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Form 990

Return of Organization Exempt From Income Tax

2013

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except private foundations)

Open to Public Inspection

► Do not enter Social Security numbers on this form as it may be made public. By law, the IRS generally cannot redact the information on the form.

► Information about Form 990 and its instructions is at www.irs.gov/form990

A For the 2013 calendar year, or tax year beginning 10-01-2013, 2013, and ending 09-30-2014

B Check if applicable	C Name of organization MIDDLESEX HOSPITAL		D Employer identification number 06-0646718
<input type="checkbox"/> Address change	Doing Business As		
<input type="checkbox"/> Name change			
<input type="checkbox"/> Initial return	Number and street (or P O box if mail is not delivered to street address) 28 CRESCENT STREET	Room/suite	E Telephone number (860) 358-6395
<input type="checkbox"/> Terminated			
<input type="checkbox"/> Amended return	City or town, state or province, country, and ZIP or foreign postal code MIDDLETOWN, CT 06457		
<input type="checkbox"/> Application pending			G Gross receipts \$ 431,845,816

F Name and address of principal officer
VINCENT CAPECE JR
28 CRESCENT STREET
MIDDLETOWN, CT 06457

H(a) Is this a group return for subordinates? Yes No

H(b) Are all subordinates included? Yes No

If "No," attach a list (see instructions)

H(c) Group exemption number ►

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

J Website: ► WWW.MIDDLESEXHOSPITAL.ORG

K Form of organization Corporation Trust Association Other ►

L Year of formation 1895

M State of legal domicile CT

Part I Summary

1 Briefly describe the organization's mission or most significant activities
MIDDLESEX HOSPITAL IS COMMITTED TO PROVIDING HIGH QUALITY INPATIENT AND OUTPATIENT HEALTHCARE SERVICES. THE HOSPITAL RECOGNIZES COMMUNITY TRANSPARENCY AND INTEGRITY AS FUNDAMENTAL RESPONSIBILITIES

2 Check this box ► if the organization discontinued its operations or disposed of more than 25% of its net assets

3 Number of voting members of the governing body (Part VI, line 1a)	3	14
4 Number of independent voting members of the governing body (Part VI, line 1b)	4	11
5 Total number of individuals employed in calendar year 2013 (Part V, line 2a)	5	3,148
6 Total number of volunteers (estimate if necessary)	6	618
7a Total unrelated business revenue from Part VIII, column (C), line 12	7a	4,382,244
b Net unrelated business taxable income from Form 990-T, line 34	7b	503,304

Revenue	Prior Year	Current Year
8 Contributions and grants (Part VIII, line 1h)	5,032,550	4,714,361
9 Program service revenue (Part VIII, line 2g)	348,379,202	355,226,743
10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)	6,856,293	14,239,544
11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	9,320,271	9,756,516
12 Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	369,588,316	383,937,164

Expenses	Prior Year	Current Year
13 Grants and similar amounts paid (Part IX, column (A), lines 1-3)	0	0
14 Benefits paid to or for members (Part IX, column (A), line 4)	0	0
15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)	201,505,574	201,657,613
16a Professional fundraising fees (Part IX, column (A), line 11e)	0	0
b Total fundraising expenses (Part IX, column (D), line 25) ► 1,042,840		
17 Other expenses (Part IX, column (A), lines 11a-11d, 11f-24e)	144,283,780	147,906,165
18 Total expenses Add lines 13-17 (must equal Part IX, column (A), line 25)	345,789,354	349,563,778
19 Revenue less expenses Subtract line 18 from line 12	23,798,962	34,373,386

Net Assets or Fund Balances	Beginning of Current Year		End of Year	
20 Total assets (Part X, line 16)	460,311,000		483,811,000	
21 Total liabilities (Part X, line 26)	196,145,000		196,111,000	
22 Net assets or fund balances Subtract line 21 from line 20	264,166,000		287,700,000	

Part II Signature Block

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

Sign Here	*****	2015-06-30
	Signature of officer	Date
SUSAN MARTIN VP FINANCE & TREASURER		
Type or print name and title		

Paid Preparer Use Only	Print/Type preparer's name BETH THURZ	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN P00346435
	Firm's name ► SASLOW LUFKIN & BUGGY LLP			Firm's EIN ► 06-1533253	
	Firm's address ► 175 POWDER FOREST DRIVE SIMSBURY, CT 06089			Phone no (860) 678-9200	

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

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

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

2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ? Yes No

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

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services? Yes No

If "Yes," describe these changes on Schedule O

4 Describe the organization's program service accomplishments for each of its three largest program services, as measured by expenses Section 501(c)(3) and 501(c)(4) organizations are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported**4a** (Code) (Expenses \$ 150,153,799 including grants of \$) (Revenue \$ 164,021,303)

IN THE FISCAL YEAR ENDING 9/30/2014, INPATIENT CARE REPRESENTED 14,292 DISCHARGES AND 59,295 PATIENT CARE DAYS ARMED WITH SKILLED STAFF, PROGRESSIVE DIAGNOSTIC TOOLS AND ADVANCED SURGICAL TECHNIQUES, THE HOSPITAL WAS WELL POSITIONED TO ENSURE A COMFORTABLE, SAFE ENVIRONMENT FOR EXCEPTIONAL MEDICAL TREATMENT AND RECOVERY INPATIENT CARE FROM REGISTRATION THROUGH DISCHARGE IS CAREFULLY MANAGED TO EXCEED REGULATORY REQUIREMENTS AND ENSURE QUALITY, PATIENT SATISFACTION, AND BEST PRACTICE WITH EACH ASPECT OF THE INPATIENT EXPERIENCE, INCLUDING ALL ELEMENTS OF CARE FROM NURSING COMPETENCY AND COMPASSION, TO MEAL QUALITY, LAB AND DIAGNOSTIC TESTING, SAFE AND SECURE PHYSICAL SURROUNDINGS TO PATIENT EDUCATION MIDDLESEX HOSPITAL, LICENSED FOR 275 BEDS AND 22 BASSINETS, PROVIDES ACUTE CARE FROM DEDICATED HEALTH CARE TEAMS WHICH INCLUDE SURGEONS, HOSPITALISTS, FAMILY PRACTITIONERS AND RESIDENTS, MEDICAL STAFF PHYSICIANS, MAGNET NURSES, PHYSICIAN ASSISTANTS, PATIENT CARE TECHNOLOGISTS, DIAGNOSTIC TECHNICIANS, PATHOLOGISTS, ADMINISTRATORS, ENVIRONMENTAL SERVICES, SECURITY, ENGINEERING AND A HOST OF OTHERS WORKING TOGETHER TO ENABLE THE ORGANIZATION'S SUCCESS THE HOSPITAL UNITS INCLUDING INTENSIVE AND CRITICAL CARE, MEDICAL SURGICAL, ONCOLOGY, ORTHOPEDIC, PULMONOLOGY, VASCULAR AND CARDIOLOGY, GASTROINTESTINAL, MATERNITY, A 20 BED PSYCHIATRIC FLOOR, AND HOSPICE SERVICES SPECIALIZE IN THE SPECIFIC NEEDS OF THEIR PATIENTS AND ARE STAFFED TO ACCOMMODATE THE UNIQUE TREATMENT REQUIREMENTS OF EACH ALL ANCILLARY SERVICES INCLUDING LABS, RADIOLOGY, FOOD SERVICES, PATHOLOGY, PHARMACY, MEDICAL TRANSCRIPTION AND INFORMATION SERVICES TOO ARE A PART OF THE HOSPITAL TEAM PATIENT CARE IS DEVELOPED WITH FULL CONSIDERATION OF THE WHOLE INDIVIDUAL, AS THEY ARE ASSIGNED TO CONDITION SPECIFIC CARE PATHWAYS AND SERVICES TO SECURE BEST TREATMENT AND RECOVERY

4b (Code) (Expenses \$ 46,917,300 including grants of \$) (Revenue \$ 71,294,552)

MIDDLESEX HOSPITAL EMERGENCY DEPARTMENT DELIVERS CARE AT THE WHALEN EMERGENCY CENTER AT THE HOSPITAL'S MAIN CAMPUS AS WELL AS TWO SATELLITE SITES LOCATED AT THE SHORELINE MEDICAL CENTER IN WESTBROOK AND THE MIDDLESEX HOSPITAL MEDICAL CENTER IN MARLBOROUGH THE EMERGENCY DEPARTMENT TREAT AND RELEASE VISITS FOR THE FISCAL YEAR ENDING 9/30/2014 WERE 76,484 IN EACH, EMERGENCY CARE IS DEPLOYED BY EXPERT, BOARD-CERTIFIED EMERGENCY MEDICINE DOCTORS AND SPECIFICALLY TRAINED PHYSICIAN ASSISTANTS, NURSES, PATIENT CARE TECHNICIANS AND OTHER SUPPORT PERSONNEL EMERGENCY CARE IS PROVIDED 24 HOURS A DAY, 7 DAYS A WEEK THE DEPARTMENTS ARE SUPPORTED BY A BROAD SPECTRUM OF DIAGNOSTIC CAPABILITIES AND SOPHISTICATED INFORMATION SYSTEMS IN ADDITION TO EMERGENCY CARE THERE ARE ALSO ISOLATION AND DECONTAMINATION AREAS IN THE EMERGENCY DEPARTMENT AND A HELIPAD ON SITE FOR LIFE STAR MEDICAL HELICOPTER TRANSPORTS MIDDLESEX HOSPITAL IS COMMITTED TO PROVIDING THE HIGHEST STANDARD OF CARE FOR BOTH THE PHYSICAL AND BEHAVIORAL HEALTH NEEDS OF OUR PSYCHIATRIC PATIENTS THE EMERGENCY DEPARTMENT AT THE HOSPITAL HOUSES AN EIGHT BED EMERGENCY DEPARTMENT CRISIS UNIT TREATMENT IS PROVIDED REGARDLESS OF THE PATIENT'S BACKGROUND OR STATUS ED SERVICES ARE STAFFED WITH CLINICAL PERSONNEL SPECIFICALLY TRAINED TO CARE FOR THE UNIQUE NEEDS OF THEIR PATIENTS (PSYCHIATRISTS, STAFF NURSES, PATIENT CARE TECHNICIANS/MENTAL HEALTH WORKERS, SECRETARIES, NURSE EDUCATOR, SOCIAL WORKERS, COTAS, OT AND OTHERS) TOGETHER THE STAFF PARTNERS WITH HOSPITAL STAFF AND COMMUNITY RESOURCES TO DEVELOP THE BEST CARE PLAN FOR PATIENTS THROUGHOUT THEIR STAY IN THE HOSPITAL AND UPON DISCHARGE IN FY 14, THE EMERGENCY ROOM ACTIVITY ACCOUNTED FOR 76,484 EMERGENCY DEPARTMENT VISITS DEMAND CONTINUES TO RISE AND THE SERVICES PROVIDED CONTINUE TO BE RECOGNIZED FOR CONTINUOUS PATIENT SATISFACTION IN PARTICULAR AS A RECIPIENT OF THE PRESS GANEY SUMMIT AWARD FOR ACHIEVING A 99% CUSTOMER SATISFACTION RATING FOR NINE CONSECUTIVE YEARS

4c (Code) (Expenses \$ 20,904,651 including grants of \$) (Revenue \$ 12,998,180)

THE HOSPITAL'S HOMECARE DEPARTMENT MAKES OVER 94,000 REVENUE GENERATING VISITS A YEAR TO COMMUNITY RESIDENTS HOMECARE IS STAFFED WITH SPECIALTY NURSES, HOME HEALTH AIDES, PHYSICAL THERAPISTS, OCCUPATIONAL THERAPISTS, SPEECH THERAPISTS, MEDICAL SOCIAL WORKERS AND NUTRITIONISTS TO MEET THE PHYSICAL AND BEHAVIORAL HEALTH NEEDS OF PATIENTS CARED FOR IN THEIR HOMES AND OUTSIDE THE HOSPITAL SETTING HOMECARE SERVICES INCLUDE SPECIALIZED CARDIAC CARE, INCLUDING TELE MONITORING AND THE HEART SMART PROGRAM (A MULTIDISCIPLINARY PROGRAM WHICH INCLUDES THE FULL SPECTRUM CARDIAC SELF MANAGEMENT SUPPORT AND CLINICAL CARE), FULL SPECTRUM GERIATRIC CARE, INFUSION THERAPIES, LIFELINE SERVICES, AND A SIGNIFICANT RANGE OF RESPIRATORY, PULMONARY AND MEDICAL REHABILITATION SERVICES AS WELL AS PROVIDING OUTPATIENT HOSPICE AND PALLIATIVE SERVICES THROUGHOUT THE COMMUNITY THE HOMECARE DEPARTMENT GENEROUSLY PROVIDES COMMUNITY HEALTH SERVICES INCLUDING FLU SHOTS, HEALTH FAIRS, AND COORDINATION OF LINKAGES WITH MEALS ON WHEELS, TRANSPORTATION, ADULT DAY CARE AND OTHER SERVICES ON CONTRACT WITH LOCAL ORGANIZATIONS

4d (Code) (Expenses \$ 94,616,627 including grants of \$) (Revenue \$ 111,076,517)

OTHER SERVICES INCORPORATE A WIDE RANGE OF CARE PROVIDED TO PATIENTS THAT ARE NOT SPECIFICALLY CAPTURED IN THE THREE LARGEST CATEGORIES THIS DESIGNATION ACCOUNTS FOR APPROXIMATELY 522,354 VISITS THESE SERVICES INCLUDE CARE PROVIDED AT THE CANCER CENTER SUCH AS DIAGNOSTIC TESTING, TREATMENT AND SUCH SUPPORTS AS ALTERNATIVE MEDICINE THERAPIES/INTEGRATIVE MEDICINES, AND HEREDITARY RISK ASSESSMENTS PHYSICAL MEDICINE AND REHABILITATION SERVICES ALSO ARE FOLDED INTO THIS GROUPING SERVICES ARE AVAILABLE AT MULTIPLE LOCATIONS WHICH OFFER COMPREHENSIVE REHABILITATION AND OCCUPATIONAL MEDICINE AND PHYSICAL THERAPY (INCLUDING HAND THERAPY) SERVICES CARE IS DELIVERED BY EXPERIENCED, HIGHLY-QUALIFIED STAFF, WITH ADVANCED TRAINING IN PHYSICAL AND OCCUPATIONAL THERAPY, SPEECH LANGUAGE PATHOLOGY AND RELATED FIELDS IN EACH CLINICAL CASE, PATIENTS ARE EVALUATED AND RECEIVE A UNIQUE TREATMENT PLAN, WHICH INCLUDES DESIRED GOALS, ANTICIPATED OUTCOMES AND THE TIME FRAME NECESSARY TO ACHIEVE CLINICALLY OPTIMAL RESULTS ADDITIONAL SERVICES ARE AVAILABLE BY THE WOUND AND SKIN TEAM AT MIDDLESEX HOSPITAL THE MULTIDISCIPLINARY TEAM PROVIDES TREATMENT WHICH FOCUSES ON CLINICAL WOUND, OSTOMY AND SKIN ISSUES THE HOSPITAL HAS CAREFUL AND ONGOING SERVICES FOR INDIVIDUALS WITH CHRONIC DISEASES A SAMPLING OF SUCH PROGRAMS INCLUDE PULMONARY REHABILITATION SERVICES WHICH PROVIDE RESPIRATORY THERAPY AND CARE FOR PATIENTS WITH CHRONIC OBSTRUCTIVE PULMONARY DISEASE AS WELL AS DIABETES EDUCATION AND MEDICAL NUTRITION THERAPY AT THE CENTER FOR CHRONIC CARE MANAGEMENT PROVIDED TO INDIVIDUALS WITH A NEW DIAGNOSIS AND UNCONTROLLED DIABETES MANY BEHAVIORAL HEALTH SERVICES ARE PROVIDED TO PATIENTS IN THE OUTPATIENT SETTING IN ADDITION TO COUNSELING AND SUPPORT GROUPS PROGRAMS INCLUDE THE DAY TREATMENT PROGRAM (INTENSIVE OUTPATIENT SERVICES FOR ADULTS, GERIATRIC PATIENTS, AND DUALLY-DIAGNOSED PATIENTS), SERVICES AT THE OUTPATIENT CENTER FOR BEHAVIORAL HEALTH (PSYCHOTHERAPY AND MEDICATION MANAGEMENT FOR ADULTS) AND THE FAMILY ADVOCACY PROGRAM (MENTAL HEALTH TREATMENT FOR PATIENTS UNDER 18 YEARS OLD AND THEIR FAMILIES) IN FISCAL YEAR ENDING 9/30/2014, THERE WERE 6,634 REVENUE GENERATING AMBULATORY SURGERY CASES FROM ENDOSCOPY/COLONOSCOPY TO ORTHOPEDIC AND OTHER OUTPATIENT PROCEDURES AMBULATORY OR OUTPATIENT SURGERY IS PERFORMED AT MIDDLESEX HOSPITAL AND THE MIDDLESEX OUTPATIENT CENTER

4e Other program services (Describe in Schedule O) (Expenses \$ 94,616,627 including grants of \$) (Revenue \$ 111,076,517)**4e** Total program service expenses ► 312,592,377

Part IV Checklist of Required Schedules

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

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

3 Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? If "Yes," complete Schedule C, Part I

4 **Section 501(c)(3) organizations.** Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? If "Yes," complete Schedule C, Part II

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

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

7 Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? If "Yes," complete Schedule D, Part II

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

9 Did the organization report an amount in Part X, line 21 for escrow or custodial account liability, serve as a custodian for amounts not listed in Part X, or provide credit counseling, debt management, credit repair, or debt negotiation services? If "Yes," complete Schedule D, Part IV

10 Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? If "Yes," complete Schedule D, Part V

11 If the organization's answer to any of the following questions is "Yes," then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable

a Did the organization report an amount for land, buildings, and equipment in Part X, line 10? If "Yes," complete Schedule D, Part VI

b Did the organization report an amount for investments—other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part VII

c Did the organization report an amount for investments—program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part VIII

d Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part IX

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

f Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? If "Yes," complete Schedule D, Part XI

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

b Was the organization included in consolidated, independent audited financial statements for the tax year? If "Yes," and if the organization answered "No" to line 12a, then completing Schedule D, Parts XI and XII is optional

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

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

b Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at \$100,000 or more? If "Yes," complete Schedule F, Parts I and IV

15 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or other assistance to or for any foreign organization? If "Yes," complete Schedule F, Parts II and IV

16 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or other assistance to or for foreign individuals? If "Yes," complete Schedule F, Parts III and IV

17 Did the organization report a total of more than \$15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? If "Yes," complete Schedule G, Part I (see instructions)

18 Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? If "Yes," complete Schedule G, Part II

19 Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? If "Yes," complete Schedule G, Part III

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

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

	Yes	No
1	Yes	
2	Yes	
3		No
4	Yes	
5		No
6		No
7		No
8		No
9		No
10	Yes	
11a	Yes	
11b		No
11c		No
11d		No
11e	Yes	
11f	Yes	
12a	Yes	
12b	Yes	
13		No
14a		No
14b		No
15		No
16		No
17		No
18	Yes	
19		No
20a	Yes	
20b	Yes	

Part IV Checklist of Required Schedules (continued)

21	Did the organization report more than \$5,000 of grants or other assistance to any domestic organization or government on Part IX, column (A), line 1? If "Yes," complete Schedule I, Parts I and II	21		No
22	Did the organization report more than \$5,000 of grants or other assistance to individuals in the United States on Part IX, column (A), line 2? If "Yes," complete Schedule I, Parts I and III	22		No
23	Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? If "Yes," complete Schedule J	23	Yes	
24a	Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25a	24a	Yes	
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	24b		No
c	Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?	24c		No
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	24d		No
25a	Section 501(c)(3) and 501(c)(4) organizations. Did the organization engage in an excess benefit transaction with a disqualified person during the year? If "Yes," complete Schedule L, Part I	25a		No
b	Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? If "Yes," complete Schedule L, Part I	25b		No
26	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? If so, complete Schedule L, Part II	26		No
27	Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor or employee thereof, a grant selection committee member, or to a 35% controlled entity or family member of any of these persons? If "Yes," complete Schedule L, Part III	27		No
28	Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions)			
a	A current or former officer, director, trustee, or key employee? If "Yes," complete Schedule L, Part IV	28a		No
b	A family member of a current or former officer, director, trustee, or key employee? If "Yes," complete Schedule L, Part IV	28b	Yes	
c	An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? If "Yes," complete Schedule L, Part IV	28c	Yes	
29	Did the organization receive more than \$25,000 in non-cash contributions? If "Yes," complete Schedule M	29	Yes	
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? If "Yes," complete Schedule M	30		No
31	Did the organization liquidate, terminate, or dissolve and cease operations? If "Yes," complete Schedule N, Part I	31		No
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? If "Yes," complete Schedule N, Part II	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? If "Yes," complete Schedule R, Part I	33		No
34	Was the organization related to any tax-exempt or taxable entity? If "Yes," complete Schedule R, Part II, III, or IV, and Part V, line 1	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)? If "Yes," complete Schedule R, Part V, line 2	35b	Yes	
36	Section 501(c)(3) organizations. Did the organization make any transfers to an exempt non-charitable related organization? If "Yes," complete Schedule R, Part V, line 2	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? If "Yes," complete Schedule R, Part VI	37		No
38	Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11b and 19? Note. All Form 990 filers are required to complete Schedule O	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 . . .	1a	185	
b Enter the number of Forms W-2G included in line 1a Enter -0- if not applicable	1b	0	
c Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners? . . .	1c	Yes	
2a Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return . . .	2a	3,148	
b If at least one is reported on line 2a, did the organization file all required federal employment tax returns? Note. If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions)	2b	Yes	
3a Did the organization have unrelated business gross income of \$1,000 or more during the year? . . .	3a	Yes	
b If "Yes," has it filed a Form 990-T for this year? If "No" to line 3b, provide an explanation in Schedule O . . .	3b	Yes	
4a At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)? . . .	4a	No	
b If "Yes," enter the name of the foreign country ► See instructions for filing requirements for Form TD F 90-22 1, Report of Foreign Bank and Financial Accounts			
5a Was the organization a party to a prohibited tax shelter transaction at any time during the tax year? . . .	5a	No	
b Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?	5b	No	
c If "Yes," to line 5a or 5b, did the organization file Form 8886-T? . . .	5c		
6a Does the organization have annual gross receipts that are normally greater than \$100,000, and did the organization solicit any contributions that were not tax deductible as charitable contributions? . . .	6a	No	
b If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible? . . .	6b		
7 Organizations that may receive deductible contributions under section 170(c).	7a	Yes	
a Did the organization receive a payment in excess of \$75 made partly as a contribution and partly for goods and services provided to the payor? . . .	7b	Yes	
b If "Yes," did the organization notify the donor of the value of the goods or services provided? . . .	7c	No	
c Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282? . . .	7d		
d If "Yes," indicate the number of Forms 8282 filed during the year . . .	7e	No	
e Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? . . .	7f	No	
f Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract? . . .	7g		
g If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required? . . .	7h		
h If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C? . . .	8		
8 Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations. Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year? . . .	9a		
9 Sponsoring organizations maintaining donor advised funds.	9b		
a Did the organization make any taxable distributions under section 4966? . . .			
b Did the organization make a distribution to a donor, donor advisor, or related person? . . .			
10 Section 501(c)(7) organizations. Enter	10a		
a Initiation fees and capital contributions included on Part VIII, line 12 . . .	10b		
b Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities			
11 Section 501(c)(12) organizations. Enter	11a		
a Gross income from members or shareholders . . .	11b		
b Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them) . . .			
12a Section 4947(a)(1) non-exempt charitable trusts. Is the organization filing Form 990 in lieu of Form 1041? . . .	12a		
b If "Yes," enter the amount of tax-exempt interest received or accrued during the year . . .	12b		
13 Section 501(c)(29) qualified nonprofit health insurance issuers.	13a		
a Is the organization licensed to issue qualified health plans in more than one state? Note. See the instructions for additional information the organization must report on Schedule O	13b		
b Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans . . .	13c		
14a Did the organization receive any payments for indoor tanning services during the tax year? . . .	14a	No	
b If "Yes," has it filed a Form 720 to report these payments? If "No," provide an explanation in Schedule O . . .	14b		

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

Check if Schedule O contains a response 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	1a	14		
If there are material differences in voting rights among members of the governing body, or if the governing body delegated broad authority to an executive committee or similar committee, explain in Schedule O				
b Enter the number of voting members included in line 1a, above, who are independent	1b	11		
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	8a	Yes		
a The governing body?	8b	Yes		
b Each committee with authority to act on behalf of the governing body?	9	No		
9 Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O				

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

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

Section C. Disclosure

- 17 List the States with which a copy of this Form 990 is required to be filed CT
- 18 Section 6104 requires an organization to make its Form 1023 (or 1024 if applicable), 990, and 990-T (501(c) (3)s only) available for public inspection. Indicate how you made these available. Check all that apply
 Own website Another's website Upon request Other (explain in Schedule O)
- 19 Describe in Schedule O whether (and if so, how) the organization made its governing documents, conflict of interest policy, and financial statements available to the public during the tax year
- 20 State the name, physical address, and telephone number of the person who possesses the books and records of the organization
DONALD LUDWIG CPA 28 CRESCENT STREET
MIDDLETOWN, CT 06457 (860) 358-6879

Part VII Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent ContractorsCheck 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	Office	Key Employee	Highest Compensated	Former			
(1) VINCENT CAPECE JR PRESIDENT/CEO	40 00 3 00	X		X				767,765	0	404,702
(2) DAVID BAGGISH MD SECRETARY & CHIEF DEPT OF MEDICINE	40 00 3 00	X		X				335,996	0	43,524
(3) GARY K WILLIS CHAIRMAN	1 00 2 00	X		X				0	0	0
(4) ERIC W THORNBURG VICE CHAIRMAN	1 00 2 00	X		X				0	0	0
(5) GEOFFREY E HERTER MD ASSISTANT SECRETARY	1 00 2 00	X		X				0	0	0
(6) GREGORY B BUTLER DIRECTOR	1 00 2 00	X						0	0	0
(7) CHANDLER J HOWARD DIRECTOR	1 00 2 00	X						0	0	0
(8) HUGH C MACKENZIE DIRECTOR	1 00 2 00	X						0	0	0
(9) BRUCE S MACMILLIAN DIRECTOR	1 00 2 00	X						0	0	0
(10) GERALD P MIGLIACCIO DIRECTOR	1 00 3 00	X						0	0	0
(11) JOHN W RAFAL DIRECTOR	1 00 2 00	X						0	0	0
(12) R CHRISTOPHER SEATON DIRECTOR	1 00 2 00	X						0	0	0
(13) CAROL P WALLACE DIRECTOR	1 00 3 00	X						0	0	0
(14) BARBARA M WEISS DIRECTOR	1 00 2 00	X						0	0	0
(15) SUSAN MARTIN VP FINANCE/TREASURER	40 00 3 00			X				415,449	0	123,098
(16) JESSE WAGNER MD VP QUALITY AND PATIENT SAFETY	40 00				X			426,148	0	143,282
(17) HARRY EVERET SR VP STRATEGIC PLANNING AND OPS	40 00				X			319,404	0	91,420

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	
		Or director	Individual trustee	Instrumental Trustee	Officer	Key employee	Highest compensated employee	Former		
(18) JACQUELYN CALAMARI VP NURSING	40 00				X			280,086	0	105,692
(19) GARRETT HAVICAN VP OPERATIONS	40 00				X			238,369	0	92,399
(20) DAVID GIUFFRIDA VP FACILITIES AND SUPPORT SERVICES	40 00				X			270,645	0	80,837
(21) GREGORY NOKES VP HUMAN RESOURCES	40 00				X			548,104	0	156,773
(22) ARTHUR McDOWELL VP CLINICAL AFFAIRS	40 00				X			472,651	0	285,112
(23) MICHAEL SAXE CHAIRMAN EMERGENCY MEDICINE	40 00				X			406,976	0	44,990
(24) RANDOLPH GOODWIN CLINICAL DIR INFECTIOUS DIS	40 00					X		371,404	0	42,217
(25) JONATHAN BANKOFF MD PHYSICIAN EMERGENCY DEPARTMENT	40 00					X		351,656	0	36,382
(26) BENJAMIN SIGAL MD PHYSICIAN EMERGENCY DEPARTMENT	40 00					X		328,492	0	36,356
(27) MARIO CAPUZZI MD MEDICAL DIRECTOR ED	40 00					X		319,152	0	31,560
(28) MICHAEL KAZAKOFF MD ASSOC DIRECTOR FAMILY PRACTICE	40 00					X		318,463	0	33,719

1b Sub-Total	►			
c Total from continuation sheets to Part VII, Section A	►			
d Total (add lines 1b and 1c)	►	6,170,760	0	1,752,063

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 ►267

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

Section B. Independent Contractors

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

(A) Name and business address	(B) Description of services	(C) Compensation
BERKELEY RESEARCH GROUP 2200 POWELL STREET SUITE 1200 EMERYVILLE CA 94608	ADVISORY & STRATEGY SERVICES	5,496,301
ARAMARK CORPORATION 66 OXFORD DRIVE FRANKLIN MA 02038	DIETARY/HOUSEKEEPING	1,555,545
ACSYS INTERACTIVE 1577 NEW BRITAIN AVENUE FARMINGTON CT 06032	MARKETING	1,234,992
QUEST DIAGNOSTICS INC 2025 COLLECTION CENTER DRIVE CHICAGO IL 60693	LABORATORY SERVICES	1,147,834
COMPANY 1 CONSULTING 6 CRAIG DRIVE MONROE CT 06468	INFORMATION SERVICES	1,034,488

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 ►71

Part VIII Statement of RevenueCheck 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 142,314				
	d Related organizations	1d				
	e Government grants (contributions)	1e 967,388				
	f All other contributions, gifts, grants, and similar amounts not included above	1f 3,604,659				
	g Noncash contributions included in lines 1a-1f \$	77,076				
	h Total. Add lines 1a-1f		4,714,361			
Program Service Revenue	Business Code					
	2a PATIENT REVENUES	621110		350,863,140	350,863,140	
	b SPECIMAN LAB	621500		3,147,860	3,147,860	
	c TECHNICAL LAB	621500		1,215,743	1,215,743	
	d					
	e					
	f All other program service revenue					
	g Total. Add lines 2a-2f			355,226,743		
Other Revenue	3 Investment income (including dividends, interest, and other similar amounts)		416,424		416,424	
	4 Income from investment of tax-exempt bond proceeds		20,120		20,120	
	5 Royalties					
	6a Gross rents	(I) Real	(II) Personal			
	b Less rental expenses	846,305				
	c Rental income or (loss)	887,676				
	d Net rental income or (loss)	-41,371		-41,371		-41,371
	7a Gross amount from sales of assets other than inventory	(I) Securities	(II) Other			
b Less cost or other basis and sales expenses	60,703,816					
c Gain or (loss)	46,900,816					
d Net gain or (loss)	13,803,000		13,803,000		13,803,000	
8a Gross income from fundraising events (not including \$ 142,314 of contributions reported on line 1c) See Part IV, line 18						
b Less direct expenses	a 111,578					
c Net income or (loss) from fundraising events	b 120,160		-8,582		-8,582	
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					
b Less cost of goods sold	b					
c Net income or (loss) from sales of inventory						
Miscellaneous Revenue		Business Code				
11a EQUITY IN JOINT VENTURE INCOME		900099	2,125,000	2,125,000		
b CAFETERIA REVENUE		722210	1,260,416		1,260,416	
c MEDICARE DEMONSTRATION PROJECT		900099	982,299	982,299		
d All other revenue			5,438,754	5,420,113	18,641	
e Total. Add lines 11a-11d			9,806,469			
12 Total revenue. See Instructions			383,937,164	359,390,552	4,382,244	
					15,450,007	

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				
2 Grants and other assistance to individuals in the United States See Part IV, line 22				
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	5,462,394	4,369,916	1,092,478	
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)	258,628	258,628		
7 Other salaries and wages	160,188,572	147,253,022	12,935,550	
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)	8,599,367	7,878,679	720,688	
9 Other employee benefits	16,090,018	14,865,191	1,224,827	
10 Payroll taxes	11,058,634	10,131,842	926,792	
11 Fees for services (non-employees)				
a Management	5,574,245	4,521,851	9,554	1,042,840
b Legal	689,601		689,601	
c Accounting	219,741		219,741	
d Lobbying	108,892		108,892	
e Professional fundraising services See Part IV, line 17				
f Investment management fees				
g Other (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Schedule O)	3,597,979	3,011,050	586,929	
12 Advertising and promotion	3,716,599	101,400	3,615,199	
13 Office expenses	6,264,582	4,355,648	1,908,934	
14 Information technology	6,287,872	3,772,723	2,515,149	
15 Royalties				
16 Occupancy	7,151,541	4,085,177	3,066,364	
17 Travel	1,391,703	1,119,481	272,222	
18 Payments of travel or entertainment expenses for any federal, state, or local public officials				
19 Conferences, conventions, and meetings	866,728	564,842	301,886	
20 Interest	2,896,503	2,896,503		
21 Payments to affiliates				
22 Depreciation, depletion, and amortization	22,309,482	20,308,201	2,001,281	
23 Insurance	3,936,571	3,936,571		
24 Other expenses Itemize expenses not covered above (List miscellaneous expenses in line 24e If line 24e amount exceeds 10% of line 25, column (A) amount, list line 24e expenses on Schedule O)				
a MEDICAL EXPENSES	36,253,958	36,142,503	111,455	
b STATE NET PATIENT REVEN	13,858,593	13,858,593		
c TRANSFER TO MHS PRIMARY	3,548,000	3,548,000		
d				
e All other expenses	29,233,575	25,612,556	3,621,019	
25 Total functional expenses. Add lines 1 through 24e	349,563,778	312,592,377	35,928,561	1,042,840
26 Joint costs. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation Check here ► if following SOP 98-2 (ASC 958-720)				

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

		(A) Beginning of year	(B) End of year
Assets	1 Cash—non-interest-bearing	39,387,000	1 36,581,000
	2 Savings and temporary cash investments	20,741,000	2 21,491,000
	3 Pledges and grants receivable, net	2,082,000	3 2,080,463
	4 Accounts receivable, net	45,387,000	4 44,634,291
	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	617,000	7 765,856
	8 Inventories for sale or use	1,251,000	8 1,161,047
	9 Prepaid expenses and deferred charges	4,058,000	9 3,960,271
	10a Land, buildings, and equipment cost or other basis Complete Part VI of Schedule D	10a 444,885,000	
	b Less accumulated depreciation	10b 252,473,000	
		186,313,000	10c 192,412,000
	11 Investments—publicly traded securities	151,822,000	11 172,720,000
	12 Investments—other securities See Part IV, line 11	12	
	13 Investments—program-related See Part IV, line 11	13	
	14 Intangible assets	0	14 917,867
	15 Other assets See Part IV, line 11	8,653,000	15 7,087,205
	16 Total assets. Add lines 1 through 15 (must equal line 34)	460,311,000	16 483,811,000
Liabilities	17 Accounts payable and accrued expenses	50,292,000	17 55,743,518
	18 Grants payable	18	
	19 Deferred revenue	769,000	19 779,082
	20 Tax-exempt bond liabilities	63,180,000	20 59,939,000
	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	47,000	23 26,000
	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	81,857,000	25 79,623,400
	26 Total liabilities. Add lines 17 through 25	196,145,000	26 196,111,000
Net Assets or Fund Balances	Organizations that follow SFAS 117 (ASC 958), check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.		
	27 Unrestricted net assets	247,940,000	27 270,689,000
	28 Temporarily restricted net assets	9,250,000	28 10,034,000
	29 Permanently restricted net assets	6,976,000	29 6,977,000
	Organizations that do not follow SFAS 117 (ASC 958), check here <input type="checkbox"/> and complete lines 30 through 34.		
	30 Capital stock or trust principal, or current funds	30	
	31 Paid-in or capital surplus, or land, building or equipment fund	31	
	32 Retained earnings, endowment, accumulated income, or other funds	32	
	33 Total net assets or fund balances	264,166,000	33 287,700,000
	34 Total liabilities and net assets/fund balances	460,311,000	34 483,811,000

Part XI Reconciliation of Net AssetsCheck 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	383,937,164
2	Total expenses (must equal Part IX, column (A), line 25)	2	349,563,778
3	Revenue less expenses Subtract line 2 from line 1	3	34,373,386
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	264,166,000
5	Net unrealized gains (losses) on investments	5	-1,792,000
6	Donated services and use of facilities	6	
7	Investment expenses	7	
8	Prior period adjustments	8	
9	Other changes in net assets or fund balances (explain in Schedule O)	9	-9,047,386
10	Net assets or fund balances at end of year Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	287,700,000

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

SCHEDULE A
(Form 990 or 990EZ)**Public Charity Status and Public Support**

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

2013**Open to Public
Inspection**Department of the
Treasury
Internal Revenue Service

- 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.

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

06-0646718

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

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

- 1 A church, convention of churches, or association of churches described in **section 170(b)(1)(A)(i)**.
- 2 A school described in **section 170(b)(1)(A)(ii)**. (Attach Schedule E)
- 3 A hospital or a cooperative hospital service organization described in **section 170(b)(1)(A)(iii)**.
- 4 A medical research organization operated in conjunction with a hospital described in **section 170(b)(1)(A)(iii)**. Enter the hospital's name, city, and state _____
- 5 An organization operated for the benefit of a college or university owned or operated by a governmental unit described in **section 170(b)(1)(A)(iv)**. (Complete Part II)
- 6 A federal, state, or local government or governmental unit described in **section 170(b)(1)(A)(v)**.
- 7 An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in **section 170(b)(1)(A)(vi)**. (Complete Part II)
- 8 A community trust described in **section 170(b)(1)(A)(vi)** (Complete Part II)
- 9 An organization that normally receives (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions—subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975 See **section 509(a)(2)**. (Complete Part III)
- 10 An organization organized and operated exclusively to test for public safety See **section 509(a)(4)**.
- 11 An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2) See **section 509(a)(3)**. Check the box that describes the type of supporting organization and complete lines 11e through 11h
 - 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 III Support Schedule for Organizations Described in Section 509(a)(2)

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

Section A. Public Support

Calendar year (or fiscal year beginning in) ►	(a) 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)

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.

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-E
- 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

Name of the organ
MIDDLESEX HOSPITAL

Employer identification number

06-0646718

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

- 1** Provide a description of the organization's direct and indirect political campaign activities in Part IV
- 2** Political expenditures
- 3** Volunteer hours

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

1 Enter the amount of any excise tax incurred by the organization under section 4955 ► \$ _____

2 Enter the amount of any excise tax incurred by organization managers under section 4955 ► \$ _____

3 If the organization incurred a section 4955 tax, did it file Form 4720 for this year? Yes No

4a Was a correction made? Yes No

b If "Yes," describe in Part IV

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

1 Enter the amount directly expended by the filing organization for section 527 exempt function activities ► \$ _____

2 Enter the amount of the filing organization's funds contributed to other organizations for section 527 exempt function activities ► \$ _____

3 Total exempt function expenditures Add lines 1 and 2 Enter here and on Form 1120-POL, line 17b ► \$ _____

4 Did the filing organization file **Form 1120-POL** for this year? Yes No

5 Enter the names, addresses and employer identification number (EIN) of all section 527 political organizations to which the filing organization made payments For each organization listed, enter the amount paid from the filing organization's funds Also enter the amount of political contributions received that were promptly and directly delivered to a separate political organization, such as a separate segregated fund or a political action committee (PAC) If additional space is needed, provide information in Part IV

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

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

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

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

4-Year Averaging Period Under Section 501(h)

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

Lobbying Expenditures During 4-Year Averaging Period					
Calendar year (or fiscal year beginning in)	(a) 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?		No		
g Direct contact with legislators, their staffs, government officials, or a legislative body?		No		
h Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?		No		
i Other activities?	Yes		108,893	
j Total Add lines 1c through 1i			108,893	
2a Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?		No		
b If "Yes," enter the amount of any tax incurred under section 4912				
c If "Yes," enter the amount of any tax incurred by organization managers under section 4912				
d If the filing organization incurred a section 4912 tax, did it file Form 4720 for this year?				

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

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

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

1 Dues, assessments and similar amounts from members	1	
2 Section 162(e) nondeductible lobbying and political expenditures (do not include amounts of political expenses for which the section 527(f) tax was paid).		
a Current year	2a	
b Carryover from last year	2b	
c Total	2c	
3 Aggregate amount reported in section 6033(e)(1)(A) notices of nondeductible section 162(e) dues	3	
4 If notices were sent and the amount on line 2c exceeds the amount on line 3, what portion of the excess does the organization agree to carryover to the reasonable estimate of nondeductible lobbying and political expenditure next year?		
5 Taxable amount of lobbying and political expenditures (see instructions)	4	
	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	MIDDLESEX HOSPITAL PAYS DUES TO BOTH THE AMERICAN HOSPITAL ASSOCIATION (AHA) AND THE CONNECTICUT HOSPITAL ASSOCIATION (CHA) A PERCENTAGE OF THOSE DUES FUNDED LOBBYING ACTIVITIES DURING THE FISCAL YEAR. THE PORTION OF AHA DUES TOTLED \$10,157 AND THE PORTION OF CHA DUES TOTLED \$42,121. IN ADDITION, MIDDLESEX HOSPITAL CONTRACTED WITH TWO CONSULTANTS WHO PERFORMED LOBBYING ACTIVITIES. THOSE EXPENSES TOTLED \$56,615.

Part IV Supplemental Information (continued)

Schedule D (Form 990) 2013

SCHEDULE D
(Form 990)**Supplemental Financial Statements**

OMB No 1545-0047

2013

► 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.

Open to Public InspectionDepartment of the Treasury
Internal Revenue Service**Name of the organization**
MIDDLESEX HOSPITAL**Employer identification number**

06-0646718

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

	(a) Donor advised funds	(b) Funds and other accounts
1 Total number at end of year		
2 Aggregate contributions to (during year)		
3 Aggregate grants from (during year)		
4 Aggregate value at end of year		

5 Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control? Yes No

6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds can be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit? Yes No

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

1 Purpose(s) of conservation easements held by the organization (check all that apply)	<input type="checkbox"/> Preservation of land for public use (e.g., recreation or education) <input type="checkbox"/> Preservation of an historically important land area
	<input type="checkbox"/> Protection of natural habitat <input type="checkbox"/> Preservation of a certified historic structure
	<input type="checkbox"/> Preservation of open space
2 Complete lines 2a through 2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year	
	Held at the End of the Year
a Total number of conservation easements	2a
b Total acreage restricted by conservation easements	2b
c Number of conservation easements on a certified historic structure included in (a)	2c
d Number of conservation easements included in (c) acquired after 8/17/06, and not on a historic structure listed in the National Register	2d
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? <input type="checkbox"/> Yes <input type="checkbox"/> No	
6 Staff and volunteer hours devoted to monitoring, inspecting, and enforcing conservation easements during the year ► _____	
7 Amount of expenses incurred in monitoring, inspecting, and enforcing conservation easements during the year ► \$ _____	
8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and section 170(h)(4)(B)(ii)? <input type="checkbox"/> Yes <input type="checkbox"/> No	
9 In Part XIII, describe how the organization reports conservation easements in its revenue and expense statement, and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements	

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

1a If the organization elected, as permitted under SFAS 116 (ASC 958), not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide, in Part XIII, the text of the footnote to its financial statements that describes these items

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

(i) Revenues included in Form 990, Part VIII, line 1	► \$ _____
(ii) Assets included in Form 990, Part X	► \$ _____
2 If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 (ASC 958) relating to these items	
a Revenues included in Form 990, Part VIII, line 1	► \$ _____
b Assets included in Form 990, Part X	► \$ _____

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

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

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

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

5 During the year, did the organization solicit or receive donations of art, historical treasures or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection? Yes No

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

1a Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X? Yes No

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

	Amount
1c	
1d	
1e	
1f	

2a Did the organization include an amount on Form 990, Part X, line 21? Yes No

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

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

	(a) Current year	(b) Prior year	(c) Two years back	(d) Three years back	(e) Four years back
1a Beginning of year balance	114,787,000	102,354,000	87,389,000	87,748,000	80,828,000
b Contributions	229,000	869,000	83,000	85,000	208,000
c Net investment earnings, gains, and losses	11,527,000	11,675,000	14,929,000	-354,000	6,856,000
d Grants or scholarships					
e Other expenditures for facilities and programs	156,000	111,000	47,000	90,000	144,000
g End of year balance	126,387,000	114,787,000	102,354,000	87,389,000	87,748,000

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

a Board designated or quasi-endowment 90 570 %

b Permanent endowment 5 520 %

c Temporarily restricted endowment 3 910 %

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	<input type="checkbox"/> Yes	<input type="checkbox"/> No
(ii) related organizations	<input type="checkbox"/> Yes	<input type="checkbox"/> No
b If "Yes" to 3a(ii), are the related organizations listed as required on Schedule R?	3b	

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

Part VI Land, Buildings, and Equipment. 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		8,674,213			8,674,213
b Buildings		262,681,526	129,053,848		133,627,678
c Leasehold improvements		2,061,978	1,383,231		678,747
d Equipment		158,887,234	118,994,695		39,892,539
e Other		12,580,049	3,041,226		9,538,823
Total. Add lines 1a through 1e (Column (d) must equal Form 990, Part X, column (B), line 10(c).)					192,412,000

Part VII Investments—Other Securities. Complete if the organization answered 'Yes' to Form 990, Part IV, line 11b. See Form 990, Part X, line 12.

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation Cost or end-of-year market value
(1) Financial derivatives		
(2) Closely-held equity interests		
Other		
</		

Part VIII Investments—Program Related. Complete if the organization answered 'Yes' to Form 990, Part IV, line 11c
See Form 990, Part X, line 13

Part IX Other Assets. Complete if the organization answered 'Yes' to Form 990, Part IV, line 11d. See Form 990, Part X, line 15.

Part X Other Liabilities. Complete if the organization answered 'Yes' to Form 990, Part IV, line 11e or 11f. See Form 990, Part X, line 25.

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

Part XI Reconciliation of Revenue per Audited Financial Statements With Revenue per Return 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	381,545,000
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12		
a	Net unrealized gains on investments	2a	
b	Donated services and use of facilities	2b	
c	Recoveries of prior year grants	2c	
d	Other (Describe in Part XIII)	2d	887,676
e	Add lines 2a through 2d	2e	887,676
3	Subtract line 2e from line 1	3	380,657,324
4	Amounts included on Form 990, Part VIII, line 12, but not on line 1		
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	
b	Other (Describe in Part XIII)	4b	3,279,840
c	Add lines 4a and 4b	4c	3,279,840
5	Total revenue Add lines 3 and 4c. (This must equal Form 990, Part I, line 12)	5	383,937,164

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	345,861,000
2	Amounts included on line 1 but not on Form 990, Part IX, line 25		
a	Donated services and use of facilities	2a	
b	Prior year adjustments	2b	
c	Other losses	2c	
d	Other (Describe in Part XIII)	2d	888,062
e	Add lines 2a through 2d	2e	888,062
3	Subtract line 2e from line 1	3	344,972,938
4	Amounts included on Form 990, Part IX, line 25, but not on line 1:		
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	
b	Other (Describe in Part XIII)	4b	4,590,840
c	Add lines 4a and 4b	4c	4,590,840
5	Total expenses Add lines 3 and 4c. (This must equal Form 990, Part I, line 18)	5	349,563,778

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	BOARD-DESIGNATED (QUASI-ENDOWMENT) FUNDS ARE ASSETS SET ASIDE BY THE BOARD FOR FUTURE UNSPECIFIED USES AND TO SUPPORT EDUCATION AND OTHER PROGRAMS OVER WHICH THE BOARD RETAINS CONTROL AND MAY, AT ITS DISCRETION, SUBSEQUENTLY USE FOR OTHER PURPOSES. PERMANENT ENDOWMENT FUNDS ARE ASSETS RECEIVED WITH THE DONOR STIPULATION THAT THE PRINCIPAL BE INVESTED IN PERPETUITY AND THAT ONLY THE INCOME EARNED THEREON IS AVAILABLE FOR SPECIFIC OR GENERAL SERVICES, SUCH AS FREE BED FUNDS AND SUPPORT OF HOSPITAL OPERATIONS. TEMPORARILY RESTRICTED ENDOWMENT FUNDS ARE ASSETS RESTRICTED BY THE DONOR EITHER AS TO PURPOSE AND/OR AS TO TIME OF EXPENDITURE, SUCH AS EDUCATION, HEALTH SERVICES AND CAPITAL PURCHASES
PART X, LINE 2	THE HOSPITAL ACCOUNTS FOR UNCERTAIN TAX POSITIONS WITH PROVISIONS OF FASB ASC 740, "INCOME TAXES", WHICH PROVIDE A FRAMEWORK FOR HOW COMPANIES SHOULD RECOGNIZE, MEASURE, PRESENT AND DISCLOSE UNCERTAIN TAX POSITIONS IN THEIR FINANCIAL STATEMENTS. THE HOSPITAL MAY RECOGNIZE THE TAX BENEFIT FROM AN UNCERTAIN TAX POSITION ONLY IF IT IS MORE LIKELY THAN NOT THAT THE TAX POSITION WILL BE SUSTAINED ON EXAMINATION BY THE TAXING AUTHORITIES, BASED ON THE TECHNICAL MERITS OF THE POSITION. THE HOSPITAL DOES NOT HAVE ANY UNCERTAIN TAX POSITIONS AS OF SEPTEMBER 30, 2014 AND 2013. IT IS THE HOSPITAL'S POLICY TO RECORD PENALTIES AND INTEREST ASSOCIATED WITH UNCERTAIN TAX PROVISIONS AS A COMPONENT OF OPERATING EXPENSES. AS OF SEPTEMBER 30, 2014 AND 2013, THE HOSPITAL DID NOT RECORD ANY PENALTIES OR INTEREST ASSOCIATED WITH UNCERTAIN TAX POSITIONS. THE HOSPITAL'S PRIOR THREE TAX YEARS ARE OPEN AND SUBJECT TO EXAMINATION BY THE INTERNAL REVENUE SERVICE
PART XI, LINE 2D - OTHER ADJUSTMENTS	RENTAL EXPENSES 887,676
PART XI, LINE 4B - OTHER ADJUSTMENTS	RESTRICTED CONTRIBUTIONS 1,885,000 RESTRICTED INVESTMENT INCOME 352,000 NET FUNDRAISING ACTIVITIES 1,042,840
PART XII, LINE 2D - OTHER ADJUSTMENTS	RENTAL EXPENSES 887,676 ROUNDING 386
PART XII, LINE 4B - OTHER ADJUSTMENTS	PAYMENTS TO AFFILIATES 3,548,000 NET FUNDRAISING ACTIVITIES 1,042,840

Part XIII Supplemental Information (continued)

Return Reference	Explanation

2013

Open to Public
InspectionSCHEDULE G
(Form 990 or 990-EZ)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.Department of the Treasury
Internal Revenue ServiceName of the organization
MIDDLESEX HOSPITAL

Employer identification number

06-0646718

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 <input type="checkbox"/> Mail solicitations	e <input type="checkbox"/> Solicitation of non-government grants
b <input type="checkbox"/> Internet and email solicitations	f <input type="checkbox"/> Solicitation of government grants
c <input type="checkbox"/> Phone solicitations	g <input type="checkbox"/> Special fundraising events
d <input type="checkbox"/> 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
1		Yes	No			
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 (add col (a) through col (c))
		TPC GOLF (event type)	HOSPICE GOLF (event type)	3 (total number)	
1	Gross receipts . . .	112,545	45,731	95,616	253,892
2	Less Contributions . . .	72,750	20,400	49,164	142,314
3	Gross income (line 1 minus line 2) . . .	39,795	25,331	46,452	111,578
4	Cash prizes . . .				
5	Noncash prizes . . .		1,040		1,040
6	Rent/facility costs . . .	35,955	6,160	20,909	63,024
7	Food and beverages . . .		7,991	19,141	27,132
8	Entertainment . . .			775	775
9	Other direct expenses . . .	9,924	1,245	17,020	28,189
10	Direct expense summary Add lines 4 through 9 in column (d)				(120,160) ►
11	Net income summary Subtract line 10 from line 3, column (d)				-8,582 ►

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

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

13 Indicate the percentage of gaming activity operated in

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

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

Name ► _____

Address ► _____

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

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

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

Name ► _____

Address ► _____

16 Gaming manager information

Name ► _____

Gaming manager compensation ► \$ _____

Description of services provided ► _____

Director/officer

Employee

Independent contractor

17 Mandatory distributions

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

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

Part IV Supplemental Information. 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

SCHEDULE H
(Form 990)

Hospitals

OMB No 1545-0047

Department of the Treasury
Internal Revenue Service

► 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.

2013

Open to Public
InspectionName of the organization
MIDDLESEX HOSPITAL

Employer identification number

06-0646718

Part I Financial Assistance and Certain Other Community Benefits at Cost

	Yes	No
1a Did the organization have a financial assistance policy during the tax year? If "No," skip to question 6a	1a Yes	
b If "Yes," was it a written policy?	1b Yes	
2 If the organization had multiple hospital facilities, indicate which of the following best describes application of the financial assistance policy to its various hospital facilities during the tax year		
<input checked="" type="checkbox"/> Applied uniformly to all hospital facilities	Applied uniformly to most hospital facilities	
<input type="checkbox"/> Generally tailored to individual hospital facilities		
3 Answer the following based on the financial assistance eligibility criteria that applied to the largest number of the organization's patients during the tax year		
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	3a Yes	
<input type="checkbox"/> 100% <input type="checkbox"/> 150% <input checked="" type="checkbox"/> 200% <input type="checkbox"/> Other _____ %		
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	3b Yes	
<input type="checkbox"/> 200% <input type="checkbox"/> 250% <input type="checkbox"/> 300% <input type="checkbox"/> 350% <input type="checkbox"/> 400% <input checked="" type="checkbox"/> Other _____ 50000 0000000000 %		
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 Yes	
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 No	
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)		5,314	5,013,686	1,445,379	3,568,307	1 140 %
b Medicaid (from Worksheet 3, column a)		17,741	55,594,939	35,636,656	19,958,283	6 380 %
c Costs of other means-tested government programs (from Worksheet 3, column b)		384	683,508	539,828	143,680	0 050 %
d Total Financial Assistance and Means-Tested Government Programs		23,439	61,292,133	37,621,863	23,670,270	7 570 %
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)		23,984	4,816,204	714,626	4,101,578	1 310 %
f Health professions education (from Worksheet 5)		2,170	12,276,168	2,121,731	10,154,437	3 250 %
g Subsidized health services (from Worksheet 6)		25,387	42,351,044	27,332,203	15,018,841	4 800 %
h Research (from Worksheet 7)		67	886,128	18,000	868,128	0 280 %
i Cash and in-kind contributions for community benefit (from Worksheet 8)		4,795	363,505		363,505	0 120 %
j Total Other Benefits		56,403	60,693,049	30,186,560	30,506,489	9 760 %
k Total Add lines 7d and 7j		79,842	121,985,182	67,808,423	54,176,759	17 330 %

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

	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community building expense	(d) Direct offsetting revenue	(e) Net community building expense	(f) Percent of total expense
1 Physical improvements and housing						
2 Economic development			24,694		24,694	0 010 %
3 Community support		10	158,359	30,000	128,359	0 040 %
4 Environmental improvements						
5 Leadership development and training for community members						
6 Coalition building		817	12,366		12,366	0 %
7 Community health improvement advocacy						
8 Workforce development		153	88,544		88,544	0 030 %
9 Other						
10 Total		980	283,963	30,000	253,963	0 080 %

Part III Bad Debt, Medicare, & Collection Practices

			Yes	No
1	Did the organization report bad debt expense in accordance with Healthcare Financial Management Association Statement No 15?		1	No
2	Enter the amount of the organization's bad debt expense Explain in Part VI the methodology used by the organization to estimate this amount	2	13,908,964	
3	Enter the estimated amount of the organization's bad debt expense attributable to patients eligible under the organization's financial assistance policy Explain in Part VI the methodology used by the organization to estimate this amount and the rationale, if any, for including this portion of bad debt as community benefit	3	1,390,896	
4	Provide in Part VI the text of the footnote to the organization's financial statements that describes bad debt expense or the page number on which this footnote is contained in the attached financial statements			
Section B. Medicare				
5	Enter total revenue received from Medicare (including DSH and IME)	5	57,787,357	
6	Enter Medicare allowable costs of care relating to payments on line 5	6	64,199,099	
7	Subtract line 6 from line 5 This is the surplus (or shortfall)	7	-6,411,742	
8	Describe in Part VI the extent to which any shortfall reported in line 7 should be treated as community benefit Also describe in Part VI the costing methodology or source used to determine the amount reported on line 6 Check the box that describes the method used			
	<input type="checkbox"/> Cost accounting system	<input type="checkbox"/> Cost to charge ratio	<input checked="" type="checkbox"/> Other	
Section C. Collection Practices				
9a	Did the organization have a written debt collection policy during the tax year?		9a	Yes
b	If "Yes," did the organization's collection policy that applied to the largest number of its patients during the tax year contain provisions on the collection practices to be followed for patients who are known to qualify for financial assistance? Describe in Part VI		9b	Yes

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

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

Part V Facility Information

Section A. Hospital Facilities

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

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

1

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

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

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

MIDDLESEX HOSPITAL

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

Part V Facility Information (continued)

Financial Assistance Policy		Yes	No
9	Did the hospital facility have in place during the tax year a written financial assistance policy that explained eligibility criteria for financial assistance, and whether such assistance includes free or discounted care?	9	Yes
10	Used federal poverty guidelines (FPG) to determine eligibility for providing <i>free</i> care? If "Yes," indicate the FPG family income limit for eligibility for free care <u>200 000000000000%</u> If "No," explain in Part VI the criteria the hospital facility used	10	Yes
11	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>500 000000000000%</u> If "No," explain in Part VI the criteria the hospital facility used	11	Yes
12	Explained the basis for calculating amounts charged to patients? If "Yes," indicate the factors used in determining such amounts (check all that apply)	12	Yes
a	<input checked="" type="checkbox"/> Income level		
b	<input checked="" type="checkbox"/> Asset level		
c	<input type="checkbox"/> Medical indigency		
d	<input type="checkbox"/> Insurance status		
e	<input type="checkbox"/> Uninsured discount		
f	<input type="checkbox"/> Medicaid/Medicare		
g	<input checked="" type="checkbox"/> State regulation		
h	<input type="checkbox"/> Residency		
i	<input checked="" type="checkbox"/> Other (describe in Part VI)		
13	Explained the method for applying for financial assistance?	13	Yes
14	Included measures to publicize the policy within the community served by the hospital facility? If "Yes," indicate how the hospital facility publicized the policy (check all that apply)	14	Yes
a	<input checked="" type="checkbox"/> The policy was posted on the hospital facility's website		
b	<input checked="" type="checkbox"/> The policy was attached to billing invoices		
c	<input checked="" type="checkbox"/> The policy was posted in the hospital facility's emergency rooms or waiting rooms		
d	<input checked="" type="checkbox"/> The policy was posted in the hospital facility's admissions offices		
e	<input checked="" type="checkbox"/> The policy was provided, in writing, to patients on admission to the hospital facility		
f	<input checked="" type="checkbox"/> The policy was available upon request		
g	<input type="checkbox"/> Other (describe in Part VI)		

Billing and Collections

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

19 Did the hospital facility have in place during the tax year a written policy relating to emergency medical care that requires the hospital facility to provide, without discrimination, care for emergency medical conditions to individuals regardless of their eligibility under the hospital facility's financial assistance policy?

If "No," indicate why

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

	Yes	No
19 Yes		

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

20 Indicate how the hospital facility determined, during the tax year, the maximum amounts that can be charged to FAP-eligible individuals for emergency or other medically necessary care

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

21		No

21 During the tax year, did the hospital facility charge any FAP-eligible 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

22 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

22		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.

Form and Line Reference	Explanation
See Additional Data Table	

Schedule H (Form 990) 2013

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? **1**

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

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 CHNA's 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 3C	IN GENERAL, MIDDLESEX HOSPITAL ("THE HOSPITAL") USES FPG TO DETERMINE ELIGIBILITY. THERE ARE, HOWEVER, SPECIAL CIRCUMSTANCES (SUCH AS A CATASTROPHIC EVENT) WHICH MAY AFFECT A PATIENT'S ABILITY TO PAY. IN THIS CASE, THE HOSPITAL EVALUATES THE APPLICATION WITH CONSIDERATION GIVEN TO THE PATIENT'S CURRENT SITUATION. WITH SPECIAL CIRCUMSTANCES, IN ORDER TO MAXIMIZE THE AMOUNT OF FINANCIAL ASSISTANCE DISCOUNT, THE FPG THRESHOLD MAY BE IGNORED AND THE HOSPITAL MAY USE THE PATIENT'S ASSETS AND/OR TAX RETURN ITEMIZED DEDUCTIONS TO DETERMINE THE AMOUNT OF FINANCIAL ASSISTANCE.

Form and Line Reference	Explanation
PART I, LINE 7G	MIDDLESEX HOSPITAL INCLUDES ITS FAMILY MEDICINE GROUP AS A SUBSIDIZED SERVICE FOR FY14, 10,380 UNIQUE INDIVIDUALS WERE SERVED WITH A TOTAL HOSPITAL SUBSIDY OF \$1,612,244. MIDDLESEX COUNTY HAS BEEN DESIGNATED BY THE HEALTH RESOURCES AND SERVICES ADMINISTRATION (HRSA) TO BE A MEDICALLY UNDERSERVED AREA EXPERIENCING A SHORTAGE OF SELECT HEALTH SERVICES WHICH INCLUDE TOO FEW PRIMARY CARE PROVIDERS. IN ADDITION, HRSA REPORTS THAT MIDDLESEX COUNTY IS A HEALTH PROFESSIONAL SHORTAGE AREA (HPSA) FOR PRIMARY MEDICAL CARE. MIDDLESEX HOSPITAL'S FAMILY MEDICINE GROUP FILLS A VITAL COMMUNITY HEALTH NEED BY PROVIDING ACCESS TO PRIMARY CARE SERVICES.

Form and Line Reference	Explanation
PART I, LINE 7	FOR PART 1, LINE 7 SECTIONS (A) FINANCIAL ASSISTANCE AT COST, (B) MEDICAID, (C) COSTS OF OTHER MEANS-TESTED GOVERNMENT PROGRAMS, PORTIONS OF (F) HEALTH PROFESSIONS EDUCATION, AND (G) SUBSIDIZED HEALTH SERVICES, THE COSTING METHODOLOGY USED IS A HYBRID COST ACCOUNTING/MEDICARE COST-TO-CHARGE RATIO CALCULATION THE PERCENTAGES ARE DERIVED FROM THE MOST CURRENT MEDICARE COST REPORT AND APPLIED BY CHARGE LINE APPROPRIATELY INDIRECT COSTS WERE APPLIED TO SUBSIDIZED HEALTH SERVICES THE MEDICARE COST REPORT DOES NOT ADDRESS ALL AREAS OF THE HOSPITAL IN THE SAME DETAIL, BUT DOES ACCURATELY ADDRESS INPATIENT AND OUTPATIENT, HOMECARE AND TO AN EXTENT PHYSICIAN SERVICES SECTIONS (E) COMMUNITY HEALTH IMPROVEMENT, PORTIONS OF (F) HEALTH PROFESSIONS EDUCATION, (H) RESEARCH, AND (I) CASH AND IN-KIND CONTRIBUTIONS TO COMMUNITY GROUPS ARE COMPRISED (EXCEPT FOR CASH DONATIONS AND IN-KIND MATERIAL DONATIONS) OF 1) SUPPLY EXPENSES, 2) PURCHASED SERVICES, AND 3) THE DIRECT SALARY COSTS FOR HOSPITAL STAFF WHOSE TIME WAS COMPENSATED BY THE HOSPITAL FOR TIME SPENT PARTICIPATING IN ACTIVITIES THAT QUALIFY AS COMMUNITY BENEFITS PLUS THE CURRENT FISCAL YEAR FRINGE BENEFIT RATE IN ADDITION TO SUBSIDIZED SERVICES, INDIRECT COSTS WERE APPLIED TO A SMALL SELECTION OF SALARIES AND SERVICES UNDER COMMUNITY HEALTH IMPROVEMENT, RESEARCH, AND COMMUNITY BENEFIT OPERATIONS, BUT NOT BROADLY ACROSS ALL COMMUNITY BENEFIT ACTIVITY ENTRIES

Form and Line Reference	Explanation
PART II	<p>MIDDLESEX HOSPITAL'S PARTICIPATION IN COMMUNITY BUILDING ACTIVITIES HAS A VITAL ROLE IN CONTINUING TO PROMOTE THE HEALTH, WELL-BEING AND SAFETY FOR RESIDENTS IN ITS SERVICE AREA. THE HOSPITAL OFFERS ITS RESOURCES AND EXPERTISE TO SUPPORT AND STRENGTHEN COMMUNITY ASSETS IN A VARIETY OF PROGRAMS THAT FALL UNDER THE SCOPE OF COMMUNITY BUILDING. STAFF MEMBERS ARE HIGHLY PARTICIPATIVE IN COMMUNITY PARTNERSHIPS AND COALITIONS, THE SUCCESS OF WHICH ARE GREATLY ENHANCED BY HOSPITAL COLLABORATION - MANY COMMUNITY INITIATIVES WOULD NOT BE AS EFFECTIVE WITHOUT THE HOSPITAL'S ADMINISTRATIVE AND CLINICAL STAFF IN-KIND INVOLVEMENT, SUPPORT AND EXPERTISE. AS COMMUNITY BUILDING PARTICIPATION IS FOCUSED ON HAVING A DIRECT IMPACT ON IMPROVING THE HEALTH OF THE COMMUNITY, IT MEETS THE CRITERIA FOR INCLUSION IN COMMUNITY BENEFIT AGGREGATE TOTALS. IN FY14 THE HOSPITAL'S COMMUNITY BUILDING ACTIVITIES TOTALLED \$253,963 AND SERVED 980 INDIVIDUALS. EXAMPLES INCLUDE (BUT ARE NOT LIMITED TO) "OPPORTUNITY KNOCKS (OK)" A MULTIDISCIPLINARY COMMUNITY COALITION THAT INCLUDES 70+ COLLABORATORS COMPRISED OF LOCAL HEALTH AND SOCIAL SERVICE AGENCIES, EARLY CARE AND EDUCATION PROVIDERS AND PARENTS. THE GOALS ARE TO ENSURE THAT CHILDREN ENTER KINDERGARTEN PHYSICALLY AND EMOTIONALLY HEALTHY AND READY TO SUCCEED. SINCE ITS INCEPTION IN 2003, OK HAS SERVED APPROXIMATELY 9,600 CHILDREN AGES 0-5. MIDDLESEX HOSPITAL PROVIDES FUNDING, THE PROGRAM PLANNER, A PHYSICIAN CHAMPION, GRANT-WRITING SUPPORT, FISCAL ADMINISTRATION FOR THE FUNDING SOURCES AND PARTICIPATION FROM MULTIPLE DEPARTMENTAL STAFF MEMBERS. "DISASTER READINESS" FOR DISASTER READINESS, THE HOSPITAL PLAYS A PIVOTAL ROLE BY WORKING IN COLLABORATION WITH KEY COMMUNITY PARTNERS TO ENSURE THE SAFETY OF THE COMMUNITY AT LARGE DURING A POTENTIAL DISASTER. TO PREPARE FOR DISASTERS, THE HOSPITAL PARTICIPATES IN COMMUNITY DISASTER PREPARATION COMMITTEES, STATEWIDE/REGIONAL EMERGENCY MANAGEMENT COMMITTEES, REGULAR COLLABORATIVE COMMUNITY EDUCATION AND DRILLS, AND HOSTS YEARLY RADIATION DRILLS FOR THE STAFF OF A LOCAL NUCLEAR POWER PLANT. IN ADDITION, THE HOSPITAL PURCHASES AND STOCK-PILES LARGE QUANTITIES OF EXTENSIVE PANDEMIC SUPPLIES TO BE USED SHOULD A COMMUNITY-WIDE DISASTER OCCUR. INCLUDED IN THIS STOCK-PILE ARE MEDICATIONS FOR INFECTIOUS DISEASE AND CHEMICAL EXPOSURE CURATIVES. THE MAJORITY OF THE VALUE OF THE SUPPLIES, SPACE UTILIZATION AND COSTS ASSOCIATED TO MONITOR AND REPLENISH PANDEMIC PRODUCTS (WITHIN EXPIRATION DATES) ARE ABSORBED BY THE HOSPITAL. "SHORELINE MEDICAL CENTER" MENTORING FOR CAREERS IN HEALTHCARE. THE HOSPITAL'S SHORELINE MEDICAL CENTER (SMC) HAS WELL-DEVELOPED EDUCATIONAL PROGRAMS FOR LOCAL STUDENTS INTERESTED IN MEDICAL CAREERS. SHORTAGES OF CERTAIN TRAINED MEDICAL PROFESSIONALS SUCH AS NURSES AND RADIOLOGIC TECHNOLOGISTS SERVED AS THE IMPETUS FOR STARTING THESE PROGRAMS. 1) CAREER DAY IS AN EXPERIENTIAL LEARNING EVENT WHERE HIGH SCHOOL STUDENTS INTERACT WITH STAFF MEMBERS FROM A VARIETY OF CLINICAL FIELDS AND PARTICIPATE IN INTERACTIVE MOCK DEMONSTRATIONS/SIMULATIONS. 2) INTERNSHIPS. SMC PROVIDES INTERNSHIPS FOR LOCAL HIGH SCHOOL STUDENTS AMONG MANY OTHER EXPERIENCES, STUDENTS ARE INVOLVED IN PATIENT ROUNDS AND ARE EXPOSED TO HOW DIAGNOSES ARE MADE. 3) WORLD OF WORK IS AN EDUCATIONAL EXPERIENCE FOR MIDDLE SCHOOL STUDENTS WHERE STUDENTS LEARN ABOUT SPECIFIC HEATH CARE FIELDS AND THE EDUCATION REQUIRED FOR EACH SPECIALTY. STUDENTS ALSO RECEIVE DEMONSTRATIONS ON HEALTH CARE MODALITIES.</p>

Form and Line Reference	Explanation
PART III, LINE 2	THE BAD DEBT EXPENSE AMOUNT IN PART III, LINE 2 IS BASED ON CHARGES AND TIED TO THE HOSPITAL'S AUDITED FINANCIAL STATEMENTS. THE HOSPITAL ACCOUNTS FOR DISCOUNTS AND PAYMENTS ON PATIENT ACCOUNTS IN DETERMINING BAD DEBT EXPENSE BY REDUCING BAD DEBT BY RECOVERIES ON THE HOSPITAL'S FINANCIALS

Form and Line Reference	Explanation
PART III, LINE 3	<p>THE HOSPITAL ESTIMATES THAT 10% OF ITS BAD DEBT EXPENSE IS ATTRIBUTABLE TO PATIENTS ELIGIBLE UNDER THE ORGANIZATION'S FINANCIAL ASSISTANCE POLICY. THE HOSPITAL HAS A WELL-ESTABLISHED PROCESS WITH ITS THIRD PARTY AGENCIES TO CAPTURE AS MANY PATIENTS ELIGIBLE FOR FINANCIAL ASSISTANCE AS POSSIBLE AND AWARDS FINANCIAL ASSISTANCE TO THOSE PATIENTS IN COLLECTIONS WHO ARE KNOWN TO QUALIFY. ONCE IN COLLECTIONS, THERE ARE TWO METHODS WHICH ENABLE PATIENTS TO RECEIVE FINANCIAL ASSISTANCE AWARDS: 1) PATIENTS EITHER COMPLETE A FINANCIAL ASSISTANCE APPLICATION, MEET ELIGIBILITY CRITERIA AND ARE APPROVED, OR 2) THE THIRD PARTY ORGANIZATIONS THAT WORK ON BEHALF OF THE HOSPITAL TO COLLECT BALANCES SCREEN FOR FINANCIAL ASSISTANCE ELIGIBILITY IN ORDER TO ENSURE THAT ALL PATIENTS IN COLLECTIONS ARE AWARE OF FINANCIAL ASSISTANCE AVAILABILITY. THE HOSPITAL REQUIRES THIRD PARTY ORGANIZATIONS TO FOLLOW THE HOSPITAL'S POLICIES REGARDING PATIENT NOTIFICATION ABOUT THE HOSPITAL'S FINANCIAL ASSISTANCE PROGRAM. WITHIN THE POLICY THERE IS A PROVISION WHEREBY COLLECTION AGENCIES, USING GUIDELINES SET FORTH BY THE HOSPITAL, ASSIST THE HOSPITAL IN IDENTIFYING PATIENTS WHO DO NOT HAVE A MEANS TO PAY FOR SERVICES AND THEREFORE QUALIFY FOR THE HOSPITAL'S FINANCIAL ASSISTANCE PROGRAM. WHILE THESE PATIENTS HAVE NOT GONE THROUGH THE FORMAL APPLICATION PROCESS, THEY MEET THE ELIGIBILITY GUIDELINES FOR FINANCIAL ASSISTANCE AS DEFINED BY THE HOSPITAL. THESE PATIENTS ARE THEN TRANSFERRED AND INCLUDED UNDER THE HOSPITAL'S FINANCIAL ASSISTANCE UMBRELLA. WHILE THIS PROCESS CAPTURES THE MAJORITY OF THOSE WHO ARE ELIGIBLE FOR FINANCIAL ASSISTANCE, THE HOSPITAL RECOGNIZES IT WILL STILL HAVE A POPULATION OF PATIENTS WHO COULD POTENTIALLY QUALIFY FOR FINANCIAL ASSISTANCE AND DO NOT RECEIVE AWARDS - THOSE WHO ARE UNCOOPERATIVE, UNRESPONSIVE OR HAVE MOVED AWAY. BAD DEBT DOLLARS ARE NOT INCLUDED IN ANY OF THE HOSPITAL'S PROGRAMMATIC COMMUNITY BENEFIT VALUES AND, WHILE NOTED, ARE NOT INCLUDED IN THE HOSPITAL'S COMMUNITY BENEFIT TOTALS IN ANY HOSPITAL COMMUNITY BENEFIT PUBLICATION.</p>

Form and Line Reference	Explanation
PART III, LINE 4	THE HOSPITAL ESTIMATES A RESERVE FOR UNCOLLECTIBLE ACCOUNTS AGAINST ITS PATIENT ACCOUNTS RECEIVABLE WHEN BAD DEBTS ARE IDENTIFIED, THEY ARE ACCOUNTED FOR AS A COMPONENT OF THE NET PATIENT REVENUE PROVISION FOR BAD DEBTS NET OF RECOVERIES PAGE 13 OF THE MIDDLESEX HOSPITAL'S FY14 AUDITED FINANCIAL STATEMENT STATES FOR RECEIVABLES ASSOCIATED WITH SELF-PAY PATIENTS WHICH INCLUDES BOTH PATIENTS WITHOUT INSURANCE AND PATIENTS WITH DEDUCTIBLE AND COPAYMENT BALANCES DUE FOR WHICH THIRD-PARTY COVERAGE EXISTS FOR PART OF THE BILL, THE HOSPITAL RECORDS A SIGNIFICANT PROVISION FOR BAD DEBTS IN THE PERIOD OF SERVICE ON THE BASIS OF ITS PAST EXPERIENCE, WHICH INDICATES THAT MANY PATIENTS ARE UNABLE OR UNWILLING TO PAY THE PORTION OF THEIR BILL FOR WHICH THEY ARE FINANCIALLY RESPONSIBLE THE DIFFERENCE BETWEEN DISCOUNTED RATES AND THE AMOUNTS ACTUALLY COLLECTED AFTER ALL REASONABLE COLLECTION EFFORTS HAVE BEEN EXHAUSTED IS CHARGED OFF AGAINST THE ALLOWANCE FOR DOUBTFUL ACCOUNTS

Form and Line Reference	Explanation
PART III, LINE 8	<p>THE MEDICARE COST REPORT IS THE COSTING METHODOLOGY SYSTEM USED TO DETERMINE THE AMOUNT REPORTED ON PART III, LINES 5 AND 6. THE HOSPITAL UTILIZES WORKSHEET 6 FOUND IN THE FORM 990 INSTRUCTIONS FOR SCHEDULE H TO CALCULATE ITS SUBSIDIZED SERVICES. THE INSTRUCTIONS STATE THAT "THE FINANCIAL LOSS IS MEASURED AFTER REMOVING LOSSES, MEASURED BY COST, ASSOCIATED WITH BAD DEBT, CHARITY CARE, MEDICAID AND OTHER MEANS-TESTED GOVERNMENT PROGRAMS" GIVEN THAT WORKSHEET 6 DOESN'T SUGGEST REMOVING LOSSES ASSOCIATED WITH MEDICARE, A PORTION OF MEDICARE IS INCLUDED IN THE HOSPITAL'S SUBSIDIZED SERVICE CALCULATIONS SO AS NOT TO DOUBLE COUNT MEDICARE VALUES IN PART III, SECTION B, LINES 5 AND 6, THE PORTION OF MEDICARE SHORTFALL INCLUDED IN OUR SUBSIDIZED SERVICES CALCULATIONS HAS BEEN SUBTRACTED FROM THE MEDICARE REVENUE AND COSTS DERIVED FROM THE MEDICARE COST REPORT. THE VALUES INDICATED IN PART III, LINES 5 AND 6 ARE THEREFORE WHAT REMAINS AFTER THE MEDICARE REVENUE AND COSTS INCLUDED IN THE SUBSIDIZED SERVICES CALCULATIONS HAVE BEEN SUBTRACTED OUT. GIVEN THIS, THE RESULTING VALUES (PART III, LINES 5, 6 AND 7) WOULD NEED TO BE COMBINED WITH THE MEDICARE REVENUE/COSTS INCLUDED IN OUR SUBSIDIZED SERVICES TO GET THE FULL OVERVIEW OF MEDICARE REVENUE, COSTS AND ANY REMAINING SHORTFALL OR SURPLUS. WE AGREE WITH THE CURRENT SUBSIDIZED SERVICES CALCULATION METHODOLOGY THAT ALLOWS THE INCLUSION OF MEDICARE DOLLARS AS THE MEDICARE POPULATION COMPRISES AN IMPORTANT SEGMENT OF THOSE RECEIVING SUBSIDIZED SERVICES. CARE THE HOSPITAL TREATS ALL MEDICARE PATIENTS EQUALLY AND DOES NOT DISCRIMINATE AGAINST LOWER-MARGIN YIELDING SERVICES AS A NOT-FOR-PROFIT HOSPITAL, MIDDLESEX HOSPITAL IS THE SAFETY-NET IN THE COMMUNITY FOR ALL MEDICARE PATIENTS, REGARDLESS OF LEVEL OF MEDICARE COVERAGE AND REGARDLESS IF A SURPLUS OR DEFICIT RESULTS. THIS OPEN ACCESS FOR MEDICARE PATIENTS PROMOTES ACCESS TO CARE, A FUNDAMENTAL TENET OF THE HOSPITAL'S COMMUNITY BENEFIT PROGRAM. PERSONS 65 YEARS AND OVER IN MIDDLESEX COUNTY IS 17.2% COMPARED TO 15.2% IN THE STATE (2013 CENSUS). IN ADDITION TO A HIGHER PERCENTAGE OF OLDER ADULTS LIVING IN MIDDLESEX COUNTY, WHEN COMPARED TO THE STATE, ONE OF THE HOSPITAL'S PAST HEALTH NEEDS ASSESSMENTS FOUND HIGH EMERGENCY DEPARTMENT USAGE FOR AMBULATORY CARE SENSITIVE CONDITIONS IN THE 65+ AND 85+ AGE GROUPS, WHICH IS FURTHER CONFIRMATION OF THE HOSPITAL'S FUNCTION AS A SAFETY-NET PROVIDER FOR ITS COMMUNITY'S ELTERS. AS MIDDLESEX COUNTY HAS A DISPROPORTIONATE LEVEL OF COMMUNITY MEMBERS AGE 65+ WHEN COMPARED TO STATE AVERAGES, THE SHORTFALL THAT THE HOSPITAL EXPERIENCES IN PROVIDING CRITICAL HEALTHCARE SERVICES TO THE MEDICARE POPULATION SHOULD BE CONSIDERED A COMMUNITY BENEFIT WITHIN THE HOSPITAL'S SUBSIDIZED SERVICES, WHICH THOSE AGE 65+ ALSO RELY HEAVILY ON FOR CARE. THE HOSPITAL FILLS A HEALTHCARE DELIVERY GAP FOR MEDICARE PATIENTS, ONE WHICH WOULD BE DETRIMENTAL TO THE COMMUNITY IF THE HOSPITAL WAS NOT PRESENT.</p>

Form and Line Reference	Explanation
PART III, LINE 9B	<p>MIDDLESEX HOSPITAL HAS A WRITTEN DEBT COLLECTION POLICY. THE POLICY STATES THAT PATIENTS WHO QUALIFY FOR FINANCIAL ASSISTANCE WILL BE RESPONSIBLE FOR PAYING ANY BALANCE REMAINING AFTER THE FINANCIAL ASSISTANCE ALLOWANCE HAS BEEN APPLIED (THAT IS, IF 100% FINANCIAL ASSISTANCE HAS NOT BEEN AWARDED) THE POLICY ALSO OUTLINES THE PROCESS FOR PAYING OUTSTANDING BALANCES SHOULD THE PATIENT BE FOUND TO HAVE THE MEANS TO PAY A PARTIAL AMOUNT AFTER THE HOSPITAL'S FINANCIAL ASSISTANCE DETERMINATION CRITERIA HAS BEEN APPLIED FOR SUCH BALANCES, THE HOSPITAL WILL NOTIFY THE PATIENT OF HIS/HER LIABILITY IF PAYMENT IS NOT MADE, THE POLICY STATES THAT THE HOSPITAL WILL USE APPROPRIATE METHODS TO PURSUE COLLECTION, WHICH MAY INCLUDE COLLECTIONS AGENCIES AND ATTORNEYS. THIS PRACTICE IS BROADLY UTILIZED FOR ALL PATIENTS WITH OUTSTANDING BALANCES. THE HOSPITAL MAKES EVERY EFFORT TO ENSURE THAT ALL PATIENTS KNOW PAYMENT PLANS ARE AVAILABLE FOR ANY BALANCE, INCLUDING THOSE PATIENTS WHO HAVE A BALANCE LEFT OVER AFTER A FINANCIAL ASSISTANCE AWARD HAS BEEN APPLIED IN ORDER TO CAPTURE THE PATIENTS WHO ARE KNOWN TO QUALIFY FOR FINANCIAL ASSISTANCE, THE HOSPITAL HAS PROVISIONS IN ITS COLLECTION POLICY. IN THE CASE WHERE PATIENTS WHO WOULD QUALIFY FOR FINANCIAL ASSISTANCE DO NOT COMPLETE A FINANCIAL ASSISTANCE APPLICATION AND ARE PLACED INTO COLLECTIONS, THE THIRD PARTY ORGANIZATIONS THAT WORK ON BEHALF OF THE HOSPITAL TO COLLECT BALANCES SCREEN FOR FINANCIAL ASSISTANCE ELIGIBILITY. THE THIRD PARTY ORGANIZATIONS FOLLOW HOSPITAL POLICY BY ALERTING ALL PATIENTS IN COLLECTIONS TO THE AVAILABILITY OF THE HOSPITAL'S FINANCIAL ASSISTANCE PROGRAM. WITHIN THE HOSPITAL'S COLLECTION POLICY THERE IS A PROVISION WHEREBY COLLECTION AGENCIES, USING GUIDELINES SET FORTH BY THE HOSPITAL, ASSIST THE HOSPITAL IN IDENTIFYING PATIENTS WHO DO NOT HAVE A MEANS TO PAY FOR SERVICES AND THEREFORE QUALIFY FOR THE HOSPITAL'S FINANCIAL ASSISTANCE PROGRAM - WHILE THESE PATIENTS HAVE NOT GONE THROUGH THE FORMAL APPLICATION PROCESS, THEY MEET THE ELIGIBILITY GUIDELINES FOR FINANCIAL ASSISTANCE AS DEFINED BY THE HOSPITAL. THESE PATIENTS ARE THEN TRANSFERRED AND INCLUDED UNDER THE HOSPITAL'S FINANCIAL ASSISTANCE UMBRELLA. THIS PROCESS WAS PUT IN PLACE BY THE HOSPITAL IN ORDER TO CAPTURE AS MANY PATIENTS WHO ARE ELIGIBLE FOR FINANCIAL ASSISTANCE AS POSSIBLE.</p>

Form and Line Reference	Explanation
PART VI, LINE 2	SINCE THE INCEPTION OF MIDDLESEX HOSPITAL'S COMMUNITY BENEFIT POLICY IN 2007, AND PRIOR TO THE MANDATE OF THE AFFORDABLE CARE ACT, CONDUCTING A COMMUNITY HEALTH NEEDS ASSESSMENT (CHNA) IN ORDER TO PRIORITIZE SPECIFIC COMMUNITY BENEFIT INITIATIVES HAS BEEN A CORE ELEMENT OF THE HOSPITAL'S COMMUNITY BENEFIT PROGRAM IN ADDITION TO COMPLETING A CHNA, THE HOSPITAL ASSESSES THE NEEDS OF THE COMMUNITIES IT SERVICES ON AN ON-GOING BASIS THROUGH A VARIETY OF METHODS EXAMPLES INCLUDE 1) PARTICIPATION IN FOCUS GROUPS FOR LOCAL AGENCY-SPECIFIC PRIORITY SETTING, SUCH AS THE MIDDLESEX UNITED WAY, AND THE REGION 2 REGIONAL MENTAL HEALTH AND ADDICTION SERVICES & REGIONAL ACTION COUNCIL, 2) PARTICIPATION IN BROAD-BASED HEALTHCARE COALITIONS SUCH AS THE MIDDLESEX COUNTY COALITION ON COMMUNITY WELLNESS AND THE MIDDLESEX COUNTY CHAMBER OF COMMERCE HEALTH CARE COUNCIL, 3) CONTINUOUS ASSESSMENT AND ADJUSTMENTS, WHEN NECESSARY, OF THE HOSPITAL'S COMMUNITY BENEFIT PROGRAMS THROUGH SURVEYS AND PATIENT/PARTICIPANT FEEDBACK HAVING A STRONG PRESENCE IN COMMUNITY COALITIONS AND PARTNERSHIPS, IN ADDITION TO BEING RESPONSIVE TO THE NEEDS EXPRESSED BY OUR COMMUNITY RESIDENTS, ALLOWS THE HOSPITAL TO CONTINUALLY ASSESS THE HEALTHCARE NEEDS OF OUR COMMUNITY IN BETWEEN COMMUNITY HEALTH NEEDS ASSESSMENT CYCLES

Form and Line Reference	Explanation
PART VI, LINE 3	<p>GREAT CONCERN IS TAKEN TO ENSURE THAT PATIENTS ARE APPRISED OF THE AVAILABILITY OF FEDERAL/STATE/LOCAL GOVERNMENT PROGRAMS AND THE HOSPITAL'S FINANCIAL ASSISTANCE PLAN NOTICE OF THE HOSPITAL'S FINANCIAL ASSISTANCE PROGRAM IS DISPLAYED CONSPICUOUSLY IN ENGLISH AND SPANISH AT THE ENTRY OF EACH FACILITY AND AT ALL PATIENT REGISTRATION POINTS THE NOTIFICATION INCLUDES AN OVERVIEW OF THE HOSPITAL'S FINANCIAL AID PROGRAM, THE AVAILABILITY OF FREE BED FUNDS AND OTHER FINANCIAL ASSISTANCE, SLIDING SCALE, AND FINANCIAL COUNSELOR CONTACT INFORMATION AT THE TIME OF REGISTRATION, HOSPITAL ACCESS STAFF REVIEWS THE HOSPITAL'S FINANCIAL ASSISTANCE PROGRAM AND ASKS THE PATIENT IF HE/SHE WOULD LIKE A FINANCIAL ASSISTANCE PACKAGE BUILT INTO THE REGISTRATION DATA BASE IS A REQUIRED FINANCIAL ASSISTANCE FIELD WHICH MUST BE COMPLETED AS PART OF THE ADMISSIONS PROCESS ONCE THE PATIENT EXPRESSES THE DESIRE TO RECEIVE A FINANCIAL ASSISTANCE PACKAGE, PAPERWORK WITH PATIENT NAME AND MEDICAL RECORD IS AUTOMATICALLY PRINTED AT THE REGISTRATION STATION AND HANDED TO THE PATIENT OTHER METHODS OF COMMUNICATION TO INCREASE AWARENESS REGARDING THE FINANCIAL ASSISTANCE AND FREE BED FUND PROGRAM INCLUDE 1) A FINANCIAL ASSISTANCE BROCHURE THAT AIDS PATIENTS IN THE PROCESS, ANSWERS KEY QUESTIONS AND PROVIDES EASY ACCESS FOR HELP (AVAILABLE AT MULTIPLE HOSPITAL DEPARTMENTS AND LOCATIONS, INCLUDING KIOSKS AT EVERY HOSPITAL ENTRY POINT), 2) A SEPARATE AND DISTINCT FINANCIAL ASSISTANCE SERVICES SECTION ON THE HOSPITAL'S WEB-SITE (WWW.MIDDLESEXHOSPITAL.ORG) WHICH INCLUDES APPLICATION, INSTRUCTIONS, AND SLIDING SCALE, 3) INCLUSION OF FINANCIAL ASSISTANCE INFORMATION IN THE HOSPITAL'S INPATIENT ADMISSIONS BOOKLET, 4) NOTICE OF THE PROGRAM AND FINANCIAL COUNSELOR CONTACT INFORMATION ON EVERY BILLING STATEMENT, 5) NOTIFICATION AT DISCHARGE, AND 6) A LETTER OUTLINING THE PROGRAM SENT TO EVERY SELF-PAY PATIENT FOLLOWING DISCHARGE THE HOSPITAL HAS A TEAM OF FINANCIAL COUNSELORS WHO ARE AVAILABLE TO ASSIST THE PATIENT THROUGH THE APPLICATION PROCESS EITHER BY PHONE OR VISIT THE ROLE OF THE COUNSELORS IS TO HELP PATIENTS NAVIGATE THE HOSPITAL'S FINANCIAL ASSISTANCE PROCESS AND TO AID IN APPLICATION FOR MEDICAID/STATE PROGRAMS ALL COUNSELORS RECEIVE DEPARTMENTAL TRAINING ON THE IMPORTANCE OF ASSISTING PATIENTS IN NEED OF STATE/GOVERNMENTAL OR HOSPITAL FINANCIAL ASSISTANCE, THE HOSPITAL'S FINANCIAL ASSISTANCE PROTOCOLS, SYSTEMS, NEW PROGRAM ENHANCEMENTS, AND HOW TO PROVIDE SUPPORT AND FOLLOW-UP FOR MEDICAID/STATE ENROLLMENT THE HOSPITAL'S SOCIAL WORKERS ALSO ASSIST PATIENTS WITH COMPLETION OF HOSPITAL FINANCIAL ASSISTANCE APPLICATIONS AS WELL AS MEDICAID/STATE APPLICATIONS AN IMPORTANT ADDITION TO MIDDLESEX HOSPITAL'S FINANCIAL ASSISTANCE PROCESS HAS BEEN THE DEVELOPMENT OF THE FINANCIAL ASSISTANCE WORKGROUP SEVERAL YEARS AGO WORKGROUP TASKS INCLUDE INCREASING AWARENESS REGARDING FINANCIAL ASSISTANCE AVAILABILITY, CONTINUOUS MONITORING OF APPROPRIATENESS, FEASIBILITY AND ACCESSIBILITY OF THE HOSPITAL'S FINANCIAL ASSISTANCE PRACTICES, AND A COMPREHENSIVE COMMUNICATIONS STRATEGY FOR INCREASING AWARENESS FOR FINANCIAL ASSISTANCE IN FY14, MIDDLESEX HOSPITAL GRANTED \$3,568,307 OF FINANCIAL ASSISTANCE TO 5314 UNIQUE RECIPIENTS AND ABSORBED \$20,101,963 IN UNPAID COSTS OF MEDICAID (TOTAL OF MEDICAID INCLUDING MANAGED CARE AND LIA), SERVING 18,125 INDIVIDUALS</p>

Form and Line Reference	Explanation
PART VI, LINE 4	<p>MIDDLESEX HOSPITAL IS THE SOLE HOSPITAL PROVIDER IN ITS SERVICE AREA, WHICH INCLUDES THE LARGE GEOGRAPHIC AREA OF MIDDLESEX COUNTY AND SURROUNDING TOWNS IT ENCOMPASSES 24 MUNICIPALITIES, INCLUDING THE 15 TOWNS OF MIDDLESEX COUNTY (MIDDLETOWN, CROMWELL, PORTLAND, EAST HAMPTON, EAST HADDAM, HADDAM, MIDDLEFIELD, DURHAM, KILLINGWORTH, CHESTER, DEEP RIVER, ESSEX, OLD SAYBROOK, WESTBROOK, CLINTON) AND 9 TOWNS ON MIDDLESEX COUNTY'S PERIPHERY (ROCKY HILL, GLASTONBURY, HEBRON, MARLBOROUGH, COLCHESTER, SALEM, LYME/OLD LYME, MADISON, GUILFORD) THE MIX OF SUBURBAN AND RURAL TOWNS EXIST WITHIN A LAND MASS OF APPROXIMATELY 623 SQUARE MILES AND HAS A POPULATION OF APPROXIMATELY 250,000 [WITH A POPULATION OF 164,943 (2014 CENSUS) IN MIDDLESEX COUNTY PROPER]</p> <p>MIDDLESEX COUNTY IS LOCATED IN SOUTHEASTERN CONNECTICUT AND RANKS 4TH OUT OF THE EIGHT CT COUNTIES IN POPULATION SIZE 72% OF THE COUNTY'S RESIDENTS LIVE IN URBAN AREAS WITH 28% LIVING IN RURAL ENVIRONMENTS THE MAIN INDUSTRY INCLUDES MIDDLESEX HOSPITAL, WESLEYAN UNIVERSITY, PRATT & WHITNEY AND THE SMALL BUSINESS COMMUNITY THE COUNTY'S RACIAL COMPOSITION IS 89 7% WHITE (85 2% WHITE ALONE, NOT HISPANIC OR LATINO), 5 3% BLACK OR AFRICAN AMERICAN, 2 9% ASIAN, 0 2% NATIVE AMERICAN AND 1 9% OTHER/MULTI-RACE, WITH AN ETHNIC MAKE-UP OF 5 5% HISPANIC OR LATINO (2013 CENSUS) MIDDLETOWN IS THE LARGEST MUNICIPALITY IN THE COUNTY, WITH A POPULATION OF 47,333 (2013 CENSUS) AND DEMOGRAPHICALLY STANDS ALONE FROM THE OTHER TOWNS WITHIN MIDDLESEX COUNTY MIDDLETOWN'S RACIAL COMPOSITION IS 75 8% WHITE (71 6% WHITE ALONE, NOT HISPANIC OR LATINO), 12 8% BLACK OR AFRICAN AMERICAN, 4 9% ASIAN, 0 2% NATIVE AMERICAN AND 3 8% OTHER/MULTI-RACE, WITH AN ETHNIC MAKE-UP OF 8 3% HISPANIC OR LATINO (2010) REGARDING THE SOCIOECONOMIC MEASURES OF INCOME LEVEL, POVERTY RATE, AND EDUCATION ATTAINMENT 1) THE AVERAGE ANNUAL HOUSEHOLD INCOME IS \$59,994 IN MIDDLETOWN AND \$76,994 IN MIDDLESEX COUNTY (2009-2013 CENSUS), 2) PERSONS LIVING BELOW POVERTY LEVEL IS 11 7% IN MIDDLETOWN AND 6 4% IN MIDDLESEX COUNTY (2009-2013 CENSUS), AND 3) HIGH SCHOOL GRADUATE OF HIGHER PERCENT OF PERSONS AGE 25+ IS 90 9% IN MIDDLETOWN (2009-2013 CENSUS) COMPARED TO 93 8% IN MIDDLESEX COUNTY (2009-2013 CENSUS) IN 2014, THE PERCENT OF HOSPITAL DISCHARGES FOR MEDICAID/SAGA/UNINSURED COMBINED WERE 16 72% INPATIENT, 12 57% OUTPATIENT, 31 98% EMERGENCY DEPARTMENT NON-ADMISSION, AND, FOR THE FOLLOWING SERVICES 36 33% NEWBORN, 44 62 INPATIENT PSYCHIATRY, 13 19% OUTPATIENT SURGERY AND 12 84% OUTPATIENT OBSERVATION MIDDLESEX COUNTY HAS BEEN DESIGNATED BY THE HEALTH RESOURCES AND SERVICES ADMINISTRATION (HRSA) TO BE A MEDICALLY UNDERSERVED AREA EXPERIENCING A SHORTAGE OF SELECT HEALTH SERVICES WHICH INCLUDE TOO FEW PRIMARY CARE PROVIDERS, HIGH INFANT MORTALITY, HIGH POVERTY OR A HIGH ELDERLY POPULATION</p>

Form and Line Reference	Explanation
PART VI, LINE 5	<p>AS MIDDLESEX HOSPITAL IS A COMMUNITY HOSPITAL, INVOLVING COMMUNITY MEMBERS IN KEY FUNCTIONS HAS ALWAYS BEEN A PRIORITY. THE HOSPITAL'S BOARD IS COMPRISED MAINLY OF COMMUNITY MEMBERS WHO ARE NEITHER EMPLOYEES, FAMILY MEMBERS NOR CONTRACTORS OF THE ORGANIZATION, BUT ARE LONG-TERM RESIDENTS WHOSE PRIMARY INTEREST IS THE HEALTH AND WELL-BEING OF THE COMMUNITY AT LARGE. MIDDLESEX HOSPITAL EXTENDS MEDICAL STAFF PRIVILEGES TO ALL QUALIFIED PHYSICIANS IN THE COMMUNITY BASED ON THE HOSPITAL'S CURRENT AND PROJECTED PATIENT CARE, TEACHING AND RESEARCH NEEDS, AND OVERALL COMMUNITY NEED. MEDICAL STAFF INPUT AND PARTICIPATION IS HIGHLY VALUED BY THE HOSPITAL AS EVIDENCED BY INCLUSION IN THE HOSPITAL'S MEDICAL EXECUTIVE COMMITTEE, THE MEDICAL STAFF COUNCIL AND COUNTLESS OTHER WORKING COMMITTEES. THE HOSPITAL HAS A FORMAL PROCESS FOR ALLOCATION OF SURPLUS FUNDS, A MULTIDISCIPLINARY CAPITAL BUDGETING COMMITTEE MEETS AND SETS PRIORITIES FOR INVESTMENTS IN PATIENT CARE, EDUCATION AND RESEARCH, AND PHYSICAL STRUCTURE. THE APPROACH TAKES INTO CONSIDERATION PATIENT, COMMUNITY AND STAFF NEEDS. EACH YEAR THE HOSPITAL ALLOCATES A PORTION OF SURPLUS FUNDING TO A WIDE ARRAY OF COMMUNITY BENEFIT PROGRAMS AND SERVICE LINES, INCLUDING SUBSTANTIAL HEALTH AND WELLNESS ACTIVITIES AND INITIATIVES, SUBSIDIZED SERVICES, MEDICAL EDUCATION, RESEARCH AND HEALTH ASSESSMENT COSTS. CONTINUOUS DEDICATION TO THE COMMUNITIES IT SERVES REMAINS THE HALLMARK OF MIDDLESEX HOSPITAL'S VISION, MISSION, AND STRATEGIC PLANNING. AMBITIOUS COMMUNITY BENEFIT GOALS, THE INCORPORATION OF COMMUNITY BENEFIT INTO ANNUAL ORGANIZATIONAL PLANNING, AND THE PROVISION OF COMMUNITY BENEFIT PROGRAMS THAT TARGET THE COMMUNITY'S MOST VULNERABLE AND AT-RISK POPULATIONS HAS ALLOWED THE HOSPITAL TO PUT A FORMAL STRUCTURE AROUND ITS FUNDAMENTAL PURPOSE. THE HOSPITAL'S COMMUNITY BENEFIT TOTAL FOR FY14 WAS \$54,176,759 (EXCLUDING COMMUNITY BUILDING) WITH 79,842 SERVED (EXCLUDING COMMUNITY BUILDING). THE FOLLOWING IS AN OVERVIEW OF THE HOSPITAL'S COMMUNITY BENEFIT PROGRAM.</p> <p>COMMUNITY HEALTH IMPROVEMENT SERVICES THE HOSPITAL UNDERWRITES A VAST RANGE OF COMMUNITY HEALTH EDUCATION AND HEALTH IMPROVEMENT PROGRAMS, NONE OF WHICH ARE DEVELOPED FOR MARKETING PURPOSES, ALL OF WHICH ARE SUPPORTED AS A MEANS OF FULFILLING THE HOSPITAL'S MISSION TO SERVE ITS COMMUNITY. ALMOST 100% OF THE TIME THESE SERVICES ARE OFFERED FREE OF CHARGE, IN THE RARE INSTANCE WHERE A NOMINAL FEE IS ASSESSED THE COST OF PROVIDING THE SERVICE IS NOT COVERED. COMMUNITY HEALTH EDUCATION IS PROVIDED TO THE COMMUNITY AT LARGE. SOME OF THE PROGRAMS REPRESENT ONE TIME EVENTS, HOWEVER MOST ARE ONGOING AND OVER THE YEARS HAVE BECOME ENTRENCHED IN THE COMMUNITY AS A SOURCE OF SUPPORT AND CONTINUED EDUCATION FOR A HEALTHFUL FUTURE. EXAMPLES OF COMMUNITY HEALTH IMPROVEMENT SERVICES INCLUDE (BUT ARE NOT LIMITED TO) 1) HEALTH EDUCATION (COMMUNITY EDUCATION PRESENTATIONS, HEALTH AND WELLNESS EVENTS/HEALTH FAIRS, SUPPORT GROUPS, LARGE SCALE CANCER AWARENESS AND EDUCATIONAL EVENTS, AND THE AVAILABILITY OF HEALTH LITERATURE), 2) COMMUNITY-BASED CLINICAL SERVICES (CLINICS AND SCREENINGS, ANNUAL FLU SHOTS, BLOOD PRESSURE CLINICS), AND 3) HEALTHCARE SUPPORT SERVICES OFFERED TO INCREASE ACCESS AND QUALITY OF CARE TO INDIVIDUALS, ESPECIALLY THOSE LIVING IN POVERTY AND/OR OTHER VULNERABLE POPULATIONS. (CENTER FOR CHRONIC CARE MANAGEMENT DISEASE MANAGEMENT OUTPATIENT PROGRAMS FOR ADULT ASTHMA, CHILD ASTHMA, DIABETES EDUCATION AND DISEASE MANAGEMENT, MEDICAL NUTRITION THERAPY, SMOKING CESSION, CHRONIC HEART FAILURE, AND CHILDHOOD WEIGHT MANAGEMENT) IN FY14, THE HOSPITAL'S COMMUNITY HEALTH IMPROVEMENT SERVICES SERVED 23,984 INDIVIDUALS AT A TOTAL COST OF \$4,101,578 TO THE HOSPITAL. HEALTH PROFESSIONS EDUCATION HELPING TO PREPARE FUTURE HEALTH CARE PROFESSIONALS IS A LONG-STANDING COMMITMENT OF MIDDLESEX HOSPITAL AND DISTINGUISHING CHARACTERISTIC THAT CONSTITUTES A SIGNIFICANT COMMUNITY BENEFIT. THE HOSPITAL'S FAMILY MEDICAL RESIDENCY PROGRAM GRADUATES FAMILY PRACTICE PHYSICIANS, MANY OF WHOM CONTINUE TO PRACTICE IN THE MIDDLESEX COUNTY AREA AFTER THEIR TRAINING IS COMPLETE. THIS IS ESPECIALLY IMPORTANT GIVEN THAT MIDDLESEX COUNTY HAS BEEN DESIGNATED BY THE HEALTH RESOURCES AND SERVICES ADMINISTRATION (HRSA) TO BE A MEDICALLY UNDERSERVED AREA (MUA) EXPERIENCING A SHORTAGE OF SELECT HEALTH SERVICES WHICH INCLUDE TOO FEW PRIMARY CARE PROVIDERS. IN ADDITION, HRSA REPORTS THAT MIDDLESEX COUNTY IS A HEALTH PROFESSIONAL SHORTAGE AREA (HPSA) FOR PRIMARY MEDICAL CARE. THE HOSPITAL ALSO WELCOMES MEDICAL AND NURSING STUDENT INTERNS AND PROVIDES ON-SITE TRAINING DURING CLINICAL ROTATIONS. NURSING STUDENTS FROM LOCAL COLLEGES AND PROGRAMS RECEIVE HANDS-ON MENTORSHIP IN THE MAJORITY OF CLINICAL SERVICE LINES YEAR-ROUND. OTHER HEALTHCARE PROFESSIONAL EDUCATION INCLUDES THE HOSPITAL'S RADIOLOGY SCHOOL (WHICH OPERATES AT A LOSS FOR THE HOSPITAL) AND CLINICAL/NON-CLINICAL EDUCATIONAL STUDENT TRAINING IN MULTIPLE FIELDS. IN FY14, THE HOSPITAL'S HEALTH PROFESSIONALS PROVIDED 1,144,444 HOURS OF COMMUNITY BENEFIT.</p>

Form and Line Reference	Explanation
PART VI, LINE 5	<p>IONS EDUCATION CATEGORY SERVED 2,170 INDIVIDUALS AT A TOTAL COST OF \$10,154,437 TO THE HOSPITAL SUBSIDIZED HEALTH SERVICES. THE HOSPITAL'S SUBSIDIZED HEALTH SERVICES REPRESENT A SIGNIFICANT PORTION OF MIDDLESEX HOSPITAL'S ANNUAL COMMUNITY BENEFIT AGGREGATE FINANCIALS AND NUMBERS SERVED SUBSIDIZED SERVICES ARE PARTICULAR CLINICAL PROGRAMS PROVIDED TO THE COMMUNITY DESPITE A FINANCIAL LOSS, WITH NEGATIVE MARGINS REMAINING AFTER SPECIFIC DOLLARS (FINANCIAL ASSISTANCE AND BAD DEBT) AND SHORTFALLS (MEDICAID) ARE REMOVED IN ORDER TO QUALIFY AS A SUBSIDIZED SERVICE, THE PROGRAM MUST MEET CERTAIN HEALTH DELIVERY CRITERIA, MEET AN IDENTIFIED NEED IN THE COMMUNITY, AND WOULD BECOME UNAVAILABLE OR THE RESPONSIBILITY OF A GOVERNMENTAL OR ANOTHER NOT-FOR-PROFIT AGENCY TO PROVIDE IF THE HOSPITAL DISCONTINUED THE SERVICE. MIDDLESEX HOSPITAL'S SUBSIDIZED SERVICES FOR FY14 INCLUDE FAMILY PRACTICE SERVICES, BEHAVIORAL HEALTH (INPATIENT AND OUTPATIENT), HOMECARE, CARDIAC REHABILITATION, PARA MEDICS, HOSPICE, DIABETES EDUCATION, WOUND CARE AND PULMONARY REHABILITATION. IN FY14 THE HOSPITAL'S SUBSIDIZED SERVICES SERVED 25,387 PEOPLE WITH A TOTAL COST OF \$15,018,841 TO THE HOSPITAL. RESEARCH MIDDLESEX HOSPITAL CONDUCTS RESEARCH IN THE DOMAINS OF CLINICAL AND COMMUNITY HEALTH. CLINICAL EXAMPLES INCLUDE NATIONAL TRIALS BY THE HOSPITAL'S CANCER CENTER FOR BREAST, LUNG, PROSTATE, COLORECTAL, AMONG OTHERS. FOR FY14, THE HOSPITAL'S ASSOCIATED COSTS FOR ALL RESEARCH PROJECTS totaled \$886,128 AND SERVED 67 INDIVIDUALS. FINANCIAL AND IN-KIND CONTRIBUTIONS MIDDLESEX HOSPITAL SUPPORTS THE COMMUNITY IN THE FORM OF FINANCIAL AND IN-KIND CONTRIBUTIONS. THE HOSPITAL'S IN-KIND CONTRIBUTIONS INCLUDE EQUIPMENT, FOOD, LINENS AND MEDICAL SUPPLIES THAT ARE DONATED BOTH LOCALLY AND GLOBALLY. OTHER IN-KIND DONATIONS INCLUDE CAFETERIA DISCOUNTS FOR YMCA RESIDENTS AND STAFF COORDINATION OF COMMUNITY SUPPORT. DRIVES THE HOSPITAL'S MAIN CAMPUS AND SATELLITE LOCATIONS MAKE MEETING SPACE AVAILABLE, FREE-OF-CHARGE AND ON AN ON-GOING BASIS, FOR MANY COMMUNITY GROUPS THAT WOULD OTHERWISE STRUGGLE TO PAY FOR SPACE. IN ADDITION, EACH YEAR THE HOSPITAL MAKES SUBSTANTIAL CASH DONATIONS TO CAREFULLY SELECTED MISSION-DRIVEN COMMUNITY ORGANIZATIONS THROUGHOUT ITS SERVICE AREA. THE HOSPITAL'S FY14 SUPPORT FOR FINANCIAL AND IN-KIND CONTRIBUTIONS totaled \$36,3,505, SERVING 4,795 INDIVIDUALS. COMMUNITY BENEFIT OPERATIONS COMMUNITY BENEFIT OPERATIONS INCLUDE ACTIVITIES AND COSTS ASSOCIATED WITH COMMUNITY BENEFIT STRATEGIC PLANNING, ADMINISTRATION, ANNUAL GOAL ATTAINMENT, AND COMMUNITY HEALTH NEEDS ASSESSMENT PRODUCTION AND IMPLEMENTATION. MIDDLESEX HOSPITAL HAS A DEDICATED DIRECTOR OF COMMUNITY BENEFIT, ALONG WITH A COMMUNITY BENEFIT STEERING COMMITTEE (COMPRISED OF HOSPITAL LEADERSHIP) THAT OVERSEES COMMUNITY BENEFIT PLANNING AND OPERATIONS OUTSIDE OF ON-GOING COMMUNITY BENEFIT ACTIVITIES. THE MAIN GOALS OF THE HOSPITAL'S COMMUNITY BENEFIT PROGRAM IN FY14 CONTINUED TO FOCUS ON THE HEALTH ASSESSMENT PRIORITY AREAS AND COLLABORATING WITH COMMUNITY PARTNERS. THE HOSPITAL'S FY14 COMMUNITY BENEFIT OPERATIONS EXPENSE totaled \$405,285.</p>

Form and Line Reference	Explanation
PART VI, LINE 6	N/A MIDDLESEX HOSPITAL IS NOT PART OF AN AFFILIATED HEALTH CARE SYSTEM

Form and Line Reference	Explanation
PART VI, LINE 7	UNDER THE CONNECTICUT GENERAL STATUTES 19A-127K, HOSPITALS THAT HAVE A COMMUNITY BENEFIT PROGRAM IN PLACE, AS SPECIFIED BY THE STATUTE, ARE REQUIRED TO REPORT BIENNIALLY TO THE STATE OF CT. THIS BIENNIAL COMMUNITY BENEFIT REPORTING IS CURRENTLY UNDER THE AUSPICES OF THE STATE OF CONNECTICUT'S OFFICE OF THE HEALTHCARE ADVOCATE. AS MIDDLESEX HOSPITAL MEETS THE STATUTE AS HAVING A COMMUNITY BENEFIT PROGRAM IN PLACE, IT REPORTS BIENNIALLY TO THE STATE OF CT'S OFFICE OF THE HEALTHCARE ADVOCATE.

Additional Data

Software ID:
Software Version:
EIN: 06-0646718
Name: MIDDLESEX 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
MIDDLESEX HOSPITAL	PART V, SECTION B, LINE 3 MIDDLESEX HOSPITAL WAS INVITED TO JOIN THE MIDDLESEX COUNTY COALITION ON COMMUNITY WELLNESS (MCCOCW), AN INCLUSIVE AND REPRESENTATIVE PARTNERSHIP COMPRISED OF CONSTITUENTS FROM THE SECTORS OF PUBLIC HEALTH, HEALTH CARE, SOCIAL SERVICES, COMMUNITY SERVICES AND EDUCATION. MCCOCW'S PURPOSE IS TO WORK COLLABORATIVELY, THROUGH A MULTI-SECTORIAL EFFORT, AS AGENTS OF CHANGE TO IMPROVE THE HEALTH AND WELLBEING OF THE COMMUNITIES IT SERVES REGARDING MEASURING COMMUNITY HEALTH AND ADDRESSING IDENTIFIED NEEDS. MCCOCW'S GOALS WERE TO 1) WORK TOGETHER TO CONDUCT A MIDDLESEX COUNTY COMMUNITY HEALTH NEEDS ASSESSMENT (CHNA), 2) IDENTIFY KEY ISSUES THAT IMPACT HEALTH AND WELLBEING, AND 3) DEVELOP COLLABORATIVE PROGRAMS TO MEET IDENTIFIED NEEDS. MCCOCW'S CHNA WAS COMPLETED IN MIDDLESEX HOSPITAL'S FISCAL YEAR 2013 (TAX YEAR 2012). MIDDLESEX COUNTY WAS A RECIPIENT OF CENTERS FOR DISEASE CONTROL AND PREVENTION (CDC) COMMUNITY TRANSFORMATION GRANT (CTG) FUNDING FOR PROJECTS THAT IMPROVE THE HEALTH AND WELLBEING OF COMMUNITIES, REDUCE CHRONIC DISEASE RATES AND REDUCE HEALTH DISPARITIES. THE CHATHAM HEALTH DISTRICT PROVIDED THE OVERSIGHT FOR THE ADMINISTRATION OF THE CTG CAPACITY-BUILDING DELIVERABLES IN MIDDLESEX COUNTY IN PARTNERSHIP WITH THE CT RIVER AREA HEALTH DISTRICT, ESSEX HEALTH DEPARTMENT, THE MIDDLETOWN, DURHAM AND CROMWELL HEALTH DEPARTMENTS, MIDDLESEX HOSPITAL, AND A WIDE ARRAY OF COMMUNITY PARTNERS REPRESENTING THE BROAD INTERESTS OF MIDDLESEX COUNTY. THE CHATHAM HEALTH DISTRICT DIRECTOR OF HEALTH AND THE MIDDLESEX HOSPITAL MANAGER OF COMMUNITY BENEFIT SERVE AS CO-CHAIRS OF THE COALITION. DURING THE PROCESS OF CONDUCTING THE COMMUNITY HEALTH NEEDS ASSESSMENT IN CALENDAR YEARS 2012 AND 2013, THE MIDDLESEX COUNTY COALITION ON COMMUNITY WELLNESS WAS MADE UP OF 75+ MEMBERS FROM MIDDLESEX COUNTY, INCLUDING THOSE WHO HAVE SPECIAL KNOWLEDGE OR EXPERTISE IN PUBLIC HEALTH AND PERSONS REPRESENTING THE BROAD INTERESTS OF THE COMMUNITY (IES). SERVED BY MIDDLESEX HOSPITAL COALITION MEMBERS INCLUDED THE CHATHAM HEALTH DISTRICT, MIDDLESEX HOSPITAL, CT RIVER AREA HEALTH DISTRICT, ESSEX HEALTH DEPARTMENT, THE MIDDLETOWN, DURHAM AND CROMWELL HEALTH DEPARTMENTS, THE COMMUNITY HEALTH CENTER, MIDDLETOWN, MIDDLESEX COUNTY CHAMBER OF COMMERCE HEALTH CARE COUNCIL, MIDDLESEX COUNTY SUBSTANCE ABUSE ACTION COUNCIL, DURHAM MIDDLEFIELD YOUTH AND FAMILY SERVICES, MIDDLESEX COALITION FOR CHILDREN, NORTH END ACTION TEAM, MIDDLETOWN YOUTH SERVICES, YOUTH AND FAMILY SERVICES OF HADDAM-KILLINGWORTH, TOWN OF PORTLAND, ACES MIDDLESEX COUNTY EARLY HEADSTART PARTNERSHIP, MIDDLETOWN SCHOOLS, ST LUKE'S ELDERCARE SERVICES, MIDDLESEX UNITED WAY, DURHAM MIDDLEFIELD YOUTH AND FAMILY SERVICES, OLD SAYBROOK YOUTH AND FAMILY SERVICES, PORTLAND LIBRARY, CONNECTICUT DENTAL HEALTH PARTNERSHIP, WESLEYAN UNIVERSITY, MIDDLETOWN YOUTH SERVICES BUREAU, CHESTER HEALTH DEPARTMENT, CONNECTICUT DEPARTMENT OF CHILDREN AND FAMILIES, LILY'S KIDS, INC., ST VINCENT DE PAUL, MIDDLETOWN, HADDAM SENIOR CENTER, PORTLAND SENIOR CENTER, PORTLAND YOUTH SERVICES, KILLINGWORTH HEALTH DEPARTMENT, OLD SAYBROOK PUBLIC SCHOOLS, EAST HADDAM FREE PUBLIC LIBRARY, MIDDLESEX YMCA, UCHC CENTER FOR PUBLIC HEALTH AND HEALTH POLICY, UNIVERSITY OF CONNECTICUT HEALTH CENTER, MIDDLETOWN CITIZEN'S ADVISORY COMMITTEE, SHORELINE SOUP KITCHEN AND PANTRIES, CLINTON YOUTH AND FAMILY SERVICES, CONNECTICUT GENERAL ASSEMBLY, MIDDLETOWN MINISTERIAL ALLIANCE, MIDDLESEX COUNTY NAACP, PORTLAND PARKS AND RECREATION, EAST HAMPTON PUBLIC LIBRARY, OLD SAYBROOK SOCIAL SERVICES, COMMUNITY FOUNDATION OF MIDDLESEX COUNTY, CROMWELL SENIOR AND HUMAN SERVICES, CONNECTICUT HOUSE OF REPRESENTATIVES, EAST HAMPTON HUMAN SERVICES. AS COMPLETING A COMMUNITY HEALTH NEEDS ASSESSMENT WAS A GOAL FOR THE MIDDLESEX COUNTY COALITION ON COMMUNITY WELLNESS, IT WAS A STANDING AGENDA ITEM FOR THE MONTHLY COALITION MEETINGS. THOSE WHO WERE UNABLE TO ATTEND THE MONTHLY MEETINGS WERE KEPT INFORMED AND ENGAGED VIA E-MAIL COMMUNICATIONS AS WELL AS MEETING MINUTES, AGENDAS AND PERTINENT DOCUMENTS FOR CHNA PRIMARY DATA COLLECTION, THE COALITION CONDUCTED MULTIPLE KEY INFORMANT SURVEYS AND FOCUS GROUPS.

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
MIDDLESEX HOSPITAL	PART V, SECTION B, LINE 5D IN ADDITION TO POSTING ON THE MIDDLESEX HOSPITAL'S WEB-SITE AND MAKING THE CHNA AVAILABLE UPON REQUEST, THE MIDDLESEX COUNTY COALITION ON COMMUNITY WELLNESS 2013 COMMUNITY HEALTH NEEDS ASSESSMENT (IN WHICH THE HOSPITAL WAS A COLLABORATIVE PARTNER), WAS DISTRIBUTED TO THE ENTIRE MIDDLESEX COUNTY COALITION ON COMMUNITY WELLNESS, THOSE WHO PARTICIPATED IN THE KEY INFORMANT SURVEYS AND FOCUS GROUPS, COMMUNITY MEMBERS, THE MIDDLESEX HOSPITAL MEDICAL STAFF VIA E-MAIL, THE MIDDLESEX HOSPITAL EXECUTIVE STAFF, MANAGERS AND SUPERVISORS VIA E-MAIL, AND THE MIDDLESEX HOSPITAL EMPLOYEE BASE THROUGH POSTING IN THE HOSPITAL'S WEEKLY NEWSLETTER. MIDDLESEX HOSPITAL STAFF WAS ASKED TO FREELY SHARE THE CHNA WITH COMMUNITY COLLEAGUES. IN ADDITION, COMMUNITY PRESENTATIONS WERE GIVEN ON THE RESULTS OF THE CHNA.

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
MIDDLESEX HOSPITAL	<p>PART V, SECTION B, LINE 7 MIDDLESEX HOSPITAL RECOGNIZES THAT IT CANNOT FOCUS ON ALL THE HEALTH NEEDS IDENTIFIED IN THE MCCOCW 2013 COMMUNITY HEALTH NEEDS ASSESSMENT GIVEN THE SIGNIFICANT RESOURCES AND IN-KIND TIME NEEDED TO ADDRESS HEALTH PRIORITY AREAS UNCOVERED BY A COMMUNITY HEALTH NEEDS ASSESSMENT, THE HOSPITAL ENGAGED IN A THOROUGH PROCESS OF DATA REVIEW AND DISCUSSION TO IDENTIFY THE AREAS OF GREATEST NEED, IMPACT POTENTIAL AND FEASIBILITY THROUGH THE FINDINGS OF THE MCCOCW 2013 CHNA, MIDDLESEX HOSPITAL CHOSE TO ENGAGE IN FIVE INITIATIVES, THREE OF WHICH THE HOSPITAL WILL TAKE A LEADERSHIP ROLE AND TWO OF WHICH THE HOSPITAL WILL TAKE A SUPPORTIVE ROLE. OVERSIGHT OF MIDDLESEX HOSPITAL'S 2013 CHNA IMPLEMENTATION STRATEGY WILL RESIDE UNDER COMMUNITY BENEFIT, WHERE HOSPITAL STAFF WILL COLLABORATE WITH COMMUNITY AGENCIES WHENEVER POSSIBLE AND BUILD EVIDENCE-BASED PROGRAMS, WHERE NEEDED, WITH MEASURABLE, BENCHMARKED RESULTS AND THE GOAL OF ACHIEVING POSITIVE OUTCOMES. THE HOSPITAL'S PRIORITY AREAS FOCUS ON THE NEEDS OF THE FOLLOWING IDENTIFIED VULNERABLE POPULATIONS 1) PRIORITY AREA #1 MENTAL HEALTH - ACCESS AND CARE COORDINATION, 2) PRIORITY AREA #2 SUBSTANCE ABUSE - ACCESS AND CARE COORDINATION, 3) PRIORITY AREA #3 OLDER ADULTS - ACCESS AND CARE COORDINATION, 4) PRIORITY AREA #4 MCCOCW TOBACCO FREE LIVING - SUPPORT AND COLLABORATION, 5) PRIORITY AREA #5 MCCOCW CLINICAL PREVENTIVE SERVICES, HYPERTENSION - SUPPORT AND COLLABORATION FOR THOSE AREAS OF IDENTIFIED NEEDS NOT ADDRESSED BY THE HOSPITAL, THE MCCOCW 2013 COMMUNITY HEALTH NEEDS ASSESSMENT WAS WIDELY DISSEMINATED TO MIDDLESEX COUNTY COMMUNITY AGENCIES WITH THE HOPE THAT THE STUDY WILL BE USED TO INITIATE FOCUS ON CHNA FINDINGS THAT ARE OUTSIDE THE SCOPE OF THE HOSPITAL'S SELECTED PRIORITY AREAS AS MANY LOCAL COMMUNITY-BASED ORGANIZATIONS ARE DEDICATED TO MEETING THE NEEDS OF COUNTY RESIDENTS, THE HOSPITAL REALIZES THAT THESE ORGANIZATIONS MAY BE BETTER SUITED TO TAKE A LEADERSHIP ROLE IN IMPROVING CERTAIN HEALTH OUTCOMES. AS WITH OUR PREVIOUS COMMUNITY HEALTH NEEDS ASSESSMENT, THE HOSPITAL WILL CONTINUE TO BE A WILLING PARTNER, WHEN ABLE, FOR INITIATIVES NOT RELATED TO ITS SELECTED CHNA PRIORITY AREAS.</p>

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
MIDDLESEX HOSPITAL	PART V, SECTION B, LINE 12I MIDDLESEX HOSPITAL'S SLIDING SCALE OUTLINES THE FACTORS THAT IT USES TO DETERMINE FINANCIAL ASSISTANCE DETERMINATIONS THE FEDERAL POVERTY INCOME GUIDELINES AND NUMBER OF PERSONS IN HOUSEHOLD

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

OMB No 1545-0047

Department of the Treasury
Internal Revenue ServiceFor 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.**2013****Open to Public
Inspection**Name of the organization
MIDDLESEX HOSPITAL

Employer identification number

06-0646718

Part I Questions Regarding Compensation**1a** Check the appropriate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a. Complete Part III to provide any relevant information regarding these items

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

b If any of the boxes in line 1a are checked, did the organization follow a written policy regarding payment or reimbursement or provision of all of the expenses described above? If "No," complete Part III to explain**2** Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all directors, trustees, officers, including the CEO/Executive Director, regarding the items checked in line 1a?**3** Indicate which, if any, of the following the filing organization used to establish the compensation of the organization's CEO/Executive Director. Check all that apply. Do not check any boxes for methods used by a related organization to establish compensation of the CEO/Executive Director, but explain in Part III

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

4 During the year, did any person listed in Form 990, Part VII, Section A, line 1a with respect to the filing organization or a related organization**a** Receive a severance payment or change-of-control payment?**b** Participate in, or receive payment from, a supplemental nonqualified retirement plan?**c** Participate in, or receive payment from, an equity-based compensation arrangement?

If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III

Only 501(c)(3) and 501(c)(4) organizations only must complete lines 5-9.**5** For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of**a** The organization?**b** Any related organization?

If "Yes," to line 5a or 5b, describe in Part III

6 For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of**a** The organization?**b** Any related organization?

If "Yes," to line 6a or 6b, describe in Part III

7 For persons listed in Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If "Yes," describe in Part III**8** Were any amounts reported in Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regulations section 53.4958-4(a)(3)? If "Yes," describe in Part III**9** If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53.4958-6(c)?

	Yes	No
1b	Yes	
2	Yes	
4a		No
4b	Yes	
4c		No
5a		No
5b		No
6a	Yes	
6b		No
7		No
8		No
9		

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

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

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

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

Part III Supplemental Information

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 1A	TRAVEL FOR COMPANIONS - THE HOSPITAL'S POLICY PROVIDES FOR SPOUSAL OR "SIGNIFICANT OTHER" TRAVEL IN CERTAIN INSTANCES RELATED TO BUSINESS ACTIVITIES AND PRESCRIBES THE PROPER TAX TREATMENT OF THAT BENEFIT THIS BENEFIT WAS TREATED AS TAXABLE COMPENSATION SOCIAL CLUB DUES - REPRESENTS A CORPORATE MEMBERSHIP AT A GOLF CLUB USED FOR VARIOUS BUSINESS PURPOSES TO THE EXTENT THIS MEMBERSHIP IS USED FOR PERSONAL REASONS THE ASSOCIATED COST IS INCLUDED IN THE TAXABLE INCOME OF THE EXECUTIVE STAFF MEMBER ACCORDING TO IRS RULES AND REGULATIONS THIS BENEFIT WAS TREATED AS TAXABLE COMPENSATION
PART I, LINE 4B	NONQUALIFIED RETIREMENT BENEFITS ARE PROVIDED AS PART OF A COMPETITIVE TOTAL COMPENSATION PROGRAM AND TO ENCOURAGE RETENTION OF KEY EXECUTIVES THE NONQUALIFIED RETIREMENT PLAN BENEFIT ACCRUES ANNUALLY AND THE PLAN PROVIDES THAT A PARTICIPANT VESTS AFTER THREE (3) YEARS OF SERVICE THE AMOUNT OF THE VESTED BENEFITS IS CONSIDERED "INCOME" TO THE EXECUTIVE'S W-2 FORM AND IS TAXABLE CERTAIN EXECUTIVES ALSO PARTICIPATE IN A FORMER PLAN, WHERE ACCRUALS CEASED IN 2010 AND THE VESTED BENEFITS WILL BE DISTRIBUTED ON TERMINATION OF EMPLOYMENT THE FOLLOWING INDIVIDUALS PARTICIPATED IN THE NONQUALIFIED RETIREMENT PLAN THE AMOUNTS REPORTED BELOW REPRESENT BENEFITS ACCRUED DURING CALENDAR YEAR 2013, NOT PAYABLE UNTIL RETIREMENT GREGORY NOKES \$ 261,540 HARRY EVERETT \$ 28,250 THE FOLLOWING PARTICIPANTS HAD FUNDS CONTRIBUTED TO THEIR SERP ACCOUNT IN 2013 ARTHUR McDOWELL, MD \$ 158,840 DAVID GIUFFRIDA \$ 22,440 GREGORY NOKES \$ 64,485 VINCENT CAPECE \$ 175,200 SUSAN MARTIN \$ 13,708 GARRETT HAVICAN \$ 20,400 JESSE WAGNER, MD \$ 34,680 JACQUELYN CALAMARI \$ 23,260
PART I, LINE 6	THERE ARE FOUR (4) BROAD CATEGORIES OF EXECUTIVE INCENTIVE GOALS CLINICAL QUALITY AND PATIENT SATISFACTION (40%), FINANCIAL STRENGTH (30%), WORKPLACE ENVIRONMENT (20%), AND COMMUNITY BENEFIT/CHARITABLE MISSION EFFECTIVENESS (10%) WITHIN EACH CATEGORY ARE MORE SPECIFIC GOALS WHICH ARE DETERMINED FROM OUR OWN PAST EXPERIENCE AS WELL AS STATE AND NATIONAL BENCHMARK DATA THE INCENTIVE COMPENSATION OF THE EXECUTIVE STAFF IS DETERMINED WITH REFERENCE TO PERFORMANCE RELATIVE TO THESE GOALS
SCHEDULE J, PART II, COLUMN B (II)	THE AMOUNTS REPRESENT INCENTIVE COMPENSATION PAYMENTS MADE IN CALENDAR YEAR 2013 PAYMENTS INCLUDE AMOUNTS EARNED IN 2012 AND DEFERRED, WHERE APPLICABLE

Additional Data

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

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

(A) Name	(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
	(i) Base Compensation	(ii) Bonus & incentive compensation	(iii) Other compensation				
VINCENT CAPECE JR PRESIDENT/CEO	(i) 575,506 (ii) 0	183,000 0	9,259 0	379,950 0	24,752 0	1,172,467 0	354,750 0
DAVID BAGGISH MD SECRETARY & CHIEF DEPT OF MEDICINE	(i) 328,282 (ii) 0	7,295 0	419 0	20,400 0	23,124 0	379,520 0	8,554 0
SUSAN MARTIN VP FINANCE/TREASURER	(i) 338,510 (ii) 0	72,000 0	4,939 0	106,108 0	16,990 0	538,547 0	87,440 0
JESSE WAGNER MD VP QUALITY AND PATIENT SAFETY	(i) 359,446 (ii) 0	61,500 0	5,202 0	118,530 0	24,752 0	569,430 0	95,500 0
HARRY EVERET SR VP STRATEGIC PLANNING AND OPS	(i) 278,287 (ii) 0	0 0	41,117 0	73,900 0	17,520 0	410,824 0	55,000 0
JACQUELYN CALAMARI VP NURSING	(i) 230,071 (ii) 0	46,500 0	3,515 0	88,793 0	16,899 0	385,778 0	68,200 0
GARRETT HAVICAN VP OPERATIONS	(i) 199,817 (ii) 0	36,000 0	2,552 0	67,721 0	24,678 0	330,768 0	56,000 0
DAVID GIUFFRIDA VP FACILITIES AND SUPPORT SERVICES	(i) 224,118 (ii) 0	43,000 0	3,527 0	79,513 0	1,324 0	351,482 0	62,000 0
GREGORY NOKES VP HUMAN RESOURCES	(i) 281,524 (ii) 0	0 0	266,580 0	139,335 0	17,438 0	704,877 0	143,300 0
ARTHUR McDOWELL VP CLINICAL AFFAIRS	(i) 389,111 (ii) 0	75,500 0	8,040 0	252,190 0	32,922 0	757,763 0	232,720 0
MICHAEL SAXE CHAIRMAN EMERGENCY MEDICINE	(i) 366,667 (ii) 0	34,875 0	5,434 0	20,400 0	24,590 0	451,966 0	19,500 0
RANDOLPH GOODWIN CLINICAL DIR INFECTIOUS DIS	(i) 327,964 (ii) 0	17,051 0	26,389 0	20,400 0	21,817 0	413,621 0	7,870 0
JONATHAN BANKOFF MD PHYSICIAN EMERGENCY DEPARTMENT	(i) 262,245 (ii) 0	89,411 0	0 0	11,994 0	24,388 0	388,038 0	6,571 0
BENJAMIN SIGAL MD PHYSICIAN EMERGENCY DEPARTMENT	(i) 267,685 (ii) 0	60,807 0	0 0	12,720 0	23,636 0	364,848 0	6,416 0
MARIO CAPUZZI MD MEDICAL DIRECTOR ED	(i) 248,356 (ii) 0	70,796 0	0 0	12,257 0	19,303 0	350,712 0	6,037 0
MICHAEL KAZAKOFF MD ASSOC DIRECTOR FAMILY PRACTICE	(i) 247,822 (ii) 0	5,422 0	65,219 0	19,782 0	13,937 0	352,182 0	6,288 0

**Schedule K
(Form 990)****Supplemental Information on Tax Exempt Bonds****2013**Department of the Treasury
Internal Revenue Service

► Complete if the organization answered "Yes" to Form 990, Part IV, line 24a. Provide descriptions, explanations, and any additional information in Part VI.
 ► Attach to Form 990. ► See separate instructions.
 ► Information about Schedule K (Form 990) and its instructions is at www.irs.gov/form990.

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

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

Part II Proceeds

			A	B	C	D	
			2,755,000	4,605,000	5,690,000		
1	Amount of bonds retired						
2	Amount of bonds legally defeased						
3	Total proceeds of issue		24,649,762	16,775,130	33,803,651		
4	Gross proceeds in reserve funds		1,625,617	1,219,669			
5	Capitalized interest from proceeds						
6	Proceeds in refunding escrows						
7	Issuance costs from proceeds		392,822	256,847	537,961		
8	Credit enhancement from proceeds		720,290	429,253			
9	Working capital expenditures from proceeds						
10	Capital expenditures from proceeds		21,821,549	14,869,361	33,265,690		
11	Other spent proceeds		89,483				
12	Other unspent proceeds						
13	Year of substantial completion		2008	2007	2011		
14	Were the bonds issued as part of a current refunding issue?		Yes	No	Yes	No	Yes
15	Were the bonds issued as part of an advance refunding issue?			X		X	
16	Has the final allocation of proceeds been made?		X		X		X
17	Does the organization maintain adequate books and records to support the final allocation of proceeds?		X		X		X

Part III Private Business Use

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

Part III Private Business Use (Continued)

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

Part IV Arbitrage

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

Part IV Arbitrage (Continued)

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

Part V Procedures To Undertake Corrective Action

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

Part VI Supplemental Information. Provide additional information for responses to questions on Schedule K (see instructions).

Return Reference	Explanation
SCHEDULE K, PART II, LINE 3 (ALL BONDS)	THE DIFFERENCE BETWEEN THE ISSUE PRICE AND THE TOTAL PROCEEDS IS INTEREST IN THE AMOUNT OF \$1,036,255 FOR COLUMN A BOND, \$155,130 FOR COLUMN B BOND AND \$268 FOR COLUMN C BOND

Return Reference**Explanation**

SCHEDULE K, PART II, LINE 7
(COLUMN C BOND)

THIS AMOUNT WILL NOT TIE TO 8038 DUE TO ALLOCATION TO OBLIGATED GROUP

Schedule L

Transactions with Interested Persons

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

- Attach to Form 990 or Form 990-EZ. ► See separate instructions.
- Information about Schedule L (Form 990 or 990-EZ) and its instructions is at www.irs.gov/form990.

OMB No 1545-0047

2013

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

Name of the organization
MIDDLESEX HOSPITAL

Employer identification number

06-0646718

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.

Part III Grants or Assistance Benefitting Interested Persons.

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

Part IV Business Transactions Involving Interested Persons.

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

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of transaction	(d) Description of transaction	(e) Sharing of organization's revenues?	
				Yes	No
(1) ANNE CALAMARI - LCSW COORDINATOR	FAMILY MEMBER - J CALAMARI	81,700	WAGES/COMPENSATION RECEIVED		No
(2) STEVE MCDOWELL - TRANSPORTATION AND	FAMILY MEMBER - A MCDOWELL	102,497	WAGES/COMPENSATION RECEIVED		No
(3) VICTORIA MCDOWELL - REGISTERED NURS	FAMILY MEMBER - A MCDOWELL	69,589	WAGES/COMPENSATION RECEIVED		No
(4) ESSEX FINANCIAL SERVICES	JOHN W RAFAL/DIRECTOR	0	FOUNDER AND VICE CHAIR OF COMPANY PROVIDING SERVICES TO HOSPITAL		No
(5) GIUFFRIDA ENGINEERING	FAMILY MEMBER - D GIUFFRIDA	242,272	PAYMENT FOR SERVICES RENDERED		No
(6) GIUFFRIDA ELECTRIC CO	FAMILY MEMBER - D GIUFFRIDA	633,035	PAYMENT FOR SERVICES RENDERED		No

Part V Supplemental Information

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

Return Reference	Explanation
SCHEDULE L, PART IV	ANNE CALAMARI, LCSW COORDINATOR, IS THE DAUGHTER OF JACQUELYN CALAMARI, VP NURSING ANNE CALAMARI'S WAGES FOR 10/01/13 TO 09/30/14 TOTLED \$81,700 STEVE MCDOWELL, TRANSPORTATION AND LOGISTICS SUPERVISOR, IS THE BROTHER OF ARTHUR MCDOWELL, VICE PRESIDENT OF CLINICAL AFFAIRS STEVE MCDOWELL'S WAGES FOR 10/01/13 TO 09/30/14 TOTLED \$102,497 VICTORIA MCDOWELL, REGISTERED NURSE, IS THE SISTER-IN-LAW OF ARTHUR MCDOWELL, VICE PRESIDENT OF CLINICAL AFFAIRS VICTORIA MCDOWELL'S WAGES FOR 10/01/13 TO 09/30/14 TOTLED \$69,589 JOHN W RAFAL, DIRECTOR, IS FOUNDER AND VICE-CHAIR OF ESSEX FINANCIAL SERVICES DURING THE REPORTING PERIOD, \$633,235 OF MIDDLESEX HOSPITAL EMPLOYER CONTRIBUTIONS WERE TRANSFERRED TO ESSEX FINANCIAL SERVICES FOR MANAGEMENT IN 403(B) PLANS FEES TO ESSEX FINANCIAL SERVICES WERE PAID OUT OF PARTICIPANTS' ACCOUNTS AND AMOUNTED TO \$58,657 COS GIUFFRIDA AND GIULIO GIUFFRIDA, FATHER AND UNCLE OF DAVID GIUFFRIDA, RESPECTIVELY, ARE OWNERS OF GIUFFRIDA ENGINEERING DAVID GIUFFRIDA IS PRESIDENT OF GIUFFRIDA ENGINEERING GIUFFRIDA ENGINEERING PROVIDES ELECTRICAL, MECHANICAL AND PLUMBING ENGINEERING SERVICES TO MIDDLESEX HOSPITAL AMOUNTS PAID BY THE HOSPITAL FOR SERVICES RENDERED DURING FY14 TOTLED \$242,272 COS GIUFFRIDA AND GIULIO GIUFFRIDA, FATHER AND UNCLE OF DAVID GIUFFRIDA, RESPECTIVELY, ARE OWNERS OF GIUFFRIDA ELECTRIC GIUFFRIDA ELECTRIC PROVIDES ELECTRICAL CONTRACTING SERVICES TO MIDDLESEX HOSPITAL SINCE 1970 AMOUNTS PAID BY THE HOSPITAL FOR SERVICES RENDERED DURING FY14 TOTLED \$633,035

SCHEDULE M
(Form 990)

Noncash Contributions

OMB No 1545-0047

2013

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

► Attach to Form 990.

►Information about Schedule M (Form 990) and its instructions is at www.irs.gov/form990.Name of the organization
MIDDLESEX HOSPITAL

Employer identification number

06-0646718

Part I Types of Property

	(a) Check if applicable	(b) Number of contributions or items contributed	(c) Noncash contribution amounts reported on Form 990, Part VIII, line 1g	(d) Method of determining noncash contribution amounts
1 Art—Works of art				
2 Art—Historical treasures				
3 Art—Fractional interests				
4 Books and publications				
5 Clothing and household goods				
6 Cars and other vehicles				
7 Boats and planes				
8 Intellectual property				
9 Securities—Publicly traded	X	10	77,076	SELLING PRICE
10 Securities—Closely held stock				
11 Securities—Partnership, LLC, or trust interests				
12 Securities—Miscellaneous				
13 Qualified conservation contribution—Historic structures				
14 Qualified conservation contribution—Other				
15 Real estate—Residential				
16 Real estate—Commercial				
17 Real estate—Other				
18 Collectibles				
19 Food inventory				
20 Drugs and medical supplies				
21 Taxidermy				
22 Historical artifacts				
23 Scientific specimens				
24 Archeological artifacts				
25 Other ► (_____)				
26 Other ► (_____)				
27 Other ► (_____)				
28 Other ► (_____)				
29 Number of Forms 8283 received by the organization during the tax year for contributions for which the organization completed Form 8283, Part IV, Donee Acknowledgement	29			0
30a During the year, did the organization receive by contribution any property reported in Part I, lines 1 through 28, that it must hold for at least three years from the date of the initial contribution, and which is not required to be used for exempt purposes for the entire holding period?	30a		Yes	No
b If "Yes," describe the arrangement in Part II				
31 Does the organization have a gift acceptance policy that requires the review of any non-standard contributions?	31	Yes		
32a Does the organization hire or use third parties or related organizations to solicit, process, or sell noncash contributions?	32a	Yes		
b If "Yes," describe in Part II				
33 If the organization did not report an amount in column (c) for a type of property for which column (a) is checked, describe in Part II				

Part II Supplemental Information. Provide the information required by Part I, lines 30b, 32b, and 33, and whether the organization is reporting in Part I, column (b), the number of contributions, the number of items received, or a combination of both. Also complete this part for any additional information.

Return Reference	Explanation
PART I, LINE 32B	DONORS OF STOCK ARE INSTRUCTED TO TRANSFER TO MERRILL LYNCH, IN WHICH MERRILL LYNCH IS INSTRUCTED TO SELL THE STOCK IMMEDIATELY

SCHEDULE O
(Form 990 or 990-EZ)Department of the Treasury
Internal Revenue Service**Supplemental Information to Form 990 or 990-EZ****Complete to provide information for responses to specific questions on
Form 990 or to provide any additional information.****► Attach to Form 990 or 990-EZ.****► Information about Schedule O (Form 990 or 990-EZ) and its instructions is at
www.irs.gov/form990.****2013****Open to Public
Inspection**Name of the organization
MIDDLESEX HOSPITAL**Employer identification number**

06-0646718

Return Reference	Explanation
FORM 990, PART III, LINE 1	MIDDLESEX HOSPITAL IS AN ACUTE CARE GENERAL HOSPITAL SERVING THE RESIDENTS OF MIDDLESEX COUNTY AND VARIOUS SURROUNDING COMMUNITIES PROVIDING SELECTED HIGH QUALITY INPATIENT AND OUTPATIENT HEALTH SERVICES. THE HOSPITAL MAINTAINS FORMAL RELATIONSHIPS WITH SPECIALIZED PROVIDERS TO ASSURE COORDINATION OF CARE WHEN SERVICES ARE NOT LOCALLY AVAILABLE. AN INTEGRAL PART OF THE CORE PROGRAMS, SPANNING THEIR TRADITIONAL DIAGNOSTIC AND TREATMENT SERVICES, ARE THE SCORES OF SPECIAL PROGRAMS OFFERED TO THE COMMUNITIES SERVED, MANY OF WHICH FOCUS ON THE DISADVANTAGED AND UNDERSERVED, THOSE SPECIAL POPULATIONS SUCH AS MINORITIES, OLDER PERSONS, PERSONS LIVING IN POVERTY WITH DISABILITIES, CHRONICALLY MENTALLY ILL PERSONS, AND OTHER DISENFRANCHISED PERSONS. MANY OTHER SPECIAL PROGRAMS WITH A FOCUS TO REACH OUT TO ALL MEMBERS OF THE COMMUNITY REGARDLESS OF ECONOMIC CONDITION OR SOCIAL STATUS RESPOND TO PUBLIC HEALTH NEEDS AND INVOLVE EDUCATION OR RESEARCH THAT IMPROVES OVERALL COMMUNITY HEALTH. ALL OF THESE SPECIAL PROGRAMS ARE OFFERED FREE OF CHARGE OR OFFERED AT A RATE THAT IS CONSIDERABLY LESS THAN THE COST OF PROVIDING THEM.

Return Reference	Explanation
FORM 990, PART VI, SECTION A, LINE 2	CAROL WALLACE, DIRECTOR, IS ON THE BOARD OF DIRECTORS OF CONNECTICUT WATER AUTHORITY WITH ERIC THORNBURG, VICE CHAIRMAN AND DIRECTOR. ERIC THORNBURG, VICE CHAIRMAN AND DIRECTOR, IS ON THE LIBERTY BANK BOARD OF DIRECTORS WITH CHANDLER HOWARD, DIRECTOR

Return Reference	Explanation
FORM 990, PART VI, SECTION A, LINE 6	THE SOLE MEMBER OF THE HOSPITAL SHALL BE MIDDLESEX HEALTH SYSTEM, INC , A CONNECTICUT NON-STOCK CORPORATION, OR ITS SUCCESSOR IN INTEREST ("SOLE MEMBER")

Return Reference	Explanation
FORM 990, PART VI, SECTION A, LINE 7A	THE ANNUAL ELECTION OF THE BOARD OF DIRECTORS OF THE HOSPITAL BY THE DULY AUTHORIZED REPRESENTATIVE OF THE SOLE MEMBER SHALL BE DEEMED THE ANNUAL MEETING OF THE MEMBERSHIP OF THE HOSPITAL FOR ALL PURPOSES

Return Reference	Explanation
FORM 990, PART VI, SECTION A, LINE 7B	THE SOLE MEMBER, MIDDLESEX HEALTH SYSTEM, INC , SHALL HAVE ALL OF THE MEMBERSHIP RIGHTS CONFERRED BY LAW, THE CERTIFICATE OF INCORPORATION OR THE MIDDLESEX HOSPITAL BY-LAWS, BY VOTE OF ITS BOARD OF DIRECTORS, ITS PRESIDENT, OR BY OR THROUGH ANY OTHER PERSON(S) DESIGNATED BY ITS BOARD OF DIRECTORS ON ITS BEHALF THE SECRETARY OF THE HOSPITAL SHALL PROVIDE APPROPRIATE NOTICES TO THE SOLE MEMBER AS REQUIRED BY LAW IN ADVANCE OF ACTIONS BEING REQUESTED OF THE SOLE MEMBER BY THE BOARD OF DIRECTORS OF THE HOSPITAL

Return Reference	Explanation
FORM 990, PART VI, SECTION B, LINE 11	DRAFT FORMS OF THE 990, INCLUDING REQUIRED SCHEDULES, ARE PROVIDED TO EACH BOARD MEMBER FOR REVIEW. MEMBERS REVIEW THE DOCUMENTS, HIGHLIGHT ANY SIGNIFICANT CHANGES AND ATTEST THEIR APPROVAL. ANY QUESTIONS OR COMMENTS ARE PRESENTED TO EXECUTIVE MANAGEMENT PRIOR TO FILING. A COPY OF THE FINAL FORM 990 WILL BE PROVIDED TO THE BOARD PRIOR TO FILING WITH THE IRS VIA A WEB BASED COMMUNICATION PORTAL.

Return Reference	Explanation
FORM 990, PART VI, SECTION B, LINE 12C	CONFLICT OF INTEREST FORMS ARE DISTRIBUTED ANNUALLY TO KEY EMPLOYEES, OFFICERS AND THE BOARD OF DIRECTORS. RESPONSES ARE RETURNED TO, TRACKED, AND REVIEWED BY THE COMPLIANCE OFFICER. INFORMATION REPORTED IS CONSIDERED PERSONAL AND CONFIDENTIAL AND ONLY DISCLOSED WHEN DEEMED NECESSARY TO PROTECT THE HOSPITAL AGAINST THE EFFECTS OF CONFLICTS OF INTEREST AND ONLY AFTER ADVISING THE REPORTING PERSON OF THE PROPOSED DISCLOSURE AND OF ITS EXTENT. MATERIAL CONFLICTS ARE REPORTED TO THE BOARD'S AUDIT COMMITTEE FOR REVIEW AND DETERMINATION. IN ADDITION TO COMPLETING THE ANNUAL CONFLICT OF INTEREST FORM, BOARD MEMBERS MUST IMMEDIATELY DISCLOSE ANY INTEREST AND ALL MATERIAL FACTS TO THE BOARD OF DIRECTORS. THE BOARD THEN REVIEWS THE FACTS AND MAKES THE DETERMINATION AS TO WHETHER A SIGNIFICANT CONFLICT OF INTEREST EXISTS. IF SO, THE BOARD FOLLOWS DISABLING GUIDELINES TO DETERMINE IF THE BOARD MEMBER SHOULD BE ASKED TO RESIGN OR BE REMOVED.

Return Reference	Explanation
FORM 990, PART VI, SECTION B, LINE 15	<p>EXECUTIVE TEAM COMPENSATION IS REVIEWED ANNUALLY BY THE EXECUTIVE COMPENSATION COMMITTEE OF THE BOARD THE COMMITTEE HAS A CHARTER AND A POLICY STATEMENT SETTING FORTH A PROCESS AND CERTAIN GUIDELINES FOR DETERMINING COMPENSATION EXECUTIVES RECEIVE A BASE SALARY AND HAVE THE OPPORTUNITY FOR INCENTIVE COMPENSATION WITHIN A RANGE SET BY THE POLICY FOLLOWING THE CLOSE OF EACH FISCAL YEAR, THE COMMITTEE RECEIVES A MARKET ANALYSIS FROM INDEPENDENT CONSULTANTS REGARDING COMPENSATION AT PEER GROUPS OF COMPARABLE HOSPITALS AND HEALTH SYSTEMS POSITIONS WITHIN THE EXECUTIVE TEAM ARE COMPARED TO BENCHMARK POSITIONS WITHIN THIS MARKET DATA AND THEIR COMPENSATION IS COMPARED TO THE DATA BOTH WITH RESPECT TO CASH COMPENSATION AND TOTAL COMPENSATION INCLUDING FRINGE BENEFITS THE CEO RECOMMENDS THE INCENTIVE AWARDS AND BASE SALARY ADJUSTMENTS TO THE COMPENSATION OF THE EXECUTIVES WHO REPORT TO HIM, AND THE COMMITTEE REVIEWS THOSE RECOMMENDATIONS, APPROVES OR MODIFIES THEM, AND ALSO DETERMINES ANY INCENTIVE AWARD AND BASE SALARY ADJUSTMENT FOR THE CEO THE CONSULTANTS PROVIDE A WRITTEN OPINION ANNUALLY CONFIRMING THAT THE COMPENSATION OF THE EXECUTIVES, AS ADJUSTED BY THIS PROCESS, IS "REASONABLE" WITHIN APPLICABLE IRS GUIDELINES KEY EMPLOYEE COMPENSATION IS SET FOLLOWING THE GUIDELINES SET FORTH IN THE HOSPITAL COMPENSATION POLICY THE OBJECTIVE OF THIS POLICY IS TO PAY EMPLOYEES BASED UPON HOSPITAL NEED, THE PROPER EXTERNAL LABOR MARKET AND PERFORMANCE THE LAST COMPENSATION REVIEW OCCURRED 12/18/2013</p>

Return Reference	Explanation
FORM 990, PART VI, SECTION C, LINE 19	MIDDLESEX HOSPITAL MAINTAINS A QUALITY AND COMPLIANCE SECTION ON ITS WEBSITE, MIDDLESEXHOSPITAL.ORG THE HOSPITAL POSTS THE MOST CURRENT AUDITED FINANCIAL STATEMENTS AND FORM 990 WITH THOSE OF OTHER AFFILIATES AS THEY BECOME AVAILABLE, AS WELL AS STATEMENTS AND FORMS FROM AT LEAST TWO PREVIOUS FISCAL YEARS. THE HOSPITAL'S CONFLICT OF INTEREST POLICY IS ALSO POSTED ON THE WEBSITE IN THE VENDORS AND SUPPLIERS SECTION. IN ADDITION, THE ORGANIZATION'S FORM 990 IS AVAILABLE AT WWW.GUIDESTAR.ORG AND UPON REQUEST

Return Reference	Explanation
FORM 990, PART XI, LINE 9	CHANGE IN ACCUMULATED PENSION CHARGES -8,290,000 EXPENDITURES FOR INTENDED PURPOSES -758,000 ROUNDING 614

Return Reference	Explanation
FORM 990, PART XI, LINE 2C	THE AUDIT COMMITTEE, SUBCOMMITTEE OF THE BOARD OF DIRECTORS, HAS RESPONSIBILITY FOR OVERSIGHT OF THE AUDIT OF FINANCIAL STATEMENTS. THE AUDIT COMMITTEE PERIODICALLY SELECTS AUDIT FIRMS THROUGH AN RFP PROCESS. CANDIDATES ARE INTERVIEWED BY THE AUDIT COMMITTEE. ONCE SELECTED, THE AUDITORS MEET WITH THE AUDIT COMMITTEE TO DISCUSS, PLAN AND ENGAGE THE AUDITORS FOR THE CURRENT YEAR'S AUDIT. ONCE THE AUDIT IS COMPLETE, THE AUDIT COMMITTEE MEETS WITH THE AUDITORS AGAIN TO REVIEW THE RESULTS OF THE AUDIT. THE AUDIT COMMITTEE CHAIR AND INDEPENDENT AUDIT FIRM CAN COMMUNICATE DIRECTLY WITHOUT GOING THROUGH HOSPITAL MANAGEMENT. THE PROCESS HAS NOT CHANGED FROM THE PRIOR YEAR.

SCHEDULE R
(Form 990)

Related Organizations and Unrelated Partnerships

OMB No 1545-0047

2013

Open to Public
InspectionDepartment of the Treasury
Internal Revenue ServiceName of the organization
MIDDLESEX HOSPITAL

Employer identification number

06-0646718

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
(1) MIDDLESEX HEALTH SYSTEM INC 28 CRESCENT STREET MIDDLETOWN, CT 06457 22-2676137	SUPPORT	CT	501 (C) (3)	11, TYPE II	N/A		No
(2) MIDDLESEX HEALTH SERVICES INC 28 CRESCENT STREET MIDDLETOWN, CT 06457 22-2676140	ASST LIVING	CT	501 (C) (3)	9	MIDDLESEX HEALTH SYSTEM	Yes	
(3) MIDDLESEX HOSPITAL FOUNDATION 28 CRESCENT STREET MIDDLETOWN, CT 06457 27-3720822	SUPPORT	CT	501 (C) (3)	11, TYPE II	MIDDLESEX HOSPITAL	Yes	

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.

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.

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	Yes	
1e		No
1f		No
1g		No
1h		No
1i		No
1j		No
1k	Yes	
1l		No
1m		No
1n		No
1o	Yes	
1p	Yes	
1q	Yes	
1r		No
1s		No

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

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

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

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

Part VII Supplemental Information

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

Return Reference	Explanation
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Schedule R (Form 990) 2013

Additional Data

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

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

(a) Name of other organization	(b) Transaction type(a-s)	(c) Amount Involved	(d) Method of determining amount involved
MIDDLESEX HEALTH SYSTEM INC	B	3,548,000	COST
MIDDLESEX HEALTH RESOURCES INC	K	500,544	COST
MIDDLESEX HEALTH SERVICES INC	O	112,887	COST
MIDDLESEX HEALTH SERVICES INC	D	4,640,000	COST
MIDDLESEX HEALTH SERVICES INC	Q	1,931,717	COST
MHS PRIMARY CARE INC	Q	3,490,000	COST
MIDDLESEX HEALTH SYSTEM INC	P	1,108,099	COST

Middlesex Hospital

Independent Auditors' Report and
Financial Statements

As of and for the Years Ended
September 30, 2014 and 2013

The logo consists of the letters "SIB" in a large, serif, all-caps font. The letters are white and set against a dark, textured background that forms a large, slanted shape on the right side of the page.

Saslow Lufkin & Buggy, LLP
Accounting • Tax • Advisory

Middlesex Hospital
Independent Auditors' Report and Financial Statements
As of and for the Years Ended September 30, 2014 and 2013

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Independent Auditors' Report

To the Board of Directors of
Middlesex Hospital:

We have audited the accompanying financial statements of Middlesex Hospital (the Hospital), which comprise the balance sheet as of September 30, 2014, and the related statements of operations and changes in net assets and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from 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 auditors' 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 Hospital'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 Hospital'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 2014 financial statements referred to above present fairly, in all material respects, the financial position of Middlesex Hospital, as of September 30, 2014, and the results of its operations, changes in net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Prior Period Financial Statements

The financial statements of Middlesex Hospital, as of September 30, 2013, were audited by other auditors whose report dated December 23, 2013, expressed an unmodified opinion on those statements.

Saslow Lufkin & Buggy, LLP

December 19, 2014



Middlesex Hospital
Balance Sheets
September 30, 2014 and 2013

	2014	2013
	<i>(In thousands)</i>	
Assets		
Current assets		
Cash and cash equivalents	\$ 36,581	\$ 39,387
Short-term investments	21,491	20,741
Patient accounts receivable, less allowance for doubtful accounts of \$10,173 and \$11,006 in 2014 and 2013, respectively	43,502	44,032
Prepaid expenses and other current assets	6,704	7,268
Estimated settlements with third-party payers	808	2,914
Current portion of investments limited as to use	4,281	4,091
Total current assets	<u>113,367</u>	118,433
Investments limited as to use	146,191	133,959
Long-term investments	22,248	13,772
Other assets		
Due from related parties	821	53
Other assets	8,772	7,781
Total other assets	<u>9,593</u>	7,834
Property and equipment, net	<u>192,412</u>	186,313
Total assets	<u><u>\$ 483,811</u></u>	<u><u>\$ 460,311</u></u>
Liabilities and Net Assets		
Current liabilities		
Current portion of long-term debt	\$ 3,276	\$ 3,156
Accounts payable	21,523	16,703
Accrued payroll and related liabilities	32,945	31,544
Other accrued liabilities	2,024	2,045
Current portion of estimated self-insurance liabilities	4,293	4,139
Current portion of accrued retirement liabilities	43	44
Total current liabilities	<u>64,104</u>	57,631
Long-term debt, less current portion	56,689	60,071
Estimated self-insurance liabilities, less current portion	17,418	13,940
Accrued retirement liabilities, less current portion	45,992	48,985
Estimated third-party payer settlements and other liabilities	<u>11,908</u>	15,518
Total liabilities	<u>196,111</u>	196,145
Net assets		
Unrestricted	270,689	247,940
Temporarily restricted	10,034	9,250
Permanently restricted	6,977	6,976
Total net assets	<u>287,700</u>	264,166
Total liabilities and net assets	<u><u>\$ 483,811</u></u>	<u><u>\$ 460,311</u></u>

The accompanying notes are an integral part of these financial statements.

Middlesex Hospital
Statements of Operations and Changes in Net Assets
For the Years Ended September 30, 2014 and 2013

	2014	2013
	<i>(In thousands)</i>	
Operating revenues:		
Net patient service revenues, net of contractual allowances and other discounts	\$ 367,919	\$ 358,266
Provision for bad debts	(13,908)	(11,095)
Net patient service revenues less provision for bad debts	354,011	347,171
Other revenues	12,557	12,173
Total operating revenues	366,568	359,344
Operating expenses:		
Salaries, wages and fees	164,846	164,393
Fringe benefits	36,804	37,112
Purchased services	32,510	29,281
Supplies	36,254	36,955
Depreciation and amortization	22,309	22,127
Interest	2,897	3,017
Other operating expenses	50,241	49,394
Total operating expenses	345,861	342,279
Income from operations	20,707	17,065
Non-operating income (expense):		
Unrestricted gifts and bequests	564	293
Net investment income	13,451	5,701
Other non-operating income	-	23
Equity in joint venture income	2,125	2,022
Other non-operating expenses	(1,163)	(976)
Total non-operating income	14,977	7,063
Excess of revenues over expenses	\$ 35,684	\$ 24,128

The accompanying notes are an integral part of these financial statements.

Middlesex Hospital
Statements of Operations and Changes in Net Assets (continued)
For the Years Ended September 30, 2014 and 2013

	2014	2013
	<i>(In thousands)</i>	
Unrestricted net assets:		
Excess of revenues over expenses	\$ 35,684	\$ 24,128
Net change in unrealized (losses) gains on other than trading securities	(2,066)	5,422
Change in accumulated pension charges to unrestricted net assets	(8,290)	74,406
Transfer to Parent	(3,548)	(2,999)
Net assets released from restrictions for purchase of property and equipment	<u>969</u>	<u>1,991</u>
Change in unrestricted net assets	22,749	102,948
Temporarily restricted net assets:		
Contributions	1,885	2,284
Restricted investment income	352	375
Change in net unrealized gains	274	347
Net assets released from restrictions for purchase of property and equipment	(969)	(1,991)
Expenditures for intended purposes	<u>(758)</u>	<u>(814)</u>
Change in temporarily restricted net assets	784	201
Permanently restricted net assets:		
Contributions	-	11
Change in net unrealized gains	<u>1</u>	<u>1</u>
Change in permanently restricted net assets	1	12
Change in net assets	23,534	103,161
Net assets, beginning of year	264,166	161,005
Net assets, end of year	\$ 287,700	\$ 264,166

The accompanying notes are an integral part of these financial statements.

Middlesex Hospital
Statements of Cash Flows
For the Years Ended September 30, 2014 and 2013

	2014	2013
	<i>(In thousands)</i>	
Cash flows from operating activities		
Change in net assets	\$ 23,534	\$ 103,161
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation and amortization	22,309	22,127
Provision for bad debt, net of recoverables	13,908	11,095
Change in accumulated pension charges to unrestricted net assets	8,290	(74,406)
Restricted contributions, net of expenditures	(1,127)	(1,481)
Transfer to Parent	3,548	2,999
Change in net unrealized and realized gains on investments	(9,483)	(7,948)
Equity earnings in joint venture	(2,125)	(2,022)
Changes in assets and liabilities		
Patient accounts receivable	(13,378)	(9,958)
Prepaid expenses and other assets	(610)	(338)
Due from related parties	(768)	50
Accounts payable and other accrued liabilities	4,799	(2,500)
Accrued payroll and related liabilities	1,401	(1,183)
Estimated self-insurance liabilities	3,632	1,089
Accrued retirement liabilities	(11,284)	(6,332)
Estimated third-party payer settlements and other liabilities	(1,504)	(1,273)
Net cash provided by operating activities	41,142	33,080
Cash flows from investing activities		
Purchase of property and equipment, net	(28,381)	(28,699)
Short-term investments, net	(750)	(10,554)
Long-term investments, net	(8,476)	1,709
Proceeds from sales of investments limited as to use	59,545	11,056
Purchase of investments limited as to use	(62,484)	(17,688)
Distributions from joint venture	2,175	1,850
Net cash used in investing activities	(38,371)	(42,326)
Cash flows from financing activities		
Transfer to parent	(3,548)	(2,999)
Repayment of long-term debt	(3,156)	(4,618)
Restricted contributions, net of expenditures	1,127	1,481
Net cash used in financing activities	(5,577)	(6,136)
Net change in cash and cash equivalents	(2,806)	(15,382)
Cash and cash equivalents at beginning of year	39,387	54,769
Cash and cash equivalents at end of year	\$ 36,581	\$ 39,387
Supplemental disclosure of cash flow information		
Cash paid for interest	\$ 2,897	\$ 3,038

The accompanying notes are an integral part of these financial statements.

Middlesex Hospital
Notes to the Financial Statements
As of and for the Years Ended September 30, 2014 and 2013
(Amounts in thousands)

Note 1 - General

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

Note 2 - Summary of Significant Accounting Policies

Basis of Presentation - The accompanying financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as promulgated by the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC).

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

Cash and Cash Equivalents - The Hospital considers all highly liquid investments with maturities of three months or less at the date of purchase to be cash equivalents. Cash balances maintained at banks are insured by the Federal Deposit Insurance Corporation (FDIC). In general, the FDIC insures cash balances up to \$250,000 per depositor, per bank. Amounts in excess of the FDIC limits are uninsured. It is the Hospital's policy to monitor the financial strength of the banks on an ongoing basis. Amounts limited as to use by the Board of Directors (the Board) or under other restrictions are excluded from cash and cash equivalents.

Money market funds are not insured by the FDIC and are not a risk-free investment. Money market funds invest in a variety of instruments including mortgage-backed and asset-backed securities. Although a money market fund seeks to preserve its \$1 per share value, it is possible that a money market fund's value can decrease below \$1 per share.

Short-Term Investments - Short-term investments are primarily corporate bonds and commercial paper, with maturities of three to twelve months. Amounts limited as to use by the Board or under other restrictions are excluded from short-term investments.

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

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

Middlesex Hospital
Notes to the Financial Statements
As of and for the Years Ended September 30, 2014 and 2013
(Amounts in thousands)

Note 2 - Summary of Significant Accounting Policies (continued)

Long-Lived Assets - The Hospital reviews long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset exceeds its fair value and may not be recoverable. If long-lived assets are deemed to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value. Assets to be disposed of are reported at the lower of the carrying amount or the fair value, less costs to sell. As of September 30, 2014 and 2013, no impairment was recorded.

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

Investments - The Hospital accounts for its investments in accordance with FASB ASC 320, “*Investments - Debt and Equity Securities*” Short-term investments and investments in equity securities with readily determinable fair values and all investments in debt securities are measured at fair value in the accompanying balance sheets. Investment income (including realized gains and losses on investments, interest and dividends) is included in the excess of revenues over expenses, unless the income is restricted by donor or law. Investment income includes unrestricted realized gains and losses and unrestricted interest and dividends from board-designated funds and donor-restricted funds included in investments limited as to use on the accompanying balance sheets. Income on short-term investment funds held by a trustee and assets deposited in the Hospital’s self-insurance trust fund are reported as other revenue. If donor or law restricts the investment income, the realized investment income and losses from the donor-restricted investments are added to the appropriate restricted net assets. Unrealized gains and losses on all investments are excluded from excess of revenues over expenses and recorded as a component of net assets, except when certain declines represents an other than temporary impairment as further discussed below.

All of the Hospital’s investments as of September 30, 2014 and 2013, were classified as available for sale. Available for sale securities may be sold prior to maturity and are carried at fair value. Realized gains and losses, relating to available for sale securities are determined on the specific identification basis.

Investments are exposed to various risks, such as interest rate, market and credit risks. Due to the level of risk associated with certain investments, it is at least reasonably possible that changes in the values of investments will occur in the near term and that such changes could materially affect the amounts reported in the financial statements.

Other Than Temporary Impairment of Investments - The Hospital accounts for other than temporary impairments in accordance with FASB ASC 320. When a decline in fair market value is deemed to be other than temporary, a provision for impairment is charged to earnings, included in non-operating income, and the cost basis of that investment is reduced. The Hospital’s management reviews several factors to determine whether a loss is other than temporary, such as the length of time a security is in a unrealized loss position, extent to which the fair value is less than cost, the financial condition and near term prospects of the issuer and the Hospital’s intent and ability to hold the security for a period of time sufficient to allow for any anticipated recovery in fair value. No impairment losses were recognized in 2014 and 2013.

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

Middlesex Hospital
Notes to the Financial Statements
As of and for the Years Ended September 30, 2014 and 2013
(Amounts in thousands)

Note 2 - Summary of Significant Accounting Policies (continued)

Fair Value Measurements - The Hospital measures fair value in accordance with FASB ASC 820, “*Fair Value Measurements and Disclosures*,” which defines fair value, establishes a framework for measuring fair value and requires certain disclosures about fair value measurements. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets and liabilities (Level 1 measurements) and lowest priority to unobservable inputs (Level 3 measurements).

The three levels of the fair value hierarchy under FASB ASC 820 are described as follows:

Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets and liabilities in active markets the Hospital has the ability to access.

Level 2 - Inputs to the valuation methodology include:

- Quoted prices for similar assets and liabilities in active markets;
- Quoted prices for identical or similar assets and liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

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

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

Deferred Financing Costs - Deferred financing costs represent costs incurred to obtain long-term financing. Amortization of these costs is provided over the term of the applicable indebtedness using a method, which does not differ materially from the effective interest method. Such amortization expense is included in depreciation and amortization in the accompanying statements of operations and changes in net assets. The unamortized amount of deferred bond issuance costs was \$1,631 and \$1,727 as of September 30, 2014 and 2013, respectively, and is included in other assets on the balance sheets.

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

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

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Note 2 - Summary of Significant Accounting Policies (continued)

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

The State of Connecticut Public Act No. 11-6, “*An Act Concerning the Budget for the Biennium Ending June 30, 2013 and Other Provisions Relating to Revenue*,” includes a tax on the net patient revenues of hospitals and changes to the Disproportionate Share Hospital (DSH) payments to hospitals effective for the State’s fiscal year beginning July 1, 2011. The Hospital’s combined negative impact on its income from operations was \$7,904 and \$5,720 for 2014 and 2013, respectively.

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

Donor Restricted Gifts, Contributions and Pledges - The Hospital encourages contributions and donations for capital replacement and expansion or other specific purposes. Unconditional promises to give cash and other assets to the Hospital and its subsidiaries are reported at fair value at the date the promise is received. Conditional promises to give and indications of intentions to give are reported at fair value at the date the gift 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. Unconditional promises to give are recorded as pledges receivable and are included within other assets on the balance sheets. As of September 30, 2014 and 2013, pledges receivable included in other assets were approximately \$1,545 and \$1,561, respectively, net of an allowance for doubtful accounts.

When a donor restriction expires, that is, when the stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of operations and changes in net assets, as net assets released from restrictions. Donor restricted contributions whose restrictions are met within the same year as received are reported as unrestricted contributions in the accompanying statements of operations and changes in net assets.

Estimated Self-Insurance Liabilities - The Hospital has adopted a policy of self-insuring the deductible portion of its medical malpractice and general liability insurance coverage. The deductible limits were \$1,000 per claim and \$3,000 in the aggregate annually during 2014 and 2013. The Hospital, in consultation with its actuary, records as a liability an estimate of expected losses. Such liability, discounted at 4% totaled \$11,417 and \$8,960 at September 30, 2014 and 2013, respectively.

In addition, the Hospital self-insures its workers’ compensation program and has purchased excess insurance for those losses exceeding \$600 per occurrence during fiscal 2014 and 2013. The Hospital, in consultation with its actuary, records as a liability an estimate of expected losses relating to the workers’ compensation program. Such liability, discounted at 2.5% totaled \$6,367 and \$5,067 at September 30, 2014 and 2013, respectively.

Middlesex Hospital
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Note 2 - Summary of Significant Accounting Policies (continued)

Lastly, the Hospital has recognized estimated insurance claims receivable and estimated insurance claims liabilities of approximately \$3,927 and \$4,052 at September 30, 2014 and 2013, respectively. Such amounts represent the actuarially determined present value of insurance claims that are anticipated to be covered by insurance. The estimated insurance claims receivable and estimated insurance claims liabilities are included in other assets and estimated self-insurance liability, respectively, in the accompanying balance sheets.

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

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

Temporarily Restricted - Temporarily restricted net assets are those whose use by the Hospital have been limited by donors to a specific time period or purpose. Temporarily restricted net assets consist primarily of contributions for capital improvements and health care services.

Permanently Restricted - Permanently restricted net assets, which are primarily endowment gifts, have been restricted by donors to be maintained in perpetuity and that only the income earned thereon be available for specific or general purposes.

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

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

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

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

Middlesex Hospital
Notes to the Financial Statements
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Note 2 - Summary of Significant Accounting Policies (continued)

The Hospital accounts for uncertain tax positions with provisions of FASB ASC 740, *“Income Taxes,”* which provide a framework for how companies should recognize, measure, present and disclose uncertain tax positions in their financial statements. The Hospital may recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by the taxing authorities, based on the technical merits of the position. The Hospital does not have any uncertain tax positions as September 30, 2014 and 2013. It is the Hospital’s policy to record penalties and interest associated with uncertain tax provisions as a component of operating expenses. As of September 30, 2014 and 2013, the Hospital did not record any penalties or interest associated with uncertain tax positions. The Hospital’s prior three tax years are open and subject to examination by the Internal Revenue Service.

Accounting Pronouncements Adopted - In December 2011, the FASB issued Accounting Standards Update (ASU) 2011-11, *“Disclosures about Offsetting Assets and Liabilities,”* which was later clarified by ASU 2013-01, *“Clarifying the Scope of Disclosures about Offsetting Assets and Liabilities.”* This guidance contained new disclosure requirements regarding the nature of an entity’s rights of setoff and related arrangements associated with its financial instruments and derivative instruments. This guidance became effective for the Hospital beginning on October 1, 2013, and did not have an impact on its financial statements.

In October 2012, the FASB issued ASU 2012-05, *“Statement of Cash Flows (Topic 230) Not-for-Profit Entities: Classification of the Sale Proceeds of Donated Financial Assets in the Statement of Cash Flows”* This guidance provides clarification on how entities classify cash receipts arising from the sale of certain donated financial assets in the statement of cash flows. This guidance became effective for the Hospital beginning on October 1, 2013, and did not have a material impact on its statements of cash flows.

Accounting Pronouncements Pending Adoption - In February 2013, the FASB issued ASU 2013-04, *“Obligations Resulting from Joint and Several Liability Arrangements for Which the Total Amount of the Obligation is Fixed at the Reporting Date”* This guidance requires entities to measure obligations resulting from the joint and several liability arrangements for which the total amount of the obligation within the scope of this guidance is fixed at the reporting date. This guidance is effective for the Hospital beginning October 1, 2014, with early adoption permitted. The Hospital has not yet evaluated the impact this guidance may have on its financial statements.

Reclassifications - Certain reclassifications to the 2013 financial statements have been made in order to conform to the 2014 presentation. Such reclassifications did not have a material effect on the financial statements.

Subsequent Events - Subsequent events have been evaluated through December 19, 2014, which is the date the financial statements were available to be issued. Management believes there are no subsequent events having a material impact on the financial statements.

Middlesex Hospital
Notes to the Financial Statements
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Note 3 - Net Patient Service Revenue

The following table summarizes revenues from services to patients as of September 30, 2014 and 2013:

	2014	2013
Gross revenues from service to patients:		
Inpatient	\$ 567,283	\$ 574,805
Outpatient	704,942	641,716
	1,272,225	1,216,521
Deductions and exclusions:		
Allowances	(895,746)	(849,725)
Charity care	(8,560)	(8,530)
	367,919	358,266
Net revenues from service to patients	(13,908)	(11,095)
Net patient service revenue, less provision for bad debts	\$ 354,011	\$ 347,171

The Hospital recognizes accounts receivable and patient service revenue associated with services provided to patients who have third-party payer coverage on the basis of contractual rates for the services rendered.

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

Patient service revenue for the years ended September 30, 2014 and 2013, net of contractual allowances and discounts (but before the provision for bad debts), recognized in the period from these major payer sources based on primary insurance designation, is as follows:

	2014	2013
Medicare	\$ 130,185	\$ 125,330
Medicaid	36,589	34,567
Commercial / HMO	179,157	175,973
Other third-party payers and other adjustments	13,129	11,377
Self-Pay	8,859	11,019
Total patient service revenue, net of contractual allowances and other discounts	\$ 367,919	\$ 358,266

Middlesex Hospital
Notes to the Financial Statements
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Note 3 - Net Patient Service Revenue (continued)

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

Accounts receivable are also reduced by an allowance for doubtful accounts. In evaluating the collectability of accounts receivable, the Hospital analyzes its past history and identifies trends for each of its major payer sources of revenue to estimate the appropriate allowance for doubtful accounts and provision for bad debts. Management regularly reviews data about these major payer sources of revenue in evaluating the sufficiency of the allowance for doubtful accounts.

For receivables associated with services provided to patients who have third-party coverage, the Hospital analyzes contractually due amounts and provides an allowance for doubtful accounts and a provision for bad debts, if necessary (for example, for payers who are known to be having financial difficulties that make the realization of amounts due unlikely).

For receivables associated with self-pay patients which includes both patients without insurance and patients with deductible and copayment balances due for which third-party coverage exists for part of the bill, the Hospital records a significant provision for bad debts in the period of service on the basis of its past experience, which indicates that many patients are unable or unwilling to pay the portion of their bill for which they are financially responsible. The difference between discounted rates and the amounts actually collected after all reasonable collection efforts have been exhausted is charged off against the allowance for doubtful accounts.

The Hospital's allowance for doubtful accounts totaled approximately \$10,173 and \$11,006 at September 30, 2014 and 2013, respectively. The allowance for doubtful accounts allocated specifically for self-pay payers was approximately 93% and 88% of total self-pay accounts receivable as of September 30, 2014 and 2013, respectively. Overall, the total of self-pay discounts and write-offs has not changed significantly for the years ended September 30, 2014 and 2013. The Hospital has not experienced significant changes in write-off trends and has not changed its charity care policy for the year ended September 30, 2014 and 2013.

The Hospital has a longstanding commitment to providing health care to all those in need, regardless of their ability to pay. The Hospital provides both free care and care at reduced rates. The costs for providing these services were calculated using an adjusted cost-to-charge ratio. The charges written off for patients that qualified for free care under the Hospital's Charity Care Program totaled approximately \$8,560 and \$8,530 in 2014 and 2013, respectively. The estimated costs for these services were \$2,150 and \$2,212 in 2014 and 2013, respectively.

During 2014 and 2013, approximately 35% of net patient service revenue was received under the Medicare program, 10% under the state Medicaid and city welfare programs, 52% was received from contracts with private health payers and 3% from patients and others.

As of September 30, 2014 and 2013, approximately 37% and 41%, respectively, of patient accounts receivable was due from Medicare, 10% and 8%, respectively, was due from Medicaid and city welfare, 44% and 39%, respectively, was due from private health payers and 9% and 12%, respectively, was due from patients and others.

During 2014 and 2013, the Hospital revised estimates made in prior years to reflect the passage of time and the availability of more recent information. During the years ended September 30, 2014 and 2013, changes in estimates related to settlements with third-party payers for prior years increased net patient service revenue by approximately \$2,500 and \$500, respectively.

Middlesex Hospital
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Note 4 - Other Revenues

Other revenues consist of the following for fiscal years ending September 30, 2014 and 2013:

	2014	2013
Grants	\$ 2,377	\$ 2,522
Medicare demonstration project	982	1,642
Cafeteria sales	1,260	1,246
Technical laboratory income	1,216	1,208
Investment income	430	780
EHR income	2,095	665
Rental income	846	644
Purchase discounts	587	415
Net assets released from restrictions		
used for operations	434	396
Miscellaneous	<u>2,330</u>	<u>2,655</u>
 Total other revenues	 <u>\$ 12,557</u>	 <u>\$ 12,173</u>

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

The Hospital uses a model to recognize revenue for the Medicare and Medicaid EHR incentive payments. Under this accounting policy, EHR incentive payment revenue is recognized as revenue after the Hospital has demonstrated that it complied with the meaningful use criteria over the entire applicable compliance period and the 12-month cost report period that will be used to determine the final incentive payment has ended. The Hospital recognizes revenue from Medicaid incentive payments after it has demonstrated compliance with the meaningful use criteria. Incentive payments totaling approximately \$2,095 and \$665 for the years ended September 30, 2014 and 2013, respectively, are included in other revenue in the accompanying statements of operations and changes in net assets. Income from incentive payments is subject to retrospective adjustment, as the incentive payments are calculated using Medicare cost report data that is subject to audit. Additionally, the Hospital's compliance with the meaningful use criteria is subject to audit by the federal government.

Middlesex Hospital
Notes to the Financial Statements
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Note 5 - Investments

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

Cost and fair values for investments as of September 30, 2014 and 2013 are summarized as follows:

	2014		2013	
	Cost	Fair Value	Cost	Fair Value
Cash	\$ 2,815	\$ 2,815	\$ 407	\$ 407
Money market funds	5,167	5,167	7,180	7,180
Mutual funds:				
Equity	75,997	92,741	61,106	72,954
Fixed income	30,941	31,993	41,087	48,891
Common stock:				
U.S. equity	5,286	7,050	4,561	6,532
Non-U.S equity	556	1,064	388	764
Corporate debt securities	46,517	46,294	27,722	27,455
U.S. government and agency obligation	7,064	7,087	8,378	8,380
 Total	 \$ 174,343	 \$ 194,211	 \$ 150,829	 \$ 172,563

Investments limited as to use consisted of the following as of September 30, 2014 and 2013:

	2014		2013	
	Cost	Fair Value	Cost	Fair Value
Funds held in trust under revenue bond agreements	\$ 4,283	\$ 4,281	\$ 4,296	\$ 4,294
Self-insurance liability	9,970	10,443	8,610	9,009
Board-designated funds	102,510	119,801	86,880	109,616
Donor-restricted funds	13,651	15,947	11,993	15,131
 Total	 \$ 130,414	 \$ 150,472	 \$ 111,779	 \$ 138,050

Middlesex Hospital
Notes to the Financial Statements
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Note 5 - Investments (continued)

The following table shows the investments' gross unrealized losses and fair value, aggregated by investment category and length of time that individual securities have been in a continuous unrealized loss position, as of September 30, 2014 and 2013:

	Less than 12 months		12 months and greater	
	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
As of September 30, 2014:				
Common stock	\$ 982	\$ (115)	\$ -	\$ -
Mutual funds	<u>14,271</u>	<u>(57)</u>	<u>5,324</u>	<u>(556)</u>
Total	<u><u>\$ 15,253</u></u>	<u><u>\$ (172)</u></u>	<u><u>\$ 5,324</u></u>	<u><u>\$ (556)</u></u>
As of September 30, 2013:				
U.S. government and agency obligations	\$ 1,550	\$ (2)	\$ -	\$ -
Common stock	309	(18)	-	-
Mutual funds	<u>10,483</u>	<u>(479)</u>	<u>-</u>	<u>-</u>
Total	<u><u>\$ 12,342</u></u>	<u><u>\$ (499)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

As of September 30, 2014, investments with unrealized losses for greater than one year relate to one individual holding in a mutual fund. There are 10 investments with unrealized losses for less than one year which are investments in common stocks and mutual funds. As of September 30, 2013 all securities in an unrealized loss position were in an unrealized loss position for less than 12 months. Based upon the evaluation of the criteria as identified in Note 2, the Hospital does not consider these securities to be other than temporarily impaired as of September 30, 2014 and 2013.

Included in net investment income for the years ended September 30, 2014 and 2013 was investment income of \$3,136 and \$3,903, respectively, and realized gains on sales of investments of \$11,275 and \$2,179, respectively.

Middlesex Hospital
Notes to the Financial Statements
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Note 6 - Fair Value Measurements

The following tables present the financial instruments, carried at fair value, as of September 30, 2014 and 2013, by the valuation hierarchy. These tables include cash equivalents, assets limited as to use, debt service funds and long-term investments:

2014	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	\$ 35,619	\$ -	\$ -	\$ 35,619
Money market funds	5,167	-	-	5,167
Equities:				
Mutual Funds:				
Equity	92,741	-	-	92,741
Fixed income	-	31,993	-	31,993
Common stock:				
U.S. equity	7,050	-	-	7,050
Non-U.S. equity	1,064	-	-	1,064
Fixed income:				
U.S. government and agency obligations	-	7,087	-	7,087
Corporate debt securities	-	46,294	-	46,294
Total	<u><u>\$ 141,641</u></u>	<u><u>\$ 85,374</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 227,015</u></u>
2013	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	\$ 39,794	\$ -	\$ -	\$ 39,794
Money market funds	7,180	-	-	7,180
Equities:				
Mutual Funds:				
Equity	72,954	-	-	72,954
Fixed income:	-	48,891	-	48,891
Common stock:				
U.S. equity	6,532	-	-	6,532
Non-U.S. equity	764	-	-	764
Fixed income:				
U.S. government and agency obligations	-	8,380	-	8,380
Corporate debt securities	-	27,455	-	27,455
Total	<u><u>\$ 127,224</u></u>	<u><u>\$ 84,726</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 211,950</u></u>

Middlesex Hospital
Notes to the Financial Statements
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Note 6 - Fair Value Measurements (continued)

The amounts reported in the tables above exclude assets invested in the Hospital's defined benefit pension plan (see Note 9).

The Hospital's long-term debt obligations are reported at carrying value. The fair value of the Hospital's long-term debt obligations, excluding capitalized lease obligations, is approximately \$62,183 and \$63,755 at September 30, 2014 and 2013, respectively. The fair value of the Hospital's bonds payable is based on quoted market prices for the related bonds and other valuation considerations. The fair value of other debt is based upon discounted cash flow analyses. Fair value of debt is classified as Level 2 within the fair value hierarchy.

The valuation methodologies used to determine the fair values of assets under the "exit price" notion reflect market participant objectives and are based on the application of the fair value hierarchy that prioritizes relevant observable market inputs over unobservable inputs. The Hospital determines the fair values of certain financial assets based on quoted market prices where available and where prices represent a reasonable estimate of fair value.

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

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although 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 fair value measurement at the reporting date.

As of September 30, 2014 and 2013, the Hospital's other financial instruments include cash and cash equivalents, accounts payable, accrued expenses and estimated settlements due to third-party payers. The carrying amounts reported in the balance sheets for these financial instruments approximate their fair value.

Middlesex Hospital
Notes to the Financial Statements
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Note 7 - Property and Equipment

Property and equipment and the related accumulated depreciation as of September 30, 2014 and 2013, consist of the following:

	2014	2013
Land and land improvements	\$ 13,299	\$ 12,617
Buildings and fixed equipment	262,682	237,627
Other equipment	158,887	145,685
Leasehold improvements	<u>2,062</u>	<u>2,062</u>
 Total property and equipment	 436,930	 397,991
Less: accumulated depreciation	(252,473)	(230,191)
 Construction in progress (estimated cost to complete \$2,334)	 184,457	 167,800
 Property and equipment, net	 \$ 192,412	 \$ 186,313

Depreciation expense was \$22,282 and \$22,145 in fiscal years 2014 and 2013, respectively.

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

Fiscal year ending:	
2015	\$ 3,228
2016	2,245
2017	1,958
2018	1,643
2019	896
Thereafter	<u>4,501</u>
 Total	 \$ 14,471

Total rental expense under operating leases for the years ended September 30, 2014 and 2013 was approximately \$5,902 and \$5,977, respectively.

Middlesex Hospital
Notes to the Financial Statements
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Note 8 - Long-Term Debt

As of September 30, 2014 and 2013, the Hospital's long-term debt consisted primarily of the following State of Connecticut Health and Educational Facilities Authority (CHEFA) Revenue Bonds and certain mortgage notes payable and capital leases, which are secured by certain real estate and other real property.

	2014	2013
Fixed rate revenue bonds, series N, due July 1, 2027	\$ 26,240	\$ 28,155
Fixed rate revenue bonds, series M, due July 1, 2027	11,440	12,155
Fixed rate revenue bonds, series L, due July 1, 2036	20,005	20,510
Mortgages notes and capital leases, net of interest	<u>26</u>	<u>47</u>
	57,711	60,867
Add: bond premium	2,254	2,360
Less: current portion	<u>(3,276)</u>	<u>(3,156)</u>
Total	\$ 56,689	\$ 60,071

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

A portion of the Series N bonds mentioned above were issued on behalf of Middlesex Health Services to refinance the Series I bonds. As a member of the obligated group, the Hospital is a guarantor of this portion of the Series N bonds. The outstanding balance of these bonds was \$4,640 and \$4,905 as of September 30, 2014 and 2013, respectively.

The Hospital is required to maintain certain deposits with a trustee relating to its outstanding CHEFA bonds. Such deposits are included in investments limited as to use in the accompanying financial statements and consist of \$4,281 and \$4,294 in debt service funds as of September 30, 2014 and 2013, respectively. All of the outstanding CHEFA bonds and mortgage notes place limits on the incurrence of additional borrowings and require that the Hospital satisfy certain measures of financial performance, as long as the bonds and mortgage notes are outstanding. All of the outstanding CHEFA bonds are secured by the gross receipts of the Hospital.

The Hospital has entered into a formal unsecured revolving line of credit agreement with a local bank. The maximum borrowing limit on this line of credit totaled \$6,000 as of September 30, 2014 and 2013. Advances under this agreement have an annual interest rate based on the LIBOR rate plus 1.0% as determined for each interest period. The line of credit expires on April 30, 2015. As of September 30, 2014 and 2013, there were no advances.

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Note 8 - Long-Term Debt (continued)

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

	Long-term Debt	Mortgage Notes/ Capital Leases
2015	\$ 3,255	\$ 21
2016	3,410	5
2017	3,565	-
2018	3,730	-
2019	3,880	-
Thereafter	<u>39,845</u>	<u>-</u>
	57,685	26
Add: bond premium	<u>2,254</u>	<u>-</u>
Total	<u>\$ 59,939</u>	<u>\$ 26</u>

As of September 30, 2014 and 2013, the Hospital is in compliance with all financial covenants related to previously noted debt.

Note 9 - Defined Benefit Retirement Plan

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

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

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

In fiscal year 2015, the Hospital will further amend the Plan to offer a one-time lump sum payment to terminated vested participants in the Plan.

Middlesex Hospital
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Note 9 - Defined Benefit Retirement Plan (continued)

The following tables provide a reconciliation of the changes in the Plan's benefit obligations and fair value of Plan assets for the years ended September 30, 2014 and 2013, as well as a statement of the funded status of the Plan as of September 30, 2014 and 2013:

	2014	2013
Accumulated benefit obligation	\$ 254,670	\$ 230,402
Change in benefit obligation:		
Projected benefit obligation at beginning of year	\$ 241,259	\$ 301,543
Interest cost	11,349	11,579
Actuarial loss (gain)	18,858	(32,299)
Benefits paid	(8,278)	(7,217)
Plan amendments	-	(32,347)
Projected benefit obligation at end of year	263,188	241,259
Change in plan assets:		
Fair value of plan assets, beginning of year	195,818	174,418
Actual return on plan assets	21,854	17,767
Employer contributions	10,950	10,850
Benefits paid	(8,278)	(7,217)
Plan assets at end of year	220,344	195,818
Funded status	\$ (42,844)	\$ (45,441)
Amounts recognized in balance sheets consist of:		
Current liability	\$ (43)	\$ (44)
Noncurrent liability	(42,801)	(45,397)
Net amount recognized	\$ (42,844)	\$ (45,441)
Amounts recognized as accumulated charges to unrestricted net assets consist of:		
Net actuarial loss	\$ 60,261	\$ 51,971

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Note 9 - Defined Benefit Retirement Plan (continued)

The net actuarial loss included in unrestricted net assets and expected to be recognized in net periodic benefit cost during the year ending September 30, 2015 is approximately \$1,735.

The following table provides the components of the net periodic benefit cost for the Plan for the years ended September 30, 2014 and 2013:

	2014	2013
Interest cost	\$ 11,349	\$ 11,579
Expected return on plan assets	(12,602)	(11,478)
Amortization of unrecognized net actuarial loss	<u>1,315</u>	<u>3,471</u>
 Net periodic benefit cost	 <u>\$ 62</u>	 <u>\$ 3,572</u>

Weighted-average assumptions used to determine benefit obligations and net periodic benefit cost for the years ended September 30, 2014 and 2013, are as follows:

	2014	2013
Weighted average assumptions as of September 30:		
Discount rate (obligation - see below)	4.25%	4.80%
Discount rate (service cost - see below)	4.80%	3.90%
Expected long-term return on plan assets	6.75%	7.00%
Rate of compensation increase	3.50%	3.50%

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

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Note 9 - Defined Benefit Retirement Plan (continued)

The following table sets forth by level, within the fair value hierarchy, the Plan's assets at fair value as of September 30, 2014 and 2013:

2014	Level 1	Level 2	Level 3	Total
Mutual funds:				
Equity	\$ 126,285	\$ -	\$ -	\$ 126,285
Fixed income	-	69,925	-	69,925
Common collective trust	-	10,041	-	10,041
Common stock:				
U.S. equity	12,563	-	-	12,563
Money market funds	<u>1,530</u>	<u>-</u>	<u>-</u>	<u>1,530</u>
Total	<u>\$ 140,378</u>	<u>\$ 79,966</u>	<u>\$ -</u>	<u>\$ 220,344</u>
2013	Level 1	Level 2	Level 3	Total
Mutual funds:				
Equity	\$ 115,507	\$ -	\$ -	\$ 115,507
Fixed income	-	58,747	-	58,747
Common collective trust	-	10,040	-	10,040
Common stock:				
U.S. equity	9,219	-	-	9,219
Non-U.S. equity	1,087	-	-	1,087
Money market funds	<u>1,218</u>	<u>-</u>	<u>-</u>	<u>1,218</u>
Total	<u>\$ 127,031</u>	<u>\$ 68,787</u>	<u>\$ -</u>	<u>\$ 195,818</u>

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

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

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

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Note 9 - Defined Benefit Retirement Plan (continued)

The Plan's weighted average asset allocations as of September 30, 2014 and 2013, by asset category, are as follows:

	Target Allocation	Actual Asset Allocation	
		2014	2013
Asset category:			
Equity securities	57%	59%	60%
Debt securities	38%	36%	35%
Balanced funds	5%	5%	5%
Total	100%	100%	100%

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

Contributions of \$10,800 are expected to be paid to the Plan in 2015.

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

2015	\$	9,109
2016		9,875
2017		10,682
2018		11,502
2019		12,433
2020-2024		72,686
 Total	 \$	 126,287

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

Note 10 - Defined Contribution Plans

Effective January 1, 2010, the Hospital implemented a new retirement program called the Middlesex Retirement Savings and Investment Plan, which provides an automatic core contribution and a matching contribution when participants choose to make pre-tax contributions. The Hospital matches 50% of the first 4% that an employee contributes. In addition, employees become eligible for a core contribution upon completion of 12 months of service provided they earn at least 1,000 hours of service in a calendar year and are actively employed on December 31, unless they retire or become disabled. The core contribution, which ranges from 2-6% of eligible pay, is based on the employee's age and years of service on December 31. The Hospital's total contributions to the plan, including matching and core contributions, totaled \$8,381 and \$8,211 in 2014 and 2013, respectively. In addition, a core contribution of \$4,394, which is scheduled to be paid in 2015, is included in accrued payroll and related liabilities in the accompanying balance sheets.

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Note 10 - Defined Contribution Plans (continued)

In addition, the Hospital sponsors other defined contribution plans for eligible employees. The Hospital's contributions to these plans totaled approximately \$609 and \$711 in 2014 and 2013, respectively.

Note 11 - Estimated Self-Insurance Liabilities and Other Contingencies

There have been malpractice, general liability, and workers' compensation claims that fall within the Hospital's partially self-insured program (see Note 2) which have been asserted against the Hospital. In addition, there are known incidents that have occurred through September 30, 2014 that may result in the assertion of claims.

The Hospital has established an irrevocable trust, funded based upon actuarially determined funding levels, to provide for the payment of malpractice and general liability claims and related expenses. The assets of the trust are reported in the accompanying financial statement as investments limited to use.

The Hospital is a party to various lawsuits and inquiries by various regulatory agencies in the normal course of its business. Management believes that the lawsuits and inquiries will not have a material adverse effect on its balance sheets, statements of operations and changes in net assets or cash flows.

Note 12 - Temporarily and Permanently Restricted Net Assets

Temporarily restricted net assets are those whose use by the Hospital has been limited by the donors for a specific purpose. Temporarily restricted net assets are available for the following purposes as of September 30, 2014 and 2013:

	2014	2013
Education	\$ 2,278	\$ 2,145
Healthcare services	2,668	2,403
Capital and other	<u>5,088</u>	<u>4,702</u>
 Total	 <u>\$ 10,034</u>	 <u>\$ 9,250</u>

Permanently restricted net assets have been restricted by donors to be maintained by the Hospital in perpetuity. Permanently restricted net assets as of September 30, 2014 and 2013 are as follows:

	2014	2013
Free beds	\$ 1,564	\$ 1,564
Support of hospital operations	4,725	4,714
Other	<u>688</u>	<u>698</u>
 Total	 <u>\$ 6,977</u>	 <u>\$ 6,976</u>

Middlesex Hospital
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Note 13 - Endowments

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

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

Endowment funds consist of the following as of September 30, 2014:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor-restricted endowment funds	\$ -	\$ 4,947	\$ 6,977	\$ 11,924
Board-designated endowment funds	<u>114,463</u>	-	-	<u>114,463</u>
Balance as of September 30, 2014	<u><u>\$ 114,463</u></u>	<u><u>\$ 4,947</u></u>	<u><u>\$ 6,977</u></u>	<u><u>\$ 126,387</u></u>

Endowment funds consist of the following as of September 30, 2013:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor-restricted endowment funds	\$ -	\$ 4,549	\$ 6,976	\$ 11,525
Board-designated endowment funds	<u>103,262</u>	-	-	<u>103,262</u>
Balance as of September 30, 2013	<u><u>\$ 103,262</u></u>	<u><u>\$ 4,549</u></u>	<u><u>\$ 6,976</u></u>	<u><u>\$ 114,787</u></u>

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Notes to the Financial Statements
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Note 13 - Endowments (continued)

Changes in endowment funds for the year ended September 30, 2014 are as follows:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Balance as of October 1, 2013	\$ 103,262	\$ 4,549	\$ 6,976	\$ 114,787
Investment return:				
Investment income	13,451	257	-	13,708
Net appreciation	<u>(2,141)</u>	<u>(41)</u>	<u>1</u>	<u>(2,181)</u>
Total investment return	11,310	216	1	11,527
Transfers	-	229	-	229
Appropriation of endowment assets for expenditure	<u>(109)</u>	<u>(47)</u>	<u>-</u>	<u>(156)</u>
Balance as of September 30, 2014	<u><u>\$ 114,463</u></u>	<u><u>\$ 4,947</u></u>	<u><u>\$ 6,977</u></u>	<u><u>\$ 126,387</u></u>

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

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

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Note 13 - Endowments (continued)

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

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

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

Note 14 - Functional Expenses

The Hospital provides general health care services to residents primarily within their geographic location. Functional expenses related to their operating activities for the fiscal years ended September 30, 2014 and 2013, are as follows:

	2014	2013
Health care services	\$ 278,160	\$ 279,906
General and administrative	67,701	62,373
Total	<u>\$ 345,861</u>	<u>\$ 342,279</u>

Note 15 - Related Parties

As of September 30, 2014 and 2013, the Hospital had the following receivables from related parties:

	2014	2013
Middlesex Health Resources, Inc.	\$ 484	\$ 7
Middlesex Health Services, Inc.	213	18
MHS Primary Care, Inc.	124	28
Total due from related parties	<u>\$ 821</u>	<u>\$ 53</u>

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Note 15 - Related Parties (continued)

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

The Hospital paid Middlesex Health Resources, Inc. approximately \$506 and \$508, respectively, during 2014 and 2013 for rent.

In addition, the Hospital had promissory notes due from MHS Primary Care, Inc. for lines of credit totaling \$166 at a rate of 7% to be paid in 120 monthly installments. The balances due on these notes were \$6 at September 30, 2013. The notes were paid in full in 2014.

The Hospital made a cash transfer to the System of \$3,548 and \$2,999 for 2014 and 2013, respectively. The Hospital, in support of the System's mission, transfers funds annually to the System in conjunction with supporting activities within the integrated network. As of September 30, 2014, the Hospital has committed to transfer \$3,745 to the System in fiscal year 2015.

Note 16 - Community Benefit (Unaudited) (Statistical information in whole numbers)

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

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

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Note 16 - Community Benefit (Unaudited) (continued)

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

- **Community Education Presentations**: Including cancer prevention, integrative medicine, caregiver resources, chronic pulmonary obstructive disease/respiratory care, diabetes, asthma (adult and pediatric), chronic heart failure, childhood obesity, smoking cessation, nutrition, stroke education and fall prevention.
- **Health and Wellness Events/Health Fairs**: It is common practice for the Hospital's staff members to answer the call of the community any time a request is made for educational support - one example is the annual request by Connecticut Valley Hospital, the state's department of mental health and addiction services, for the Hospital to participate in its employee and patient day-long health fair - the Hospital provides staffing to share information on multiple health topics to 400+ attendees, which includes a vulnerable general patient population as well as those held in the forensic division. The Hospital regularly participates in area health fairs/wellness events to share critical health information on topics and services including: diabetes; asthma; chronic obstructive pulmonary disease; slips and fall prevention and safety; blood pressure screenings; cancer awareness including breast, prostate and skin; smoking cessation data and information; bone density screening; maternal child health education; rehabilitation therapy; and youth behavioral health issues.
- **Support Groups**: The Hospital provides, at no charge, many support groups for patients and their families in response to the community's need for additional support in addressing the social, psychological or emotional issues that often occur in connection with disease, disability and grief. The support and skills of trained professionals offer self-help techniques and wellness/health-promotion. Support groups include: bereavement; diabetes; prostate cancer; lung cancer; leukemia, lymphoma, and multiple myeloma; cancer survivors; breastfeeding; first foods; the Mama Connection; and the Better Breather's Club.
- **Cancer Center Health Awareness**: As facing cancer can be one of life's most challenging experiences for patients, the Hospital's Cancer Center provides extensive free-of-charge services in an educational and supportive environment. An emphasis is placed on including family members in all support services. In addition to the substantial number of cancer-related support groups, the Cancer Center offers – at no cost – an annual Breast Cancer Awareness event; annual Cancer Survivor's Day; annual prostate event; annual Healthy Living Through Prevention wellness event; an art therapy program; movement through dance; nutrition and exercise class for breast cancer patients; wig room; and a comprehensive educational series with a multi-dimensional approach to defining cancer - including dealing with side effects, the importance of nutrition and exercise, coping with emotions and spirituality, alternative and integrative medicine therapies, and methods for communication.

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Note 16 - Community Benefit (Unaudited) (continued)

- **Maternal Child Support**: To reach out to the community's vulnerable population, the Hospital's Pregnancy and Birth Center (PBC) waives class fees for participants from the Hospital's Family Advocacy Maternal Child Health Program - a comprehensive service within the Behavioral Health Department that outreaches to low-income families lacking necessary resources. Tuition waiver allows access for Family Advocacy members to PBC's Newborn & Infant classes, Breastfeeding classes, and Prepared Childbirth classes.
- **Health Literature**: Providing no-cost access to health care literature and resources to the public is possible through the Hospital's libraries and publications. The Hospital's main campus and Cancer Center libraries encourage community use of health and medicine resource information. The community, including students, patients, non-employed nurses and physicians routinely utilizes the library's extensive collection of books and periodicals and depends on librarian support as a part of information gathering. The Cancer Center library is an active participant of the CT Library On Request System, which is available in public libraries as a resource to locate and borrow books, videos and tapes - with the assistance of the Hospital's librarian, patients and families are able to obtain desired cancer health information by use of this service. In addition, the Cancer Center issues a quarterly newsletter (2,500 household mailing) that reviews cancer-related and health living topics.

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

Healthcare support services include all programs offered by the Hospital in order to increase access and quality of care to individuals, especially those living in poverty and/or other vulnerable populations. As these services represent targeted programs and interventions based on need, they are critical for assisting patients in achieving improved health and wellness. Given the intensity and duration of the initiatives, life-long positive impacts are often realized. Examples include (but are not limited to):

- **Center for Chronic Care Management (CCCM) Disease Management**: The CCCM has been in existence for over 10 years and has served 10,000+ patients. The impetus for the center was an identified sub-set of repeat users of emergency department and inpatient services for asthma. A multidisciplinary team was tasked with examining notable resource gaps for this ambulatory care sensitive condition (that is, one that should be treated in the outpatient setting). A deficit of available outpatient services and coordination of care for asthmatics resulting in barriers for achievement of self-management was identified and in response, using the Chronic Care Model, an evidence-based, patient-centered outpatient asthma service for adults (AIRMiddlesex) and children (LittleAIR) was designed and implemented, offering a comprehensive and systematic approach to the management of asthma as a chronic illness. The asthma care program became the prototype for identifying and meeting community need for chronic care interventions by adding accessible and oftentimes free-of-charge outpatient services.

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Note 16 - Community Benefit (Unaudited) (continued)

Added services include diabetes disease management (provided since mid-1990, formalized in 2001) and its component medical nutrition therapy; smoking cessation (1999); and chronic heart failure (2005). The Center's disease management programs have evolved as a critical part of the health delivery system in Middlesex County by filling unmet chronic care needs. Within the CCCM model, special attention is paid to those unable to access services elsewhere: patients who experience multiple social issues, are often uninsured, are unable to achieve and sustain improved health, and frequently encounter barriers to care. Most programs are offered at no cost to the patient and the program is therefore heavily underwritten by the Hospital. Each of CCCM's initiatives cooperate with community agencies to provide chronic disease management education.

- **Cancer Care Management:** The Cancer Care Program is a free program offered to patients with a breast, colorectal, lung, prostate, testicular, bladder, gyn. kidney diagnosis. With compassion, reassurance and expert knowledge, the Nurse Navigators assist cancer patients in navigating the complex maze from diagnosis through the prescribed treatment and recovery phases of their illness. Additional support is given through education regarding medication and self-care requirements. The Navigators work with the network of specialists and technicians to ensure that the succession of tests and treatments are expedited in the best sequence with full consideration of the patient's needs.
- **Transportation & Prescription Voucher Assistance:** The Hospital provides a no-cost transportation service for patients requiring radiation oncology treatment who struggle with transportation - with a special emphasis on providing the service for the elderly. Transportation vouchers are supplied to patients in urgent situations and prescription vouchers are given to help to defray costs for patients who are unable to pay for medication.
- **Financial Counseling:** The Hospital provides information about its financial assistance program to all patients and makes this assistance available to individuals who meet established guidelines. Financial Counselors and social workers are available to answer questions and aid in the application process. In addition, the Hospital has an internal committee that monitors its financial assistance processes, reviews guidelines for appropriateness, and makes adjustments as needed to ensure optimal accessibility to the support.
- **Alternative to Hospitalization Program (ATH):** ATH is a collaborative system offered in the Hospital's Emergency Department where staff works with state behavioral health services to identify eligible individuals for linkage to community-based substance abuse treatment programs.
- **Women, Infants and Children (WIC) Program:** WIC serves to safeguard the health of low-income women, infants, and children up to age five who are at nutritional risk by providing nutritious foods to supplement diets, information on healthy eating, and referrals to health care. Middlesex Hospital recently became the local subcontractor for WIC when the City of Middletown Health Department, after 25 years, was unable to renew the contract. In addition, due to significant city budget cut-backs, the Middletown program had merged with another county, which made accessibility challenging for local WIC clients. When community members suggested the Hospital assume the program, the Hospital agreed with the importance of keeping the program local, improving accessibility of services, and responding to community need. The service currently resides under the Hospital's comprehensive Family Advocacy Maternal Child Health program which provides support and outreach to a segment of the community's at-risk population.

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Note 16 - Community Benefit (Unaudited) (continued)

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

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

In addition to its Family Practice residents, the hospital welcomes medical and nursing student interns and provides on-site training during clinical rotations. Nursing students from local colleges and programs receive hands-on mentorship in the majority of clinical service lines year-round. For the nursing students, a good portion of the student-staff interaction is 1:1. The objective of the rotational format is to complement classroom learning with practical application; expose students to the integration of evidence-based practice; train students in the care for patients with complex needs; and aid students in developing the organizational, interpersonal, and critical thinking skills needed to enter the field of nursing. Other healthcare professional education includes: the Hospital's Radiology School - a 50+ year old program that graduates radiologic technologists with an associates degree, prepares them to pass the national certification test for radiographers and quality for state licensure, and operates at a loss for the Hospital; and clinical educational student training in the fields of pharmacy, social work, hospice, behavioral health, nuclear medicine, rehabilitation and physical therapy, infection prevention, phlebotomy, emergency responders, surgical services, among other areas of healthcare. The Hospital also welcomes non-clinical students for educational experience and has supported an Administrative Fellowship for 20+ years. Other student on-site educational experiences include: public health, pastoral care, biomedical, food and nutrition, linen services, finance and health information systems.

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Note 16 - Community Benefit (Unaudited) (continued)

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

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

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

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Note 16 - Community Benefit (Unaudited) (continued)

- **Middlesex Hospital's Behavioral Health Program**: Provides a large spectrum of behavioral health services, including inpatient and outpatient therapy and support, child and adolescent services and a maternal child health program and is heavily subsidized by the Hospital. The Hospital recognizes that the life disruptions caused by mental illness, severe behavioral problems, and addiction, especially coupled with medical complexities can be devastating for patients and their families and is committed to providing the highest standard of care for both the physical and behavioral health needs of its psychiatric patients. Treatment is provided regardless of the patient's background and/or ability to pay. The behavioral health system at Middlesex Hospital is premised on guiding principles designed to empower each individual to attain optimal functioning in a compassionate, supportive, professional and collaborative environment. Each care plan is individualized with careful consideration of the patient's physical and mental needs and preferences. The Hospital has a 20 bed psychiatric unit for patients requiring inpatient stays; Day Treatment Program that provides intensive outpatient and partial hospital services for adolescents, adults and geriatric patients with psychiatric and co-occurring substance abuse/ psychiatric disorders; Outpatient Behavioral Health Clinic that offers treatment in individual, family, and group therapy to meet general adult and senior psychiatric needs; Family Advocacy Program (FAP) that offers comprehensive psychiatric services designed to improve the lives of children, adolescents and their families and improve access to critical resources; and FAP Maternal Child Health which provides primary prevention, case management and home-based parenting skill building wrap around and support services for at-risk first time families involved in Department of Children and Families (DCF).
- **Middlesex Hospital Homecare**: Recognizing the need for medical services for patients who are homebound, the Hospital's Homecare department, founded in 1900, makes over 160,000 visits per year to community residents with services available 7 days/week, 24 hours/day. While the program requires subsidy from the Hospital, it meets a vital need in community health. Staffing includes specialty nurses, home health aides, physical therapists, occupational therapists, speech therapists, medical social workers and nutritionists. The broad array of comprehensive services offered to meet the needs of the homecare patient encompass: 1) behavioral; 2) diabetes care and education; 3) specialized cardiac care; 4) geriatric care which focuses on the special needs of senior patients and includes management of conditions, complex medications and/or long-term illness; 5) infusion therapy; 6) the emergency response Lifeline program; 7) maternal/child health services; 8) hospice and palliative care services; 9) psychiatric nursing for patients with primary psychiatric illness living in the community; 10) medical rehabilitation; 11) respiratory/pulmonary care; 12) wound/ostomy care; and 13) various community health services including flu shots and health fairs.
- **Middlesex Hospital Cardiac Rehabilitation**: Cardiac Rehabilitation is a service offered by Middlesex Hospital due to community request. In response, the Hospital makes this comprehensive program available to its community members despite a financial loss. The service includes progressive cardiac-monitored exercise plans customized per individual, risk-factor education, and is designed to assist patients who have had a recent heart attack, cardiac bypass, cardiac valve surgery, coronary angioplasty, or newly stabilized angina symptoms in achieving a speedy recovery and a healthy, productive lifestyle. Services for patients (and often their caregivers) include education on diagnosis, plan of care, and the requirements necessary to best manage their condition; discussion regarding appropriate lifestyle modifications given the new diagnosis; support to help diminish the fear of appropriate exercise and guidance on level of exertion and pulse rate monitoring; and symptom management education and recognition.

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Note 16 - Community Benefit (Unaudited) (continued)

- **Middlesex Hospital Paramedics Service**: Provides 24 hours/day, 7 days/week skilled emergency care and critical treatment to patients prior to arrival at the hospital. Paramedics work alongside fire and EMS personnel and are an important adjunct to emergency transport services, often administering care and providing advanced life support to the patient in the ambulance en route to the hospital - having care begin at the earliest opportunity is vital for best outcomes, particularly in cases of stroke and cardiac emergencies. Middlesex Hospital's paramedic program is one of three such hospital-based services in the State - its mission is to provide high quality, cost-effective, community focused emergency medical services to those who require immediate response. Patients receive the best possible paramedic level of care, regardless of their ability to pay or condition. Since inception of the service, the Hospital has covered the program's annual financial shortfalls.
- **Middlesex Hospital's Hospice Program**: Committed to caring for the terminally ill and their families by enhancing quality of life for the patient. Services include comfort care with relief of physical symptoms, the provision of emotional and spiritual support, and the desire to support the patient's right to make choices and remain as autonomous as possible during this phase of life. As terminal illness brings a host of new and difficult challenges for both patient and family, the Hospital's Hospice program views patient and family as a single unit of care. Care is delivered through an interdisciplinary team that includes physicians, nurses, social workers, physical therapists, occupational therapists, nutritionists, home health aides, spiritual support, pharmacists, bereavement counselors, and specially-trained volunteers. The care setting includes home hospice as well as an inpatient unit designed to provide short-term care for patients requiring pain and symptom control as well as respite care during the last days of life. This vital community program functions at a loss for the Hospital. The Hospital also offers outpatient Palliative Care services which assist patients and families with critical decisions while providing maximum physical comfort and emotional support. Outpatient Palliative care services include pain and symptom control, psychosocial support, patient education about self-determination and advance directives, negotiating end-of-life decisions, and helping patients and loved ones understand and cope with the process of dying.
- **Middlesex Hospital Wound Care**: The Hospital performed a study and found that there was a gap in outpatient services for those experiencing complex and chronic wounds. In response, the Hospital created the Wound Care Center where a full range of services for effective wound treatment is provided. Clinical providers at both of the Hospital's Wound Care Center locations aid in determining what local or systemic factors are impeding the healing process, and assist in developing a specialized and individualized treatment care plan. Using a planned, systematic approach which includes consideration of all factors that affect wound healing, the Center treats four primary wound types: venous stasis ulcers, diabetic foot ulcers, ischemic ulcers and stage III and IV pressure ulcers. The Wound Care Center functions at a loss for the Hospital and requires subsidy.

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Note 16 - Community Benefit (Unaudited) (continued)

- **Pulmonary Rehabilitation:** The Hospital's Pulmonary Rehabilitation program was developed in direct response to the health assessment findings which identified half the adult population in Middlesex County to be at risk for COPD (18% are current smokers and 33% are former smokers). The study recommended development of a COPD pathway and program. In response, an inpatient COPD pathway was generated in conjunction with a supporting outpatient pulmonary rehabilitation program. The program is one of both education and exercise classes - it teaches patients about their lungs, how to exercise and do activities with less shortness of breath, and how to live better with a lung condition. Pulmonary Rehabilitation is offered to any patient with impaired pulmonary endurance. The Pulmonary Rehab program offers the Better Breather's Club, an adjunct service formed to help patients with respiratory diseases cope with their difficulties. The free support group is for community members with COPD, asthma and other chronic lung disease and is run by a respiratory therapist and invites pertinent guest speakers to enhance the education of the patient and their families about the respiratory illness from which they suffer. Pulmonary Rehab functions at a loss and requires Hospital subsidy in order to continue to be available to the community

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

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

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Note 16 - Community Benefit (Unaudited) (continued)

Community Building Activities - Middlesex Hospital's participation in Community Building activities has a vital role in continuing to promote health and well-being for residents in its service area and, in some cases, the international community. The Hospital offers its resources and expertise to support and strengthen community assets in a variety of programs that fall under the scope of community building. Staff members are highly participative in community partnerships and coalitions, the success of which are greatly enhanced by Hospital collaboration - many community initiatives would not be as effective without the Hospital's administrative and clinical staff in-kind involvement, support and expertise. The Hospital's participation in all community building activities are solely to benefit the community's health and well-being by improving access to health services and enhancing overall public health and in no case is the motivation for marketing purposes. Examples include (but are not limited to) staff involvement in: the Middlesex Chamber of Commerce's Prevention Committee, Safety Committee and Healthcare Council; United Way School Readiness Community Impact Team; United Way Community Impact Council; Middlesex Community Council; Safe Kids; Interfaith Council of Middletown; Middletown's 10 Year Plan To End Homelessness; Middlesex Elderly Service Providers; St. Luke's Gatekeeper Program; State of CT Stoke Committee; State of CT Childhood Obesity Group; Association For Ambulatory Behavioral Healthcare; Middlesex County Children's Coalition; Middlesex Community College Advisory Board For Human Services; CT Council for Child & Adolescent Psychology; Middletown School System Safety Committee; Community Flu Preparation Committee. The following four programs highlight the importance of the Hospital's involvement in community building activities:

- Opportunity Knocks (OK) was formed in 2003 when three Middletown community leaders specializing in early childhood development - Middlesex Hospital's Medical Director of Nurseries & Pediatric Faculty for the Family Practice Residency Program, Middlesex Hospital's Family Advocacy Maternal Child Health Program supervisor and Middletown's School Readiness coordinator - recognized that the health and developmental needs of Middletown's high-need young children could best be met through a coalition that crossed a variety of sectors. The multidisciplinary community coalition comprised of local health and social service agencies, early care and education providers, not-for-profit organizations and parents established goals that focused on the health and well-being of at-risk children ages 0-5. Since the inception of the program, Opportunity Knocks has served approximately 5,500 children ages 0-5 and countless family members. Middlesex Hospital provides OK's program planner, physician champion, grant-writing support and fiscal administration for the funding sources. In addition, staff members from multiple Hospital departments actively participate in the collaborative, including representatives from Family Advocacy Maternal Child Health, Diabetes Management, Asthma Management, Fit For Kids, Family Practice, the Family Medicine Residency program, and the Pregnancy & Birth Center.
- The Hospital partakes in many good neighbor community activities outside of the scope of the healthcare delivery system; such participation often incurs significant expense to the Hospital. For Disaster Readiness, the Hospital plays a pivotal role by working in collaboration with key community partners to ensure the safety of the community at large during a potential disaster. Hospital employees participate on multiple community boards and initiatives designed specifically to address disaster preparedness, control and address the ongoing overall safety of the community. Only the activities and associated cost which exceed licensure and standard practice requirements are included in the Hospital's community benefit inventory.

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Note 16 - Community Benefit (Unaudited) (continued)

Disaster readiness requires a comprehensive, community-wide coordinated effort for coping with such emergencies as natural disasters, infectious disease outbreaks, bio terrorism, or acts of civil unrest. Hospital security staff, paramedics, infectious diseases specialists, nursing and medical staff are all involved in the continuing effort to be prepared for whatever community emergencies might arise. Examples include participation in community disaster preparation committees, community education and natural disaster drills; pandemic preparedness and stockpiling of supplies that exceeds regulatory standards; and hosting yearly radiation drills for the staff of a local nuclear power plant where Hospital staff train power plant workers (at no-cost) on protocols for internal contamination.

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

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

Middlesex Hospital was invited by the Chatham Health District to participate in a county-wide community health needs assessment which was completed in 2013. Middlesex County was selected to be part of the Centers for Disease Control and Prevention Community Transformation Grant project in Connecticut. From this initiative, the Middlesex County Coalition on Community Wellness was formed, which includes community partners from the sectors of public health, healthcare, social services, community services and education. Coalition goals included 1) working together to conduct a Middlesex County community health needs assessment; 2) identifying key issues that impact health and wellbeing; and 3) developing collaborative programs to meet identified need.

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

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Note 16 - Community Benefit (Unaudited) (continued)

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

State Sponsored Health Care, Unpaid Costs - Community benefits related to government sponsored programs include the unpaid cost of specific public programs. In fiscal year 2014, payments received for Medicaid services provided by the Hospital did not cover the actual cost of providing these services; these unpaid costs are reported in the accompanying financial statements.