CT	MIDSTATE	S			80 000 %	Yes	
MIDSTATE MEDICAL GROUP PC 435 LEWIS AVENUE MERIDEN, CT 06450 20-4327968	MEDICAL SERVICES	CT		C				Yes	
HARTFORD PHYSICIAN HOSPITAL ORGANIZATION INC 80 SEYMOUR STREET HARTFORD, CT 06102 22-2785918	PHYSICIAN & HOSPITAL SUPPORT	CT		C			50 000 %	Yes	
METRO WHEELCHAIR SERVICES INC PO BOX 300 MANCHESTER, CT 06045 06-0878432	WHEELCHAIR SERVICES	CT		C			50 000 %	Yes	

Form 990, Schedule R, Part IV - Identification of Related Organizations Taxable as a Corporation or Trust

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal Domicile (State or Foreign Country)	(d) Direct Controlling Entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership	(i) Section 512(b)(13) controlled entity?	
								Yes	No
SELECT PHYSICIANS NETWORK 112 MANSFIELD AVENUE WILLIMANTIC, CT 06226 06-1426901	MANAGING OFFICES OF PHYSICIANS AND SURGEONS	CT		C			50 000 %	Yes	
WINDHAM PROFESSIONAL OFFICE CONDOMINIUMS 1120 MANSFIELD AVE WILLIMANTIC, CT 06226 06-1090041	CONDO ASSOCIATION	CT	WINDHAM	C			60 000 %	Yes	

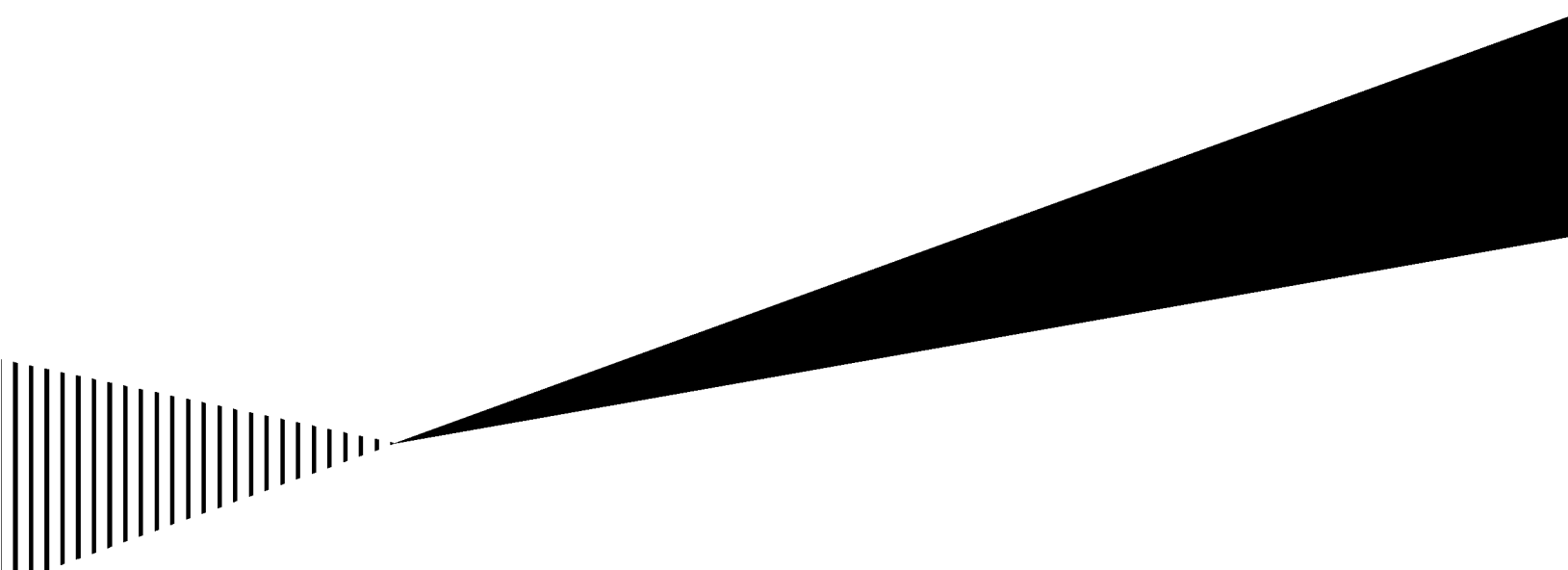
Form 990, Schedule R, Part V - Transactions With Related Organizations

(a) Name of other organization	(b) Transaction type(a-s)	(c) Amount Involved	(d) Method of determining amount involved
CONNCARE INC	J	773,607	COST
OMNI HOME HEALTH	L	137,208	COST
CONNCARE INC	L	97,253	COST
CONNCARE INC	Q	12,031,362	COST
WWB INC	Q	7,623,267	COST
HARTFORD HEALTHCARE INC	M	3,629,383	COST
HARTFORD HEALTHCARE INC	O	5,147,864	COST

CONSOLIDATED FINANCIAL STATEMENTS AND  
SUPPLEMENTARY INFORMATION

The William W Backus Hospital  
Year Ended September 30, 2014  
Period from August 1, 2013 to September 30, 2013, and  
Period from October 1, 2012 to July 31, 2013  
With Report of Independent Auditors

Ernst & Young LLP



**Building a better  
working world**

# The William W. Backus Hospital

## Consolidated Financial Statements and Supplementary Information

Year Ended September 30, 2014, Period from August 1, 2013 to September 30, 2013, and Period  
from October 1, 2012 to July 31, 2013

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## Report of Independent Auditors

The Board of Directors  
Hartford Healthcare Corporation and Subsidiaries

We have audited the accompanying consolidated financial statements of The William W Backus Hospital, which comprise the consolidated balance sheets as of September 30, 2014 and 2013, and the related consolidated statements of operations, changes in net assets and cash flows for the year ended September 30, 2014, the period from August 1, 2013 to September 30, 2013 and the period from October 1, 2012 to July 31, 2013, 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 consolidated financial position of The William W Backus Hospital at September 30, 2014 and 2013, and the results of its operations, its changes in net assets and its cash flows for the year ended September 30, 2014, the period from August 1, 2013 to September 30, 2013 and the period from October 1, 2012 to July 31, 2013, in conformity with U S generally accepted accounting principles

## Supplementary Information

Our audits were performed for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying consolidating balance sheet and consolidating statement of operations are presented for the purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

*Ernst & Young LLP*

January 28, 2015



# The William W. Backus Hospital

## Consolidated Balance Sheets

	<b>September 30</b>	
	<b>2014</b>	<b>2013</b>
<b>Assets</b>		
Current assets		
Cash and cash equivalents	<b>\$ 187,018,905</b>	\$ 132,347,698
Accounts receivable, less allowances for doubtful accounts of approximately \$6,299,279 in 2014 and \$5,739,072 in 2013	<b>36,980,052</b>	31,013,657
Other receivables	<b>1,320,143</b>	2,286,728
Due from affiliates	<b>2,052,950</b>	184,696
Inventories of supplies	<b>3,771,462</b>	3,715,171
Prepaid expenses and other assets	<b>1,643,561</b>	752,260
Current portion of assets whose use is limited	<b>3,285,815</b>	6,509,778
Total current assets	<b>236,072,888</b>	176,809,988
Assets whose use is limited:		
Investments and other assets	<b>57,081,792</b>	112,198,811
Interest in investments held by Endowment LLC	<b>47,662,263</b>	—
Donor-restricted interest in investments held by Endowment LLC	<b>8,311,558</b>	—
Investments held in trust	<b>26,640,012</b>	25,594,126
Investments for donor-restricted purposes	—	7,935,735
Funds designated for debt service	—	3,737,303
	<b>139,695,625</b>	149,465,975
Funds held in trust by others	<b>2,633,503</b>	2,515,481
Other assets	<b>7,214,261</b>	9,206,465
Property, plant, and equipment, net	<b>127,834,702</b>	138,743,906
Total assets	<b>\$ 513,450,979</b>	\$ 476,741,815

*Continued on next page.*

The William W. Backus Hospital

Consolidated Balance Sheets (continued)

	September 30	
	2014	2013
<b>Liabilities and net assets</b>		
Current liabilities:		
Accounts payable	\$ 8,403,969	\$ 8,031,635
Salaries, wages, payroll taxes, and amounts withheld from employees	7,611,745	6,965,186
Due to affiliates	2,841,766	–
Accrued expenses	6,965,890	6,319,677
Estimated third-party payor settlements postretirement liabilities	8,036,715	17,467,823
Current portion of long-term debt	399,818	2,443,472
Current portion of accrued pension and other postretirement liability	4,195,223	3,553,200
Current portion of other liabilities	653,974	–
Total current liabilities	39,109,100	44,780,993
Long-term debt	68,199,710	67,193,532
Accrued pension and other postretirement liabilities	38,600,633	18,267,625
Self-insured professional liability	8,527,863	14,348,700
Other liabilities	4,532,110	6,659,958
Total liabilities	158,969,416	151,250,808
Net assets.		
Unrestricted	342,594,117	314,117,949
Temporarily restricted	3,534,497	3,305,592
Permanently restricted	8,352,949	8,067,466
Total net assets	354,481,563	325,491,007
Total liabilities and net assets	\$ 513,450,979	\$ 476,741,815

*See accompanying notes.*

The William W. Backus Hospital

Consolidated Statements of Operations

			<b>Predecessor Company</b>
	<b>Year Ended September 30, 2014</b>	<b>Period From August 1, 2013 to September 30, 2013</b>	<b>Period From October 1, 2012 to July 31, 2013</b>
Unrestricted revenues, gains and other support			
Net patient service revenue	\$ 301,653,222	\$ 46,288,627	\$ 230,444,135
Provision for bad debts	8,035,283	1,489,352	7,234,583
Net patient service revenue less provision for bad debts	293,617,939	44,799,275	223,209,552
Other operating revenue	7,226,224	710,072	6,815,117
Net assets released from restriction for operations	287,246	28,253	217,331
	<b>301,131,409</b>	<b>45,537,600</b>	<b>230,242,000</b>
Operating expenses			
Salaries and wages	110,166,889	19,188,089	98,064,757
Employee benefits	21,447,489	3,125,646	23,754,968
Supplies and other	47,207,926	8,606,513	38,839,806
Purchased services	54,305,989	7,633,095	32,300,609
Depreciation and amortization	15,651,354	2,684,973	12,838,658
Interest	2,992,001	557,418	2,817,755
	<b>251,771,648</b>	<b>41,795,734</b>	<b>208,616,553</b>
Operating income before bond refinancing costs	49,359,761	3,741,866	21,625,447
Loss on bond refinancing	(722,310)	—	—
Operating income	48,637,451	3,741,866	21,625,447
Nonoperating income			
Income from investments, gifts and bequests, net	9,253,115	1,299,791	9,005,044
Other	(186,851)	1,600	(140,249)
Excess of revenues over expenses	<b>\$ 57,703,715</b>	<b>\$ 5,043,257</b>	<b>\$ 30,490,242</b>

*See accompanying notes.*

# The William W. Backus Hospital

## Consolidated Statements of Changes in Net Assets

		<b>Period From August 1, 2013 to September 30, 2013</b>	<b>Predecessor Company Period From October 1, 2012 to July 31, 2013</b>
	<b>Year Ended September 30, 2014</b>		
Beginning balance of unrestricted net assets	\$ 314,117,949	\$ 308,205,973	\$ 187,215,454
Excess of revenues over expenses	57,703,715	5,043,257	30,490,242
Change in pension and post-retirement funding obligation	(26,854,297)	1,580,966	40,304,322
Transfer to affiliates	(2,553,495)	(712,247)	(2,082,312)
Net assets released from restrictions used for the purchase of equipment	180,245	—	495,151
Ending balance of unrestricted net assets	342,594,117	314,117,949	256,422,857
Beginning balance of temporarily restricted net assets	3,305,592	3,099,995	2,890,743
Restricted contributions	333,892	92,032	436,408
Restricted investment income	112,215	141,818	485,326
Return on investments held by Endowment LLC	250,289	—	—
Net assets released from restrictions for operations	(287,246)	(28,253)	(217,331)
Net assets released from restrictions for the purchase of equipment	(180,245)	—	(495,151)
Ending balance of temporarily restricted net assets	3,534,497	3,305,592	3,099,995
Beginning balance of permanently restricted net assets	8,067,466	8,024,584	7,755,916
Restricted investment income	167,461	—	155,116
Change in unrealized gains and losses on funds held in trust by others	118,022	42,882	113,552
Ending balance of permanently restricted net assets	8,352,949	8,067,466	8,024,584
Net assets at end of period	\$ 354,481,563	\$ 325,491,007	\$ 267,547,436

*See accompanying notes*

The William W. Backus Hospital

Consolidated Statements of Cash Flows

	Year Ended September 30, 2014	Period From August 1, 2013 to September 30, 2013	Predecessor Company Period From October 1, 2012 to July 31, 2013
<b>Cash flows from operating activities</b>			
Increase in net assets	\$ 28,990,556	\$ 6,160,455	\$ 69,685,323
Adjustments to reconcile increase in net assets to net cash provided by operating activities			
Non-cash items			
Depreciation and amortization	15,651,354	2,684,973	12,838,658
Amortization of bond premium	(19,380)	-	-
Change in investments held by Endowment LLC	(1,635,146)	-	-
Change in unrealized gains and losses on funds held in trust by others	(118,022)	(42,882)	(113,551)
Provision for bad debts	8,035,283	1,489,352	7,234,583
Change in pension and post-retirement funding obligation	26,854,297	(1,580,966)	(40,304,322)
Transfer to affiliates	2,553,495	712,247	2,082,312
Loss on bond restructuring	722,310	-	-
Other changes in net assets			
Restricted contributions and investment income	(613,568)	(233,850)	(1,076,850)
Changes in assets and liabilities (Note 13)	(30,694,693)	2,574,739	(16,644,276)
Net cash provided by operating activities	49,726,486	11,764,068	33,701,877
<b>Cash flows from investing activities</b>			
Purchases of property, plant, and equipment, net	(3,690,201)	(465,375)	(4,292,383)
Decrease (increase) in assets whose use is limited, net	14,629,459	(2,719,701)	(8,571,270)
(Increase) decrease in other assets	(112,133)	(648,658)	18,250
Net cash provided by (used) in investing activities	10,827,125	(3,833,734)	(12,845,403)
<b>Cash flows from financing activities</b>			
Principal payments on long-term debt	(359,582)	(50,249)	(2,295,959)
Pay off of long-term debt	(62,931,764)	-	-
Proceeds from long-term debt	60,307,211	-	-
Change in deferred financing costs	(958,342)	-	(37,408)
Restricted contributions and investment income	613,568	233,850	1,076,850
Transfer to affiliates	(2,553,495)	(712,247)	(2,082,312)
Net cash used in financing activities	(5,882,404)	(528,646)	(3,338,829)
Net increase in cash and cash equivalents	54,671,207	7,401,688	17,517,645
Cash and cash equivalents at beginning of year	132,347,698	124,946,010	107,428,365
Cash and cash equivalents at end of year	\$ 187,018,905	\$ 132,347,698	\$ 124,946,010

See accompanying notes

# The William W. Backus Hospital

## Notes to Consolidated Financial Statements

September 30, 2014

### 1. Significant Accounting Policies

The accounting policies that affect significant elements of The William W. Backus Hospital's (the Hospital) consolidated financial statements are summarized below and in Note 2.

#### Organization

The Hospital, a voluntary association incorporated under the General Statutes of the State of Connecticut, is a wholly owned subsidiary of Backus Corporation (the sole member) Hartford Healthcare Corporation (HHC) elects a Board of Directors that has control of the operations of the Hospital.

The financial statements include the operations of Backus Medical Center Condominium Association, Inc (the Association) All intercompany transactions have been eliminated in consolidation

On August 1, 2013 (the Acquisition Date), HHC became the sole corporate member of Backus Corporation and a full corporate affiliation was completed. As a result, all of the Hospital's assets and liabilities were revalued to fair value as of August 1, 2013 The Hospital is consolidated in HHC's financials for all periods from August 1, 2013

In connection with the acquisition, the Hospital's assets and liabilities were marked to fair value at the Acquisition Date The increase in the Hospital's net assets at the Acquisition Date was \$51,783,116 when reported at fair value, as compared to the historical value of net assets as reported by the predecessor company. The \$51,783,116 increase in the Hospital's net assets was comprised of the following

	<b><u>Increase (Decrease)</u></b>
Property, plant, and equipment	\$ 58,082,038
Long-term debt	(5,247,289)
Premium on bonds	629,869
Unamortized bond issue costs	<u>(1,681,502)</u>
	<u>\$ 51,783,116</u>

# The William W. Backus Hospital

## Notes to Consolidated Financial Statements (continued)

### **1. Significant Accounting Policies (continued)**

The accompanying consolidated financial statements present the financial position and results of operations for the period prior to the Acquisition Date, which are reported as the predecessor company at historical value, and subsequent to acquisition, which are reported using fair value as the cost basis established on the Acquisition Date.

The accompanying consolidated statements of operations, changes in net assets and cash flows disclose activity related to the year ended September 30, 2014, and for the periods from August 1, 2013 to September 30, 2013 and October 1, 2012 to July 31, 2013, and are hereafter referred to collectively as the “Periods under Audit ”

#### **Use of Estimates**

The preparation of financial statements in conformity with U S generally accepted accounting principles (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements. Estimates also affect the reported amounts of revenues and expenses during the reporting period. 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.

#### **Regulatory Matters**

The Hospital is required to file annual operating information with the State of Connecticut Office of Health Care Access (OHCA).

#### **Fair Value of Financial Instruments**

The carrying value of financial instruments classified as current assets and current liabilities approximate fair value. The fair values of the Hospital’s financial instruments are disclosed in Note 5.

# **The William W. Backus Hospital**

## **Notes to Consolidated Financial Statements (continued)**

### **1. Significant Accounting Policies (continued)**

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

The Hospital considers all highly liquid time deposits, commercial paper, and money market mutual funds purchased with a maturity at date of acquisition of three months or less to be cash equivalents. Cash and cash equivalents are maintained with domestic financial institutions with deposits that at times, exceed federally insured limits. It is the Hospital's policy to monitor the financial strength of those institutions.

#### **Patient Accounts Receivable**

Patient accounts receivable result from the health care services provided by the Hospital. Additions to the allowance for doubtful accounts result from the provision for bad debts. Accounts written off as uncollectible are deducted from the allowance for doubtful accounts.

The amount of the allowance for doubtful accounts is based upon 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. See Note 2 for additional information relative to third-party payor programs.

The Hospital's primary concentration of credit risk is patient accounts receivables that consist of amounts owed by various governmental agencies, insurance companies, and private patients. The Hospital manages the receivables by regularly reviewing its patient accounts and contracts and by providing appropriate allowances for uncollectible accounts. The Hospital grants credit without collateral to its patients, most of whom are local residents and are insured under third-party payor agreements. Significant concentrations of patient accounts receivable include 36% and 8%, and 37% and 6% for Medicare and Medicaid, respectively, for the fiscal years ended September 30, 2014 and 2013, respectively.

#### **Interest in Investments Held by Hartford Healthcare Endowment LLC**

Effective August 29, 2011, Hartford HealthCare Endowment LLC (Endowment LLC) was created to maintain and manage, on a pooled basis, the endowment funds of the Hospital, Hartford Hospital, Windham Community Memorial Hospital, Inc., MidState Medical Center, The Hospital of Central Connecticut at New Britain General and Bradley Memorial, and Hartford HealthCare at Home, Inc. Endowment LLC, a wholly owned subsidiary of HHC, acts as a manager and is named fiduciary for HHC within established investment guidelines. As of



# The William W. Backus Hospital

## Notes to Consolidated Financial Statements (continued)

### 1. Significant Accounting Policies (continued)

January 1, 2014, \$53,112,368 of the Hospital's investments were liquidated and transferred to Endowment LLC, at which time all previously unrealized gains and losses were realized. As of September 30, 2014, the Hospital has an interest in investments held by Endowment LLC, which is reflected in the accompanying consolidated balance sheets and represents the Hospital's pro rata share of Endowment LLC.

The Hospital reports its share of the increase or decrease in Endowment LLC as income or loss from investments in the excess of revenue and expenses, unless the income or loss is restricted by donor or law. Investments held by Endowment LLC in equity securities with readily determinable fair values and all investments in debt securities are measured at fair value using quoted market prices or model-driven valuations at the consolidated balance sheet date. Alternative investments (nontraditional, not-readily-marketable assets), some of which are structured such that Endowment LLC holds limited partnership interests, are reported based upon net asset value (NAV) and derived from the application of the equity method of accounting. Individual investment holdings within the alternative investments may, in turn, include investments in both nonmarketable and market-traded securities. Valuations of these investments and, therefore, Endowment LLC's holdings may be determined by the investment manager or general partner and for "fund of funds" investments are primarily based on financial data supplied by the underlying investee funds. Values may be based on historical cost, appraisals, or other estimates that require varying degrees of judgment. Endowment LLC accounts for these investments using the equity method of accounting and reports its share of the increase or decrease in the funds' value as investment gain or loss. The financial statements of the investees are audited annually by independent auditors, although the timing for reporting the results of such audits does not coincide with Endowment LLC's annual consolidated financial statement reporting.

### Investments

The Hospital's investment portfolio is classified as trading, with unrealized gains and losses included in the excess of revenues over expenses.

Investments in equity securities with readily determinable fair values and all investments in debt securities are measured at fair value using quoted market prices or model-driven valuations at the consolidated balance sheet date. Assets temporarily and permanently restricted (by donor) are recorded at fair value at the date of donation, which is then considered cost. Investment income

# The William W. Backus Hospital

## Notes to Consolidated Financial Statements (continued)

### **1. Significant Accounting Policies (continued)**

(including realized gains and losses on investments, interest and dividends, and the change in unrealized gains and losses) is included in nonoperating income unless the income or loss is restricted by the donor or law

#### **Inventories of Supplies**

Inventories are stated at the lower of cost or market. The Hospital values its inventories using the first-in, first-out method.

#### **Property, Plant, and Equipment**

Property, plant, and equipment are stated on the basis of cost. The Hospital provides for depreciation using the straight-line method in amounts sufficient to depreciate the cost of its assets over their estimated useful lives, which range from 3 to 40 years. Amortization of assets recorded under capital leases is included in depreciation expense.

#### **Assets Whose Use is Limited**

Assets whose use is limited includes assets that are set aside internally by management or by the Board of Directors for future capital improvements, research, donor-restriction, education, escrow funds, and debt service funds for existing obligations on outstanding long-term debt. Amounts that are restricted by the Board of Directors are not available for use without the approval of the Board of Directors. Restricted investment income has also been set aside as long-term investments. Investments for restricted purposes represents assets reserved based on various agreements.

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

Temporarily restricted net assets are those assets whose use by the Hospital has been limited by donors to a specific time frame or purpose. Permanently restricted net assets have been restricted by donors and are maintained by the Hospital in perpetuity. The Hospital is a partial beneficiary to various perpetual trust agreements. Assets recorded under these agreements are recognized at fair value. The investment income generated from these funds is expendable to support healthcare services, and the assets are classified as permanently restricted.

# The William W. Backus Hospital

## Notes to Consolidated Financial Statements (continued)

### **1. Significant Accounting Policies (continued)**

Contributions, including unconditional promises to give, are recognized as revenue in the period received. Conditional promises to give are not recognized until the conditions on which they depend are substantially met. Unrestricted contributions are recorded, net of expenses, within operating revenue.

#### **Donor-Restricted Gifts**

Unconditional promises to give cash and other assets are reported at fair value at the date the promise 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 as unrestricted net assets and reported in the accompanying consolidated statements of operations and changes in net assets as net assets released from restrictions, which is included in operating revenues. Donor-restricted contributions whose restrictions are met within the same year as received are classified as unrestricted contributions in the accompanying financial statements.

#### **Bond Issuance Costs**

Bond issuance costs associated with long-term debt for capital projects are amortized over the term of the debt using a method that approximates the effective interest method. Bond issuance costs of \$946,144 and \$0 are recorded in other assets in the consolidated balance sheets as of September 30, 2014 and 2013, respectively. During 2014, the Hospital paid \$958,342 in additional bond issuance costs.

#### **Other Operating Income**

Other operating revenue includes services to other subsidiaries of HHC and other institutions, electronic health record incentive program revenue, rental income, grant income, cafeteria income, and unrestricted contributions. See Note 11.

#### **Nonoperating Income**

Activities other than those in connection with providing health care services are considered to be non-operating. Nonoperating income includes income on investments, return on interest in investments held by Endowment LLC, realized and unrealized gains and losses on trading investments, gifts, and bequests.

# The William W. Backus Hospital

## Notes to Consolidated Financial Statements (continued)

### 1. Significant Accounting Policies (continued)

#### Excess of Revenues Over Expenses

The accompanying consolidated statements of operations and changes in net assets include the excess of revenues over expenses as the performance indicator. Changes in unrestricted net assets, which are excluded from the performance indicator, include transfers of assets to/from affiliates, the change in pension and postretirement funding obligations, fair value adjustments, and net assets released from restriction used for the purchase of property and equipment

#### Professional Liability and Workers' Compensation Insurance

Coverage for medical malpractice insurance is provided on a claims-made basis. As of October 1, 2013, the primary coverage is with Hartford HealthCare Indemnity Services, Limited (HHCISL), a captive insurance company that is a wholly owned subsidiary of HHC

Effective October 1, 2013, the policy limits for the primary coverage were \$7,500,000 per claim and \$39,000,000 in the aggregate. The primary layer of excess coverage of \$20,000,000 is shared with two insurance carriers. The secondary layer is \$20,000,000 with a single insurance carrier. The third and fourth layers are \$10,000,000 each with two other insurance carriers. The top layer is \$20,000,000 for a total excess coverage of \$80,000,000.

Malpractice claims are discounted at 1.72% for the incurred-but-not-reported liability which was approximately \$1,551,000 at September 30, 2014. In addition, medical malpractice insurance recoveries and the related claim liabilities of approximately \$3,187,000 and \$0 as of September 30, 2014 and 2013, respectively, are included in other current assets and other current liabilities, and medical malpractice insurance recoveries and the related claim liabilities of approximately \$6,847,000 and \$251,000 as of September 30, 2014 and 2013, respectively, are included in other long-term assets and other long-term current liabilities.

Prior to October 1, 2013, The Hospital had adopted the policy of self-insuring the deductible portion of its general and professional liability insurance coverage. The deductible limits were \$1,000,000 per claim and \$5,000,000 annually for 2013. Management accrued its best estimate of ultimate losses for both reported claims and claims incurred but not reported. The Hospital maintains a revocable trust for purposes of funding malpractice or comprehensive general liability losses.

# The William W. Backus Hospital

## Notes to Consolidated Financial Statements (continued)

### **1. Significant Accounting Policies (continued)**

The Hospital carries a worker's compensation policy with a \$250,000 per occurrence deductible. The reserves for losses within the deductible are funded by monthly payments based on reported claims.

### **Income Taxes**

The Hospital is a not-for-profit corporation as described in Section 501(c)(3) of the Internal Revenue Code (the Code), and is exempt from federal income taxes on related income pursuant to Section 501(a) of the Code. The Association is a taxable entity, however, any taxes are immaterial to the consolidated financial statements of the Hospital taken as a whole.

### **Electronic Health Record (EHR) Program**

The Centers for Medicare & Medicaid Services (CMS) have implemented provisions of the American Recovery and Reinvestment Act of 2009 that provide incentive payments for the meaningful use of certified electronic health record (EHR) technology. CMS has defined meaningful use as meeting certain objectives and clinical quality measures based on current and updated technology capabilities over predetermined reporting periods as established by CMS. The Medicare EHR incentive program provides annual incentive payments to eligible professionals, hospitals, and critical access hospitals, as defined, that are meaningful users of certified EHR technology. The Medicaid EHR incentive program provides annual incentive payments to eligible professionals and hospitals for efforts to adopt, implement, and meaningfully use certified EHR technology. The Hospital uses a grant accounting model to recognize EHR incentive revenues. EHR incentive revenues are recognized ratably over the relevant cost report period to determine the amount of reimbursement. During the Periods under Audit, the Hospital has included \$1,058,108, \$96,957, and \$2,514,768, respectively, in other operating revenue related to the program, including \$294,850, \$0, and \$442,296 received from Medicaid. The estimate for the Medicare program is based on cost report data that is subject to audit, and the amounts recognized are subject to change. The Hospital's attestation of compliance with the meaningful use criteria is subject to audit by the federal or state government or its designee.

# The William W. Backus Hospital

## Notes to Consolidated Financial Statements (continued)

### 1. Significant Accounting Policies (continued)

#### New Accounting Pronouncements

In May 2014, the FASB issued ASU 2014-09, *Revenue from Contracts with Customers (Topic 606)*, which requires an entity to recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The adoption of ASU 2014-09 is required on October 1, 2017, and management is currently evaluating the effect of this guidance on its consolidated financial statements.

#### Reclassifications

Certain reclassifications have been made to the year ended September 30, 2013, balances previously reported in the accompanying consolidated balance sheets, statements of operations and changes in net assets in order to conform with the year ended September 30, 2014, presentation.

### 2. Net Patient Service Revenue and Charity Care

Revenues from the Medicare and Medicaid programs accounted for approximately 31.7% and 12.1%, respectively, of the Hospital's net patient service revenue for the year ended September 30, 2014, 32.3% and 11.5%, respectively, for the period ended September 30, 2013, and 31.3% and 11.6%, respectively, for the period ended July 31, 2013. Laws and regulations governing the Medicare and Medicaid programs are complex and subject to interpretation. As a result, there is at least a reasonable possibility that recorded estimates will change by material amounts in the near term.

The Hospital believes that it is in compliance with all applicable laws and regulations. While no regulatory inquiries are outstanding, compliance with such laws and regulations can be subject to future government review and interpretation as well as significant regulatory action, including fines, penalties, and exclusion from the Medicare and Medicaid programs. Changes in the Medicare and Medicaid programs and the reduction of funding levels could have an adverse impact on the Hospital.

# The William W. Backus Hospital

## Notes to Consolidated Financial Statements (continued)

### 2. Net Patient Service Revenue and Charity Care (continued)

The following table summarizes net revenues from services to patients

	Year Ended September 30, 2014	Period From August 1, 2013 to September 30, 2013	Period From October 1, 2012 to July 31, 2013
Gross patient service revenue			
Inpatients	\$ 247,780,251	\$ 41,186,580	\$ 202,390,827
Outpatients	453,925,211	69,010,049	337,839,884
	<b>701,705,462</b>	110,196,629	540,230,711
Deductions			
Allowances and discounts	394,788,265	62,906,364	304,997,146
Charity care	5,263,975	1,001,638	4,789,430
Net patient service revenue	<b>301,653,222</b>	46,288,627	230,444,135
Provision for bad debts	8,035,283	1,489,352	7,234,583
Net patient service revenue less provision for bad debts	<b>\$ 293,617,939</b>	\$ 44,799,275	\$ 223,209,552

The Hospital has agreements with third-party payors that provide for payments to the Hospital at amounts different from its established rates. The difference is accounted for as allowances. Payment arrangements include prospectively determined rates per discharge, reimbursed costs, fee-for-service, discounted charges, and per diem payments. Net patient service revenue is affected by the State of Connecticut Disproportionate Share program and is reported at the estimated net realizable amounts due from patients, third-party payors, and others for services rendered and includes estimated retroactive revenue adjustments due to future audits, reviews, and investigations. Retroactive adjustments are considered in the recognition of revenue on an estimated basis in the period the related services are rendered, and such amounts are adjusted in future periods as adjustments become known or as years are no longer subject to such audits, reviews, and investigations. During the Periods under Audit, the Hospital recorded approximately \$13,674,000, \$0 and 494,000, respectively, of previously recognized estimated third-party payor settlements resulting in an increase in net patient service revenue.

# The William W. Backus Hospital

## Notes to Consolidated Financial Statements (continued)

### 2. Net Patient Service Revenue and Charity Care (continued)

The Hospital has established estimates based on information presently available of amounts due to or from Medicare, Medicaid, and third-party payors for adjustments to current and prior year payment rates, based on industry-wide and Hospital-specific data. Such amounts are included in the accompanying consolidated balance sheets. Additionally, certain payors' payment rates for various years have been appealed by the Hospital. If the appeals are successful, additional income applicable to those years might be realized.

The Hospital accepts all patients regardless of their ability to pay. A patient is classified as a charity patient by reference to the established policies of the Hospital. Essentially, these policies define charity services as those services for which no payment is anticipated. In assessing a patient's inability to pay, the Hospital utilizes the generally recognized poverty income levels for the State of Connecticut but also includes certain cases where incurred charges are significant when compared to incomes.

The Hospital's policy is to reserve a portion of all self-pay receivables, including amounts due from the uninsured and amounts related to co-payments and deductibles, as these charges are recorded. The Hospital's allowance for doubtful accounts for self-pay patients increased to 66% of self-pay accounts receivable at September 30, 2014 from 63% of self-pay accounts receivable at September 30, 2013. On a monthly basis, the Hospital reviews its accounts receivable balances, the effectiveness of the Hospital's reserve policies, and various analytics to support the basis for its estimates. These efforts primarily consist of reviewing the following:

- Revenue and volume trends by payor, particularly the self-pay components
- Changes in the aging and payor mix of accounts receivable, including focus on accounts due from the uninsured and accounts that represent co-payments and deductibles due from patients
- Various allowance coverage statistics

The Hospital regularly performs hindsight procedures to evaluate historical write-off and collection experience throughout the year to help determine the reasonableness of its process for estimating the allowance for doubtful accounts.



## The William W. Backus Hospital

### Notes to Consolidated Financial Statements (continued)

#### 2. Net Patient Service Revenue and Charity Care (continued)

The Hospital provides services without charge or at amounts less than its established rates to patients who meet the criteria of its charity care policy. Because the Hospital does not pursue collection of amounts determined to qualify as charity care, such services are not reported as revenue. For patients who were determined by the Hospital to have the ability to pay but did not, the uncollected amounts are recorded as part of the provision for bad debts. In distinguishing charity care from the provision for bad debts, a number of factors are considered, certain of which require a high degree of judgment.

Patient service revenue, net of contractual allowances and discounts and before the provision for bad debts, recognized in the period from major payor sources for the Periods under Audit is as follows:

	<b>Year Ended September 30, 2014</b>	<b>Period From August 1, 2013 to September 30, 2013</b>	<b>Period From October 1, 2012 to July 31, 2013</b>
Medicare	31.7%	32.3%	31.3%
Medicaid	12.1	11.5	11.6
Self-pay	2.9	4.7	3.2
All other	53.3	51.5	53.9
	<b>100%</b>	<b>100%</b>	<b>100%</b>

The estimated cost of charity care provided was \$2,000,311, \$420,688 and \$2,011,561 for the Periods under Audit. The estimated cost of charity care is based on the ratio of cost to charges, as determined by Hospital-specific data.

# The William W. Backus Hospital

## Notes to Consolidated Financial Statements (continued)

### 3. Net Assets

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

	<u>2014</u>	<u>2013</u>
General use	\$ 1,841,192	\$ 1,621,905
Health care services	909,559	889,639
Free beds	237,755	180,939
Preventative care	190,994	214,764
Extraordinary nursing care	164,863	150,759
Laboratory	113,840	119,204
Nursing education	76,294	128,382
	<u>\$ 3,534,497</u>	<u>\$ 3,305,592</u>

Permanently restricted net assets at September 30 are restricted for

	<u>2014</u>	<u>2013</u>
Investments to be held in perpetuity, the income from which is expendable to support health care service	\$ 5,719,446	\$ 5,551,985
Restricted funds held in trust by others, the income from which is expendable to support health care services	2,633,503	2,515,481
	<u>\$ 8,352,949</u>	<u>\$ 8,067,466</u>

The Hospital's endowment consists of individual funds established for a variety of purposes. Net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

The Board of Directors of the Hospital has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Hospital classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift

# The William W. Backus Hospital

## Notes to Consolidated Financial Statements (continued)

### 3. Net Assets (continued)

instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the organization in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, the Hospital considers the following factors in making a determination to appropriate or accumulate donor-restricted funds.

- 1) The duration and preservation of the fund
- 2) The purposes of the Hospital and the donor-restricted endowment fund
- 3) General economic conditions
- 4) The possible effect of inflation and deflation
- 5) The expected total return from income and the appreciation of investments
- 6) Other resources of the Hospital
- 7) The investment policies of the Hospital

The primary objective of the endowment fund is to provide long-term support for the Hospital's capital and operating programs. The Hospital's investment goals are to maximize total return (capital appreciation, dividends, and interest) while also protecting the Hospital's inflation-adjusted value over time. The Hospital's assets are diversified across multiple asset classes (e.g., common stocks, bonds, and cash) to achieve an optimal balance between risk and return and between current income and capital appreciation. The investment program is structured to offer reasonably high probability of generating a real return of 4% per year over a period of five to ten years to protect the real inflation-adjusted value of assets and to meet the spending requirements. The Investment Committee reviews investment policies annually to determine if changes need to be made due to changing market conditions or other factors.

# The William W. Backus Hospital

## Notes to Consolidated Financial Statements (continued)

### 3. Net Assets (continued)

Changes in endowment funds for the fiscal year ended September 30, 2014, consisted of the following

	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets at beginning of year	\$ 1,548,813	\$ 5,551,985	\$ 7,100,798
Investment return:			
Investment income	—	181,223	181,223
Net appreciation (realized and unrealized)	—	276,043	276,043
Earnings reclassified	289,805	(289,805)	—
Total investment return	289,805	167,461	457,266
Endowment net assets at end of year	\$ 1,838,618	\$ 5,719,446	\$ 7,558,064

Changes in endowment funds for the fiscal year ended September 30, 2013, consisted of the following

	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets at beginning of year	\$ 1,116,993	\$ 5,396,869	\$ 6,513,862
Investment return:			
Investment income	—	263,499	263,499
Net appreciation (realized and unrealized)	—	323,437	323,437
Earnings reclassified	431,820	(431,820)	—
Total investment return	431,820	155,116	586,936
Endowment net assets at end of year	\$ 1,548,813	\$ 5,551,985	\$ 7,100,798

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor, as stipulated by UPMIFA, requires the Hospital to retain as a fund of perpetual duration. These deficiencies periodically result from unfavorable market fluctuations that occurred shortly after the investment of new permanently restricted contributions, in which case the Board of Directors may deem imprudent the continuation of appropriation for a limited period. There were no material deficiencies of this nature which are reported in unrestricted net assets as of September 30, 2014 or 2013.

# The William W. Backus Hospital

## Notes to Consolidated Financial Statements (continued)

### 4. Assets Whose Use is Limited

The market value of assets whose use is limited at September 30 is set forth in the following table

	<b>2014</b>	<b>2013</b>
Cash and cash equivalents	\$ 2,470,964	\$ 1,745,332
Interest in investments held by Endowment LLC	55,973,821	—
Certificates of deposit	4,958,058	24,945,386
Money market funds	12,870,647	18,694,650
Equity securities		
U.S	26,943,229	26,508,212
International	1,076,907	427,435
Fixed income bonds		
U.S	25,059,695	20,832,689
International	2,257,725	603,377
Mutual funds		
U.S	8,689,955	46,826,584
International	2,680,439	12,064,138
Alternative investments and other	—	3,327,950
	<b>\$ 142,981,440</b>	<b>\$ 155,975,753</b>

During 2014, a significant portion of the Hospital's assets whose use is limited was transferred to Endowment LLC, as discussed in Note 1

# The William W. Backus Hospital

## Notes to Consolidated Financial Statements (continued)

### 4. Assets Whose Use is Limited (continued)

The composition and presentation of income from investments, gifts, and bequests, net, which are included in nonoperating income in the consolidated statements of operations, are as follows

	Year Ended September 30, 2014	Period From August 1, 2013 to September 30, 2013	Period From October 1, 2012 to July 31, 2013
Realized gains on investments, net	\$ 5,538,720	\$ 487,622	\$ 2,011,638
Unrealized gains on investments	604,064	352,480	4,760,681
Return on interest in investments held by Endowment LLC	1,384,857	—	—
Contributions	222,728	12,759	33,446
Interest and dividend income and other	1,502,746	446,930	2,199,279
	<u>\$ 9,253,115</u>	<u>\$ 1,299,791</u>	<u>\$ 9,005,044</u>

### 5. Fair Values of Financial Instruments

As defined in ASC 820, *Fair Value Measurement*, fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In order to increase consistency and comparability in fair value measurements, ASC 820 establishes a fair value hierarchy that prioritizes observable and unobservable inputs used to measure fair value into three broad levels, which are described below

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

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

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

# The William W. Backus Hospital

## Notes to Consolidated Financial Statements (continued)

### 5. Fair Values of Financial Instruments (continued)

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

Financial assets and liabilities carried at fair value in the accompanying consolidated balance sheets, excluding assets invested in the Hospital's defined benefit pension plan and Endowment LLC, are classified in the following tables below in one of the three categories described above.

	September 30, 2014			
	Level 1	Level 2	Level 3	Total
<b>Assets</b>				
Cash and cash equivalents	\$ 187,018,905	\$ —	\$ —	\$ 187,018,905
Assets whose use is limited.				
Cash and cash equivalents	2,470,964	—	—	2,470,964
Certificates of deposit	—	4,958,058	—	4,958,058
Money market funds	12,870,647	—	—	12,870,647
Equity securities.				
U S	26,943,229	—	—	26,943,229
International	1,076,907	—	—	1,076,907
Fixed income bonds				
U S	—	25,059,695	—	25,059,695
International	—	2,257,725	—	2,257,725
Mutual funds				
U S	1,407,128	7,282,827	—	8,689,955
International	2,202,834	477,605	—	2,680,439
Funds held in trust by others	—	2,633,503	—	2,633,503
<b>Total</b>	<b>\$ 233,990,614</b>	<b>\$ 42,669,413</b>	<b>\$ —</b>	<b>\$ 276,660,027</b>

# The William W. Backus Hospital

## Notes to Consolidated Financial Statements (continued)

### 5. Fair Values of Financial Instruments (continued)

The Hospital has \$55,973,821 of financial assets as of September 30, 2014, that are held by Endowment LLC (Note 1). Financial assets classified within the trust are 54.3% Level 1, 20.9% Level 2, and 24.8% in alternative investments accounted for under the equity method.

	September 30, 2013			
	Level 1	Level 2	Level 3	Total
<b>Assets</b>				
Cash and cash equivalents	\$ 132,347,698	\$ —	\$ —	\$ 132,347,698
Assets whose use is limited				
Cash and cash equivalents	1,745,332	—	—	1,745,332
Certificates of deposit	—	24,945,386	—	24,945,386
Money market funds	18,694,650	—	—	18,694,650
Equity securities				
U.S.	26,508,212	—	—	26,508,212
International	427,435	—	—	427,435
Fixed income bonds				
U.S.	—	20,832,689	—	20,832,689
International	—	603,377	—	603,377
Mutual funds				
U.S.	12,988,025	33,838,559	—	46,826,584
International	11,569,985	494,153	—	12,064,138
Alternative investments and other	—	3,327,950	—	3,327,950
Funds held in trust by others	—	2,515,481	—	2,515,481
<b>Total</b>	<b>\$ 204,281,337</b>	<b>\$ 86,557,595</b>	<b>\$ —</b>	<b>\$ 290,838,932</b>

Effective January 1, 2014, the assets of the Hospital's pension plan were liquidated and \$163,446,172 of cash was transferred into the Hartford HealthCare Defined Master Trust. The Hospital owns participant units in the trust. Financial assets classified within the trust are 52.3% Level 1, 37.1% Level 2 and 10.6% Level 3 as of September 30, 2014.



# The William W. Backus Hospital

## Notes to Consolidated Financial Statements (continued)

### 5. Fair Values of Financial Instruments (continued)

The following table presents the Hospital's fair value hierarchy for defined benefit plan assets as of September 30, 2013

	Level 1	Level 2	Level 3	Total
<b>Assets</b>				
Money market funds	\$ 2,758,810	\$ —	\$ —	\$ 2,758,810
Fixed income bonds				
U S	—	27,205,353	—	27,205,353
International	—	3,586,219	—	3,586,219
Mutual funds.				
U S	30,752,217	70,077,144	—	100,829,361
International	23,296,667	—	—	23,296,667
Total	<u>\$ 56,807,694</u>	<u>\$ 100,868,716</u>	<u>\$ —</u>	<u>\$ 157,676,410</u>

The following table presents changes in the fair value of all Level 3 assets for the year ended September 30, 2013

	<b>Mortgage-Backed Obligations</b>
Beginning balance	\$ 188,330
Unrealized gains	5,270
Sales	(193,600)
Total	<u>\$ —</u>

Fair value for Level 1 assets is based upon quoted market prices. Fair value for Level 2 assets is based upon model-based valuation techniques for which all significant assumptions are observable in the market or can be corroborated by observable market data for substantially the full term of the assets. Inputs are obtained from various sources, including market participants, dealers, and brokers.

The methods described above may produce a fair value that may not be indicative of net realizable value or reflect future fair values. Furthermore, while the Hospital believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different estimate of fair value at the reporting date.

## The William W. Backus Hospital

### Notes to Consolidated Financial Statements (continued)

#### 6. Property, Plant, and Equipment

Property, plant, and equipment consist of the following at September 30

	<b>2014</b>	<b>2013</b>
Land and land improvements	\$ 8,427,224	\$ 8,395,039
Buildings and leasehold improvements	184,043,214	183,404,866
Equipment	110,441,761	107,805,047
	<b>302,912,199</b>	299,604,952
Less accumulated depreciation	<b>(175,263,190)</b>	(160,938,198)
	<b>127,649,009</b>	138,666,754
Construction-in-process (2014 estimated cost to complete \$1,073,000)	185,693	77,152
	<b>\$ 127,834,702</b>	<b>\$ 138,743,906</b>

The Hospital wrote off approximately \$1,114,000 and \$2,848,000 of fully depreciated assets in 2014 and 2013, respectively

#### 7. Pensions and Other Postretirement Benefits

Effective January 1, 2010, the Hospital amended its defined benefit pension plan to close the plan to new participants and to freeze accruals for the existing participants in favor of a defined contribution plan

The defined contribution plan covers substantially all of the employees of the Hospital. Under the provisions of the plan, the Hospital will make non-elective contributions to the plan on behalf of each eligible employee in the amount of 3% of the employee's eligible earnings. The Hospital will also make a non-elective transition contribution equal to 3% of employee's eligible earnings for all employees who meet the transition participant criteria. The Hospital may also, at the discretion of the Board of Trustees, make an elective matching contribution at the end of the plan year based on the Hospital's financial performance. The cost recorded for the Periods under Audit are \$5,327,091, \$611,400, and \$4,361,092 respectively.

The Hospital also provides non-contributory postretirement health care benefits to eligible retirees and to eligible spouses of retirees who retired prior to January 1, 1994. Subsequent to 1993, covered retirees contribute a percentage of the cost based on years of service. In addition,

# The William W. Backus Hospital

## Notes to Consolidated Financial Statements (continued)

### 7. Pensions and Other Postretirement Benefits (continued)

the Hospital sponsors a nonqualified pension benefit program. Included in other long-term liabilities at September 30, 2014 and 2013, are approximately \$949,000 and \$1,204,000, respectively, related to the future obligation for the nonqualified benefits.

Included in unrestricted net assets at September 30 are the following amounts that have not yet been recognized in net periodic benefit cost.

	Pension Benefits			Other Postretirement Benefits		
	September 30, 2014	September 30, 2013	July 31, 2013	September 30, 2014	September 30, 2013	July 31, 2013
	<i>(In Thousands)</i>					
Unrecognized actuarial loss (gain)	\$ 24,982	\$ (1,582)	\$ –	\$ 291	\$ 1	\$ –

The actuarial loss in 2014 primarily relates to changes in the discount rate and mortality table used to measure the benefit obligation, and the actuarial gain in 2013 primarily relates to changes in the discount rate used to measure the benefit obligation.

The actuarial loss included in unrestricted net assets that is expected to be recognized in net periodic benefit cost during 2015 is \$152,998.

At September 30, 2014, the unfunded status of the pension plan is included in long-term liabilities in the amount of \$34,587,100. The unfunded status of the postretirement benefits is \$3,431,004, with \$366,823 included in current liabilities, and the remainder of \$3,064,181 included in long-term liabilities. At September 30, 2013, the unfunded status of the pension plan is included in long-term liabilities in the amount of \$14,032,589. The unfunded status of the postretirement benefits \$3,408,366, with \$377,682 included in current liabilities, and the remainder of \$3,030,684 included in long-term liabilities.

# The William W. Backus Hospital

## Notes to Consolidated Financial Statements (continued)

### 7. Pensions and Other Postretirement Benefits (continued)

The following tables set forth the funded status of the plans as of September 30

	Pension Benefits		Other Postretirement Benefits	
	2014	2013	2014	2013
	<i>(In Thousands)</i>			
<b>Change in projected benefit obligation</b>				
Benefit obligation at beginning of year	\$ (171,709)	\$ (201,178)	\$ (3,408)	\$ (3,882)
Interest cost	(8,421)	(7,681)	(130)	(139)
Change in assumptions	—	31,468	—	54
Actuarial (loss) gain	(26,428)	161	(291)	178
Benefits paid	6,032	5,521	398	381
Benefit obligation at end of year	<u>\$ (200,526)</u>	<u>\$ (171,709)</u>	<u>\$ (3,431)</u>	<u>\$ (3,408)</u>
<b>Change in plan assets</b>				
Fair value of plan assets at beginning of year	\$ 157,676	\$ 139,692	\$ —	\$ —
Actual return on plan assets	11,445	15,405	—	—
Contributions	2,850	8,100	398	381
Benefits paid	(6,032)	(5,521)	(398)	(381)
Fair value of plan assets at end of year	<u>\$ 165,939</u>	<u>\$ 157,676</u>	<u>\$ —</u>	<u>\$ —</u>
<b>Underfunded status</b>				
Accrued benefit liability recognized in the balance sheets	<u>\$ (34,587)</u>	<u>\$ (14,033)</u>	<u>\$ (3,431)</u>	<u>\$ (3,408)</u>

	Pension Benefits			Other Postretirement Benefits		
	Year Ended September 30, 2014	Period From August 1, 2013 to September 30, 2013	Period From October 1, 2012 to July 31, 2013	Year Ended September 30, 2014	Period From August 1, 2013 to September 30, 2013	Period From October 1, 2012 to July 31, 2013
	<i>(In Thousands)</i>					
<b>Components of net periodic benefit cost</b>						
Interest cost	\$ 8,421	\$ 1,398	\$ 6,283	\$ 130	\$ 22	\$ 117
Expected return on plan assets	(11,581)	(2,178)	(13,228)	—	—	—
Net amortization and deferral	—	421	9,477	—	—	127
Net periodic benefit cost	<u>\$ (3,160)</u>	<u>\$ (359)</u>	<u>\$ 2,532</u>	<u>\$ 130</u>	<u>\$ 22</u>	<u>\$ 244</u>

# The William W. Backus Hospital

## Notes to Consolidated Financial Statements (continued)

### 7. Pensions and Other Postretirement Benefits (continued)

The expected rate of return on assets was determined by the expected return on each asset class based on a model that considers historical and expected future performance

	<b>Pension Benefits</b>		<b>Other Postretirement Benefits</b>	
	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>
Assumptions:				
Weighted-average assumptions used to determine benefit obligations.				
Discount rate	<b>4.40%</b>	5.00%	<b>3.80%</b>	4.05%
Weighted-average assumptions used to determine net periodic benefit cost				
Discount rate	<b>5.00%</b>	4.95%	<b>4.05%</b>	4.05%
Expected long-term rate of return on plan assets	<b>7.50%</b>	6.75%	—	—

The accumulated benefit obligation at September 30, 2014 and 2013, was \$200,526,842 and \$171,708,999, respectively

### Plan Assets

The Hospital's retirement plan weighted-average asset allocations at September 30, by asset category, are as follows

<b>Asset Category</b>	<b>Target</b>	<b>2014</b>	<b>2013</b>
Equity securities	<b>57%</b>	<b>59%</b>	59%
Fixed income/debt securities	<b>25</b>	<b>22</b>	41
Commodities/inflation/real assets	<b>8</b>	<b>6</b>	—
Other	<b>10</b>	<b>13</b>	—
Total	<b>100%</b>	<b>100%</b>	100%

The Hospital Plan's asset portfolio has target allocations similar to the allocations noted in the table above. The goals of the plans are to provide a secure retirement benefit for plan participants and to manage plan assets for the exclusive benefit of the participants. The Investment Committee of the Board of Directors is responsible for developing, reviewing, and monitoring the investment policy. The plans' assets are invested in accordance with the policy.

# The William W. Backus Hospital

## Notes to Consolidated Financial Statements (continued)

### 7. Pensions and Other Postretirement Benefits (continued)

#### Contributions

The Hospital expects to make contributions of approximately \$0 and \$366,823 in fiscal year 2015 related to its defined benefit pension plan and its other postretirement benefit plan, respectively

#### Estimated Future Benefits Payments

Future benefit payments are expected to be paid as follows

<b>Fiscal Year</b>	<b>Pension Benefits</b>	<b>Postretirement Benefits</b>
2015	\$ 6,961,836	\$ 366,823
2016	7,522,340	350,562
2017	8,079,212	331,873
2018	8,766,148	313,422
2019	9,442,226	295,235
2020-2024	55,490,755	1,217,264

# The William W. Backus Hospital

## Notes to Consolidated Financial Statements (continued)

### 8. Long-Term Debt

Details of long-term debt at September 30 are as follows

	2014	2013
Intercompany debt with HHC		
Series E, tax-exempt with interest rates ranging from 4.00% to 5.00%	\$ 58,784,343	\$ —
Tax-exempt Hospital Revenue Bonds		
Series E, term maturities (\$6,920,000) from 2017 to 2022 at an interest rate of 5.00%	—	7,647,301
Series F, serial maturities (\$4,350,000) from 2014 to 2018, with interest rates of 4.00% to 4.25%, term maturities (\$22,125,000) from 2023 to 2035 with interest rates of 5.00%	—	28,945,938
Series G, serial maturities (\$16,405,000) from 2014 to 2026, with interest rates of 3.60% to 5.00%, term maturities (\$7,420,000) in 2035 at an interest rate of 5%	—	25,412,237
Other long-term debt:		
Mortgage, maturing May 1, 2025, with a fixed interest rate of 6.125%	1,463,627	1,527,930
Obligations under capital leases	6,848,070	6,103,598
Premium on bonds	1,503,488	—
	<u>68,599,528</u>	<u>69,637,004</u>
Less current portion	(399,818)	(2,443,472)
Long-term debt	<u>\$ 68,199,710</u>	<u>\$ 67,193,532</u>

Effective January 1, 2014, the Board of Directors of the Hospital resolved to become a part of the HHC Obligated Group, which is comprised of HHC, Hartford Hospital, The Hospital of Central Connecticut at New Britain General and Bradley Memorial, Windham Community Memorial Hospital, and MidState Medical Center. On January 27, 2014, the HHC Obligated Group entered into a bridge loan in the amount of \$80,902,000, part of which was used to defease the Hospital's outstanding obligations of the Series E, Series F, and Series G bonds. The Hospital placed \$57,511,994 in an escrow refunding trust relating to Series F and Series G bonds which will be redeemed as of July 1, 2018 and July 1, 2015, respectively. The Hospital recorded a loss on the early extinguishment of the bonds of \$722,310.

## The William W. Backus Hospital

### Notes to Consolidated Financial Statements (continued)

#### 8. Long-Term Debt (continued)

On March 26, 2014, HHC issued approximately \$163,180,000 of Taxable Bonds Series D (the HHC Series D Bonds) and approximately \$83,790,000 of CHEFA Revenue Bonds Series E (the HHC 2014 Series E Bonds) concurrently (collectively referred to as the HHC 2014 Bonds). Obligated Group members are jointly and severally liable under a Master Trust Indenture (MTI) to make all payments required with respect to obligations under the MTI. HHC does have the right to name designated affiliates outside of the Obligated Group, although presently none exist.

The HHC 2014 Bonds were issued to refund portions of existing debt under HHC and to obtain funds for future capital needs. As such, the HHC 2014 Bonds are reflected as intercompany debt in the preceding schedule. The Hospital is party only to the HHC Series E Bonds. The HHC Series E Bonds consist of term bonds that mature from July 1, 2025 through July 1, 2042.

The MTI and Supplemental MTI provide for the potential establishment and maintenance of a debt service reserve fund, a pledge of gross receipts, as defined, and parity with the HHC Series E Bonds that remain outstanding. The MTI and loan agreements establish certain restrictive covenants, including a debt service coverage ratio and days cash on hand requirement. No violations of covenants existed as of or for the fiscal year ended September 30, 2014.

The fair value of the HHC 2014 Bonds was approximately \$283,862,000 at September 30, 2014. The carrying value of the HHC 2014 Bonds was \$246,970,000 at September 30, 2014. The fair value of the HHC 2014 Bonds was determined by the HHC's investment advisor using a market approach that uses prices and other relevant information generated by market transactions involving identical or comparable liabilities and categorized as Level 2 in the fair value hierarchy described in Note 5. The fair value of the Hospital's other long-term debt is approximately \$1,100,000 and \$1,528,000 at September 30, 2014 and 2013, respectively.

Prior to January 27, 2014 the Master Indenture, as amended and supplemented by Supplemental Master Indenture No. 4 (Prior MTI), provided for, among other things, a pledge of the gross receipts, as defined, of the Hospital, restriction on the incurrence of certain indebtedness of the Hospital, and covenants regarding the Hospital's debt service coverage ratios, sale and lease of assets, and other covenants similar in financings of this type. The bonds were secured by the real property of the Hospital, including all buildings and equipment. Pursuant to the loan agreements, the Hospital was obligated to provide amounts that would be sufficient to enable the Authority to pay the principal and interest on the Series E, Series F, and Series G bonds.



## The William W. Backus Hospital

### Notes to Consolidated Financial Statements (continued)

#### 8. Long-Term Debt (continued)

Principal payments due on long-term debt are as follows

	<b>Long-Term Debt</b>
Fiscal year ending September 30	
2015	\$ 399,818
2016	356,337
2017	387,433
2018	422,028
2019	461,027
Thereafter	<u>65,069,397</u>
	<u><u>\$ 67,096,040</u></u>

Interest paid for the Periods under Audit was \$3,499,676, \$95,899, and \$3,339,278, respectively

In 2010, the Hospital entered into a fixed rate commercial mortgage of \$1,250,000 for a period of 15 years at a rate of 6 1/2%. The note is secured by real property located at 11 Stott Avenue, Norwich, CT

In 2014, the Hospital entered into a 10-year capital lease of \$1,039,751 with an interest rate of 3.9% for a building located at 42 Town Street, Norwich, CT, to be used for patient services. The outstanding balance on this capital lease at September 30, 2014 was \$1,003,642

In 2012, the Hospital entered into a 20-year capital lease of \$5,108,015 with an interest rate of 6.06% for a building located at 582 Norwich Road, Plainfield, CT, to be used for emergency, radiology, and lab services. Under the terms of the lease, the Hospital has the option for two additional five-year terms, as well as an option to purchase the property. The outstanding balance on this capital lease at September 30, 2014 and 2013 was \$4,772,491 and \$4,919,654, respectively

In 2010, the Hospital entered into a five-year capital lease of \$458,781 with an interest rate of 5.9% for a building located at 80 Route 32, Montville, CT, to be used for patient services. The outstanding balance on this capital lease at September 30, 2014 and 2013 was \$71,206 and \$161,377, respectively

## The William W. Backus Hospital

### Notes to Consolidated Financial Statements (continued)

#### 8. Long-Term Debt (continued)

In 2004, the Hospital entered into a 20-year capital lease of \$1,094,640 with an interest rate of 4.875% for a building located at 151-163 Broadway, Colchester, CT, to be used for patient services. The outstanding balance on this capital lease at September 30, 2014 and 2013 was \$1,000,731 and \$1,022,567, respectively.

#### 9. Commitments and Contingencies

Various lawsuits and claims arising in the normal course of operations are pending or are in progress against the Hospital. Such lawsuits and claims are either specifically covered by insurance as explained in Note 1 or are deemed to be immaterial. While the outcomes of the lawsuits cannot be determined at this time, management believes that any loss that may arise from these actions will not have a material adverse effect on the financial position or changes in net assets of the Hospital.

Hospital employees covered by collective bargaining agreements represent approximately 23% of total employees as of September 30, 2014, and 2013. The SPFPA (Security, Police, and Fire Professionals of America) contract expired in August of 2014 and represents approximately 2% of the total employees. The contract is currently under negotiation as there is a signed extension. The AFT Connecticut Backus Federation of Nurses contract is due to expire May 2015 and represents approximately 21% of total employees.

The Hospital leases space to be used for patient service. The original term of the lease expired September 30, 2014, and the Hospital opted to exercise the first of the two five-year options. Rent expense for the Periods under Audit was \$875,048, \$96,856, and \$706,707 respectively.

The Hospital has several operating lease agreements for various types of equipment with annual payments ranging from \$2,100 to \$30,000. Expenses as a result of these leases were approximately \$169,000, \$37,000, and \$129,000 for the Periods under Audit, respectively.

The future minimum lease payments are as follows:

2015	\$ 1,397,137
2016	1,254,878
2017	1,225,572
2018	1,232,838
2019	419,923
	<u>\$ 5,530,348</u>

# The William W. Backus Hospital

## Notes to Consolidated Financial Statements (continued)

### 10. Related-Party Transactions

The Hospital processes payroll, disbursements and provides services for several of its affiliated entities for which it is reimbursed. The Hospital also leases space to its affiliated entities. Rental income from the affiliates was \$790,154, \$81,597, and \$410,331, for the Periods under Audit, respectively.

The Hospital also obtains services from various HHC affiliates that are recorded at cost that represent an allocation of shared expense. Services provided by affiliates for the year ended September 30, 2014 and for the period from August 1, 2013 through September 30, 2013 was \$11,604,091 and \$46,347, respectively.

Amounts due from affiliates related to these services as of September 30 are as follows.

	2014	2013
Due from ConnCare, Inc	\$ 788,821	\$ 41,562
Due from WWB Inc	612,417	117,079
Due from HHC	513,782	—
Due from Integrated Care Partners	69,683	—
Due from Hartford Healthcare Medical Group	23,213	—
Due from Clinical Laboratory Partners	20,190	—
Due from Backus Health Care Inc	18,695	17,073
Due from Windham Community Memorial Hospital	4,862	—
Due from Natchaug	1,287	—
Due from Backus Corporation	—	8,982
	<u>\$ 2,052,950</u>	<u>\$ 184,696</u>

Amounts due to affiliates related to these services as of September 30 are as follows

	2014	2013
Due to HHC	\$ (2,237,710)	\$ —
Due to Hartford Hospital	(596,172)	—
Due to Hartford Healthcare Rehabilitation Network	(7,868)	—
Due to Backus Corporation	(16)	—
	<u>\$ (2,841,766)</u>	<u>\$ —</u>

During 2014, the Hospital transferred \$2,553,495 of unrestricted net assets primarily to provide additional funding to various affiliated organizations.

# The William W. Backus Hospital

## Notes to Consolidated Financial Statements (continued)

### 11. Other Operating Revenues

Other operating revenues consist of the following

	<b>Year Ended September 30, 2014</b>	<b>Period From August 1, 2013 to September 30, 2013</b>	<b>Period From October 1, 2012 to July 31, 2013</b>
Unrestricted contributions	\$ 1,284,416	\$ —	\$ 91,435
Cafeteria sales	1,250,359	201,149	1,024,093
Rental income	1,177,783	162,794	716,306
EHR revenue	1,058,108	96,957	2,514,768
Miscellaneous	976,115	112,857	1,106,799
Grants	556,154	15,000	571,588
Condominium income	465,797	81,379	395,657
Fee income	457,492	39,936	394,471
	<b>\$ 7,226,224</b>	<b>\$ 710,072</b>	<b>\$ 6,815,117</b>

### 12. Functional Expenses

The Hospital provides inpatient medical and surgical, outpatient, psychiatric, and emergency care services to residents of eastern Connecticut. Expenses related to providing these services are as follows:

	<b>Year Ended September 30, 2014</b>	<b>Period From August 1, 2013 to September 30, 2013</b>	<b>Period From October 1, 2012 to July 31, 2013</b>
Health care services	\$ 195,903,362	\$ 32,266,325	\$ 162,235,409
Support Services	55,868,286	9,529,409	46,381,144
	<b>\$ 251,771,648</b>	<b>\$ 41,795,734</b>	<b>\$ 208,616,553</b>

# The William W. Backus Hospital

## Notes to Consolidated Financial Statements (continued)

### 13. Supplemental Cash Flow Information

Changes in operating assets and liabilities at September 30 include the following

	Year Ended September 30, 2014	Period From August 1, 2013 to September 30, 2013	Period From October 1, 2012 to July 31, 2013
Increase in accounts receivable	\$ (14,001,678)	\$ (758,134)	\$ (6,964,118)
Decrease in other receivables	966,585	1,895	412
(Increase) decrease in due from affiliates	(1,868,254)	(26,158)	403,503
(Increase) decrease in inventories of supplies, prepaid expenses and other assets	(947,592)	705,973	(551,553)
Increase (decrease) in accounts payable	372,334	749,962	(1,894,671)
Increase (decrease) in salaries, wages, payroll taxes and amounts withheld from employees	646,559	(373,268)	536,303
Increase in due to affiliates	2,841,766	—	—
Increase (decrease) in accrued expenses	2,697,445	916,324	(2,201,822)
Decrease in accrued pension and other postretirement liabilities	(5,879,266)	(1,297,510)	(5,241,494)
(Decrease) increase in self-insured professional liability	(3,963,636)	624,737	1,428,572
(Decrease) increase in estimated third party payor settlements	(9,431,108)	2,143,707	(2,869,304)
(Decrease) increase in other liabilities	(2,127,848)	(112,789)	709,896
	<u>\$ (30,694,693)</u>	<u>\$ 2,574,739</u>	<u>\$ (16,644,276)</u>

### 14. Subsequent Events

The Hospital evaluated subsequent events through January 28, 2015, which is the date the consolidated financial statements were issued, for potential recognition in the consolidated financial statements as of balance sheet date for the fiscal year ended September 30, 2014

No events occurred that require disclosure or adjustment to the combined financial statements

## Supplementary Information

# The William W. Backus Hospital

## Consolidating Balance Sheet

September 30, 2014

	<b>The William W. Backus Hospital</b>	<b>Backus Medical Center Condominium Association, Inc.</b>	<b>Eliminations</b>	<b>Consolidated</b>
<b>Assets</b>				
Current assets				
Cash and cash equivalents	\$ 187,018,905	\$ —	\$ —	\$ 187,018,905
Accounts receivable, less allowances for doubtful accounts	36,980,052	—	—	36,980,052
Other receivables	1,317,632	2,511	—	1,320,143
Due from affiliates	2,037,361	15,589	—	2,052,950
Inventories of supplies	3,771,462	—	—	3,771,462
Prepaid expenses and other assets	1,643,561	—	—	1,643,561
Current portion of assets whose use is limited	3,285,815	—	—	3,285,815
Total current assets	236,054,788	18,100	—	236,072,888
Assets whose use is limited.				
Investments and other assets	57,081,792	—	—	57,081,792
Interest in investments held by Endowment LLC	47,662,263	—	—	47,662,263
Donor-restricted interest in investments held by Endowment LLC	8,311,558	—	—	8,311,558
Investments for restricted purposes	26,640,012	—	—	26,640,012
	139,695,625	—	—	139,695,625
Funds held in trust by others	2,633,503	—	—	2,633,503
Other assets	7,214,261	—	—	7,214,261
Property, plant, and equipment, net	127,834,702	—	—	127,834,702
Total assets	\$ 513,432,879	\$ 18,100	\$ —	\$ 513,450,979

*Continued on next page.*

# The William W. Backus Hospital

## Consolidating Balance Sheet (continued)

September 30, 2014

	<b>The William W. Backus Hospital</b>	<b>Backus Medical Center Condominium Association, Inc.</b>	<b>Eliminations</b>	<b>Consolidated</b>
<b>Liabilities and net assets</b>				
Current liabilities				
Accounts payable	\$ 8,403,938	\$ 31	\$ —	\$ 8,403,969
Salaries, wages, payroll taxes, and amounts withheld from employees	7,611,745	—	—	7,611,745
Due to affiliates	2,841,766	—	—	2,841,766
Accrued expenses	6,965,890	—	—	6,965,890
Estimated third-party pay or settlements	8,036,715	—	—	8,036,715
Current portion of long-term debt	399,818	—	—	399,818
Current portion of accrued pension and other postretirement liability	4,195,223	—	—	4,195,223
Current portion of other liabilities	653,974	—	—	653,974
Total current liabilities	39,109,069	31	—	39,109,100
Long-term debt	68,199,710	—	—	68,199,710
Accrued pension and other postretirement liabilities	38,600,633	—	—	38,600,633
Self-insured professional liability	8,527,863	—	—	8,527,863
Other liabilities	4,532,110	—	—	4,532,110
Total liabilities	158,969,385	31	—	158,969,416
Net assets				
Unrestricted	342,576,048	18,069	—	342,594,117
Temporarily restricted	3,534,497	—	—	3,534,497
Permanently restricted	8,352,949	—	—	8,352,949
Total net assets	354,463,494	18,069	—	354,481,563
Total liabilities and net assets	\$ 513,432,879	\$ 18,100	\$ —	\$ 513,450,979



The William W. Backus Hospital  
Consolidating Statement of Operations

Year Ended September 30, 2014

	The William W. Backus Hospital	Backus Medical Center Condominium Association, Inc.	Eliminations	Consolidated
Unrestricted revenues, gains and other support				
Net patient service revenue	\$ 301,653,222	\$ —	\$ —	\$ 301,653,222
Provision for bad debts	8,035,283	—	—	8,035,283
Net patient service revenue less provision for bad debts	293,617,939	—	—	293,617,939
Other operating revenue	6,760,427	489,409	(23,612)	7,226,224
Net assets released from restriction for operations	287,246	—	—	287,246
	300,665,612	489,409	(23,612)	301,131,409
Operating expenses				
Salaries and wages	110,166,889	—	—	110,166,889
Employee benefits	21,447,489	—	—	21,447,489
Supplies and other	47,207,926	—	—	47,207,926
Purchased services	53,840,192	489,409	(23,612)	54,305,989
Depreciation and amortization	15,651,354	—	—	15,651,354
Interest	2,992,001	—	—	2,992,001
	251,305,851	489,409	(23,612)	251,771,648
Operating income before bond refinancing costs	49,359,761	—	—	49,359,761
Loss on bond refinancing	(722,310)	—	—	(722,310)
Operating income	48,637,451			48,637,451
Nonoperating income				
Income from investments, gifts and bequests, net	9,253,115	—	—	9,253,115
Other	(186,851)	—	—	(186,851)
Excess of revenues over expenses	\$ 57,703,715	\$ —	\$ —	\$ 57,703,715

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