

**Final Report on Compliance by Prospect CharterCARE, CharterCARE Community Board, and CharterCARE Foundation with Conditions of Certification Pertaining to the Acquisition of Roger Williams Medical Center, St. Joseph Health Services of Rhode Island, Our Lady of Fatima Hospital and Other Entities.**

In the Hospital Conversions Act Decision of the Rhode Island Office of the Attorney General (“Attorney General”) dated May 16, 2014 (the “HCA Decision”), Prospect CharterCARE, LLC (“Prospect” or “Prospect CharterCARE”), CharterCARE Community Board (“CCCB”), and CharterCARE Foundation (the “Foundation”), (collectively “the Entities”), were required to meet certain conditions relative to Prospect’s acquisition of the facilities now known as Roger Williams Medical Center (RWMC), Our Lady of Fatima Hospital (OLF), Southern New England Rehabilitation Center, St. Joseph Health Center (SJHC), and other entities.<sup>1</sup> One condition requires Prospect to “enter into an additional agreement outlining the terms of its obligations regarding cooperation with the Attorney General and any expert retained to assist the Attorney General with enforcing compliance with these Conditions.” Affiliated Monitors, Inc. (“AMI”) was engaged to perform the services of the expert that assists the Attorney General with enforcing compliance with the conditions.

Subsequent to the execution of the Retainer Agreement, Prospect notified the Attorney General that it was scheduled to close on the sale of Elmhurst Extended Care Facility in Providence, Rhode Island. Moshe Berman, General Counsel for CharterCARE Health Partners, sent a letter (Attachment A1 in the Second Interim Report on Compliance by Prospect CharterCARE, CharterCARE Community Board, and CharterCARE Foundation with Conditions of Certification Pertaining to the Acquisition of Roger Williams Medical Center, St. Joseph Health Services of Rhode Island, Our Lady of Fatima and Other Entities (“Second Interim Report”)) to the Attorney General on December 13, 2016 requesting the following:

*PCC proposes to:*

- *Add the Sale Proceeds to the Capital Commitment which will result in a total Capital Commitment from PMH in the amount of approximately \$60 million to \$61 million dollars (“Revised Capital Commitment”).*
- *Extend the time period within which to spend the Revised Capital Commitment by two years, through June 20, 2020.*

The Attorney General approved this request on December 16, 2016; a letter to that effect was sent by Assistant Attorney General, Health Care Advocate, Kathryn Enright, (Attachment A2 in the Second Interim Report) and a copy was provided to AMI. Attorneys Enright and Berman had a subsequent conversation about the planned sale of the former St. Joseph Hospital property located at 21 Peace Street; on December 28, 2016, Attorney Berman sent a letter to Attorney Enright asking to treat the proceeds of the Peace Street sale in the same manner as the Elmhurst sale

---

<sup>1</sup> The Other Entities are Elmhurst Extended Care Facilities, Inc., Roger Williams Realty Corporation, RWGH Physician’s Office Building, Inc., Roger Williams Medical Associates, Inc., Roger Williams PHO, Inc., Elmhurst Health Associates, Inc., Our Lady of Fatima Ancillary Services, Inc., The Center for Health and Human Services, SJH Energy, LLC, and Rosebank Corporation (see the HCA Decision, p. 8).

(Attachment A3 in the Second Interim Report). On June 6, 2018, Attorney Berman sent an email to Rebecca Partington, Assistant Attorney General, regarding a third property transaction: the sale of property on Fruit Hill Avenue in North Providence (Attachment A4 in the Second Interim Report).

Attorney Enright was succeeded by Special Assistant Attorney General, Health Care Advocate, Jessica Rider, who discussed terms of an Amendment to the Retainer Agreement regarding the monitorship of Prospect with Moshe Berman and Catherine Keyes, Vice President of Operations, AMI via conference call on November 1, 2018. Attorney Rider sent a proposed Amendment to the Retainer Agreement to Prospect and AMI on March 19, 2019. The Amendment was signed and returned to the Attorney General by Catherine Keyes on behalf of AMI on March 26, 2019. The Amendment was not executed by Attorney Berman before he left his position at Prospect and Attorney Rider then raised the matter with Leslie Prizant, Associate General Counsel, Prospect Medical Holdings. On August 19, 2019, Attorney Prizant proposed by email (Attachment A5 in the Second Interim Report) the following change to the language of the Amendment:

*WHEREAS, PROSPECT requested that the time period for the sale proceeds in the amount of \$12,041,117.00 of the aforementioned properties be extended beyond the time period pursuant to Capital Commitment Prospect Medical Holdings, Inc. is obligated to contribute to Prospect CharterCARE, LLC pursuant to Section 2.5(b) of the Asset Purchase Agreement by two years, through June 20, 2020.*

The changes were incorporated into the Amendment to the Retainer Agreement and the revised version was signed and submitted by Catherine Keyes on behalf of AMI on September 6, 2019, by Sam Lee, Chief Executive Officer of Prospect Medical Holdings on September 23, 2020, and by Attorney Partington on behalf of the Attorney General, on September 24, 2019 (Attachment A6 in the Second Interim Report).<sup>2</sup>

This is the final report generated for the Attorney General relative to this conversion. See R.I. Gen. Laws §23-17.14-28(d)(2).

### METHODOLOGY

The Attorney General, Prospect and AMI agreed upon an Extended Scope of Work to guide the monitoring process. The Extended Scope of Work is set forth in Schedule A-1 of the Amendment to the Retainer Agreement by and between the Attorney General, Affiliated Monitors, Inc., Prospect Medical Holdings, Inc. (“PMH”), Prospect East Holdings, Inc. (“Prospect East”),

---

<sup>2</sup> There was some confusion about whether Prospect intended to request a) an extension of the time to spend the additional funds generated by the sale of the property only or b) an extension of the time to meet the full Long-Term Capital expenditures commitment. An email sent by Attorney Rocha on July 3, 2020 to Jessica Rider and Catherine Keyes clarified the matter. It said, “I am writing with respect to the time period within which Prospect is required to spend the revised capital commitment (\$50M and the net sale proceeds from Elmhurst and Fruit Hill). We are in agreement that the deadline is June 20, 2020 as set forth in Moshe Berman’s December 13, 2016 letter to the Attorney General and the Attorney General’s approval set forth in the December 16, 2016 letter from Assistant Attorney General Healthcare Advocate Kathryn Enright.”

Prospect East Hospital Advisory Services (“Prospect Advisory”), LLC, and Prospect CharterCARE, LLC. Below is that Extended Scope of Work.

**Schedule A-1: The Extended Scope of Work**

- 1. Obtain information to confirm that the Transaction is implemented by the parties as outlined in the Initial Application, including, but not limited to, all Exhibits and Supplemental Responses and:**
  - (a) obtain annual reports from Prospect CharterCARE, LLC for the Attorney General on the proposed form submitted to the Attorney General concerning the funding of its routine and non-routine capital commitments under the Asset Purchase Agreement and as extended and modified pursuant to the agreement as described in this Amendment to Retainer Agreement, until the Revised Capital Commitment has been satisfied;**
  - (b) obtain information confirming that the charitable assets that remain with the Heritage Hospitals are used in accordance with donor intent. It is anticipated that monitoring of this condition should be done through reconciliation of the accounts and uses until the Revised Capital Commitment has been met.**
- 2. For the period of time from the end of the third reporting year through June 20, 2020, obtain and provide the Attorney General with a copy of any notices provided to, or received by, a party under the Asset Purchase Agreement.**
- 3. Obtain information as requested by the Attorney General that Prospect is acting in compliance with the Asset Purchase Agreement and the Conditions of this Decision as set forth in this Extended Scope of Work.**
- 4. Obtain information to confirm that the proceeds of the sale of the Elmhurst Extended Care Facility and the Fruit Street property<sup>3</sup> remain within Prospect CharterCARE, LLC for the benefit of the operation of the Newco hospitals.**

Shortly after the delivery of the Second Interim Report, on June 26, 2020, with the approval of the Attorney General, AMI sent a Request for Information (RFI) to Prospect (Attachment B1 (a). RFI of 6-26-20<sup>4</sup>). The RFI among other things sought clarification and proper documentation for unresolved issues arising from the Second Interim Report. On July 2, 2020, a Zoom meeting was held and had the following in attendance: Jessica Rider (Attorney General); Patricia Rocha and Leslie Parker (Adler, Pollock & Sheehan - External Counsel to Prospect); Lalit Katz, Steve Rodriguez, Dave Ragosta, Dan Ison, and Frank Saidara (Prospect) and; Catherine Keyes and Oghenekevwe Odima (AMI). On July 16, 2020, Prospect responded to the RFI and submitted

---

<sup>3</sup> Although the property is located on Fruit Hill Avenue, it is referred to in error here and in some attachments as Fruit Street.

<sup>4</sup> Attachments are numbered in sequence to correspond with the respective questions in the Extended Scope of Work Agreement and to follow the numbering of materials provided for the Second Interim Report.

documents and provided explanations of many of the documents (Attachment B1 (a)(i). Response to RFI of 6-26-20). AMI reviewed the documents and the responses extensively and follow-up Zoom meetings were held on August 20, 2020, August 27, 2020, and September 8, 2020. Following the September 8, 2020 meeting, Prospect made supplemental submissions on September 11, 2020 (Attachments B1 (a)(iii). Supplemental Responses to RFI of 6-26-20<sup>5,6</sup> and B1 (a)(ii). Attestation re 7-16-20 Submission-Saidara). Upon review of the materials, a Zoom meeting was held on October 2, 2020 with the same attendees as in previous meetings, as well as Von Crockett and Jeffrey Liebman on behalf of Prospect. Prospect sent a final set of supplemental materials on October 3, 2020 (Attachment B1 (a)(iv). Follow-Up Response to AMI 10-3-20). AMI reviewed all submissions, and our findings are provided below in the order they are set out in the RFI.

## FINDINGS

### Extended Scope of Work – Item 1

#### **Obtain information to confirm that the Transaction is implemented by the parties as outlined in the Initial Application, including, but not limited to, all Exhibits and Supplemental Responses ...:**

AMI, in its Second Interim Report, identified certain unresolved matters under this condition which are addressed below.

*Items i – xi below were set forth in the Initial Application. Please provide documentation showing Prospect has complied with these terms for the period of November 2017 – December 2018:<sup>7</sup>*

- ii. Transferred Employees will get their base salaries and wages equal to their base salaries and wages as of the closing date. Transferred Employees will retain seniority for purposes of benefits, salaries, and wages.*

Prospect submitted an Excel spreadsheet showing all employees (by job title, but without names) on the payroll as of May 2014 (prior to the June 2014 closing date), listing the date of hire and the base pay rate for each person. Additional sets of columns set forth the status of each employee as of June 2014, November 2017, and again as of December 2018; seniority dates and base pay rates were tracked for each individual across the time periods.

The list indicated that 1,230 individuals who worked for Prospect in May 2014 were active on the payroll as of December 2018. Of these, the base pay rate had decreased for 41 individuals (3.4%). One hundred and forty-three individuals (11.62%) had “seniority dates” which were later than they had been in May 2014.

---

<sup>5</sup> The Attorney General determined that these written responses were not confidential, therefore an unredacted copy is attached.

<sup>6</sup> In addition to the Response to the RFI of 6-26-20, Prospect provided copies of policies, articles, data analyses and other materials responsive to the questions. These materials are cited in context below.

<sup>7</sup> Items i, vi, vii and xi were described in full in the Second Interim Report and were deemed to be satisfied.

On June 26, 2020, AMI sought clarification through its RFI on the Transferred Employees list submitted by Prospect. AMI asked Prospect to identify which of the listed individuals were Transferred Employees and provide an explanation for the decrease in the base rate of 41 individuals. In addition, AMI asked Prospect why one hundred and forty-three individuals had “seniority dates” which were later than they had been in 2014.

In its July 16, 2020 response, Prospect confirmed that all employees on the list were Transferred Employees. Prospect explained that at closing, all employees were hired at the same rates and seniority dates but over time the base rates and seniority changed. The changes in base rates were due to: changes in job classifications as employees changed jobs; employees who left the company and were later rehired; and the equalization of the per diem (per day) contracting rates “across the system in accordance with market rates and conditions.” Relative to the changes in seniority levels, Prospect identified the following reasons: individuals had left their positions and were later rehired; individuals converted from per diem contractor status to full time employee or vice versa (annotated on C-PCC-000808-C-PCC-000808); and individuals began practicing at another PCC hospital with different seniority practices. Prospect also noted that different rules apply between RWMC and OLF because OLF is a union shop. Prospect submitted an updated list of Transferred Employees with an additional column showing the reason for the change in seniority levels and base rates, respectively (C-PCC-000805-C-PCC-000807).

AMI reviewed the list and the reasons provided and requested Prospect to provide further explanation for the change in the per diem rate, as well as a walk-through of the impact of working in a union versus non-union shop, as it pertains to seniority. At the August 27, 2020 and September 8, 2020 meeting, the Prospect team provided oral explanations which were set forth in writing in the September 11, 2020 supplemental response (PCC-006862-PCC-006873 (Redacted)).

In its September 11, 2020 Supplemental Responses to AMI’s June 26, 2020 RFI, Prospect explained that its July 16, 2020 response included incorrect information relative to the per diem contracting rates. Prospect provided the following clarification:

Regarding #3 above, after research we confirmed that the original response relative to the per diem contracting rates was incorrect. Employees were paid the same rate; however, there was a change in the payroll system pre and post-acquisition. Prior to the CCHP acquisition when an employee was hired into a per diem position or transferred to a per diem position the base pay rate was increased by 20% as an offset to not receiving any employee health benefits due to the per diem status. Accordingly, in the computer system the base rate included the per diem 20% differential. In 2017, the payroll system was modified to allow the per diem 20% differential to be included as a separate category. Accordingly, the payroll system showed a base pay amount in addition to the per diem 20% differential. Accordingly, if the base pay amounts were compared pre and post the change in the payroll system, they would be different. However, the total compensation amount (including the per diem 20% differential) are the same.

This change on how the employee's paystub would appear was communicated at the times of change with each employee.

With regard to the statement that different rules apply between RWMC and OLF because OLF is a union shop, Prospect explained that:

[W]hen an employee transfers from RWMC to OLF, the seniority date is modified to comply with the OLF Collective Bargaining Agreement (the "OLF CBA"). Specifically, the OLF CBA governs seniority and stipulates that seniority is based upon the date of hire. As OLF is a separate entity from RWMC, the date of hire is the first date of employment at OLF. As such, an employee transferring to OLF receives an adjusted seniority status as required by the OLF CBA and National Labor Relations Board ("NLRB") regulations. Significantly, all employees transferred to OLF were transferred at the employee's request rather than at Prospect's direction.

The data, reports, and explanations provided indicate that, to the extent permissible under the NLRB regulations, Prospect complied with this condition.

Item 1.iii.

*Prospect will provide benefits at benefit levels comparable to benefits provided under the Existing Hospitals' plans, benefits including vacation, sick leave, holiday, health insurance, 401K, life insurance, and continued COBRA coverage.*

Prospect submitted a copy of its "Employee Benefits Guide 2018" ("2018 Benefits Guide") and a summary page pertaining to its 2014 CCHP Benefits (Attachment B2-iii(a) and Attachment B2-iii(b) in the Second Interim Report). The 2018 Benefits Guide describes the health insurance, life insurance, and continued COBRA coverage offered to employees in 2018; it does not contain information relating to vacation, sick leave, holidays, or 401K benefits. The 2014 CCHP Benefits Summary lists only the cost to employees of health insurance, dental, vision and legal insurance offered, with no further details about the nature and extent of these benefits. AMI was not able to ascertain from the documents submitted the extent of vacation, sick leave, holiday, and 401k benefits offered a) at the time of the conversion or b) in 2018. Neither were we able to determine whether the overall benefit levels (that is, including health, dental, vision and legal coverage) were comparable to those provided in 2014.

Through its June 26, 2020 RFI, AMI asked for information regarding employee benefits including vacation, sick leave, holiday, health insurance, and continued COBRA coverage. In addition, AMI asked Prospect to provide an attestation from Prospect and/or an employee union regarding the benefit levels provided to employees from 2014 – 2018.

In its July 16, 2020 response, Prospect explained that the benefit package offered following the closing was thoroughly reviewed by Oldco prior to implementation. It explained further that although there is no written continued COBRA coverage policy, Prospect nevertheless adheres to

all applicable laws regarding COBRA coverage. In addition, Prospect submitted its Internal Policy documents issued by the Human Resources Departments of the respective hospitals. The following materials were submitted (Attachment B2-iii(b)(i) Employee Benefits 2014-2018):

- Blue Cross Blue Shield Client Details report with an effective date of April 1, 2018 – showing different plans with deductibles and out-of-pocket expenses figures lower than 2014 amounts in most cases except the Value PPO plan which had slightly higher amounts.
- Blue Cross Blue Shield Summary of Benefits and Coverage for January 1, 2014 – December 31, 2014 coverage period<sup>8</sup>. (Another Blue Cross Blue Shield Summary of Benefits and Coverage Summary of Benefits and Coverage with different deductible and out-of-pocket amounts was also submitted, covering the same period as the previous one; both refer to the same plan) (PCC-000040-PCC-000049);
- CCHP 2014 Benefit Overview addressing medical, dental, vision, life and long-term disability insurance. It indicated that all features remained in place and there was a slight increase to employees’ copayments with respect to medical insurance;
- CCHP Earned Time Policy dated January 1, 2012;
- CCHP Earned Time Policy dated June 1, 2017 (revised June 21, 2018 to remove a cash-in provision in compliance with Rhode Island Health and Safe Families and Workplaces Act);
- CCHP Frequently Asked Questions Regarding the New 401(k) and Prior 403(b) and 401(a) Plans;
- CCHP Holiday schedule for 2014 dated November 19, 2013;
- CCHP Holiday Schedule for 2019 dated December 17, 2018;
- CCHP Long Term Disability Insurance, Basic Term Life Insurance, Voluntary Life Insurance, Basic Accident Insurance, Voluntary Accident Insurance – effective date January 1, 2014;
- CCHP Voluntary Life and AD&D Insurance Overview;
- CCHP Match Formula Study;
- PCC 401k Adoption Agreement;
- RWMC Absence with Pay Policy dated April 1, 2014;
- RWMC Earned Time Policy dated July 1, 2014 (replaced Absence with Pay Policy dated April 1, 2014);
- RWMC Earned Time Policy dated July 1, 2014;

---

<sup>8</sup> With regard to COBRA, the Summary says, “If you lose coverage under the plan, then, depending upon the circumstances, Federal and State laws may provide protections that allow you to keep health coverage. Any such rights may be limited in duration and will require you to pay a premium, which may be significantly higher than the premium you pay while covered under the plan. Other limitations on your rights to continue coverage may also apply.”

- RWMC 401k Plan and Enrollment Form;
- SJHS Sick-Time Policy dated January 1, 2014;
- SJHS Sick-Time Policy dated October 1, 2017 (updated June 21, 2018 and July 12, 2018);
- SJHS Vacation Policy dated June 1, 2017;
- SJHS Vacation Policy dated July 1, 2020;
- SJH 403(b) Savings Plan Information.

In addition to the materials listed above, Prospect submitted an attestation by Cindra Syverson, Senior Vice President and the Chief Human Resources Officer for Prospect Medical Holdings, Inc., certifying that the benefit levels provided to Prospect employees upon the closing of the transaction were substantially the same as the benefits prior to the closing (Attachment B2-iii(b)(ii). Attestation re Benefit Info-Syverson).

AMI reviewed the documents and determined that Prospect has complied with the condition requiring it to provide benefits at benefit levels comparable to benefits provided under the Existing Hospitals' plans, benefits including vacation, sick leave, holiday, health insurance, 401K, life insurance, and continued COBRA coverage.

Item 1. iv.

*Any Transferred Employee who is terminated without cause within the 12-month period following the closing date will be offered a severance package on terms comparable to the severance package in effect with respect to the Existing Hospitals' employees prior to the closing date.*

Prospect initially submitted a copy of its Human Resources Policy on Reduction in Staff with effective date of 1/1/2014 (Attachment B2-iv in the Second Interim Report). No additional documents were provided to allow for comparison between the pre- and post-closing severance packages. AMI was therefore not able to determine whether the severance package available to transferred employees whose employment was terminated without cause within the 12-month period post-closing was on comparable terms to the severance package in effect with respect to the Existing Hospitals' employees pre-closing.

Through its June 26, 2020 RFI, AMI asked Prospect to provide information regarding severance packages offered to employees terminated without cause in the 12-month period following the closing date, including an attestation from Prospect that the policy in place as of 1/1/2014 remained in place for one year after the closing date and that it was followed.

Prospect, in its response of July 16, 2020, submitted a spreadsheet listing the 37 individuals who were terminated without cause and their corresponding severance pay (C-PCC-000809-C-PCC-000809). Prospect explained that the variation in severance pay of five employees that were either



above or below the pay structure contained in the Human Resources Policy on Reduction in Staff<sup>9</sup> was due to special employee circumstances that were the result of mutual decisions to terminate employment at CCHP and a severance agreement between each identified employee and the respective hospital. In addition, Prospect submitted an attestation by Cindra Syverson, Senior Vice President and the Chief Human Resources Officer for Prospect Medical Holdings, certifying that the Human Resources Policy on Reduction in Staff with an effective date of January 1, 2014 remained in place and followed for one year after the closing date. (Attachment B2-iv(a). Attestation re Staff Reduction Policy-Syverson)

AMI reviewed the explanations and documents and asked Prospect to provide the severance agreements with respect to the five employees. Prospect looked into the matter more closely then responded that the spreadsheet previously submitted contained incorrect figures for the number of weeks of severance to which the five employees were entitled. Prospect determined that the five employees were in fact “Exempt – Non-Supervisory” employees who were entitled to one week of severance per year of employment, with a minimum of four weeks of severance; they had been incorrectly identified in the spreadsheet as Supervisory employees entitled to a minimum of eight weeks of severance. It further explained that correcting this error showed that four of the five employees received severance pursuant to Prospect’s policy. One employee received two weeks of severance, although entitled to four weeks. Prospect explained it was not able to identify the circumstances surrounding the deviation from its standard operating procedure, but noted that the employee voluntarily entered into the severance agreement (C-PCC-006922-C-PCC-006926).

The documents, attestations and supplemental information provided indicate that Prospect substantially complied with this condition. In one instance out of 37, Prospect paid a severance package with terms less favorable than were in place immediately prior to the closing date (and less than would have been indicated by its policy); this package was, however, the subject of a voluntary severance agreement between the employee and CharterCARE Health Partners.

Item 1.v.

*Prospect will continue to provide care through sponsorship and support of community-based health programs, including cooperation with local organizations that sponsor healthcare initiatives to address identified community needs and improve the health status of the elderly, poor and at-risk populations in the community.*

Prospect submitted a list of 56 community organizations and events it had supported financially and/or partnered with to provide health education and services (Attachment B2-v in the Second Interim Report). Because the list did not include dates of any specific events nor descriptions of any programs, AMI was not able to confirm the information nor determine whether the organizations and events included those intended to identify community needs and improve the health status of the elderly, poor and at-risk populations.

---

<sup>9</sup> This policy is attached to the Second Interim Report as Attachment B2-iv. 2014 Human Resources Policy.

In its June 26, 2020 RFI, AMI asked for a list of actual events and programs indicating what need each was intended to address and a description of the method(s) of outreach to elderly, poor and at-risk populations regarding programs and services offered.

Prospect submitted a list of its community benefits activity from 2014 – 2018 with details of the nature of the events (Attachment B2-v(a). CCHP List of Community Benefits Activities). The list contains 148 community activities during the period. In addition, in its July 16, 2020 response, Prospect explained that:

Outreach to the elderly, poor and at-risk populations has been accomplished in three ways, as follows:

- a. Prospect’s voluntary participation in Rhode Island’s Community Health Needs Assessment program has afforded Prospect the opportunity to identify specific unmet health needs in their service area. This identification has allowed partnership with appropriate community organizations to provide a range of screening, diagnostic and therapeutic efforts at the community level.
- b. Prospect’s clinical excellence, especially in cancer, behavioral health, weight loss surgery and dentistry, prompted Prospect to implement community-level screening, diagnostic and therapeutic efforts.
- c. The operation of the St. Joseph Health Center allowed Prospect to identify and respond to the health needs of the disadvantaged populations in the metropolitan Providence and Pawtucket/Central Falls areas.

Prospect noted that subject to availability, the community outreach efforts are typically co-managed by an appropriate clinical manager and by Otis Brown, Vice president of External Affairs, as well as other support staff. Prospect stated that these community outreach efforts have been “promoted and publicized in a number of ways,” including:

- a. Print advertising in daily and weekly newspapers in Rhode Island.
- b. Paid radio announcements.
- c. Public service radio announcements.
- d. Co-promotion with community organizations such as the Rhode Island Heart Association, usually entailing communication with the organization’s membership and constituencies.
- e. Co-branded events with area broadcasters, such as a senior citizen health fair co-sponsored with WPRI TV in 2017 and Latino Health Expo with Latino radio station.

- f. Geo-targeted digital advertising.
- g. Geo-targeted social media posts.
- h. Printed point-of-service flyers distributed through community centers, markets, and churches.
- i. Posters, for local stores and businesses.

Following AMI's request for additional documents to support Prospect's community outreach events, Prospect, in its September 11, 2020 submission, provided a sample RWMC newsletter dated August 2015 describing several community outreach programs and other activities (Attachment B2-v(b). RWMC Newsletter August 2015).

AMI reviewed the materials submitted and determined that Prospect has complied with this condition requiring it to provide care through sponsorship and support of community-based health programs, including cooperation with local organizations that sponsor healthcare initiatives to address identified community needs and improve the health status of the elderly, poor and at-risk populations in the community.

Item 1.viii.

*Adopt the Existing Hospitals' Charity Care Guidelines and continue to provide all medically necessary services to patients regardless of their ability to pay.*

Prospect submitted a copy of the SJHSRI Financial Assistance Policy<sup>10</sup> which states that "(i)t is the policy of St. Joseph Health Services of Rhode Island to provide medically necessary/essential services to any person regardless of his/her ability to pay in full or in part for those services provided by the Hospital." This SJHSRI policy was issued on March 9, 2011 and updated yearly until 2018. In addition, Prospect submitted the Free Care Program Guidelines and sample Financial Aid Application Form (undated) for Roger Williams Hospital.<sup>11</sup> The materials submitted support the assertion that Prospect met this condition with regard to care rendered through the SJHSRI facility.

In its June 26, 2020 RFI, AMI asked Prospect to provide the current policy at RWMC, if any, pertaining to rendering care regardless of patients' ability to pay and an attestation to the effect that OLF and RWMC have continued to provide charity care consistent with the Charity Care Guidelines which were in place at the time of the conversion.

Prospect submitted the RWMC Financial Assistance Policy with an effective date of March 9, 2011 (Attachment B2-viii(c). RWMC PT Financial Assist Policy 2006-2018). This policy, which has been updated yearly through March 1, 2018, covers uninsured and under-insured patients

---

<sup>10</sup> Attachment B2-viii(a) in the Second Interim Report.

<sup>11</sup> Attachment B2-viii(b) in the Second Interim Report.

receiving services at RWMC. It states that “(i)t is the policy of Roger Williams Medical Center to provide medically necessary/essential health services to any person regardless of his/her ability to pay in full or in part for those services provided by the Hospital.” This policy contains, among other things, the eligibility criteria and procedure for the operation of the policy. In addition, Prospect submitted an attestation by David Ragosta, Chief Financial Officer of Prospect CharterCARE, certifying that Prospect has continued to provide charity care consistent with the Charity Care Guidelines as contained in the policies (Attachment B2-viii(d) Attestation re Charity Care-Ragosta).

AMI reviewed the materials and determined that Prospect has complied with the condition requiring it to adopt the Existing Hospitals’ Charity Care Guidelines and continue to provide all medically necessary services to patients regardless of their ability to pay.

Item 1.ix.

*Maintain a ratio of full-time equivalent employees to average occupied beds that is consistent with accepted industry practices.*

In response to the RFI of April 30, 2019, Prospect stated that it maintained a ratio of full-time equivalent employees to average occupied beds that is consistent with accepted industry practices, but did not provide any data regarding its ratio of full-time equivalent employees to average occupied bed nor any comparative industry data. In the June 26, 2020 RFI, AMI asked Prospect to provide data pertaining to Prospect’s ratio of full-time employees (FTEs) to average occupied beds (AOBs) with comparative industry data and the source material on which the comparative information is based.

On September 11, 2020, Prospect submitted a document titled CharterCare FTE Calculations (C-PCC-006928-C-PCC-006931). Prospect provided the following explanatory notes:

As set forth therein, CCHP, RWMC and OLF maintained a full-time equivalent (“FTE”) to adjusted occupied bed (“AOB”) ratio consistent with prevailing industry best practices. In order to document industry best practices, the peer group for comparison for CCHP and RWMC included acute care hospitals in which behavioral health patients represented at least 35% of the patient mix with the remainder being med-surge patients. This peer group was chosen as it reflects the patient mix at CCHP and RWMC. The peer group consisted of 34 hospitals across the United States and was produced by Franklin Trust, a national provider of hospital data. The peer group used for comparison for OLF included acute care community hospitals in which behavioral health patients represented at least 50% of the patient mix with the remainder being med-surge patients. As OLF is predominantly a behavioral health hospital, this peer group was chosen as it represents the patient mix at OLF. The peer group consisted of 16 hospitals across the United States and was produced by Franklin Trust, a national provider of hospital data.

The data provided by Prospect with regard to OLF and RWMC, as well as the comparative data produced by Franklin Trust, indicate that Prospect has complied with the condition to maintain a ratio of full-time equivalent employees to average occupied beds that is consistent with accepted industry practices.

Item 1.x.

*Post-conversion, the Existing Hospitals will continue to utilize productivity targets to assist with determining appropriate staffing levels.*

Prospect asserted that it continued to utilize productivity targets in determining appropriate staffing levels. Prospect submitted Excel spreadsheets of the Daily Productivity Model for the month of December 2018 for RWMC and SJHS, which AMI reviewed (C-PCC-000810-C-PCC-000813). The models appeared to be valid. From these files alone, however, AMI was not able to verify that Prospect continued to utilize productivity targets for the full period of the condition.

In its June 26, 2020 RFI, AMI requested documentation indicating that the information was collected and utilized throughout the monitored period; we suggested that data from December of each year would provide a reasonable “snapshot” of these activities. In addition, AMI requested an attestation that the Existing Hospitals utilized productivity targets to assist with determining appropriate staffing levels for the full period of the monitorship.

In response, Prospect submitted Productivity Data for RWH and SJHS for December 2014 and 2015, as well as Daily Productivity Model data for the two entities for December 2016, 2017 and 2018 (C-PCC-000814-C-PCC-000821). The information provided appeared to be complete and comprehensive.

Additionally, Prospect provided an attestation by Cheryll Ku, Corporate Vice President of Financial Operations for Prospect Medical Holdings, Inc., certifying that Prospect used productivity targets to assist with determining appropriate staffing levels for the full period of the monitorship (Attachment B2-x. Attestation re Productivity Targets-Ku).

AMI reviewed the various productivity targets and the attestation and found that Prospect complied with the condition to utilize productivity targets to assist with determining appropriate staffing levels.

Extended Scope of Work – Item 1 (a)

**Obtain annual reports from Prospect CharterCARE, LLC for the Attorney General on the proposed form submitted to the Attorney General concerning the funding of its routine and non-routine capital commitments under the Asset Purchase Agreement and as extended and modified pursuant to the agreement as described in this Amendment to Retainer Agreement, until the Revised Capital Commitment has been satisfied.**

Item 1(a)(i)

- (i) *Please provide a break-down of routine capital commitments, indicating which matters have already been paid and which are committed via contractual agreement. Provide copies of checks for matters already paid and copies of contracts for matters committed via contractual agreement.*

Overview of Materials Received

As described in the Second Interim Report, Prospect sent documentation to the Attorney General and AMI on May 13, 2019 pertaining to expenditures for the period of October 2016 – April 2019. The documentation included spreadsheets, copies of checks, invoices, journal entries, equipment schedules, requests to disburse proceeds, and assignment of invoices. Based on a discussion involving Jessica Rider, Jeffrey Liebman, Dan Ison, David Ragosta and Catherine Keyes, it was agreed that Prospect would attach supporting documents for expenditures at or equal to \$50,000, with the goal of supporting 80% of claimed expenditures. AMI reviewed all supporting documents thoroughly and provides its findings for each year below. In addition, a chart summarizing all the submissions and indicating which amounts have been confirmed is included at the end of this report.

Preliminarily, AMI determined that Prospect did not distinguish between routine and non-routine capital expenditures in its submission and AMI was, therefore, unable to determine whether Prospect's expenditures were in compliance with the HCA Decision. The issue was raised at the November 2019 and February 2020 meetings held at RWMC, and on February 21, 2020 Prospect submitted a revised General Ledger identifying which expenditures were routine and which were non-routine.<sup>12</sup> No changes were made pertaining to routine expenditures for 2014 – 2016.

At the September 8, 2020 meeting, Prospect indicated it had identified additional routine capital expenditures that were inadvertently omitted from the previous submission. Specifically, Prospect identified routine software and licensing expenditures for clinical, financial and office functions. Therefore, on September 11, 2020, Prospect also submitted a revised summary of its routine capital expenditures. (Attachment ESW1 (a)(iii)(b). Capital Spend Summary of 9-11-20).

Years 2014 – 2016

In the First Report on Compliance by Prospect CharterCARE, CharterCARE Community Board, and CharterCARE Foundation with Conditions of Certification Pertaining to the Acquisition of Roger Williams Medical Center, St. Joseph Health Services of Rhode Island, Our Lady of Fatima and Other Entities dated December 20, 2018 ("First Report"), AMI noted that Prospect had commenced many of the Long-Term Capital expenditure projects contained in the HCA Application, while others were still in the planning stages. The listed projects represented \$35.6 million of Long-Term Capital expenditures; however, documentation for many projects was not

---

<sup>12</sup> Attachment ESW 1(a)(i)(a) in the Second Interim Report.

provided to AMI because Prospect's accounting method did not record the projects as fiscal entries until they were completed. The renovation of the corridor/central registration area at OLF, with a cost of \$629,800, was the only project completed by September 2016 and captured in the First Report.

After discussions with AMI and Attorney Rider in November 2019 and February 2020, in order to demonstrate its compliance with the terms of the HCA Decision for the current report, Prospect submitted documentation identifying all projects based on the year in which payments were made. The materials included amended submissions pertaining to Long-Term Capital expenditures for 2014 – 2016. AMI reviewed these materials and determined that the expenditures contained in the spreadsheets were accounted for in the First Report. At the August 20, 2020 meeting, AMI communicated its finding to Prospect. In response, Prospect indicated that it would make some adjustments to its earlier submission, particularly as it related to its routine expenditures.

At the October 2, 2020, meeting, Prospect explained that it reclassified \$4,919,799.29 of its routine expenditures as Long-Term Capital expenditures. Prospect submitted an updated spreadsheet highlighting the reclassified expenditures (C-PCC-007612-C-PCC-007613). All documentation supporting the reclassified expenditures was previously reviewed and accepted by AMI for the First Report. Prospect explained that these reclassified expenditures were originally paid for by Prospect CharterCare and then reimbursed by Prospect Medical Holdings. Because one objective of the routine/non-routine (or long-term) distinction was to ensure that Prospect (the parent company) infused \$50 million into the Rhode Island hospitals, the earlier reporting did not claim these as Long-Term Capital expenditures until the parent company paid for them. The reclassified expenditures primarily relate to the SJH Emergency Department Upgrade, SJH Fatima Main Entrance, SJH Main Corridor Remodel, and RWH Main Entrance.

Following the reclassification, Prospect's long-term capital expenditure for 2014 – 2016 is \$4,919,799.29 while its routine expenditure for the same period was originally calculated at \$19,593,937.89. The routine expenditure figures are further amended below with the addition of other routine expenses, such as information technology (IT) software and licenses.

Additional Long-Term Capital expenditures related to physician recruitment/business development from 2014 – 2018 were submitted for this report. They are described in the section on Practice Acquisitions below.

### Year 2017

Prospect submitted the following overview of its expenditures for 2017<sup>13</sup>:

---

<sup>13</sup> Attachment ESW 1(a)(i)(a) in the Second Interim Report.

<b>2017</b>			
<b>Corp &amp; Type</b>	<b>Total Debits</b>	<b>Total Credits</b>	<b>Total Net</b>
SJH PPE	11,169,112.89	5,784,804.97	5,384,307.92
SJH CIP	2,773,501.54	3,298,632.00	(525,130.48)
CCHP PPE	955,776.53	2,452.89	953,323.64
CCHP CIP	680,587.29	733,686.99	(53,099.70)
BVS PPE	814,142.01	-	814,142.01
RWMC PPE	24,935,722.57	21,096,187.70	3,839,534.87
RWMC CIP	3,139,906.95	5,276,499.29	(2,136,592.34)
CCMA PPE	261,765.24	6,755.37	255,009.87
CCMA CIP	177,140.22	198,832.21	(21,691.99)
<b>Total FY 2017</b>	<b>44,907,655.24</b>	<b>36,397,851.44</b>	<b>8,509,803.80</b>

In support of this summary, Prospect submitted spreadsheets for each of the entities identified in the table. The expenditures in these spreadsheets covered the period of October 2016 – September 2017 (Prospect FY 2017).

Long-Term Capital (Non-Routine) Expenditures – 2017

On February 21, 2020, Prospect included a Summary Sheet<sup>14</sup> with its General Ledger materials that designated \$6,995,265.54 as its non-routine expenditures for FY 2017 (non-routine expenditures are also called Splash or Long-Term expenditures by Prospect). Of this amount, supporting documentation was provided to AMI for \$6,826,583.88, representing 98% of the Long-Term Capital expenditures claimed by Prospect for FY 2017. The documentation included checks, invoices, equipment schedules, journal entries, assignment of invoices, delivery and acceptance certificates, requests to disburse proceeds, and invoice records for all expenditures equal to or greater than \$50,000. The projects covered by these expenditures include the RWMC Upgrade of HVAC System, RWMC Pharmacy Extension, RWMC Pharmacy USP 800 Alterations, RWMC Main Entrance, RWMC Emergency Department expansion, and purchase of Omnicell Equipment.

As noted in the Second Interim Report, AMI reviewed the documentation and determined that appropriate documents were provided in most cases. The matters requiring follow up were described in detail in the Second Interim Report. Projects that were financed through leaseback arrangements were appropriately supported by equipment schedules.<sup>15</sup>

Following discussions at the October 2, 2020 meeting, Prospect explained that \$203,522.84 of the claimed Long-Term Capital expenditure was paid for by Prospect CharterCare and therefore classified by Prospect as a Routine expenditure (C-PCC-007066). The amount was therefore included by AMI in its tally of Routine expenditures below.

<sup>14</sup> Attachment ESW 1(a)(i)(a) in the Second Interim Report.

<sup>15</sup> Attachment ESW 1(a)(i)(c) in the Second Interim Report.



Based on the documentation submitted, Prospect demonstrated Long-Term Capital expenditures for FY 2017 of **\$6,791,733.84**. This number is lower than in previous reports because it reflects the reclassification of expenditures of \$203,522.84 by Prospect as Routine rather than Long-Term Capital.

#### Routine Expenditures – 2017

In its summary of expenditures submitted on September 11, 2020 (the final summary with regard to total expenditures), Prospect claimed a total of \$11,394,727 in Routine expenditures for FY 2017, broken out as follows: \$7,145,868 on routine equipment and infrastructure, described in this section; \$1,080,000 on acquired physician practices, described below; and \$3,168,859 on software and licenses for clinical, financial and office functions<sup>16</sup>, also described below.

Supporting documentation for equipment and infrastructure was provided to AMI for claimed expenditures of \$50,000 and above. AMI reviewed spreadsheets, invoices, checks and journal entries.

As of the date of submission of the Second Interim Report, AMI had only confirmed \$1,514,538.26 of Routine Expenditures for Prospect for 2017. Therefore, in the RFI of June 25, 2020, AMI requested materials to determine whether Prospect met the requirement to spend \$10 million annually on routine expenditures

In its response of July 21, 2020, Prospect submitted an amended figure of \$8,225,868 as its total routine capital expenditures for FY 2017. This amount, according to Prospect, consisted of \$7,145,868 of equipment purchases and infrastructure improvements and \$1,080,000 spent on physician practice acquisitions in FY 2017<sup>17</sup>. At the October 2, 2020 meeting, Prospect further explained how it arrived at this figure and provided an updated spreadsheet detailing its Routine Capital expenditures (C-PCC-007607). Regarding the physician practice acquisitions, Prospect stated that it classified practice acquisitions that were paid for by Prospect CharterCare (rather than its parent company) as routine expenditures. Prospect said the APA cited practice acquisitions as an example of possible Long-Term Capital expenditures, but it did not state that all such purchases must be considered Long-Term Capital expenditures. Prospect's reasoning and its demonstration of allocation of expenses by payor were persuasive, and AMI therefore attributed the \$1,080,000 for practice acquisitions to the total of Routine Expenditures for 2017.

Based on the documentation submitted, Prospect has demonstrated **\$7,145,868** in Routine Capital expenditures on equipment and infrastructure for FY 2017. Other Routine Capital expenditures of \$3,168,859 for software and licenses purchased in 2017 are described in more detail below in the

---

<sup>16</sup> Expenditures for acquired physician practices are described below under that heading, "Practice Acquisitions." Those for information technology software and licenses are described under the heading, "Other Routine Expenditures."

<sup>17</sup> The costs for IT software and licenses were not added to the calculation of the annual total until the submission of September 11, 2020.

section, Other Routine Expenditures. Therefore, total Routine Capital expenses for 2017 which were presented to AMI and supported by documentation is \$10,314,727.

**Year 2018**

Prospect submitted the following overview of its expenditures for 2018:

<b>2018</b>			
<b>Corp &amp; Type</b>	<b>Total Debits</b>	<b>Total Credits</b>	<b>Total Net</b>
SJH PPE	3,871,025.27	141,636.89	3,729,388.38
SJH CIP	6,196,328.04	2,212,930.32	3,983,397.72
CCHP PPE	1,397,122.86	1,096,106.05	301,016.81
CCHP CIP	362,636.93	-	362,636.93
BVS PPE	178,912.34	5,458.60	173,453.74
CCH PPE	21,527.96	-	21,527.96
RWMC PPE	5,356,677.10	929,422.49	4,427,254.61
RWMC CIP	9,546,380.68	3,536,887.15	6,009,493.53
CCMA PPE	253,102.28	-	253,102.28
CCMA CIP	42,303.85	196,471.67	(154,167.82)
<b>Total FY 2018</b>	<b>27,226,017.31</b>	<b>8,118,913.17</b>	<b>19,107,104.14</b>

In support of the figures state above, Prospect submitted spreadsheets for each of the entities identified in the table.<sup>18</sup> The expenditures in these spreadsheets covered the period of October 2017 – September 2018 (Prospect FY 2018). AMI tallied the figures in the spreadsheets and obtained the same totals as those listed in the summary table.

**Long-Term Capital (Non-Routine) Expenditures – 2018**

As set forth in the Second Interim Report, Prospect asserted Long-Term Capital expenditures of \$10,421,838.08 in FY 2018 for projects, including work on the SJHC Emergency Department Renovation and Upgrade, OLF HVAC System, SJHC Pharmacy USP Alterations, RWMC Main Entrance, RWMC Emergency Department Expansion, RWMC Curtain Wall Replacement, and RWMC Pharmacy Expansion. Prospect submitted supporting documentation, in the form of checks, equipment schedules and invoices, for expenditures of \$50,000 and above.

AMI had identified an issue with the supporting documentation for two-line items; they totaled \$2,099,258.52 but the corresponding invoices covered by the relevant equipment schedule (880012-038) indicated a payment of only \$328,464.62. AMI did not raise this issue during subsequent meetings with Prospect and therefore did not reconcile this issue.<sup>19</sup>

<sup>18</sup> Attachment ESW 1(a)(i)(a) in the Second Interim Report.

<sup>19</sup> When AMI recognized that additional documentation would be needed to reconcile the full amount of the two line-items cited, Prospect had already submitted documentation supporting more than the total required Long-Term Capital expenditures. Therefore, AMI did not ask Prospect for the supplemental materials.

Based on the documentation Prospect provided, AMI confirmed **\$8,651,044.18** of Long-Term Capital expenditures for FY 2018.

### Routine Expenditures – 2018

As noted in the Second Interim Report, in its February 21, 2020 submission Prospect claimed \$8,685,266.06 in FY 2018 routine expenditures for equipment and infrastructure. Prospect provided supporting documentation, in the form of checks and invoices, for expenditures of \$50,000 and above. AMI reviewed all documents and determined that Prospect provided sufficient documentation to support most of the routine expenditures claimed for FY 2018.

AMI found that one payment of \$73,038.53 to Stryker Instrument/Sales was not sufficiently supported by documentation. In response to the June 26, 2020 RFI, Prospect provided a copy of a check for \$78,151.23 dated December 16, 2019 and explained that the discrepancy between the check amount and what was claimed was due to the addition of sales tax.

Because the total submission pertaining to Routine expenditures for 2018 did not appear to meet the annual \$10 million required by the HCA Decision, in its RFI of June 26, 2020 AMI also asked for materials to demonstrate that Prospect met this condition. Prospect responded that the total amount attributed to routine capital expenditures for FY 2018 was \$10,194,872, comprising \$9,218,872 of equipment purchases and infrastructure improvements and \$976,000 of physician practice acquisitions. In addition, Prospect submitted complete copies of its FY 2018 physician practice acquisition agreements (PCC-000620-PCC-000753).

Based on documents submitted to AMI, with the addition of the confirmed payment to Stryker Instrument, Prospect's routine expenditures for FY 2018 stand at **\$8,685,266.06**. Other Routine Capital expenditures of \$3,288,301 for software and licenses purchased in 2018 are described in more detail below in the section, Other Routine Expenditures. Therefore, total Routine Capital expenses for 2018 which were presented to AMI and supported by documentation is \$11,973,567.06.

### Year 2019

Prospect submitted the following overview of its 2019 expenditures<sup>20</sup>:

---

<sup>20</sup> There was no indication that Prospect intended to, or received approval to, extend its requirement to spend \$10 million per year on routine expenditures; therefore AMI did not address this aspect of Prospect's submission.

<b>2019</b>			
<b>Corp &amp; Type</b>	<b>Total Debits</b>	<b>Total Credits</b>	<b>Total Net</b>
SJH PPE	892,776.20	33,157.46	859,618.74
SJH CIP	2,800,058.93	13,357.02	2,786,701.91
CCHP PPE	2,071.35	-	2,071.35
CCHP CIP	5,617.50	155,250.00	(149,632.50)
BVS PPE	37,428.38	19,007.61	18,420.77
RWMC PPE	1,351,556.89	104,592.25	1,246,964.64
RWMC CIP	5,759,535.95	112,562.09	5,646,973.86
CCMA PPE	17,081.33	3,493.55	13,587.78
CCMA CIP	179,053.10	-	179,053.10
<b>Total FY 2019</b>	<b>11,045,179.63</b>	<b>441,419.98</b>	<b>10,603,759.65</b>

In support of the figures stated above, Prospect submitted spreadsheets with non-routine and routine expenditures for each of the entities identified in the table.<sup>21</sup> The expenditures in these spreadsheets covered the period of October 2018 – April 2019 (partial FY 2019). AMI tallied the figures in the spreadsheets and obtained the same totals as those listed in the summary table.

Long-Term Capital (Non-Routine) Expenditures – 2019

Prospect identified 159-line items totaling \$7,549,346.15 in Long-Term (non-routine) Capital expenditures for this period of FY 2019. Some of the projects executed during this period included SJHC Emergency Department Renovation and Upgrade, OLF HVAC System, SJHC Pharmacy USP Alterations, RWMC Emergency Department Expansion, RWMC Curtain Wall Replacement, and RWMC HVAC system, RWMC Pharmacy Expansion, and RWH Pharmacy USP 800 Alteration. As it did for the previous periods, Prospect submitted invoices and supporting documentation in the form of checks, journal entries, leases, and equipment schedules for expenditures of \$50,000 and above.

AMI found that sufficient documentation was provided to support all listed expenditures. Based on the documentation Prospect has provided, AMI has confirmed **\$7,549,346.15** of Long-Term Capital expenditures for FY 2019.

**Other Routine Expenditures**

At the September 8, 2020 meeting, Prospect indicated it had identified routine expenditures that were not previously submitted. On September 11, 2020, Prospect sent information to AMI pertaining to its routine expenditures on software and licenses for clinical, financial and office functions.

Specifically, Prospect submitted the following figures for fiscal years 2015 – 2018:

---

<sup>21</sup> Attachment ESW 1(a)(i)(a) in the Second Interim Report.

2015: \$ 2,963,408  
2016: \$ 3,275,542  
2017: \$ 3,168,859  
2018: \$ 3,288,301  
Total: **\$12,696,110**

Prospect submitted spreadsheets detailing its routine expenditures on software and licenses for clinical, financial and office functions from 2014-2018 (C-PCC-007066-C-PCC-007072). Documentation in the form of checks, invoices, and software agreements was provided for fiscal years 2015 – 2018 for expenditures of \$50,000 and above.

At the October 2, 2020 meeting, AMI sought clarification on the use of invoices and checks predating the hospital conversion to support some of the expenditures. Prospect explained that some software license pre-payments occurred before the transaction was finalized. It further explained that the net working capital reconciliation set forth in Section 2.9 and Annex A & B of the Asset Purchase Agreement made it possible for such pre-payments to be counted as routine capital expenditures. AMI confirmed that the language of the APA permits this characterization of pre-payments.

All of the supporting documentation was consistent with the figures represented by Prospect with regard to the Routine expenditures on IT software and licenses. The amounts were credible and no irregularities were found. AMI accepted the full amount of **\$12,696,110** as routine expenditures, attributed to the respective years listed above.

Item 1(a)(ii)

*Please provide a list and description of practice acquisitions, indicating which matters have already been paid and which are committed via contractual agreement. Provide copies of checks for matters already paid and copies of contracts for matters committed via contractual agreement.*

**Practice Acquisitions**

AMI indicated in its First Report that Prospect had spent \$4,491,526 on practice acquisitions for 2015 (\$4,117,749) and 2016 (\$373,777). Prospect made the following submission with regard to its Practice Acquisitions for 2017 – 2018.

Physicians A, B, C, D, E: **\$2,056,000**

Prospect provided appropriate documentation to support these acquisitions. The unredacted physician contracts and checks were provided to AMI but are not included in this report, as these documents were deemed confidential pursuant to R.I. Gen Laws § 23-17.14-32 by the Attorney General. AMI determined that the total cumulative practice acquisition expenditure for 2015 –

2018 was **\$6,547,526.00**, which was attributed to Prospect's Long-Term Capital Commitment requirement under the HCA Decision.

In its May 13, 2019 submission, Prospect classified \$3,277,526 of the practice acquisitions as Routine expenditures. AMI asked Prospect to explain the rationale for such classification where all other expenditures relating to Business Development were attributed to Long-Term Capital expenditures. At the August 27, 2020 meeting, Prospect explained that it classified physician practice acquisitions which were paid for by Prospect CharterCare as Routine expenditures while those paid for by Prospect Medical Holdings were classified as Non-routine expenditures. As a result, Prospect identified \$3,270,000 of its practice acquisitions as Long-Term Capital expenditures and \$3,277,526 as Routine expenditures. Prospect noted that the APA listed several types of expenditures which would be accepted as non-routine, but the Asset Purchase Agreement did not indicate all such expenditures must be exclusively considered non-routine (Attachment ESW (a)(ii)(a) Prospect CharterCARE APA - Section 2.5). This rationale appears to be consistent with a reasonable reading of the language of the Asset Purchase Agreement.

#### Other Long-Term Acquisitions

In addition, AMI requested documentation for and explanations of the following Capital Expenditures:

Radiation Therapy Joint Venture	\$ 367,000
Blackstone Valley Surgicare	\$1,567,000
University Medical Group	\$7,451,602
<b>Total:</b>	<b>\$7,974,000</b> ( <i>sic</i> )

In its response, Prospect submitted the following documents and information with respect to the above capital expenditures:

#### Radiation Therapy Joint Venture

- a. Manager's Certificate – Certifies among other things that Prospect by consent of all necessary members or managers authorized the Company to enter into a Membership Interest Purchase Agreement by and among the Company as Seller, Roger Williams Radiation Therapy, LLC ("RWRT") and New England Radiation Therapy Management Services, Inc. ("NERT") (C-PCC-000875-C-PCC-000875).
- b. Membership Interest Purchase Agreement (C-PCC-000876-C-PCC-000887).
- c. Unanimous Written Consent of the Sole Member and Manager in Lieu of a Meeting with respect to RWRT (C-PCC-001056-C-PCC-001057).
- d. Additional Committed Capital Notice for Southern New England Regional Cancer Center, LLC ("SNERCC") (C-PCC-000866-C-PCC-000867).

In addition, Prospect provided the following explanation:

RWMC had a 29% ownership interest in Roger Williams Radiation Therapy, LLC. (“RWRT”). Roger Williams Medical Center also owned a 20% interest in Southern New England Radiation Cancer Center, LLC. (“SNERCC”). In 2015, SNERCC entered into agreement to purchase another radiation therapy center called Maddock for a total purchase price of \$8 million. In order to maintain, its 20% interest in SNERCC, Roger Williams Medical Center had to contribute \$1.6 million into SNERCC in order to fund the purchase of Maddock. As part of the transaction, Roger Williams sold 9% of its ownership interest in RWRT to the management company of the RWRT for \$1.233 million. The same management company managed SNERCC and Maddock. Because the sale proceeds of RWRT 9% ownership interest was only \$1.233 million but the required capital contribution to SNERCC was \$1.6 million, Prospect paid an additional \$367,000 in order to make up the difference.

#### Blackstone Valley Surgicare

- a. Asset Purchase Agreement for Blackstone Valley Surgicare (Attachment ESW (a)(ii)(b). Blackstone Valley APA).
- b. Closing Statement (Attachment ESW (a)(ii)(c). Closing Statement for BVS Sale).

#### University Medical Group<sup>22</sup>

- a. Interim Administrative Services Agreement for University Medical Group (C-PCC-000822-C-PCC-000865)
- b. Amendment to Loan Agreement between Prospect CharterCare RWMC, LLC and University Medical Group. (C-PCC-000868-C-PCC-000872)
- c. First Amendment to Asset Purchase Agreement of University Medical Group. (C-PCC-000873-C-PCC-000874)
- d. Asset Purchase Agreement of Universal Medical Group. Paragraph 2(C) provides that consideration shall be the assumption by buyer of the assumed liabilities. (C-PCC-000888-C-PCC-000993)

---

<sup>22</sup> The three practice groups were mentioned in the Second Interim Report and listed on the Capital Spend Summary for that report (Second Interim Report Attachment ESW1(a)(i)(b)). Prospect subsequently decided it was simpler, for reporting purposes, to eliminate the University Medical Group from that list, with the understanding that the \$7,451,602 attributed to its acquisition was incorporated into the \$20,000,000 line-item for PMH Capital Contribution on the Capital Spend Summaries submitted July 16, 2020 and September 11, 2020 and attached to this report (Attachments ESW1(a)(iii)(a). Capital Spend Summary of 7-16-20 and ESW1(a)(iii)(b). Capital Spend Summary of 9-11-20). The explanation pertaining to the University Medical Group is included in this section in order to close the loop on the matter previously raised.

For an explanation of the Blackstone Valley Surgicare and Universal Medical Group transactions, Prospect referred AMI to Note 4 on pages 20 and 21 in the Prospect CharterCare Consolidated Financial Statements for FY18 and FY17<sup>23</sup>. The acquisition of University Medical Group is set forth as follows:

In December 2017, New UMG entered into a Second Closing to acquire the remaining assets of University Medical Group (“UMG”) that were not acquired in the initial acquisition in December 2014. As consideration for the acquisition, New UMG has assumed certain designated liabilities of the practice, which consists of various loans payable to subsidiaries of the Company, totaling approximately \$7.5 million. Post-acquisition, these liabilities are eliminated on consolidation. There was no cash consideration related to the transaction. The remaining assets and liabilities acquired were immaterial and no value was assigned to them in the purchase price allocation, and accordingly goodwill of \$7.5 million arises from the acquisition. The goodwill is deductible for tax purposes at Prospect, with PCC acting as a flow through entity. New UMG’s parent company, Prospect CharterCARE Physicians, LLC, dba CharterCARE Medical Associates (“CCMA”), entered into a Post-Closing Administrative Services Agreement pursuant to which CCMA and its affiliates provide services to the seller of the practice in connection with its termination of all operations and the wind up its (sic) affairs and operations.

The acquisition of Blackstone Valley Surgicare is explained as follows in the same document:

On May 1, 2017, the Company’s wholly-owned subsidiary, Prospect Blackstone Valley Surgicare, LLC (“Prospect Blackstone”), completed an asset acquisition of a freestanding ambulatory surgery center located near the CharterCARE facilities in Rhode Island, in exchange for cash consideration of \$1.6 million. The acquisitions were accounted for as business combinations using purchase accounting. Under the purchase accounting method, assets acquired, and liabilities assumed are recorded based on their estimated fair values. As asset purchases, goodwill acquired is expected to be deductible for tax purposes.

Based on the explanations and documentation provided, and consistent with Prospect’s revised submission, AMI recognized the expenditures of **\$367,000** and **\$1,567,000** for Radiation Therapy Joint Venture and Blackstone Valley Surgicare as Long-Term Capital expenditures.

---

<sup>23</sup> Prospect CharterCare Consolidated Financial Statements for 2014, 2018 & 2017 and 2019 & 2018 are included with this report as attachments ESW1 (a)(iii)(f), ESW1 (a)(iii)(g) and ESW1 (a)(iii)(h). They are the reports prepared by the independent auditing company, BDO USA, LLP.



### Practice Acquisition Losses

In its May 13, 2019 submission, Prospect provided a summary sheet attributing \$14,580,133 to Acquired Practice Losses.<sup>24</sup> AMI requested documentation to support these losses. On January 15, 2020, Prospect submitted a revised figure of \$14,411,243 as its Physician Acquisition Practice Losses for 2015 – 2018. Prospect also provided Excel spreadsheets detailing the incurred losses for its physician practices. In addition, on February 21, 2020, Prospect submitted its audited Consolidated Financial Statements for 2017 and 2018<sup>25</sup> as a means of further validating its data.

Prospect stated that the acquired physician practices incurred the following cumulative losses:

2015:	\$1,961,763
2016:	\$5,917,889
2017:	\$4,444,987
2018:	<u>\$2,086,604</u>
<b>Total:</b>	<b>\$14,411,243</b>

AMI tallied the figures in the Excel spreadsheets and confirmed they combined to the stated totals. However, there were no details pertaining to the 2017 incurred loss of \$269,769 by Apple Valley Treatment Center.<sup>26</sup>

Prospect classified these Acquired Practice Losses as Long-Term Capital expenditures. The Attorney General’s February 18, 2020 letter to Prospect requested an “explanation and interpretation for attributing acquisition losses to the Long-Term Capital Commitment requirement identified in Section 2.5(b) of the Asset Purchase Agreement.” On February 21, 2020, Prospect responded as follows:

Section 2.5(b) of the APA states that the Long-Term Capital Commitment is to be used for, among other things, development and implementation of physician engagement strategies. Prior to the closing of the joint venture transaction, CharterCARE Health Partners could not effectively engage in physician development or engagement activities because of anticipated losses ensuing from practice acquisitions. Prospect under the APA had an obligation to pursue physician development and implementation activities. Prospect entered into these transactions with the full intention to ultimately support the losses that the joint venture would incur from these practice losses.

The Long-Term Capital Commitment requirement falls upon the corporate parent company, of which CharterCARE Health Partners is a subsidiary. Therefore, in order for Prospect to categorize these expenses as Long-Term Capital Commitments, it must show that its parent company bore

<sup>24</sup> Attachment ESW 1(a)(i)(b)) in the Second Interim Report.

<sup>25</sup> Attachment ESW 1(a)(ii)(a) in the Second Interim Report.

<sup>26</sup> Apple Valley Treatment Center of Smithfield, RI was acquired in 2015.

these costs. To that end, Prospect explained that the parent company had written off its two percent management fee for five years to offset the practice losses. Although Prospect did not provide any documentation in support of this assertion that the management fees were written off, AMI found reference to a large, non-cash contribution by the parent company on page 30 of the Consolidated Financial Statements for the Years Ended September 30, 2018 & 2017:

In May 2019, Prospect East, which owns 85% of the Company, made a non-cash capital contribution in the amount of approximately \$24.7 million, which consisted of converting unpaid management fees due to PEHAS of approximately \$20.0 million and approximately \$4.7 million of unpaid invoices that Prospect paid on behalf of the Company at April 30, 2019, into equity.

While the audited Consolidated Financial Statement is consistent with Prospect's assertion, it does not provide a comprehensive explanation of the transaction. Through its June 26, 2020 RFI, AMI asked Prospect to provide sufficient details or documentation to support the 2017 incurred loss of \$269,769 by the Apple Valley Treatment Center. Prospect submitted a spreadsheet detailing the total revenue and total expenses for the period under consideration (PCC-000753).

Regarding Prospect's explanation that Prospect Medical Holdings had written off its two percent management fee for five years to offset the practice losses of \$14,411,243, AMI requested a copy of the Management Agreement (or the relevant section of it) setting forth the two percent management fee, as well as the manner in which it is calculated and the terms of its payment. Also, AMI asked for independently verifiable documentation that the management fee was written off, with specifics as to the dollar amount and terms, if any, of the transaction. In addition, AMI requested an explanation for booking uncollected management fees as Long-Term Capital Commitment, especially addressing how this is allowable under the Prospect CharterCARE Asset Purchase Agreement dated September 24, 2014 and the Amended & Restated Limited Liability Company Agreement of Prospect CharterCARE dated June 20, 2014 ("LLC Agreement").

In response, Prospect provided a copy of the Management Services Agreement dated June 20, 2014 (Attachment ESW1 (a)(III)(c). Prospect Management Svcs Agreement) and referred AMI to Section 5.2 which addresses Management Fees. The section provides:

- (a) As consideration for the Management Services rendered by Manager hereunder, for each full or partial calendar month during the Term, the Company shall pay to Manager a monthly fee equal to two percent (2%) of the Net Revenues (as defined below) during such calendar month (or portion thereof) (the "Management Fee").
- (b) As used herein, "Net Revenues" means total operating revenues derived, directly or indirectly, by the Company with respect to the Business, whether received on a cash or on a credit basis, paid or unpaid, collected or uncollected, as determined in accordance with generally accepted accounting principles ("GAAP") net of (A) allowances for third party contractual adjustments and (B)

discounts and charity care amounts (not including any bad debt amounts), in each case as determined in accordance with GAAP.

Additionally, Prospect submitted a Journal Entry Form dated May 31, 2019 showing a record of Prospect Medical Holdings contributing capital of \$24,738,051 (Attachment ESW1 (a)(iii)(e). Jnl Entry re PMH-contrib'd Capital of 24.7K). Prospect referred AMI to Note 7 of Prospect CharterCARE's FY18 and FY19 Consolidated Financial Statement (Attachment ESW1 (a)(iii)(h). Financial Statements 2019 & 2018). Note 7 deals with Related Party Transactions and states as follows:

The Company and Prospect East Hospital Advisory Services, LLC ("PEHAS"), a wholly-owned subsidiary of Prospect, entered into a Management Services Agreement ("MSA") as of June 20, 2014, under which PEHAS provides certain administrative and management services to PCC and its subsidiaries. Management fees due to PEHAS under the MSA consist of 2% of net revenues monthly. The Company recognized management fees of \$7,395,000 and \$7,298,000 for the years ended September 30, 2019 and 2018, respectively, which is included within management fees expense in the accompanying consolidated statements of operations. As of September 30, 2019, and 2018, the Company had liabilities related to the MSA due PEHAS of \$37,959,000 and \$30,568,000 respectively.

With regard to the booking of uncollected management fees as Long-Term Capital Commitment, Prospect offered the following explanation:

The purpose of the Long-Term Capital Commitment made by the Prospect Member as contemplated by the Asset Purchase Agreement and the LLC Agreement was to assist in providing funding to carry out various capital improvement projects for the maintenance and growth of the CharterCare system. The Long-Term Capital Commitment was to be satisfied in the form of contributions of additional capital by the Prospect Member to CharterCARE. Section 4.4(a) of the LLC Agreement provides that, with the prior approval of the Board, a member may make capital contributions to the capital of CharterCARE, which would include contributions of capital by the Prospect member to satisfy its Long-Term Capital Commitment, by paying CharterCARE indebtedness or forgiving CharterCARE indebtedness owed to the Prospect member, and such contributions by payment or forgiveness of debt are to be treated as cash contributions. The uncollected management fees were paid/forgiven through intercompany accounts of Prospect and treated as additional capital contributions as contemplated by Section 4.4(a) of the LLC Agreement in partial satisfaction of the capital contribution obligations of the Prospect member with respect to the Long-Term Capital Commitment.

The \$20 million reduction of management fees and the \$4.7 million reduction of intercompany indebtedness are supported by the minutes of Prospect CharterCARE board meeting of July 10, 2019 and Prospect CharterCARE's FY18 and FY19 Consolidated Financial Statement. The

classification as capital contributions of the write-off of Prospect CharterCARE's debts by Prospect is consistent with the language of the LLC Agreement.<sup>27</sup>

### Coordinated Regional Care Strategy

In addition to its acquisition of healthcare practices, Prospect formed an entity that allowed the physicians to negotiate with health plans. In its submission of July 16, 2020, Prospect attributed \$1,408,200 in expenditures to the creation of this entity.

Creation of CRC – FY14	\$1,408,200
------------------------	-------------

Prospect provided the following explanation:

As part of its Coordinated Regional Care Strategy, Prospect devoted considerable manpower to create an Independent Physician Association (“IPA”). This task required the creation of an entity and contracting with physicians and health plans as well as setting up systems and processes that would enable the IPA to become a part of integrated delivery system at CharterCARE capable of taking risk and capitation payments and to participate in Medicare Accountable Care Organizations.

At the August 20, 2020 meeting, AMI asked Prospect to provide documentation to support the expenditure associated with the Creation of CRC. On September 11, 2020, Prospect submitted a document with a comprehensive breakdown of the expenditures (Attachment ESW (a)(ii)(e). CRC Costs 2014). As these were internal allocations of costs, Prospect did not provide independently verifiable documentation in support of the claimed amount. The amount of \$1,408,200 was therefore not confirmed by AMI as a Long-Term Capital expenditure.

### Item 1(a)(iii)

*Please provide a breakdown of non-routine capital commitments, indicating which matters have already been paid and which are committed via contractual agreement. Provide copies of checks for matters already paid and copies of contracts for matters committed via contractual agreement.*

Prospect asserted that its parent company made a capital infusion of \$6,000,000 in working capital to fund the operations of the entity shortly after the conversion.<sup>28</sup> Prospect provided the following explanation of that infusion on February 21, 2020:

---

<sup>27</sup> Prospect submitted a revised summary page detailing the capital contributions by Prospect Medical Holdings. The acquired practice losses and the University Medical Group line-item were reclassified into one line-item titled PMH Capital Contribution/Mgmt Fees with a sum of \$20 million. A note to this line item stated, “Revised from prior submission. The PMH forgiveness of intercompany debt covers the cost of the University Medical Group acquisition of \$7,451,602 and the Acquired Practice Losses of \$14,580,133. Section 4.4(a) of the LLC Agreement allows debt forgiveness to constitute a contribution to the required capital commitment.”

<sup>28</sup> Attachment ESW 1(a)(i)(b) in the Second Interim Report.

Section 4.2(c) of the Amended and Restated Limited Liability Agreement of Prospect CharterCare, LLC states in part:

“In the event that, during the period commencing as of the date hereof and continuing for a period of up to three (3) months following the effective date hereof, the Company (including the Company Subsidiaries, for purposes of this Section 4.2(c) ) requires cash to fund operations and the Prospect Member determines to provide such cash, then: (x) such amount shall not exceed Ten Million Dollars (\$10,000,000); (y) the aggregate amount of cash provided by the Prospect Member (Initial Working Capital Amount) shall be treated as partial satisfaction of the Long-Term Capital Commitment...”

In accordance with this section 4.2(c)(ii), within 3 months of the effective of the Amended and Restated Limited Liability Agreement, Prospect provided an Initial Working Capital Amount of Six Million Dollars (\$6,000,000). It should be noted that the Company and Company subsidiaries did not in the four years following the effective date of the Amended and Restated Limited Liability Agreement of Prospect CharterCare, LLC accrue \$6 million in cash above and beyond their collective budgeted operating and capital needs, including Reserves (as such term is defined in the Amended and Restated Liability Agreement of Prospect CharterCare, LLC).

In its June 26, 2020 RFI, AMI requested documentation confirming that the Initial Working Capital Amount of \$6,000,000 was provided to Prospect within three months of the effective date of the LLC Agreement. Prospect referred AMI to its Note 6 on page 20 of its audited financial statements for FY 2014 (Attachment ESW1 (a)(iii)(f). Financial Statements 2014). Note 6 states:

Subsequent to June 20, 2014 (inception), Prospect contributed \$6,000,000 in cash to fund the operations of the Company. In accordance with the LLC Agreement, the \$6,000,000 was accounted for as additional member contributions and allocated 85% to Prospect and 15% to CharterCARE Community Board, consistent with their ownership percentages.

Prospect also provided its trial balance showing that a cash payment of \$6,000,000 was made on July 11, 2014 (Attachment ESW1 (a)(iii)(i). Trial Bal re 6M to PCC from Prospect 7-11-14).

Additionally, AMI requested an explanation of the context for the assertion that “the Company and Company subsidiaries did not in the four years following the effective date of the Amended and Restated Limited Liability Agreement of Prospect CharterCare, LLC accrue \$6 million in cash above and beyond their collective budgeted operating and capital needs, including Reserves (as such term is defined in the Amended and Restated Liability Agreement of Prospect CharterCare, LLC).” Prospect explained that the assertion was meant to confirm that the initial \$6,000,000

contribution toward the Long-Term Capital Commitment was not subsequently reclassified as a liability or a reserve on the company's balance sheet.

AMI accepted the documentation as sufficient to confirm that a) the contribution of **\$6,000,000** was made by the Prospect parent company to Prospect CharterCARE b) within three months of the conversion. Therefore, AMI accepted this amount as a confirmed Long-Term Capital expenditure.

#### Implementation of Sections 4.2 & 8.3 of the LLC Agreement

Sections 4.2 and 8.3 of the LLC Agreement include provisions pertaining to capital expenditures, annual operating budgets, and capital budgets of Prospect (Attachment ESW1 (a)(iv) Amended Restated LLC Agrmnt 6-20-14 Ss 4.2, 8.3). AMI asked Prospect to demonstrate how both provisions were implemented and provide documentation to support an assertion of compliance.

Prospect submitted minutes<sup>29</sup> of twelve Prospect CharterCARE board meetings held between July 1, 2014 and September 30, 2019. The minutes indicate that the board regularly received information regarding the hospitals' annual budgets, the need for and costs of proposed capital projects, and progress toward the capital expenditure requirements of the HCA Decision (C-PCC-006939-C-PCC-007065). They also indicate that votes were taken and recorded appropriately.

Prospect also provided the following explanation:

As set forth in those documents, the PCC Board consistently reviewed and approved the capital projects, as well the supporting return-on-investment calculation or material needs assessment. Additionally, as Section 4.2 specifies a number of identified Capital Projects, the Section 4.2 requirements, such as a return-on-investment calculation or material needs assessment, are not required for those previously identified and requested Capital Projects. Those Capital Projects include the renovation of the main entrance for RWMC, the emergency room renovation at both RWMC and OLF, the Cancer Center expansion, the upgrade of the OR HVAC system, the renovations to the OLF main entrance/corridor, and the physician engagement strategy projects (physician practice acquisitions, the radiation therapy joint venture, Blackstone Valley Surgicare, and the creation of the CRC). The creation of the CRC served as an important physician engagement strategy to attract physicians and physician practices to the PCC network. The capital spend for the RWMC and OLF pharmacies were immediate upgrades necessary for regulatory compliance and, as a result, was not subject to the same return-on-investment calculation or material needs assessment.

AMI accepted Prospect's position that the Capital Projects listed in the LLC Agreement did not require a return-on-investment calculation or material needs assessment as a

---

<sup>29</sup> The Board minutes were provided to AMI but are not included in this report, as these documents were deemed confidential pursuant to R.I. Gen Laws § 23-17.14-32 by the Attorney General.

reasonable interpretation of the document. In addition, AMI found Prospect adequately demonstrated it had complied with Sections 4.2 and 8.3 of the LLC Agreement.

Extended Scope of Work – Item 1(b)(ii)

**Obtain information confirming that the charitable assets that remain with the Heritage Hospitals are used in accordance with donor intent. It is anticipated that monitoring of this condition should be done through reconciliation of the accounts and uses until the Revised Capital Commitment has been met.**

The *Cy Pres* Order called for “dedicated funds in the aggregate amount of \$300,349.75 . . . to enhance surgical oncology physician and fellow training and education over and above the routine budgeted costs of necessary academic and research programs at RWMC to the extent that RWH is satisfied that such expenditures provide a community benefit.” It also granted *cy pres* approval for RWH to use “[c]ontinuing medical education funds in the amount of \$26,310.29 to support continuing medical education for the medical staff at RWMC over and above the routine budgeted cost of necessary continuing medical education at RWMC to the extent that RWH is satisfied that such expenditure provides a community benefit.”

As noted in the previous report, Prospect stated in its response of February 21, 2020 that it did not request any funds to enhance surgical oncology physician or fellow training and education for the period of November 2017 – December 2018.

In follow-up, AMI asked for information as to whether Prospect requested funds from the CCCB to support continuing medical education (CME) for the medical staff at RWMC for the period of November 2017 – December 2018 and details of the CME programs and documentation if such request was granted.

Prospect responded on July 11, 2020 that it did not request funds from the CCCB to support continuing medical education for the medical staff at RWMC for the period of November 2017 – December 2018.

AMI notes that Prospect is permitted to use the funds for the designated purposes but is not required to do so in any given period. Therefore, the responses were satisfactory.

Extended Scope of Work – Item 2

**For the period of time from the end of the third reporting year through June 20, 2020, obtain and provide the Attorney General with a copy of any notices provided to, or received by, a party under the Asset Purchase Agreement.**

AMI asked Prospect to provide a copy of any notices out of the ordinary course provided to or received by a party under the Asset Purchase Agreement in the period from November 2017 – March 2019.

Prospect submitted a Notice of Dispute dated September 13, 2018, issued on behalf of Prospect East Holdings Inc. and addressed to the CCCB (Attachment ESW2 (a). Notice of Dispute 7-13-18). Additionally, Prospect submitted a Preservation Notice dated November 8, 2017 (Attachment ESW2 (b). Preservation Notice 11-8-17); Demand for Indemnification dated June 27, 2019 (Attachment ESW2 (c). Demand for Indemnification 6-27-19); and Notice of and Demand for Indemnification dated March 21, 2018 (Attachment ESW2 (d). Notice & Demand re Landfill 3-21-18).

#### Extended Scope of Work – Item 3

**Obtain information as requested by the Attorney General that Prospect is acting in compliance with the Asset Purchase Agreement and the Conditions of this Decision as set forth in this Extended Scope of Work.**

AMI asked Prospect to provide an attestation confirming that there has been no change in ownership in Prospect. Prospect submitted an attestation dated July 15, 2020, executed by David Ragosta, Chief Financial Officer of Prospect CharterCare, LLC, confirming that there has been no change in Prospect Medical Holding Inc.'s 85% ownership of Prospect CharterCARE (Attachment ESW3 (a). Attestation of No Change in Ownership-Ragosta).

#### Extended Scope of Work – Item 4

**Obtain information to confirm that the proceeds of the sale of the Elmhurst Extended Care Facility and the Fruit Street property remain within Prospect CharterCARE, LLC for the benefit of the operation of the Newco hospitals.**

As described above, in correspondence sent to the Attorney General on December 13, 2016, December 28, 2016, and June 6, 2018, Prospect requested that a) the proceeds from the sale of the Elmhurst Extended Care Facility, and the properties at Peace Street and Fruit Hill Avenue be added to the Capital Commitment and b) the time be extended by two years (until April 20, 2020) for Prospect to spend the Revised Capital Commitment. The requests were granted.

Elmhurst Extended Care Facility – With respect to the Elmhurst property, on January 15, 2020, Prospect claimed \$12,041,107 as the total net proceeds. In addition, Prospect submitted a breakdown of the transaction expenditures and the Settlement Statement signed by both parties.<sup>30</sup> AMI reviewed the documents and sought further clarification regarding the leaseback agreement and the legal expenses. At the meeting of February 13, 2020, AMI raised questions about the particulars of the transactions, and the Attorney General's letter of February 18, 2020 also asked for more information. In response, on February 21, 2020, Prospect explained:

As a result of arms-length-negotiations between unrelated parties, the assets of EEC was sold to a third party (*sic*). As a part of the negotiations of the transaction, the

---

<sup>30</sup> Attachment ESW 4(b) in the Second Interim Report.



seller engaged the services of a law firm to negotiate and draft definitive documents. The legal fees are directly related to the transaction.

Also, as part of the transaction, we agreed to lease excess space on the property purchased by the third party for 10 years for Prospect CharterCare LLC's overall operations in Rhode Island. The rent includes payment to the purchaser for deferred maintenance on the premises which would ordinarily reduce the purchase price of the assets. As an accommodation, instead of reducing the purchase price at the time [of the] sale, purchaser agreed to allow seller to pay for such deferred maintenance over time.

Peace Street Property – The Purchase Agreement for the Peace Street property was also provided.<sup>31</sup> The total sale proceeds for this property were \$100,000.

Fruit Hill Avenue Property – Prospect stated that the total sale proceeds for the Fruit Hill Avenue property were \$434,337.41. The property consisted of a building and subdivided land. The net proceeds from the sale of the building were \$207,404.41 and net proceeds from sale of the subdivided land were \$226,933. Prospect submitted the Settlement statements for the building and the subdivided land.<sup>32</sup> In addition, transactional expenses with respect to the subdivided land were supported with invoices.

In its submission of July 16, 2020, Prospect amended its figures and reported that the total proceeds for the sale of Fruit Hill, Elmhurst and Peace Street properties were **\$12,475,444.41** (Attachment ESW1 (a)(iii)(a). Capital Spend Summary of 7-16-20). AMI found that the documentation provided supports this figure.

AMI asked Prospect to provide documentation indicating that the proceeds of the sales of the Elmhurst Extended Care Facility and the properties on Fruit Hill Avenue and Peace Street have remained within Prospect CharterCARE, LLC for the benefit of the Newco hospitals.

In response, Prospect submitted an attestation dated July 16, 2020 executed by Thomas Reardon, President of Prospect Medical Holdings East, LLC, certifying that the proceeds from the sales of the Fruit Hill Avenue property, the Peace Street property, and Elmhurst Extended Care Facility have been used entirely for the benefit of Prospect CharterCARE SJHSRI, LLC d/b/a Our Lady of Fatima Hospital and Prospect CharterCARE RWMC, LLC d/b/a Roger Williams Medical Center (Attachment ESW3 (b). Attestation-Funds from Property Sales Spent in RI-Reardon). This attestation buttresses the finding above that Prospect met its commitment to spend the originally agreed-upon amount of \$50 million, plus the \$12,475,444, representing the proceeds from the sale of the three properties, on long-term capital expenditures for the Prospect CharterCARE hospitals.

---

<sup>31</sup> Attachment ESW 4(c) in the Second Interim Report.

<sup>32</sup> Attachment ESW 4(a) in the Second Interim Report.

**CONCLUSION**

Prospect submitted appropriate documentation to demonstrate that it complied with the terms set forth in the Initial Application pertaining to:

- continued provision of necessary services and outreach to the local community;
- protection of hospital employees’ salary/ wage bases, seniority and benefits; and
- maintenance of the Catholic identity of Our Lady of Fatima Hospital.

With regard to the requirement that the Prospect parent company provide \$50 million for Long-Term Capital expenditures, this amount was later revised by approval from the Attorney General of Prospect’s request to include the proceeds from the sale of Elmhurst Extended Care Facility, the Peace Street property and the Fruit Hill Avenue property (the Revised Capital Commitment). The revised amount was \$62,475,444. The documentation submitted demonstrates that Prospect complied with and exceeded the amount specified in this condition.

Similarly, Prospect provided sufficient documentation to support its expenditure of at least \$10 million per year for fiscal years 2015 – 2018 on routine equipment and infrastructure, software and licenses, and the running of newly acquired physician practices. A summary of the Long-Term Capital and Routine Expenditures follows.

Long-Term Capital Expenditures (Projects)

<b>YEAR</b>	<b>SUBMITTED FIGURES</b>	<b>CONFIRMED FIGURES<sup>33</sup></b>
2014 – 2016	\$ 4,919,799.29	\$4,919,799.29
2017	\$ 6,791,742.70	\$ 6,791,733.84
2018	\$10,421,838.08	\$ 8,651,044.18
2019	\$ 7,549,346.15	\$ 7,549,346.15
<b>Total</b>	<b>\$29,682,726.22</b>	<b>\$27,911,923.46</b>

Long-Term Capital (Other Expenditures)

<b>EXPENDITURES</b>	<b>SUBMITTED FIGURES</b>	<b>CONFIRMED FIGURES</b>
Practice Acquisitions 2015 – 2018	\$ 3,270,000.00	\$ 3,270,000.00
Initial Capital Infusion	\$ 6,000,000.00	\$ 6,000,000.00
Radiation Therapy Joint Venture	\$ 367,000.00	\$ 367,000.00
Blackstone Valley Surgicare	\$ 1,567,000.00	\$ 1,500,000.00
PMH Capital Contribution	\$20,000,000.00	\$20,000,000.00
PMH Reduction of Intercompany Debt	\$ 4,700,000.00	\$ 4,700,000.00
Creation of CRC – FY14	\$ 1,408,200.00	-
<b>Total</b>	<b>\$37,312,200.00</b>	<b>\$35,904,000.00</b>

<sup>33</sup> Confirmed figures include the expenses ≥ \$50,000 for which there were appropriately complete supporting documents plus all claimed expenses < \$50,000, which were accepted at face value.

Routine Expenditures (Equipment Purchase & Infrastructure Improvements)

<b>YEAR</b>	<b>SUBMITTED FIGURES</b>	<b>CONFIRMED FIGURES</b>
2014 – 2016	\$19,593,937.71	\$19,593,937.71
2017	\$ 7,145,868.00	\$ 7,145,868.00
2018	\$ 9,218,872.00	\$ 8,685,266.06
<b>Total</b>	<b>\$35,958,677.71</b>	<b>\$35,425,071.77</b>

Other Routine Expenditures

<b>YEAR/ DESCRIPTION</b>	<b>SUBMITTED FIGURES</b>	<b>CONFIRMED FIGURES</b>
2015 – 18 Acquired Practice Expenses	\$ 3,277,526.00	\$ 3,277,526.00
2015 – 2018 IT software, licenses	\$12,696,110.00	\$12,696,110.00
<b>Total</b>	<b>\$15,973,636.00</b>	<b>\$15,973,636.00</b>

Totals

	<b>SUBMITTED FIGURES</b>	<b>CONFIRMED FIGURES</b>
Long-Term Capital Expenditures	\$ 66,994,926.22	\$ 63,815,932.32
Routine Expenditures	\$ 51,932,313.71	\$ 51,398,707.77
<b>Total</b>	<b>\$118,927,239.93</b>	<b>\$115,214,640.09</b>

For this report alone, AMI reviewed approximately 1,300 pages of documentation submitted by Prospect. We estimate that over the course of this monitorship, Prospect has provided and AMI has viewed more than 6,000 pages of documentation. With regard to the financial requirements, AMI has seen supportive documentation (contracts, invoices, checks, for example) for 95.6% of the confirmed Long-Term Capital expenditures and 93.9% of the required \$40 million in Routine expenditures. We are confident in our conclusion that Prospect has met and exceeded the requirements of the HCA Decision.

In complying with the terms of the HCA Decision, as well as the related Asset Purchase Agreement, Prospect met its commitment to an important healthcare resource serving the Rhode Island community. They not only shored up aging buildings, they helped the hospitals sustain and grow their outreach services, attracted new physicians and established a business entity for the physicians to negotiate with health insurance payors (including Medicare) thereby making the practices more accessible to local residents.

Although not always clear about what was needed for the compliance measures described in this report, it has been AMI's experience that the Prospect CharterCARE staff assigned to this compliance reporting task have made good faith efforts to provide what was asked for and to patiently explain the ins and outs of their system.

We note that not only in the key measures (such as the capital commitments) but also in less obvious areas (such as continuing education for its staff, participation in community health

initiatives, and provision of employee benefits), Prospect has demonstrated its compliance with the terms and conditions of the conversion.

We appreciate the opportunity to have served as the monitor in this matter.

Respectfully submitted,



Donald K. Stern  
Managing Director of Corporate Monitoring  
& Consulting Services



Catherine Keyes  
Vice President of Operations

September 11, 2020

**VIA EMAIL**

Jessica D. Rider, Esq.  
Healthcare Advocate  
Special Assistant Attorney General  
Office of the Attorney General  
150 South Main Street  
Providence, RI 02903

***Re: Prospect CharterCARE, LLC Supplemental Response to Affiliated Monitors, Inc. June 26, 2020 Follow Up Questions***

Dear Ms. Rider:

Enclosed please find Prospect CharterCARE, LLC's ("PCC") supplemental written responses and responsive documents to Affiliated Monitors, Inc.'s June 26, 2020 follow up questions. The responses and documents are also being uploaded to AMI's file sharing website.

PCC respectfully requests confidentiality for the following documents with Bates Numbers C-PCC-006910 through C-PCC-007611.

The above documents constitute confidential and proprietary commercial and/or financial information, as well as personnel and other personal individually identifiable records subject to the confidentiality protections set forth in R.I. Gen. Laws §23-17.14-32. Pursuant to R.I. Gen. Laws § 38-2-2, "non-public" records include (i) "personnel and other personal individually identifiable records . . . the disclosure of which would constitute a clearly unwarranted invasion of personal privacy . . ." and (ii) "commercial or financial information obtained from a person, firm, or corporation that is of a privileged or confidential nature."

The redacted material in PCC-006862-PCC-006873 contains specific information regarding personnel records and proprietary commercial financial information from the documents referenced below.

Document Bates No. C-PCC-006922 to C-PCC-00696 contains specific data regarding personnel records and proprietary commercial financial information. Specifically, these documents contain such detail that their disclosure would publicize sensitive personnel information and decisions

Jessica D. Rider, Esq.  
September 11, 2020  
Page 2

regarding severance negotiations. While an AMI report could reference such data in the aggregate, the specific data should be maintained as confidential due to the specific and sensitive personnel and business information contained therein.

Documents Bates Nos. C-PCC-006927 through C-PCC-006931 contain commercial information that is of a confidential nature. Specifically, the disclosure of this report and data could adversely affect PCC and its affiliates and be used by competitors.

Documents Bates Nos. C-PCC-006939 to C-PCC-007065 and C-PCC-007606 to C-PCC-007610 constitute confidential and proprietary commercial and/or financial information. These documents are PCC board minutes, in which highly confidential information regarding all aspects of PCC and its hospitals are reflected. The disclosure of those board minutes would adversely impact PCC through disclosure of its confidential board discussions and considerations.

Document Bates Nos. C-PCC-007066 to C-PCC-007605 constitute confidential and proprietary commercial and/or financial information. Specifically, these invoices contain confidential negotiated rates that are specific to PCC and its particular vendor. Disclosure of such information would adversely impact PCC and its respective vendors. While the AMI report could reference such amount in the aggregate, the specific invoices and amounts should be maintained as confidential due to the sensitive and proprietary business information reflected therein.

In light of the highly confidential nature of the above-referenced documents, we respectfully request that these documents be maintained confidentially.

Please contact us if you have any questions. As always, thank you for your consideration.

Sincerely,

/s/ Patricia K. Rocha

PATRICIA K. ROCHA  
[procha@apslaw.com](mailto:procha@apslaw.com)

cc: Catherine Keyes, Esq.  
Leslie D. Parker, Esq.

October 3, 2020

**VIA EMAIL**

Jessica D. Rider, Esq.  
Healthcare Advocate  
Special Assistant Attorney General  
Office of the Attorney General  
150 South Main Street  
Providence, RI 02903

***Re: Prospect CharterCARE, LLC's October 3, 2020 Submission to the Attorney General and Affiliated Monitors, Inc.***

Dear Ms. Rider:

Prospect CharterCARE, LLC ("CCHP") respectfully requests that the documents C-PCC-007606 and C-PCC-007607 produced on October 3, 2020 to you and Affiliated Monitors, Inc. be maintained as confidential in part as set forth below.

Specifically, the vendor names in these documents constitute confidential and proprietary commercial and/or financial information subject to the confidentiality protections set forth in R.I. Gen. Laws §23-17.14-32. Pursuant to R.I. Gen. Laws § 38-2-2, "non-public" records include "commercial or financial information obtained from a person, firm, or corporation that is of a privileged or confidential nature."

It is vital for CCHP and its vendors that these documents be maintained confidentially. The invoice amounts vary based on negotiations with vendors and will not be the same amount for CCHP's competitors. As a result, the disclosure of these documents could result in increased costs for CCHP and/or the use of these documents by competitors as part of efforts to harm CCHP. To avoid any harm, CCHP respectfully requests that the vendor names are maintained as confidential.

It is important that these proprietary, commercially sensitive, and private documents be maintained confidentially. CCHP believes that the Office of Attorney General can fully accomplish its task of confirming compliance with the Conditions of Approval, while at the same time protecting the confidentiality of these disclosures.

ADLER POLLOCK & SHEEHAN P.C.

Jessica D. Rider, Esq.  
October 3, 2020  
Page 2

Please contact us with any questions. As always, thank you for your consideration.

Sincerely,

/s/ Leslie D. Parker

LESLIE D. PARKER  
[lparker@apslaw.com](mailto:lparker@apslaw.com)

cc: Patricia K. Rocha, Esq.  
Catherine Keyes, Esq.



June 26, 2020

Attorney Patricia Rocha  
Adler, Pollock & Sheehan, P.C.  
One Citizens Plaza, 8<sup>th</sup> Floor  
Providence, RI 02903

Re: Prospect CharterCARE, LLC

Dear Pat,

Thank you for the information you have provided to date relative to Prospect CharterCARE, LLC's ("Prospect CharterCARE" or "Prospect") compliance with the Conditions set forth in the May 16, 2014 Decision by the Rhode Island Attorney General regarding the conversion application of Prospect Medical Holdings, Inc., et al. (the "HCA Decision"). Having reviewed the materials and submitted the Second Interim Report to the Attorney General, Affiliated Monitors, Inc. ("AMI") has identified several matters requiring additional information. The requested materials will be used by AMI in preparation of the 3<sup>rd</sup> Report for the Attorney General's office.

The relevant sections from the Extended Scope of Work are included below, along with the follow-up questions. Please provide the responses in question and answer format, and include the question numbers. In addition, please provide an attestation from the appropriate Prospect individual(s) that the submitted responses are true and complete.

*Extended Scope of Work – Item 1*

*Obtain information to confirm that the Transaction is implemented by the parties as outlined in the Initial Application, including, but not limited to, all Exhibits and Supplemental Responses ...:*

*Items i – xi below were set forth in the Initial Application. Please provide documentation showing Prospect has complied with these terms for the period of November 2017 – December 2018:*

- ii. Transferred Employees will get their base salaries and wages equal to their base salaries and wages as of the closing date. Transferred Employees will retain seniority for purposes of benefits, salaries, and wages.*

**Follow-up for Item 1.ii.**

Prospect submitted an Excel spreadsheet showing all employees on the payroll as of May 2014 (prior to the June 2014 closing date), their status as of November 2017, and again as of December 2018 (Attachment B2-ii). Employee names were not included.

The list indicated that 1,230 individuals who worked for Prospect in May 2014 were active on the payroll as of December 2018. Of these, the base pay rate had decreased for 41 (3.33%); AMI was

not able to determine which of these individuals, if any, were Transferred Employees. One hundred forty-three individuals (11.62%) had “seniority dates” which were later than they had been in May 2014.

- (1) Identify which of the listed individuals were Transferred Employees.
- (2) Explain discrepancies listed above for any Transferred Employees.

Item 1.iii.

*iii. Prospect will provide benefits at benefit levels comparable to benefits provided under the Existing Hospitals’ plans, benefits including vacation, sick leave, holiday, health insurance, 401K, life insurance, and continued COBRA coverage.*

**Follow-up for Item 1.iii.**

Prospect submitted a copy of its “Employee Benefits Guide 2018” (“2018 Benefits Guide”) (Attachment B2-iii(a)) and a summary page pertaining to its 2014 CCHP Benefits (Attachment B2-iii(b)). The 2018 Benefits Guide describes the health insurance, life insurance, and continued COBRA coverage offered to employees in 2018; it does not contain information relating to vacation, sick leave, holidays, or 401K benefits. The 2014 CCCHP Benefits summary lists only the cost to employees of health insurance, dental, vision and legal insurance offered, with no further details about the nature and extent of these benefits. AMI was not able to ascertain from the documents submitted the extent of vacation, sick leave, holiday and 401k benefits offered a) at the time of the conversion or b) in 2018. Neither were we able to determine whether the overall benefit levels (that is, including health, dental, vision and legal coverage) were comparable to those provided in 2014.

- (3) Provide information regarding employee benefits including vacation, sick leave, holiday, health insurance, 401K, life insurance, and continued COBRA coverage.
- (4) Consider providing an attestation from Prospect CharterCARE and/or an employee union regarding the benefit levels provided to employees from 2014 – 2018.

Item 1.iv.

*iv. Any Transferred Employee who is terminated without cause within the 12-month period following the closing date will be offered a severance package on terms comparable to the severance package in effect with respect to the Existing Hospitals’ employees prior to the closing date.*

**Follow-up for Item 1 (iv)**

In response to this question, Prospect submitted a copy of its Human Resources Policy on Reduction in Staff with an effective date of 1/1/2014. No additional documents were provided to allow for comparison between the pre- and post-closing severance packages.

- (5) Provide information regarding severance packages offered to employees terminated without cause in the 12-month period following the closing date.
- (6) Consider providing an attestation from Prospect CharterCARE that the policy in place as of 1/1/2014 remained in place for one year after the closing date and that it was followed.

Item 1.v.

- v. *Prospect will continue to provide care through sponsorship and support of community-based health programs, including cooperation with local organizations that sponsor healthcare initiatives to address identified community needs and improve the health status of the elderly, poor and at-risk populations in the community.*

**Follow-up for Item 1.v.**

Prospect submitted a list of 56 Community organizations and events it had supported financially and/or partnered with to provide health education and services. Because the list did not include dates of any specific events nor descriptions of any programs, AMI was not able to confirm the information nor determine whether the organizations and events included those intended to identify community needs and improve the health status of the elderly, poor and at-risk populations.

- (7) Submit a list of actual events and programs, indicating what need each was intended to address.
- (8) Describe the method(s) of outreach to elderly, poor and at-risk populations regarding programs and services offered.

Item 1.viii.

- viii. *Adopt the Existing Hospitals' Charity Care Guidelines and continue to provide all medically necessary services to patients regardless of their ability to pay.*

**Follow-up for Item 1.viii.**

Prospect submitted a copy of the SJHSRI Financial Assistance Policy which states that "(i)t is the policy of St. Joseph Health Services of Rhode Island to provide medically necessary/essential services to any person regardless of his/her ability to pay in full or in part for those services provided by the Hospital." This SJHSRI policy was issued on March 9, 2011 and updated yearly until 2018. In addition, Prospect submitted the Free Care Program Guidelines and sample Financial Aid Application Form (undated) for Roger Williams Hospital. The materials submitted support the assertion that Prospect met this condition with regard to care rendered through the SJHSRI facility. Because the RWH materials are undated, however, it was not possible for AMI to determine whether Prospect complied with the condition as it pertains to care delivered at RWH.

- (9) If there a current policy in place at RWMC pertaining to rendering care regardless of patients' ability to pay, please provide it.

- (10) Consider submitting an attestation to the effect that OLF and RWMC have continued to provide charity care consistent with the Charity Care Guidelines which were in place at the time of the conversion.

Item 1.ix.

- ix. Maintain a ratio of full-time equivalent employees to average occupied beds that is consistent with accepted industry practices.*

**Follow-up for Item 1.ix.**

Although Prospect asserted in its response to the prior RFI that it has maintained a ratio of full-time equivalent employees to average occupied beds consistent with accepted industry practices, it did not provide any data regarding its ratio of full-time equivalent employees to average occupied bed nor any comparative industry data.

- (11) Provide data pertaining to Prospect's ratio of FTE's to average occupied beds.
- (12) Provide comparative industry data along with the source material on which it is based.

Item 1.x.

- x. Post-conversion, the Existing Hospitals will continue to utilize productivity targets to assist with determining appropriate staffing levels.*

**Follow-up for Item 1.x.**

Prospect CharterCARE asserted that it continued to utilize productivity targets in determining appropriate staffing levels. Prospect submitted Excel spreadsheets of the Daily Productivity Model for the month of December 2018 for RWMC and SJHS, which AMI reviewed. The models appear to be valid. From these files alone, however, AMI was not able to verify that Prospect had continued to utilize productivity targets for the full period of the condition.

- (13) Provide data relative to other months in the monitored period, e.g., for December of 2014, 2015, 2016 and 2017.
- (14) Consider providing an attestation that the Existing Hospitals utilized productivity targets to assist with determining appropriate staffing levels for the full period of the monitorship.

Extended Scope of Work – Item 1 (a)

*Obtain annual reports from Prospect CharterCARE, LLC for the Attorney General on the proposed form submitted to the Attorney General concerning the funding of its routine and non-routine capital commitments under the Asset Purchase Agreement and as extended and modified pursuant to the agreement as described in this Amendment to Retainer Agreement, until the Revised Capital Commitment has been satisfied.*

Item 1(a)(i)

- (i) *Please provide a break-down of routine capital commitments, indicating which matters have already been paid and which are committed via contractual agreement. Provide copies of checks for matters already paid and copies of contracts for matters committed via contractual agreement.*

**Follow-up for Item 1(a)(i) Pertaining to 2017**

In its January 15, 2020 submission, Prospect indicated that all line items in the 2017 spreadsheet not designated as “Splash” were considered routine expenditures. In its February 21, 2020 submission, Prospect claimed \$1,514,538.26 as its FY2017 routine expenditure. This figure is at variance with the amount contained in the summary sheet attached to the May 13, 2019 submission of \$7,145,868.

- (15) Clarify what amount Prospect is claiming in routine expenditures for FY2017 and provide information to explain and support the asserted figure.

The total of all Routine Expenditures submitted by Prospect for 2017 does not reach the threshold level of \$10 million.

- (16) Provide additional materials to demonstrate that Prospect met the annual requirement to spend \$10 million on routine expenditures, if such is the case.

**Follow-up for Item 1(a)(i) Pertaining to 2018**

AMI found that a 2018 \$73,038.53 payment to Stryker Instrument/Sales was not sufficiently supported by documentation. On February 21, 2020, in response to AMI’s query about this routine expenditure, Prospect explained it was a purchase order accrual, and submitted an invoice which totaled \$89,228.53 net of taxes, but did not provide a check or wire transfer indicating when this payment was made.

- (17) Provide a copy of a check or receipt for a wire transfer in support of the claimed expenditure of \$73,038.53.

The total of all Routine Expenditures submitted by Prospect for 2018 does not reach the threshold level of \$10 million.

- (18) Provide additional materials to demonstrate that Prospect met the annual requirement to spend \$10 million on Routine Expenditures, if such is the case.

Item 1(a)(ii)

- (ii) *Please provide a list and description of practice acquisitions, indicating which matters have already been paid and which are committed via contractual agreement. Provide copies of checks for matters already paid and copies of contracts for matters committed via contractual agreement.*

**Follow-up for Item 1(a)(ii) Pertaining to Expenditures for Practice Acquisitions**

In its May 13, 2019 submission, Prospect classified \$3,277,526 of the practice acquisitions as

Routine Expenditures. AMI asked Prospect to explain the rationale for such classification in light of the fact that all other expenditures relating to Business Development were attributed to Long-Term Capital Expenditures. In its February 21, 2020 letter, Prospect stated:

*Shortly after the joint venture transaction involving CharterCARE entities, Prospect CharterCare, LLC and its affiliates entered into a transaction to purchase two urgent care centers with associated physician practices in order to expand service areas of Roger Williams Medical Center and Our Lady of Fatima hospital. These were the only acquisitions that involved the purchase of urgent care centers as opposed to individual or group physician practices. Given the size of the transaction and purchase of healthcare facilities (i.e. urgent care centers), it was deemed appropriate to include such purchase in Long-Term Capital commitment of Prospect. None of the other practice acquisitions involved the acquisition of urgent care centers.*

- (19) Clarify the rationale for classifying the purchase of physician practices as Long-Term Capital Expenditures and the purchase of urgent care centers as Routine Expenditures.

In its May 13, 2019 submission, Prospect claimed these amounts associated with its acquired practices as Long-Term Capital Expenditures:

Radiation Therapy Joint Venture	\$ 367,000
Black Valley Surgicare	\$1,567,000
University Medical Group	\$7,451,602
<b>Total:</b>	<b>\$7,974,000</b>

- (20) Provide explanations and supporting documentation for the three expenditures listed above.

Prospect claimed a 2017 incurred loss of \$269,769 by the Apple Valley Treatment Center but did not provide details or supporting documentation.

- (21) Provide details pertaining to the 2017 incurred loss of \$269,769 by the Apple Valley Treatment Center.

Prospect asserted that total incurred losses in the review period related to the acquired practices amounted to \$14,411,243 and classified them as Long-Term Capital expenditures. The Long-Term Capital Commitment requirement falls upon the corporate parent company, of which Prospect CharterCARE is a subsidiary. Therefore, in order for Prospect to categorize these expenses as Long-Term Capital Commitments, it must show that its parent company bore these costs. Prospect explained that the parent company had written off its two percent management fee for five years to offset the practice losses but did not provide any documentation in support of this assertion.

- (22) Provide a copy of the Management Agreement (or the relevant section of it) which sets forth the two percent management fee, as well as the manner in which it is calculated and terms for its payment.
- (23) Provide independently verifiable documentation that the management fee was written off, with specifics as to the dollar amount and terms, if any, of the transaction.
- (24) Provide an explanation for booking uncollected management fees as long-term capital commitment, especially addressing how this is allowable under the Prospect CharterCARE Asset Purchase Agreement dated September 24, 2014 and the Amended & Restated Limited Liability Company Agreement of Prospect CharterCARE dated June 20, 2014 (“LLC Agreement”).

Item 1(a)(iii)

*(iii) Please provide a breakdown of non-routine capital commitments, indicating which matters have already been paid and which are committed via contractual agreement. Provide copies of checks for matters already paid and copies of contracts for matters committed via contractual agreement.*

**Follow-up for Item 1(a)(iii)**

Prospect explained that, “In accordance with this section 4.2(c)(ii), within 3 months of the effective [date] of the Amended and Restated Limited Liability Agreement, Prospect provided an Initial Working Capital Amount of Six Million Dollars (\$6,000,000).” Further, Prospect stated, “It should be noted that the Company and Company subsidiaries did not in the four years following the effective date of the Amended and Restated Limited Liability Agreement of Prospect CharterCare, LLC accrue \$6 million in cash above and beyond their collective budgeted operating and capital needs, including Reserves (as such term is defined in the Amended and Restated Liability Agreement of Prospect CharterCare, LLC).”

- (25) Provide documentation confirming that the \$6,000,000 was provided to Prospect within three months of the effective date of the Amended and Restated Limited Liability Agreement.
- (26) Explain the context for the assertion that “the Company and Company subsidiaries did not in the four years following the effective date of the Amended and Restated Limited Liability Agreement of Prospect CharterCare, LLC accrue \$6 million in cash above and beyond their collective budgeted operating and capital needs, including Reserves (as such term is defined in the Amended and Restated Liability Agreement of Prospect CharterCare, LLC).”

**Follow-up for Items 1(a)(i-iii)**

The Amended and Restated Limited Liability Company Agreement of PROSPECT CHARTERCARE, LLC, dated June 20, 2014 (“the LLC Agreement”) includes provisions

pertaining to capital expenditures, annual operating budgets, and capital budgets of Prospect CharterCare.

- (27) Indicate how Section 4.2 of the LLC Agreement was implemented and provide documentation to support an assertion of compliance (e.g., minutes of Board meetings and/or materials presented to Board committees).
- (28) Indicate how Section 8.3 of the LLC Agreement was implemented and provide documentation to support an assertion of compliance (e.g., minutes of Board meetings at which the annual operating and capital budgets were presented and approved).

Extended Scope of Work – Item 1(b)(ii)

*Obtain information confirming that the charitable assets that remain with the Heritage Hospitals are used in accordance with donor intent. It is anticipated that monitoring of this condition should be done through reconciliation of the accounts and uses until the Revised Capital Commitment has been met.*

In response to a request for information about use of funds from the CCCB to support continuing medical education for the medical Staff at RWMC, Prospect replied, “Not Applicable.” AMI was not able to determine whether Prospect was indicating that this fund is not available/ exhausted or that the entity simply did not request any funds for the purpose of supporting continuing medical education for the medical staff “at RWMC over and above the routine budgeted cost of necessary continuing medical education at RWMC to the extent that RWH is satisfied that such expenditure provides a community benefit.”

- (29) Provide information as to whether Prospect CharterCARE requested funds from the CCCB to support continuing medical education (CME) for the medical staff at RWMC for the period of November 2017 – December 2018;
- (30) If applicable, state whether such requests were granted;
- (31) If requests were granted, please provide details of the CME programs, including but not limited to a copy of the fund requests and any other correspondence with the CCCB pertaining to the applications; copies of the relevant check(s) issued by CCCB to the RWMC or to other Prospect entities relative to the funded courses; and copies of any attendance lists or other documentation that indicates the programs were presented as planned.



*Extended Scope of Work – Item 2*

*For the period of time from the end of the third reporting year through June 20, 2020, obtain and provide the Attorney General with a copy of any notices provided to, or received by, a party under the Asset Purchase Agreement.*

It appears that Prospect's response to AMI's previous request for a copy of any notices out of the ordinary course provided to or received by a party under the Asset Purchase Agreement in the period from November 2017 – March 2019 was inadvertently abbreviated.

- (32) Provide a copy of any notices out of the ordinary course provided to or received by a party under the Asset Purchase Agreement in the period from November 2017 – March 2019.

*Extended Scope of Work – Item 3*

*Obtain information as requested by the Attorney General that Prospect is acting in compliance with the Asset Purchase Agreement and the Conditions of this Decision as set forth in this Extended Scope of Work.*

Prospect stated its February 21, 2020 letter that there is no change in the Oldco entity 15% ownership in Prospect CharterCARE.

- (33) Provide an attestation confirming that there has been no change in the ownership.

*Extended Scope of Work – Item 4*

*Obtain information to confirm that the proceeds of the sale of the Elmhurst Extended Care Facility and the Fruit Street property remain within Prospect CharterCARE, LLC for the benefit of the operation of the Newco hospitals.*

Prospect asserts that the total proceeds for the sale of Fruit Hill, Elmhurst and Peace Street properties were \$12,575,444.41. However, AMI does not have enough information to confirm the accuracy of the asserted sales proceeds.

- (34) Provide documentation supporting the claimed transactional costs associated with the sale of the building on Fruit Hill Avenue.
- (35) Provide documentation indicating that the proceeds of the sale of the properties on Fruit Hill Avenue and Peace Street, as well as the sale of the Elmhurst Extended Care Facility have remained within Prospect CharterCARE, LLC for the benefit of the Newco hospitals. Such documentation may include minutes from Board meetings at which the sales were discussed, minutes from Board meetings at which budgets and strategic plans were discussed and approved, and/or an attestation from Prospect CharterCARE's president that the proceeds will be used entirely for the benefit of the Newco hospitals.

Please send both a hard copy and an electronic copy of the requested materials to Jessica Rider and to me by July 16, 2020. If including spreadsheets, please send both pdf and manipulatable Excel versions. It may be simplest for all of us, given our dispersed working conditions, for you to upload the electronic copy of the full response to a SharePoint site; I will send you an invitation in the next day or so. If you want me to give permission to anyone else to access the SharePoint site, please send me their email address(es).

If you have questions about the materials requested, please do not hesitate to contact me by phone at 617-784-2154 or by email at [ckeyes@affiliatedmonitors.com](mailto:ckeyes@affiliatedmonitors.com). I would be happy to host a Zoom meeting or conference call if that would be helpful.

Respectfully submitted,



Catherine Keyes  
Vice President of Operations

cc: Jessica Rider, Esq.

Prospect CharterCARE Responses to June 26, 2020 Follow-up Questions from  
Affiliated Monitors

- (1) Identify which of the listed individuals were Transferred Employees.

**Response:** All employees on the list were transferred employees.

- (2) Explain discrepancies listed above for any Transferred Employees.

**Response:** At closing, all employees were hired at the same rates and seniority dates. Over time, base rates and seniority dates changed for various reasons as set forth in detail in Bates No. C-PCC-000805 to C-PCC-000808.

Base Rate Changes:

The majority of the changes in base rates were due to:

1. Changes in job classifications as employees changed jobs;
2. Employees who left the company and were rehired; and
3. Equalizing the Per Diem contracting rates (not FT employees or part time employees) to equalize across the system in accordance with market rates and conditions;

Seniority Changes:

The majority of the changes in seniority levels were due to:

- a. Employees who terminated their employment and were subsequently rehired
  - b. Change from PD contractor to FT employee or vice versa
  - c. Site changes in employment to comply with specific hospital practices as there are different rules between RWMC and OLF as OLF is a union shop
- (3) Provide information regarding employee benefits including vacation, sick leave, holiday, health insurance, 401K, life insurance, and continued COBRA coverage.

**Response:** At the time of the 2014 transaction, the benefits package Prospect CharterCARE, LLC (“PCC”) offered following the closing was thoroughly reviewed by Oldco prior to implementation. There is no written continued COBRA coverage policy. PCC adheres to all applicable laws regarding COBRA coverage.

See Bates No. PCC-000010 to PCC-000609.

See Bates No. PCC-000442 to PCC-000452.

- (4) Consider providing an attestation from Prospect CharterCARE and/or an employee union regarding the benefit levels provided to employees from 2014 – 2018.

**Response:** See Bates No. PCC-000610

- (5) Provide information regarding severance packages offered to employees terminated without cause in the 12-month period following the closing date.

**Response:** For any payments that were either above or below the stated policy, the variation was due to special employee circumstances that were the result of mutual decisions to terminate employment at CCHP and a severance agreement between the employee and company.

See Bates No. C-PCC-000809

- (6) Consider providing an attestation from Prospect CharterCARE that the policy in place as of 1/1/2014 remained in place for one year after the closing date and that it was followed.

**Response:** See Bates No. PCC-000611

- (7) Submit a list of actual events and programs, indicating what need each was intended to address.

**Response:** Please see list of actual events at Bates No. PCC-000612 to PCC-000614.

- (8) Describe the method(s) of outreach to elderly, poor and at-risk populations regarding programs and services offered.

**Response:** Outreach has been accomplished in three ways, as follows:

- 1) Our voluntary participation in Rhode Island's Community Health Needs Assessment program identified specific unmet health needs in our service area, allowing us to partner with appropriate community organizations to provide a range of screening, diagnostic and therapeutic efforts at the community level.
- 2) Our areas of clinical excellence, especially in cancer, behavioral health, weight loss surgery and dentistry, prompted us to implement community level screening, diagnostic and therapeutic efforts.
- 3) Our operation of the St. Joseph Health Center allowed us to identify and respond to the health needs of the disadvantaged populations in the metropolitan Providence and Pawtucket/Central Falls areas.

We estimate that these efforts have provided outreach services to more than 200,000 individuals over the past several years.

Our community outreach efforts are most typically co-managed by an appropriate clinical manager and by Otis Brown, Vice president of External Affairs and other support staff when available.

Our outreach efforts have been promoted and publicized in a number of ways, including the following:

- Print advertising in daily and weekly newspapers in Rhode Island.
- Paid radio announcements
- Public service radio announcements
- Co-promotion with community organizations such as the Rhode Island Heart Association, usually entailing communication with the organization's membership and constituencies
- Co-branded events with area broadcasters, such as a senior citizen health fair co-sponsored with WPRI TV in 2017 and Latino Health Expo with Latino radio station
- Geo-targeted digital advertising
- Geo-targeted social media posts
- Printed point-of-service flyers distributed thru community centers, markets and churches
- Posters, for local stores and businesses

(9) If there [is] a current policy in place at RWMC pertaining to rendering care regardless of patients' ability to pay, please provide it.

**Response:** See Bates No. PCC-000615 to PCC-000617

(10) Consider submitting an attestation to the effect that OLF and RWMC have continued to provide charity care consistent with the Charity Care Guidelines which were in place at the time of the conversion.

**Response:** See Bates No. PCC-000618

(11) Provide data pertaining to Prospect's ratio of FTE's to average occupied beds.

**Response:** See Bates No. C-PCC-000810 to C-PCC-000813

(12) Provide comparative industry data along with the source material on which it is based.

Response: See Bates No. C-PCC-000810 to C-PCC-000813

(13) Provide data relative to other months in the monitored period, e.g., for December of 2014, 2015, 2016 and 2017.

Response: See Bates No. C-PCC-000814 to C-PCC-000821

(14) Consider providing an attestation that the Existing Hospitals utilized productivity targets to assist with determining appropriate staffing levels for the full period of the monitorship.

**Response:** See Bates No. PCC-000619

- (15) Clarify what amount Prospect is claiming in routine expenditures for FY2017 and provide information to explain and support the asserted figure.

**Response:** For FY 2017, the total actual spend on Routine Capital Expenditures is \$8,225,868. This amount is comprised of \$7,145,868 of equipment purchases and infrastructure improvements and \$1,080,000 of physician practice acquisitions. Please see PCC-000320 to PCC-000657 for deal documents related to the practice acquisitions in FY 2017.

The requirement to spend \$10 million per year for four years was satisfied through PMH's expenditure of \$40 million in routine capital contributions. Specifically, while PMH consistently made over \$10 million in routine capital expenditure commitments, the timing of the actual payment for larger projects is often uncertain. For example, equipment deliveries can be delayed. There may be delays in construction as it relates to building improvements or site preparation for installation of medical equipment. PMH met the required \$40 million routine capital expenditure as set forth in PCC-000716 and, in fact, exceeded the required total long term and routine capital expenditure requirement of \$102,475,444 by \$6,378,854.

See Bates No. PCC-000716 for a revised summary page regarding the capital contributions by PMH.

- (16) Provide additional materials to demonstrate that Prospect met the annual requirement to spend \$10 million on routine expenditures, if such is the case.

**Response:** Please see the response and exhibits referenced in Question 15.

- (17) Provide a copy of a check or receipt for a wire transfer in support of the claimed expenditure of \$73,038.53.

**Response:** Please see Bates No. PCC-000717. The variance in the check amount is due to the inclusion of sales tax in the check amount.

- (18) Provide additional materials to demonstrate that Prospect met the annual requirement to spend \$10 million on Routine Expenditures, if such is the case.

**Response:** For FY 2018, the total actual spend on Routine Capital Expenditures is \$10,194,872. This amount is comprised of \$9,218,872 of equipment purchases and infrastructure improvements and \$976,000 of physician practice acquisitions. Please see PCC-000658 to PCC-000715 for deal documents related to practice acquisition in FY 2018.

- (19) Clarify the rationale for classifying the purchase of physician practices as Long-Term Capital Expenditures and the purchase of urgent care centers as Routine Expenditures.

**Response:** PCC has not yet purchased any urgent care centers in Rhode Island. It has purchased physician practices affiliated with urgent care centers.

- (20)

Radiation Therapy Joint Venture	\$ 367,000
Black Valley Surgicare	\$1,567,000
University Medical Group	\$7,451,602
<b>Total:</b>	<b>\$7,974,000</b>

Provide explanations and supporting documentation for the three expenditures listed above.

**Response:** Please see Bates No. PCC-000718 to PCC-000752 and C-PCC-000822 to C-PCC-001057 for the transaction documentation regarding UMG, BVS, and the Radiation Therapy Joint Venture. Please see Note 4 on pages 20 and 21 in the PCC Consolidated Financial Statements for FY17 and FY18 for an explanation of the UMG and Blackstone transactions. Additionally, please see below for an explanation related to the Radiation Therapy Joint Venture.

Radiation Therapy Joint Venture

RWMC had a 29% ownership interest in Roger Williams Radiation Therapy, LLC. (“RWRT”). Roger Williams Medical Center also owned a 20% interest in Southern New England Radiation Cancer Center, LLC. (“SNERCC”).

In 2015, SNERCC entered into agreement to purchase another radiation therapy center called Maddock for a total purchase price of \$8 million. In order to maintain, its 20% interest in SNERCC, Roger Williams Medical Center had to contribute \$1.6 million into SNERCC in order to fund the purchase of Maddock.

As part of the transaction, Roger Williams sold 9% of its ownership interest in RWRT to the management company of the RWRT for \$1.233 million. The same management company managed SNERCC and Maddock. Because the sale proceeds of RWRT 9% ownership interest was only \$1.233 million but the required capital contribution to SNERCC was \$1.6 million, Prospect paid an additional \$367,000 in order to make up the difference.

- (21) Provide details pertaining to the 2017 incurred loss of \$269,769 by the Apple Valley Treatment Center.

**Response:** Please see Bates No. PCC-000753

- (22) Provide a copy of the Management Agreement (or the relevant section of it) which sets forth the two percent management fee, as well as the manner in which it is calculated and terms for its payment.

**Response:** Please see Bates No. PCC-000754 to PCC-000777 for the Management Agreement, and specifically section 5.2

- (23) Provide independently verifiable documentation that the management fee was written off, with specifics as to the dollar amount and terms, if any, of the transaction.

**Response:** Please see Bates No. PCC-000778

See Note 7 of PCC FY19 and FY18 Consolidated Financial Statement, PCC-001118, and C-PCC-001058 to C-PCC-001061.

- (24) Provide an explanation for booking uncollected management fees as long-term capital commitment, especially addressing how this is allowable under the Prospect CharterCARE Asset Purchase Agreement dated September 24, 2014 and the Amended & Restated Limited Liability Company Agreement of Prospect CharterCARE dated June 20, 2014 (“LLC Agreement”).

**Response:** The purpose of the Long-Term Capital Commitment made by the Prospect Member as contemplated by the Asset Purchase Agreement and the LLC Agreement was to assist in providing funding to carry out various capital improvement projects for the maintenance and growth of the CharterCARE system. The Long-Term Capital Commitment was to be satisfied in the form of contributions of additional capital by the Prospect Member to CharterCARE. Section 4.4(a) of the LLC Agreement provides that, with the prior approval of the Board, a member may make capital contributions to the capital of CharterCARE, which would include contributions of capital by the Prospect member to satisfy its Long-Term Capital Commitment, by paying CharterCARE indebtedness or forgiving CharterCARE indebtedness owed to the Prospect member, and such contributions by payment or forgiveness of debt are to be treated as cash contributions. The uncollected management fees were paid/forgiven through intercompany accounts of Prospect and treated as additional capital contributions as contemplated by Section 4.4(a) of the LLC Agreement in partial satisfaction of the capital contribution obligations of the Prospect member with respect to the Long-Term Capital Commitment.

Please see page 3 of Bates No. C-PCC-001062 to C-PCC-001065.

- (25) Provide documentation confirming that the \$6,000,000 was provided to Prospect within three months of the effective date of the Amended and Restated Limited Liability Agreement.

**Response:** Please see:



1. Audited financial statements for PCC for FY 2014. Please specifically see Note 6 on page 20; and
  2. Bates No. PCC-000779 for Trial Balance. We have highlighted the transfer of \$6 million
- (26) Explain the context for the assertion that “the Company and Company subsidiaries did not in the four years following the effective date of the Amended and Restated Limited Liability Agreement of Prospect CharterCare, LLC accrue \$6 million in cash above and beyond their collective budgeted operating and capital needs, including Reserves (as such term is defined in the Amended and Restated Liability Agreement of Prospect CharterCare, LLC).”

**Response:** This statement was meant to confirm that the initial \$6 million contribution as part of the Long-Term Capital Commitment was not subsequently reclassified as a liability or a reserve on the Company’s balance sheet.

- (27) Indicate how Section 4.2 of the LLC Agreement was implemented and provide documentation to support an assertion of compliance (e.g., minutes of Board meetings and/or materials presented to Board committees).

**Response:** By way of example, please see Bates No. C-PCC-001066 to C-PCC-001077.

- (28) Indicate how Section 8.3 of the LLC Agreement was implemented and provide documentation to support an assertion of compliance (e.g., minutes of Board meetings at which the annual operating and capital budgets were presented and approved).

**Response:** By way of example, please see Bates No. C-PCC-001078 to C-PCC-001117.

- (29) Provide information as to whether Prospect CharterCARE requested funds from the CCCB to support continuing medical education (CME) for the medical staff at RWMC for the period of November 2017 – December 2018;

**Response:** PCC did not request funds from the CCCB to support continuing medical education (CME) for the medical staff at RWMC for the period of November 2017 – December 2018.

- (30) If applicable, state whether such requests were granted;

**Response:** N/A

- (31) If requests were granted, please provide details of the CME programs, including but not limited to a copy of the fund requests and any other correspondence with the CCCB pertaining to the applications; copies of the relevant check(s) issued by CCCB to the RWMC or to other Prospect entities relative to the funded courses; and copies of any

attendance lists or other documentation that indicates the programs were presented as planned.

Response: N/A

- (32) Provide a copy of any notices out of the ordinary course provided to or received by a party under the Asset Purchase Agreement in the period from November 2017 – March 2019.

**Response:** See Bates No. PCC-000780 to PCC-000787.

- (33) Provide an attestation confirming that there has been no change in the ownership.

Response: See Bates No. PCC-000788.

- (34) Provide documentation supporting the claimed transactional costs associated with the sale of the building on Fruit Hill Avenue.

**Response:** Please see Bates No. PCC-000789 to PCC-000803.

- (35) Provide documentation indicating that the proceeds of the sale of the properties on Fruit Hill Avenue and Peace Street, as well as the sale of the Elmhurst Extended Care Facility have remained within Prospect CharterCARE, LLC for the benefit of the Newco hospitals. Such documentation may include minutes from Board meetings at which the sales were discussed, minutes from Board meetings at which budgets and strategic plans were discussed and approved, and/or an attestation from Prospect CharterCARE's president that the proceeds will be used entirely for the benefit of the Newco hospitals.

**Response:** See Bates No. PCC-000804.

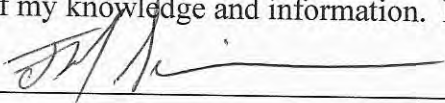
**Attestation**

I, Frank Saidara, hereby attest as follows:

1. I am the Vice President of Corporate Development for Prospect Medical Holdings, Inc. ("PMH"). I make this attestation on my personal knowledge and on the basis of my review of the business records of PMH and Prospect CharterCARE, LLC ("PCC").

2. PCC's responses to the June 26, 2020 follow up questions from Affiliated Monitors, Inc. are true and complete.

I hereby certify that the information contained in this attestation is complete, accurate and true to the best of my knowledge and information. Executed on July 16, 2020

  
\_\_\_\_\_

September 11, 2020 Supplemental Prospect CharterCARE Responses  
to June 26, 2020 Follow-up Questions from Affiliated Monitors

(2) Explain discrepancies listed above for any Transferred Employees.

**July 16, 2020 Response:** At closing, all employees were hired at the same rates and seniority dates. Over time, base rates and seniority dates changed for various reasons as set forth in detail in Bates No. C-PCC-000805 to C-PCC-000808.

Base Rate Changes:

The majority of the changes in base rates were due to:

1. Changes in job classifications as employees changed jobs;
2. Employees who left the company and were rehired; and
3. Equalizing the Per Diem contracting rates (not FT employees or part time employees) to equalize across the system in accordance with market rates and conditions;

Seniority Changes:

The majority of the changes in seniority levels were due to:

- a. Employees who terminated their employment and were subsequently rehired
- b. Change from PD contractor to FT employee or vice versa
- c. Site changes in employment to comply with specific hospital practices as there are different rules between RWMC and OLF as OLF is a union shop

**Supplemental Response:**

Base Rate Changes:

Regarding #3 above, after research we confirmed that the original response relative to the per diem contracting rates was incorrect. Employees were paid the same rate; however, there was a change in the payroll system pre and post-acquisition. Prior to the CCHP acquisition when an employee was hired into a per diem position or transferred to a per diem position the base pay rate was increased by 20% as an offset to not receiving any employee health benefits due to the per diem status. Accordingly, in the computer system the base pay rate included the per diem 20% differential. In 2017, the payroll system was modified to allow the per diem 20% differential to be included as a separate category. Accordingly, the payroll system showed a base pay amount in addition to the per diem 20% differential. Accordingly, if the base pay amounts were compared pre and post the change in the payroll system, they would be different. However, the total compensation amount (including the per diem 20% differential) are the same.

This change on how the employee's paystub would appear was communicated at the times of change with each employee.

Seniority Changes:

Regarding item (c) above, when an employee transfers from RWMC to OLF, the seniority date is modified to comply with the OLF Collective Bargaining Agreement (the "OLF CBA"). Specifically, the OLF CBA governs seniority and stipulates that seniority is based upon the date of hire. As OLF is a separate entity from RWMC, the date of hire is the first date of employment at OLF. As such, an employee transferring to OLF receives an adjusted seniority status as required by the OLF CBA and National Labor Relations Board ("NLRB") regulations. Significantly, all employees transferred to OLF were transferred at the employees' request rather than at Prospect's direction.

- (5) Provide information regarding severance packages offered to employees terminated without cause in the 12-month period following the closing date.

**July 16, 2020 Response:** For any payments that were either above or below the stated policy, the variation was due to special employee circumstances that were the result of mutual decisions to terminate employment at CCHP and a severance agreement between the employee and company.

See Bates No. C-PCC-000809

**Supplemental Response:** After research we confirmed that the document produced at C-PCC-000809 contained incorrect figures for the number of weeks of severance to which the five employees were entitled. Those five employees listed were in fact "Exempt – Non-Supervisory" employees who were entitled to one week of severance per year of employment, with a minimum of four weeks of severance. See Bates No. (previously produced on February 20, 2020). However, C-PCC-000809 incorrectly identifies the five employees as Supervisory employees entitled to a minimum of eight weeks of severance. Correcting this error shows that four of the five employees received severance pursuant to PCC policy. One employee received two weeks of severance and while entitled to four. Although we were not able to identify the circumstances surrounding the mutually agreed to severance, the employee did voluntarily enter into a severance agreement, a copy of which is attached at C-PCC-006922 to C-PCC-006926.

- (11) Provide data pertaining to Prospect's ratio of FTE's to average occupied beds.

**July 16, 2020 Response:** See Bates No. C-PCC-000810 to C-PCC-000813

**Supplemental Response:** See Bates No. C-PCC-006927. As we discussed on the September 8, 2020 conference call, this document replaces the prior submission C-PCC-000810 through 000813. As set forth therein, CCHP, RWMC and OLF maintained a full-time equivalent ("FTE") to adjusted occupied bed ("AOB") ratio consistent with prevailing industry best practices. In order to document industry best

practices the peer group for comparison for CCHP and RWMC included acute care hospitals in which behavioral health patients represented at least 35% of the patient mix with the remainder being med-surge patients. This peer group was chosen as it reflects the patient mix at CCHP and RWMC. The peer group consisted of 34 hospitals across the United States and was produced by Franklin Trust, a national provider of hospital data. The peer group used for comparison for OLF included acute care community hospitals in which behavioral health patients represented at least 50% of the patient mix with the remainder being med-surge patients. As OLF is predominantly a behavioral health hospital, this peer group was chosen as it represents the patient mix at OLF. The peer group consisted of 16 hospitals across the United States and was produced by Franklin Trust, a national provider of hospital data.

- (15) Clarify what amount Prospect is claiming in routine expenditures for FY2017 and provide information to explain and support the asserted figure.

**July 16, 2020 Response:** For FY 2017, the total actual spend on Routine Capital Expenditures is \$8,225,868. This amount is comprised of \$7,145,868 of equipment purchases and infrastructure improvements and \$1,080,000 of physician practice acquisitions. Please see PCC-000320 to PCC-000657 for deal documents related to the practice acquisitions in FY 2017.

The requirement to spend \$10 million per year for four years was satisfied through PMH's expenditure of \$40 million in routine capital contributions. Specifically, while PMH consistently made over \$10 million in routine capital expenditure commitments, the timing of the actual payment for larger projects is often uncertain. For example, equipment deliveries can be delayed. There may be delays in construction as it relates to building improvements or site preparation for installation of medical equipment. PMH met the required \$40 million routine capital expenditure as set forth in PCC-000716 and, in fact, exceeded the required total long term and routine capital expenditure requirement of \$102,475,444 by \$6,378,854.

See Bates No. PCC-000716 for a revised summary page regarding the capital contributions by PMH.

**Supplemental Response:** See Bates No. (PCC-006874) for the revised summary page regarding the capital contributions. As discussed on the September 8, 2020 conference call, further research identified additional routine capital expenditures that inadvertently were not previously included, *i.e.*, routine software capital for clinical, financial and office functions. Such expenditures have now been properly included showing that both the long-term capital and routine capital requirements have been met.

As requested on the September 8, 2020 conference call, please see Bates No. C-PCC-006939 to C-PCC-007065 for further documentation demonstrating compliance with Section 4.2 of the LLC Agreement. As set forth in those documents, the PCC Board consistently reviewed and approved the capital projects, as well the supporting return-on-investment calculation or material needs assessment. Additionally, as Section 4.2 specifies a number of identified Capital Projects, the Section 4.2 requirements, such as

a return-on-investment calculation or material needs assessment, are not required for those previously identified and requested Capital Projects. Those Capital Projects include the renovation of the main entrance for RWMC, the emergency room renovation at both RWMC and OLF, the Cancer Center expansion, the upgrade of the OR HVAC system, the renovations to the OLF main entrance/corridor, and the physician engagement strategy projects (physician practice acquisitions, the radiation therapy joint venture, Blackstone Valley Surgicare, and the creation of the CRC). The creation of the CRC served as an important physician engagement strategy to attract physicians and physician practices to the PCC network. The capital spend for the RWMC and OLF pharmacies were immediate upgrades necessary for regulatory compliance and, as a result, was not subject to the same return-on-investment calculation or material needs assessment.

- (16) Provide additional materials to demonstrate that Prospect met the annual requirement to spend \$10 million on routine expenditures, if such is the case.

**July 16, 2020 Response:** Please see the response and exhibits referenced in Question 15.

**Supplemental Response:** Please see the supplemental response and exhibits referenced in Question 15.

- (18) Provide additional materials to demonstrate that Prospect met the annual requirement to spend \$10 million on Routine Expenditures, if such is the case.

**July 16, 2020 Response:** For FY 2018, the total actual spend on Routine Capital Expenditures is \$10,194,872. This amount is comprised of \$9,218,872 of equipment purchases and infrastructure improvements and \$976,000 of physician practice acquisitions. Please see PCC-000658 to PCC-000715 for deal documents related to practice acquisition in FY 2018.

**Supplemental Response:** Please see Bates No. C-PCC-007066 to C-PCC-007605 for materials supporting the additional routine capital expenditures. As we discussed, we have included expenditures greater than \$50,000. The documentation regarding the long term capital expenditure for the creation of the CRC is also included at PCC-006875.

- (20)

Radiation Therapy Joint Venture	\$ 367,000
Black Valley Surgicare	\$1,567,000
University Medical Group	\$7,451,602
<b>Total:</b>	<b>\$7,974,000</b>

Provide explanations and supporting documentation for the three expenditures listed above.

**July 16, 2020 Response:** Please see Bates No. PCC-000718 to PCC-000752 and C-PCC-000822 to C-PCC-001057 for the transaction documentation regarding UMG, BVS, and the Radiation Therapy Joint Venture. Please see Note 4 on pages 20 and 21 in the PCC Consolidated Financial Statements for FY17 and FY18 for an explanation of the UMG and Blackstone transactions. Additionally, please see below for an explanation related to the Radiation Therapy Joint Venture.

#### Radiation Therapy Joint Venture

RWMC had a 29% ownership interest in Roger Williams Radiation Therapy, LLC (“RWRT”). Roger Williams Medical Center also owned a 20% interest in Southern New England Radiation Cancer Center, LLC. (“SNERCC”).

In 2015, SNERCC entered into agreement to purchase another radiation therapy center called Maddock for a total purchase price of \$8 million. In order to maintain, its 20% interest in SNERCC, Roger Williams Medical Center had to contribute \$1.6 million into SNERCC in order to fund the purchase of Maddock.

As part of the transaction, Roger Williams sold 9% of its ownership interest in RWRT to the management company of the RWRT for \$1.233 million. The same management company managed SNERCC and Maddock. Because the sale proceeds of RWRT 9% ownership interest was only \$1.233 million but the required capital contribution to SNERCC was \$1.6 million, Prospect paid an additional \$367,000 in order to make up the difference.

**Supplemental Response:** Regarding the BVS acquisition, the purchase price of BVS was \$1,500,000. Pursuant to Section 2.4 of the BVS Asset Purchase Agreement (previously produced at Bates No. PCC-000718 – PCC-000752), BVS was required to pay certain BVS payroll costs from the effective date of the agreement until the closing – totaling \$67,000. Please see PCC-006876 for supporting documentation of that payment.

- (35) Provide documentation indicating that the proceeds of the sale of the properties on Fruit Hill Avenue and Peace Street, as well as the sale of the Elmhurst Extended Care Facility have remained within Prospect CharterCARE, LLC for the benefit of the Newco hospitals. Such documentation may include minutes from Board meetings at which the sales were discussed, minutes from Board meetings at which budgets and strategic plans were discussed and approved, and/or an attestation from Prospect CharterCARE’s president that the proceeds will be used entirely for the benefit of the Newco hospitals.

**July 16, 2020 Response:** See Bates No. PCC-000804.



**Supplemental Response:** See PCC-006875 for revised summary page regarding the capital contributions by PMH.

With respect to the purchase price for Fruit Hill:

- 1) \$230,000 is the gross sales price for the sale of the building (house). Please see Bates No. PCC-000789 to PCC-00796 (previously produced).
- 2) \$292,500 is the gross sales price of the sale of land. Please see Bates No. PCC-000800 to PCC-000803.
- 3) \$240,528.90 is the net obligation of the buyer. Please see Bates No. PCC-000797 to PCC-000799. The net proceeds from the sale is as follows:

Sale 1 – Building Net Proceeds \$207,404.41

Sale 2 – Subdivided Land Net Proceeds \$274,908

Less cost to subdivide: \$(33,350)

Broker Fees: \$14,625

Adjusted Net: \$226,933

Total Proceeds from Fruit Hill sales: \$434,338.41

- 4) The detail of the transactional costs are included in the Closing Statements for both sales.

As requested, please see Bates nos. PCC-006877 to PCC-006909 for documentation of community outreach and Bates No. C-PCC-007606 to C-PCC-007610 for a signed copy of the September 19, 2019 minutes.

In addition to the funding of the routine and long term capital investments described above at Supplemental Response 15, Prospect has consistently taken all necessary measures, including the provision of financial resources, to ensure that Roger Williams Medical Center and Our Lady of Fatima provide quality, cost effective services to its patient populations in need. By way of example, the healthcare providers who testified at the July 21, 2020 Health Services Council meeting highlighted the support, character and commitment of Prospect to the Rhode Island licensed hospitals:

Dr. Vincent Armenio, Chair of the Department of Medicine, Program Director of the BU Internal Medicine Residency Program and Associate Director of the Cancer Center:

There have been many occasions where I've needed things for the Residency Program. For example, we needed a mannequin ... to teach residents on codes and physical examination... Sam Lee and David Topper, they immediately said that you need to get the best and when I gave them a bill for \$140,000 for a

mannequin that was needed, they got it. We needed a teaching ultrasound for residents, we searched for the best one, Sam Lee and David Topper said that's the one I want the residents to have. They have been extremely committal and teaching in our institution.

Dr. Joseph Espat, Chair of the Department of Surgery, Chief of Surgical Oncology and Director of the Cancer Center:

Had Prospect not come in when they came, I don't think that we would have been able to elevate our cancer program, our bone marrow transplant program, our surgical programs, the level that we've elevated them to. So for the last six years, three cycles of American College of Surgeons Accreditation, we have been accredited with commendation as a comprehensive cancer center. And we provide a lot of care to underserved populations, and we provide amazing pancreas, liver, and esophageal cancer care and we couldn't do that without Prospect.

In Prospect, the face of Prospect, to me, has been Sam Lee, Von Crockett and Dave Topper. And I'll tell you why it's been the face. I have personally toured all of those individuals for the cancer center and the operating rooms on numerous occasions. And every time they've said Joe, whatever it is that you need to run the program at the level you're running it or better, let us know and we'll get it for you...they check in with me once a month at least, once a quarter, and they say what equipment do you need to have replaced. What programs do you need to build. We've got navigators in geriatric oncology in bilingual unrepresented populations. These are things that don't generate revenue but provide excellent care. In our operating rooms, we have the highest level ultrasounds, microwave coagulators, linear generators, anything you can think of that you would expect at a big university tertiary center, Prospect has purchased that equipment for us, and we are able to train the next generation of surgical oncologists and surgeons here at this institution.

Dr. Todd Roberts, Director of the Bone Marrow Transplant Unit:

Roger Williams has the only bone marrow transplant program in Rhode Island. The accrediting body, which is called FACT, which stands for Foundation for the Accreditation of Cellular Therapy, has accredited our program for autologous, allogeneic and cord transplants. It's important because bone marrow transplant programs probably have the most rigorous standards of any medical surgical programs. We have never had any problem getting the support we need when the new standards come out routinely through the years. We've been fully supported by Prospect in regards to personnel, equipment, and education to meet the standards of the accreditation.

Dr. William Beliveau, Chair of Medicine:

Fatima...is a top certified rehabilitation center...Prospect has donated generously to upgrades and equipment. They replaced the three monoplace hyperbaric chambers that we have...they've installed pulse oximetry that monitors at the nursing stations. We have the Smart IQ pumps. All of these are very costly, costly items...during the COVID crisis...we had daily phone calls with the CMO for the system [Prospect] going through what we needed for equipment. Allocating drugs. So they were tremendously involved as an organization in making sure we had all the necessary equipment that was needed. And that was very very impressive.

Dr. Robert Buonanno, Chair of Surgery:

I've been a practicing surgeon at Fatima for over 40 years and I've been chairman of the department for almost 17 years, and I've seen the transformation as a result of the input from Dave Topper and Sam Lee this hospital made over the past several years. The Joint Commission on Hospital Accreditation has Gold certification for Specific Disease Care. These Gold certifications are very very difficult to obtain and also to maintain. Several years ago, under the direction of Prospect Medical and CharterCARE, both financially and with personnel, we were one of four hospitals in New England to receive Gold disease specific certification in hip and knee surgery. We were on the likes of Mass General, UMass Worcester, and up to even today we still maintain the certification. Now, this certification is reviewed yearly, and then every two years the certification is -- the JCAHO visits the hospital and recertifies us...we are the first hospital in Rhode Island to be Gold Seal Disease Specific certified in Spine Care. We recently recertified for a two-year period with an absolute perfect score. And that's a credit to the direction and the leadership by Prospect and the...surgeons who give this quality care. You have to be cutting edge care in order to receive these certifications. We also have Gold Seal certifications in some of the medical divisions. One also for diabetes. I want to touch briefly a little bit on Prospect's commitment to Rhode Island. Besides the clinics for the underprivileged, poorly insured and no insured, they have clinics in adult medicine, pediatric medicine, dental care. And as an orthopedic surgeon, I'm proud to say we have clinics that meet twice weekly in both pediatrics and orthopedic surgery, that are manned by orthopedic surgeons. These clinics, they're located at the Roger Williams Center, serve those individuals who can't get care because of their poor insurance or no insurance.

Dr. Rebecca Brown, specializing in Internal Medicine and Geriatrics:

[W]hen Prospect came in, they have provided, you know, really really wonderful in-depth resources. This COVID pandemic is an absolute tragedy for the elderly. It has been an honor to work at our hospital. I have felt very supported. Pretty much every single thing I have asked for from administration, going all the way on up the line in Prospect, I have received. At first I was concerned about PPE, and we got it very very quickly to help with the onslaught of admissions that we had for our inpatients. ... I practice primarily in assisted living in addition to

being at the hospital, I was no longer able to see my community patients in the assisted living because they had to be closed down for purposes of not spreading COVID. And I reached out to administration, and within one and a half weeks, which I never anticipated that it would be that fast, I had an outpatient clinic up and running ... Every single day that I've seen patients there, which is almost every day of the week, they have been so grateful to be able to see me again in person ... So there's not a day goes by where I am not so incredibly thankful that Prospect has given me this office and an ability to continue to do what I do, both on the inpatient setting and the outpatient setting.

Dr. Abdul Saied Calvino, Program Director for the Surgical Oncology Fellowship at the Roger Williams Medical Center's Cancer Center:

One of the bigger issues is the language and the cultural barriers that these patients have. They don't get their colonoscopies, they don't get their mammograms done on time. So we said, you know what, something we can do is to create a program where we can have a navigator, have someone who can help them to get the tests they need. The problem with that is that we needed someone to support that program. And I can say that Prospect and Sam Lee, Dave Topper were truly supportive. We have a program that doesn't bring in any revenue, that pretty much bring patients that are uninsured and underserved, but we have a program that ensure that Hispanic patients in this community can get timely quality cancer prevention care.

Dr. John Stoukides, Geriatrician:

When you look at how we did with COVID, it's really a phenomenal accomplishment we made. For the third small – largest health care system in the state, we cared for the second highest amount of COVID patients. And at Roger Williams we had the lowest ventilator-associated mortality rate of COVID patients, which really is a testament to quality. Where did quality come from? It really came from support of our system. And one thing this whole thing has really done is crystalized us as a national system, which really helped us achieve our goals of really providing excellent care. Because we were able to learn from East Orange, New Jersey, who was right in the midst of the New York City surge and absolutely inundated with COVID patients. And through that, ... we had daily physician leadership calls seven days a week at 9:00 in the morning, which wasn't the most convenient for California but they were there on the call. Dave Topper and Mitchell Lew and Von Crockett were involved in the calls. Finding out what we needed for support, what we needed for PPE. When one shipment of PPE coming in from Malaysia got trapped at the border, within a day we had another shipment coming in on the East Coast to support what we needed. And we couldn't have done that as a small little hospital. We did that because we're part of a national organization that had buying power and we were able to get all that.

From a pharmacy support, I have the privilege of chairing the National P&T Committee for Prospect where we look at our drug acquisition and utilization. We were – our pharmacy – national pharmacy director was tirelessly looking for ways to acquire drugs when we needed them, for every step of the way, not just antivirals but drugs to support patients on ventilators, to provide the necessary treatments that we needed for the patients. ... What we also did was we shared best practices from the hospitals. We organized a number of national grand rounds that brought in experts at each of our hospitals to present, via Microsoft Teams and Zoom meetings, to all the different physicians in our different hospitals to share what each hospital was doing best. And that's actually moved forward as we go forward into a monthly presentation now that we're doing, to continue to share best practices. We realized that we work best as a large national organization, not as little individual hospitals. ... We're working together, using our talents to really support each other. It's helped us immensely in our ability to reopen safely, utilizing best practices. When New Jersey started reopening and Philadelphia started reopening, we were able to draw from their experiences and use it in our system. ... We just continue to learn and grow because of the size of the system we are. And I think that's clear in why we've done so well in our COVID response, clearly better than any other system in state.

Dr. Joseph Mazza, Chairman of Cardiology at Roger Williams Medical Center and Our Lady of Fatima:

When we initially started, our membership was mostly Rhode Island Medicare Advantage patients from one insurer. We actually very quickly provided value to those patients. You know, we provided what was called wraparound care where we provided the care they needed, where they need it, when they need it. We provided care in homes, and by doing so we actually were able to provide good quality care at a value, and continue to do so.

We've also created specialized teams to care for people with chronic disease process to better manage them at home, avoid exacerbations. And our results actually speak for themselves. We were actually – we are still the only group that is fully dedicated – sorry, delegated to conduct care management and utilization by Medicare Advantage -- by Medicare Advantage health provider in Rhode Island. Right now we have 9,000 of those patients under our care.

We not only brought care and value to patients but we also brought value to the physicians that have joined the group. Over the past six years, we've taken our percentage of patient-centered medical home certification from 10 percent in 2017 to 87 percent in 2020. We couldn't have done that without the resources that Prospect brought to the table to quickly do that.

We still have a commitment to ongoing education which happens literally on a monthly basis. Truly, though, our benefit came out during the COVID crisis. It's difficult to be a primary care physician, especially in private practice and have

COVID hit you at once. We immediately created channels for communications to the physicians. We created outlets for the physicians to reach out if they became ill and needed help in their practice. Most importantly, we actually created a supply chain. And much like Rebecca Brown spoke about, we created a supply chain to provide PPE to private practices so they could go on and function, because without that we actually (audio difficulties). And obviously our benefits - we have been recognized for all the work we've done. We achieved the highest possible quality scores in the Neighborhood Health Plan. We achieved four stars in Blue Cross. Several years running we actually have been awarded the elite status through the American Physicians Groups. ... So there is no doubt that Prospect has come to the table to provide what we need. Without them we wouldn't achieve in six years what other groups took 15 or 20 years to actually achieve.

Dr. Louis Mariorenzi, Orthopedics Surgeon, Chief of Orthopedics at Roger Williams Medical Center:

We soon got to know Sam Lee and Dave Topper. Even though they're based in California, even though they have many hospitals under their wings, they made it a point to show up at our board meetings, our medical staff meetings, our IPA meetings. ... They have been very strongly supportive of our needs for infrastructure and new technology. They've been very strongly supportive of our academic mission and affiliation with Boston University. And they've been very very supportive of the medical staff.

You've already heard a lot about during the COVID outbreak and how they were instrumental in obtaining the PPEs that were needed by the hospital and the physician practices. They also identified ventilators at their other hospitals that were not being swamped by COVID. Those ventilators were tagged for export to us, if necessary. It wasn't needed but it was certainly nice to know we had backup.

Dr. Somasunder, Associate Chief of Surgical Oncology and Director of Geriatric Oncology at Roger Williams:

In regards to the taking care of the surgical oncology patients, during COVID response we were one of the few hospitals which actually continued to take care of the surgical oncology patients. We did operate on these patients. Where they are Level II patients, they were not elective cases, we continued to do – give care to these patients, because only because of the administration's commitment towards taking care of these patients that we did, we were able to take care of these patients.

Dr. Jeffrey Liebman, CEO of CharterCARE:

So as Dr. Stoukides mentioned, we took care of a lot more patients on a percentage basis than our size would indicate when it came to COVID patients.

We are closely approaching our four hundredth patient, COVID positive, that we took care of within the hospital, with outstanding results between the two institutions. I believe that's because we never doubted for a moment whether or not we would have enough supplies. We were never asked during that time what's this going to cost, how are things going to be taken care of financially. Whenever we had a need, whether it be for face masks or PPE or ventilators, it arrived almost the next day. We got daily reports of how we were doing in terms of supply chain management, bringing materials and supplies here for our patients, and the national effort to establish good clinical standards was outstanding as you've heard from many of the doctors. ... I don't worry if there's a crisis or an urgent situation, that I'm not going to have enough resources to deal with it. We deal with it now, and then we worry about cost later. We've always put the patients, the doctors, the employees and the medical staff first. And that's one of the reasons our results have gone on so well. You know, Roger Williams many years ago before CharterCARE – before Prospect was involved, was what we call a One Star hospital, is today a Three Star hospital, and we think by the end of the year it will be a Four Star hospital.

## Follow Up Responses to October 2, 2020 Call

With respect to your question on the classification of approximately \$4,920,286 as Splash Capital (formerly classified as routine capital), please see the attached ledger at PCC-007606. The orange highlighted entries show the individual capital contributions that were paid for by Prospect Medical Holdings, Inc. and re-classified as Splash Capital (versus routine) that total \$4,919,799. As we discussed, Prospect is no longer including that \$4,919,799 as 2017 routine capital.

With respect to your question regarding the FY17 routine expenditures for equipment and infrastructure, we have attached PCC-007607. The credits of the general ledger should not be subtracted from the debits in order to arrive at total capital additions for the year. The credits in the general ledgers are the result of several activities that may occur in any given year such as retirement of assets, changes in construction in process accounts as well as sales and dispositions of assets. In FY17, CCHP sold Elmhurst and the Fruit Hill Properties. Credit accounting entries were made in the general ledgers in order to remove those assets from CCHP's balance sheets. As a result, netting the credits and debits is not an accurate reflection of the routine capital spend.

The summary page in PCC-007607 sets forth the calculation for routine FY17 capital. In the detailed tabs of the of PCC-007607, we have highlighted the sale of Elmhurst and Fruit Hill properties and provided the general ledger support for Long-Term Capital Commitment as well as the routine capital expenditures. Furthermore, using a threshold of invoices of greater \$50,000, we have previously provided invoices in the total amount of \$3,043,652 with respect to routine capital expenditures.

Finally, as to your questions on the IT capital spend, the previously produced documents at C-PCC-007066 through C-PCC-007071 set forth the individual software items from the general ledger. As we discussed, the licenses are often pre-payments, which occurred both before and after the closing of the 2014 transaction. To the extent that the pre-payments occurred before the closing, such amounts may be counted towards the routine capital expenditure because of the net working capital reconciliation as set forth in Section 2.9 and Annex B of the 2014 APA. Annex A to the APA defines Net Working Capital, in pertinent part, as "the value of Sellers' Inventory, Accounts Receivable, Transferred Restricted Funds, useable prepaid expenses and deposits which have continuing value to the operations of the Business, less the value of trade accounts payable, accrued expenses . . . and employee benefit accruals." Annex B demonstrates that the prepaid invoices were included in the net working capital calculation and as such paid for by CCHP.



**Blue Cross & Blue Shield of Rhode Island**

---

**Prospect CharterCARE LLC, d/b/a CharterCARE Health Partners**

**Effective Date: 04/01/2018**

**Generated Date: 06/07/2018**

**Partner Plan Name: Blue Cross & Blue Shield of Rhode Island**

## Table of Contents

Group Configuration: 60541   4/1/2018   Active   Nation   CharterCare.....	4
Plan: Administrative Billing Only.....	9
Plan: Limited PPO Plan.....	10
Medical Benefit: Med   60541   4/1/2018   Active   Nation   Ch [ National Alliance ASO   National Alliance ].....	11
Custom Network: CT   Charter Care.....	12
Custom Network: CU   Charter Care.....	13
Therapy: Therapy   Med   60541   1/1/2018   Active   Nation [ National Alliance ASO   National Alliance ].....	19
Inpatient/Outpatient: InpatOutpat   Med   60541   4/1/2018   Active   Nation [ National Alliance ASO   National Alliance ].....	22
Mental Health: Mental Health   Med   60541   1/1/2018   Active   Nation [ National Alliance ASO   National Alliance ].....	26
Office Physician Service: OfcPhySvc   Med   60541   1/1/2018   Active   Nation [ National Alliance ASO   National Alliance ].....	29
Preventive Care: Prev Care   Med   60541   1/1/2018   Active   Nation [ National Alliance ASO   National Alliance ].....	30
Other Service: Other Svc   Med   60541   1/1/2018   Active   Nation [ National Alliance ASO   National Alliance ].....	34
Ancillary Benefit: Ancillary   60541   1/1/2018   Active   Nation   Ch [ National Alliance ASO   National Alliance ].....	64
Plan: OOA EPO Plan.....	69
Medical Benefit: Med   60541   4/1/2018   Active   Nation   Ch [ National Alliance ASO   National Alliance ].....	70
Custom Network: CT   Charter Care.....	71
Custom Network: CU   CharterCare.....	72
Therapy: Therapy   Med   60541   1/1/2018   Active   Nation [ National Alliance ASO   National Alliance ].....	78
Inpatient/Outpatient: InpatOutpat   Med   60541   1/1/2018   Active   Nation [ National Alliance ASO   National Alliance ].....	81
Mental Health: Mental Health   Med   60541   1/1/2018   Active   Nation [ National Alliance ASO   National Alliance ].....	85
Office Physician Service: OfcPhySvc   Med   60541   1/1/2018   Active   Nation [ National Alliance ASO   National Alliance ].....	88
Preventive Care: Prev Care   Med   60541   1/1/2018   Active   Nation [ National Alliance ASO   National Alliance ].....	89
Other Service: Other Svc   Med   60541   1/1/2018   Active   Nation [ National Alliance ASO   National Alliance ].....	93
Ancillary Benefit: Ancillary   60541   1/1/2018   Active   Nation   Ch [ National Alliance ASO   National Alliance ].....	121
Plan: Preferred EPO Plan.....	126
Medical Benefit: Med   60541   4/1/2018   Active   Nation   Ch [ National Alliance ASO   National Alliance ].....	127
Custom Network: CT   CharterCare.....	128
Custom Network: CU   CharterCare.....	129
Therapy: Therapy   Med   60541   1/1/2018   Active   Nation [ National Alliance ASO   National Alliance ].....	135
Inpatient/Outpatient: InpatOutpat   Med   60541   1/1/2018   Active   Nation [ National Alliance ASO   National Alliance ].....	138
Mental Health: Mental Health   Med   60541   1/1/2018   Active   Nation [ National Alliance ASO   National Alliance ].....	142
Office Physician Service: OfcPhySvc   Med   60541   1/1/2018   Active   Nation [ National Alliance ASO   National Alliance ].....	145
Preventive Care: Prev Care   Med   60541   1/1/2018   Active   Nation [ National Alliance ASO   National Alliance ].....	146
Other Service: Other Svc   Med   60541   1/1/2018   Active   Nation [ National Alliance ASO   National Alliance ].....	150
Ancillary Benefit: Ancillary   60541   1/1/2018   Active   Nation   Ch [ National Alliance ASO   National Alliance ].....	180
Plan: Premier Plan.....	185
Medical Benefit: Med   60541   4/1/2018   Active   Nation   Ch [ National Alliance ASO   National Alliance ].....	186
Custom Network: CU   CharterCare.....	187
Custom Network: CT   CharterCare.....	188
Therapy: Therapy   Med   60541   1/1/2018   Active   Nation [ National Alliance ASO   National Alliance ].....	194
Inpatient/Outpatient: InpatOutpat   Med   60541   1/1/2018   Active   Nation [ National Alliance ASO   National Alliance ].....	198
Mental Health: Mental Health   Med   60541   1/1/2018   Active   Nation [ National Alliance ASO   National Alliance ].....	202
Office Physician Service: OfcPhySvc   Med   60541   1/1/2018   Active   Nation [ National Alliance ASO   National Alliance ].....	205
Preventive Care: Prev Care   Med   60541   1/1/2018   Active   Nation [ National Alliance ASO   National Alliance ].....	206
Other Service: Other Svc   Med   60541   1/1/2018   Active   Nation [ National Alliance ASO   National Alliance ].....	210
Ancillary Benefit: Ancillary   60541   1/1/2018   Active   Nation   Ch [ National Alliance ASO   National Alliance ].....	235
Plan: UNION Premium Plan.....	240
Medical Benefit: Med   60541   4/1/2018   Active   Nation   Ch [ National Alliance ASO   National Alliance ].....	241
Therapy: Therapy   Med   60541   1/1/2018   Active   Nation [ National Alliance ASO   National Alliance ].....	247
Inpatient/Outpatient: InpatOutpat   Med   60541   1/1/2018   Active   Nation [ National Alliance ASO   National Alliance ].....	250
Mental Health: Mental Health   Med   60541   1/1/2018   Active   Nation [ National Alliance ASO   National Alliance ].....	254
Office Physician Service: OfcPhySvc   Med   60541   1/1/2018   Active   Nation [ National Alliance ASO   National Alliance ].....	257
Preventive Care: Prev Care   Med   60541   1/1/2018   Active   Nation [ National Alliance ASO   National Alliance ].....	258
Other Service: Other Svc   Med   60541   1/1/2018   Active   Nation [ National Alliance ASO   National Alliance ].....	261
Ancillary Benefit: Ancillary   60541   1/1/2018   Active   Nation   Ch [ National Alliance ASO   National Alliance ].....	280
Plan: Value PPO Plan.....	285
Medical Benefit: Med   60541   4/1/2018   Active   Nation   Ch [ National Alliance ASO   National Alliance ].....	286
Custom Network: CU   CharterCare.....	287
Custom Network: CT   CharterCare.....	288
Therapy: Therapy   Med   60541   1/1/2018   Active   Nation [ National Alliance ASO   National Alliance ].....	294

**Table of Contents**

---

Inpatient/Outpatient: InpatOutpat | Med | 60541 | 1/1/2018 | Active | Nation [ National Alliance ASO | National Alliance ]..... 297

Mental Health: Mental Health | Med | 60541 | 1/1/2018 | Active | Nation [ National Alliance ASO | National Alliance ]..... 301

Office Physician Service: OfcPhySvc | Med | 60541 | 1/1/2018 | Active | Nation [ National Alliance ASO | National Alliance ]..... 304

Preventive Care: Prev Care | Med | 60541 | 1/1/2018 | Active | Nation [ National Alliance ASO | National Alliance ]..... 305

Other Service: Other Svc | Med | 60541 | 1/1/2018 | Active | Nation [ National Alliance ASO | National Alliance ]..... 309

Ancillary Benefit: Ancillary | 60541 | 1/1/2018 | Active | Nation | Ch [ National Alliance ASO | National Alliance ]..... 334

## **Group Configuration: 60541 | 4/1/2018 | Active | Nation | CharterCare**

---

### **General**

---

Group Name

CharterCare

Funding Type

National Alliance ASO

ERISA Plan Name

Roger Williams Medical Center FOCIS and Saint Joseph Health Service of Rhode Island

Created On

6/4/2018 2:25:41 PM

Subject to ERISA?

Yes

Legal Group Name

Prospect CharterCARE LLC, d/b/a CharterCARE Health Partners

**Summary**

**Group Summary**

Prefix 71	Base Number 60541	Effective Date 4/1/2018
Anniversary Date 1/1/2019		

Maintenance Rep  
Caroline Jones (81)

Service Center (claims processing)  
Columbia

Service Center Phone  
855-804-8550

Extension of Liability (EOL)  
No

**Enrollment and Billing**

On-Going Enrollment eExchange/Datawise	Marketplace No	
Initial Enrollment eExchange/Datawise	Claims Fiduciary Group	Prorate Monthly Enrollment Bill

**In order to Utilize Marketplace, the Enrollment Method MUST be BluesEnroll or HR in Touch**

Cobra On-Going Method of Enrollment eExchange/Datawise	Cobra Vendor Other	External Cobra Vendor Triad - CharterCare
---	-----------------------	--

**Books/Cards**

Is BCBS creating Benefit Booklets?  
Yes

Send drafts to the Marketing Rep Yes	Print benefit books No
Combine similar plans into one book? Yes	
Send benefit booklets electronically in PDF	Other (Send Benefit Booklets)
Send Books To Marketing Rep	Number of Books to Print
Number of Books to Rep	

Book Type Custom	Book Cover Type Custom
---------------------	---------------------------

Book cover information  
CharterCare

**Books/Cards**

HRA book addendum printing information

Send Initial Cards To Member's Home	After Set-up Send Cards To Member's Home
ID Card Type Custom	ID Card Ordering Option
Mail Code	Combine health and dental into one book? No

**Benefit Booklets (NA Only)**

Should group name appear on cover Yes	Name as it should appear on cover CharterCare
--	--

**Coverage Matching**

If dental coverage, do dental and med cov have to match No	
Is medical and dental mandatory No	
If vision cov, do med and vision have to match No	Is medical and vision mandatory No
Subscribers option to choose Health Only? Yes	Subscribers option to choose Dental only? No

**Leave of Absence Policy**

Duration of Leave 90	Day(s)
Other Leave of Absence Information FMLA	

**Coordination of Benefits**

With other group coverage: Maintenance (up to our allowed limit)	With Medicare: COB (up to Medicare allowed, total covered charges on non assigned)
Process claims using the: Birthday Rule	Other Coordinating Benefits
Coordination of Benefits Threshold amount	Other Amount \$250.00
Medicare Piggyback? No	
Coordination of Benefits Method Pay and Chase (INN Only)	Post audit Enhanced Recoveries (Rawlings) Yes

**If claim pays secondary, should coinsurance & deductible amounts accumulate towards Out of Pocket?**

Yes

**Subrogation - ASO Only**

---

Subrogation / Reimbursement	Subrogation Method	Group Litigation Subrogation (Rawlings)
Yes	Pay & Chase	No
Questionnaire Generated at Charge Amount:	Questionnaire Generated Other (Enter)	
\$1000		

**Retroactive Termination Claim Recoveries**

---

Retro Term Recoveries  
Yes

**BCC**

---

**\$webresource:hsl/\_jscript/7.0/library.js,bcbs\_/bcbs\_bccfee/GCBCCFeeGrid.js:gridCfg**



**Plan: Administrative Billing Only**

**General**

Name  
 Administrative Billing Only

Group CharterCare	Group Configuration 60541   4/1/2018   Active   Nation   CharterCare	Select the Group Type Grandfather	Add Additional Tier to B&C Report
----------------------	---	--------------------------------------	-----------------------------------

**Employee Classification**

EE Classification Hrs per Week	EE Classification Weeks per Year	If other (NA only):
--------------------------------	----------------------------------	---------------------

**Dependent Coverage**

Dependent Child is covered to age (Standard is age 26)	Dependent Coverage is in effect until	Dependent Coverage Other:
--	---------------------------------------	---------------------------

**Contract Covers**

Is Applicable? No	Board Members? No	Appointed/Elected Officials No	Other
Major Stockholders? No	Retirees? No		
Actives? No	COBRA? No	Grandfathered Employees? No	

**Blue Card Details**

Blue Card National ADMIN Fees Pass Through to:	Traveler's (OOA) Admin Fees Pass Through to	Blue Card National ACCESS Fees Pass Through to:	Traveler's (OOA) Access Fees Pass Through to
--	---	---	--

ITS Cust Arr (neg fees b/t Control & Par licensees) or Cust Network Arr (eg Prec Blue or AltNet) ?  
 No

**Cancellation Details**

Cancel Subscribers on  
 End of Month

Anything other than 1st and 15th? No	Specific cancellation arrangement	Add one day to term date? No
---	-----------------------------------	---------------------------------

**Timely Filing Information**

Timely Filing? No	Timely Filing (Number of Months)
----------------------	----------------------------------

**Plan: Limited PPO Plan**

**General**

Name Limited PPO Plan			
Group CharterCare	Group Configuration 60541   4/1/2018   Active   Nation   CharterCare	Select the Group Type Non-Grandfather	Add Additional Tier to B&C Report

**Employee Classification**

EE Classification Hrs per Week 20	EE Classification Weeks per Year	If other (NA only):
--------------------------------------	----------------------------------	---------------------

**Dependent Coverage**

Dependent Child is covered to age (Standard is age 26) 26	Dependent Coverage is in effect until End of the month	Dependent Coverage Other:
--	---	---------------------------

**Contract Covers**

Is Applicable? Yes	Board Members? No	Appointed/Elected Officials No	Other
Major Stockholders? No	Retirees? No		
Actives? Yes	COBRA? Yes	Grandfathered Employees? No	

**Blue Card Details**

Blue Card National ADMIN Fees Pass Through to: Group	Traveler's (OOA) Admin Fees Pass Through to Group	Blue Card National ACCESS Fees Pass Through to: Group	Traveler's (OOA) Access Fees Pass Through to Group
ITS Cust Arr (neg fees b/t Control & Par licensees) or Cust Network Arr (eg Prec Blue or AltNet) ? Yes		if yes, which Program Code applies? Program Code A	

**Cancellation Details**

Cancel Subscribers on End of Month			
Anything other than 1st and 15th? No	Specific cancellation arrangement	Add one day to term date? Yes (will ensure member is covered through the end of the term date or cancellation arrangement)	

**Timely Filing Information**

Timely Filing? Yes	Timely Filing (Number of Months) 12
-----------------------	--

---

## Medical Benefit: Med | 60541 | 4/1/2018 | Active | Nation | Ch [ National Alliance ASO | National Alliance ]

---

### General

---

#### Group Name: CharterCare| 71-60541

---

Group Configuration	Short Name (Product Name)	Products	Select the Group Type
60541   4/1/2018   Active   Nation   CharterCare	Limited PPO Plan	3 Tier PPO	Non-Grandfather

Medical Benefit Type 3 Tier EPO	Owner Stephanie Musto (N10)
------------------------------------	--------------------------------

Tier 1 Name:  
CharterCare Network

Does this plan have an associated Health Saving Account (HSA)?  
No

Custom Network?  
Yes

## Custom Network: CT | Charter Care

---

### General

---

Network Code

CT

Is Cashless?

Yes

Cashless Pricing

Host Plan

Code Applies to Tier?

1

Eligibility Network Name Voiced/Displayed

Charter Care

Medical Benefit

Med | 60541 | 4/1/2018 | Active | Nation | Ch [ National Alliance ASO | National Alliance ] - 4/1/2018

## Custom Network: CU | Charter Care

---

### General

---

Network Code

CU

Is Cashless?

No

Code Applies to Tier?

1

Eligibility Network Name Voiced/Displayed

Charter Care

Medical Benefit

Med | 60541 | 4/1/2018 | Active | Nation | Ch [ National Alliance ASO | National Alliance ] - 4/1/2018

**Summary**

**Benefit Period/Year Processing**

Benefit Period runs on a Calendar Year

Initial Benefit Period runs: (From) 1/1/2015	Initial Benefit Period runs: (Through) 12/31/2015	On-Going Benefit Period runs: (From) (MM/DD) 1/1	On-Going Benefit Period runs: (Through) (MM/DD) 12/31
--	---	--	---

**Contract Maximums**

Per Member Contract Maximum (Per Benefit Period):

**Deductibles**

Deductible Type

True Family Aggregate Deductible (Indicator 22 Embedded)

22 – Family Deductible (Type 22 Embedded): Individual amounts with any combination of family members accumulate towards the family amount. No one member will go over the individual amount.

**True Family Aggregate Deductible Amounts**

Per Member Tier 1 \$200.00	Per Member In Network \$1,550.00	Per Member Out of Network
Per Family Tier 1 \$600.00	Per Family In Network \$4,650.00	Per Family Out of Network

**Deductible Accumulations**

Is Deductible

Collective (BYD dollars apply to both PB and non-PB maximums even when dollar amounts differ) [Standard Option]

Does this group have Common Accident deductible

No

**Out of Pocket (OOP) Maximums**

Out-Of-Pocket Provisions

Yes

Out of Pocket Type

Individual and Family Combination Coinsurance (Indicator 24)

24 – Individual and Family Combination (Type 24): Individual amounts with any combination of family members accumulate towards the family amount. No one member will go over the individual amount.

**Maximum (Global) OOP Limits**

Per Member: Tier 1 \$2,500.00	Per Member: In Network \$4,750.00
Per Family: Tier 1 \$7,500.00	Per Family: In Network \$9,500.00

**Standard OOP Limits**

Per Member at Tier 1 provider	Per Member at In Network provider:	Per Member at Out of Network provider
Per Family at Tier 1 provider	Per Family at In Network provider:	Per Family at Out of Network provider

**INN Contribution to Standard OOP**

Coinsurance  
No

Deductible  
No

**INN Contribution to Standard OOP**

Per Occurrence Co-payment No	Per Admission Co-payment No
---------------------------------	--------------------------------

**OON Contribution to Standard OOP**

Coinsurance Yes	Deductible Yes
Per Occurrence Co-payment Yes	Per Admission Co-payment Yes

**OOP Accumulations**

OOP Accumulations  
Collective (OOP dollars apply to both PB and non-PB maximums even when dollar amounts differ) [Standard Option]

**Carry overs**

3-month year-end carry over? No	Carry over from prior Carrier? No
------------------------------------	--------------------------------------

**Pricing**

**Facility charges will be based off of:**

Tier 1 Blue Card Pricing for Tiers 1 AND 2	In-Network Per Agreement	Out of Network Host Plan Pricing (Fac & Prof must match)
---	-----------------------------	---

**Professional charges will be based off of:**

Tier 1 Blue Card Pricing for Tiers 1 AND 2	In-Network Allowed Amount	Out of Network Host Plan Pricing (Fac & Prof must match)
---	------------------------------	---

**OON ER Professional charges will be based off of:**

Tier 1 Blue Card Pricing for Tiers 1 AND 2	In-Network Per Agreement	Out of Network Host Plan Pricing (Fac & Prof must match)
---	-----------------------------	---

**Par Network Providers**

PAR Network -- Payment to Provider

**Accident Benefits**

Accident Benefits  
Accident pays as all other services. (Standard Option)

## Dental / Drug / Vision Benefits

### Dental Benefits

**Does this group have Freestanding Dental Services?**

Yes If "Yes", under:  
Dental Carrier Listed Below:

Dental Carrier  
 delta dental RI - CharterCare

**Are dental anesthesia and outpatient facility charges related to dental covered under medical?**

Yes Are there any limitations (i.e. age, medical condition)?  
Yes

Detail the limitations:  
 Only covered when services are due to accidental injury to sound natural teeth.

**If covered under "BCBS Medical" pay at services at**

Tier 1	In Network	Out of Network
CoINS - 100% NOBYD	CoINS - 80% +BYD	Not Covered

**Are services for Impacted teeth covered?**

Services for Impacted Teeth Covered  
 No

**If covered under "BCBS Medical" pay at**

Tier 1	In-Network	Out of Network
--------	------------	----------------

**NOTE: If Pay Based on POS Filed is not indicated above, then all POS will pay at indicated level including DRs office services.**

**Are all services for treatment of TMJ covered?**

All services for TMJ Covered?  
 Yes Med Dental TMJ: Monetary Lifetime Max

Monetary Benefit Period Maximum

Detail limitations of procedures below:

**Pay ALL services for TMJ at**

Tier 1	In-Network	Out of Network
CoINS - 100% +BYD	CoINS - 80% +BYD	Not Covered

**NOTE: If Pay Based on POS Filed is not indicated above, then all POS will pay at indicated level including DRs office services**

**Are orthognathic surgeries covered?**

Orthognathic surgeries covered?  
 Yes

Coverage includes:  
 Cover if the disorders are attributed to the malposition of the bones and muscles regardless of the symptoms including dental related orthognathic conditions

NOTES:  
 Orthognathic: If Yes, services will be paid based on diagnosis, procedure and place of service filed. Services will be sent to Medical Review to determine coverage.

TMJ: To capture TMJ benefits, claims must be filed with appropriate procedure codes and diagnosis codes related to TMJ only. This logic is applied to both facility and professional charges.

Accidental Dental: Dental Services related to an accident are paid under MEDICAL.

Oral Surgeries: Oral Surgery related to the MOUTH is covered under MEDICAL. Oral surgery related to the TEETH should be covered under the DENTAL contract.



**Drug Benefits**

Drugs are covered under Vendor other than Caremark

Drug Carrier Express Scripts

Does this group have Integrated drug  
No

Do Caremark benefits feed medical contract maximum?  
No

Does this group have Blue RX?  
No

Are contraceptives covered under med when provided/admin in a Drs office?  
Yes

Are birth control devices covered under med when provided/admin in a Drs office?  
Yes

Block certain Self-Administered Drugs under Medical?  
No

**Require members to access certain infused medications in the lowest cost, clinically appropriate setting (Site of Care steerage)?**

NO

Are diabetic supplies covered under med?  
No

**Routine Vision Benefits**

Routine Vision covered BCBS Medical and Vendor other than BCBS	Vision Carrier VSP - CharterCare
---	-------------------------------------

**If "under BCBS Medical", are refraction services covered?**

No	Apply Pricing: In Network	Apply Pricing: Out of Network
----	---------------------------	-------------------------------

**Vision Options**

Choice Two - Please indicate payment/coverage for the vision categories below:

Exam: PCP: Tier 1 \$30 Copay / 100%	Exam: Spec : Tier 1 \$35 Copay / 100%
Vision Srv: PCP: Tier 1 Not Covered	Vision Srv: Spec: Tier 1 Not Covered
Vision Hrd:PCP: Tier 1 Not Covered	Vision Hrd: Spec: Tier 1 Not Covered

Aids Misc: PCP: Tier 1  
Not Covered

Aids Misc: Spec: Tier 1  
Not Covered

Exam: PCP: In Network  
CoINS - 80% +BYD

Exam: Spec: In Network  
CoINS - 80% +BYD

Exam: Out of Network  
Not Covered

Vision Srv: PCP: In Network  
Not Covered

Vision Srv: Spec: In Network  
Not Covered

Vision Srv: Out of Network  
Not Covered

Vision Hrd:PCP: In Network  
Not Covered

Vision Hrd:Spec: In Network  
Not Covered

Vision Hrd: Out of Network  
Not Covered

Aids Misc: PCP: In Network  
Not Covered

Aids Misc: Spec: In Network  
Not Covered

Aids Misc:Out of Network  
Not Covered

Vision categories subject to a benefit period maximum per service?  
No

**Therapy: Therapy | Med | 60541 | 1/1/2018 | Active | Nation [ National Alliance ASO | National Alliance ]****Therapy****Group Name: CharterCare| 71-60541 | Limited PPO Plan****Chiropractic**

Are chiropractic services covered?

No

**Outpatient Rehabilitation Benefits**

Is outpatient physical/occupational therapy covered?

Yes

Is outpatient physical/occupational therapy subject to any maximum?

Yes

If 'Yes', benefit period maximum is: (combined INN and OON)

60

Are maximums for physical / occupational and speech therapy combined?

Yes

If 'Yes', Is maximum combined for Facility and Professional charges?

Yes

**Pay outpatient facility services for physical / occupational therapy (Tier 1)**

PCP: Tier 1

\$35 Copay / 100%

Spec: Tier 1

\$35 Copay / 100%

**Pay outpatient facility services for physical / occupational therapy**

PCP: In Network

CoINS - 80% +BYD

Spec: In Network

CoINS - 80% +BYD

Out of Network

Not Covered

**Pay outpatient professional services for physical / occupational therapy performed in a fac (Tier 1)**

PCP: Tier 1

\$35 Copay / 100%

Spec: Tier 1

\$35 Copay / 100%

**Pay outpatient professional services for physical / occupational therapy performed in a fac**

PCP: In Network

CoINS - 80% +BYD

Spec: In Network

CoINS - 80% +BYD

Out of Network

Not Covered

**Pay outpatient pro services for physical / occupational therapy performed in a doctors off (Tier 1)**

PCP: Tier 1

\$35 Copay / 100%

Spec: Tier 1

\$35 Copay / 100%

**Pay outpatient pro services for physical / occupational therapy performed in a doctors off**

PCP: In Network

CoINS - 80% +BYD

Spec: In Network

CoINS - 80% +BYD

Out of Network

Not Covered

**NOTE:Services for physical/occupational therapy are not subject to any pre-authorization requirement****Speech Therapy**

Is outpatient speech therapy covered?

Yes

Is outpatient speech therapy subject to any maximum?

Yes

If 'Yes', benefit period maximums is: (combined INN and OON)

60 (combined with PT and OT)

**Speech Therapy**

---

If 'Yes', Is maximum combined for Facility and Professional charges?

Yes

**Pay outpatient facility services for speech therapy**

PCP: Tier 1  
\$35 Copay / 100%

PCP: In Network  
CoINS - 80% +BYD

Out of Network  
Not Covered

Spec: Tier 1  
\$35 Copay / 100%

Spec: In Network  
CoINS - 80% +BYD

**Pay outpatient professional speech therapy services performed in a facility (Tier1)**

PCP: Tier 1  
\$35 Copay / 100%

Spec: Tier 1  
\$35 Copay / 100%

**Pay outpatient professional speech therapy services performed in a facility**

PCP: In Network  
CoINS - 80% +BYD

Spec: In Network  
CoINS - 80% +BYD

Out of Network  
Not Covered

**Pay outpatient professional speech therapy services performed in a doctors office (T1)**

PCP: Tier 1  
\$35 Copay / 100%

Spec: Tier 1  
\$35 Copay / 100%

**Pay outpatient pro speech therapy services performed in a doctors office**

PCP: In Network  
CoINS - 80% +BYD

Spec: In Network  
CoINS - 80% +BYD

Out of Network  
Not Covered

**NOTE: Services for speech therapy are not subject to any pre-authorization requirements.**

**Acupuncture Benefits**

---

Are Acupuncture services covered?

No

**Inpatient / Outpatient**

---

**Inpatient/Outpatient: InpatOutput | Med | 60541 | 4/1/2018 | Active | Nation [ National Alliance ASO | National Alliance ]**

**Inpatient/Outpatient**

**Group Name: CharterCare| 71-60541 | Limited PPO Plan**

**Inpatient Services**

**Inpatient Skilled Nursing Facilities pay at**

Tier 1	In Network	Out of Network
CoINS - 100% +BYD	CoINS - 80% +BYD	Not Covered
Per Admission Copay is (Tier 1)	Per Admission Copay is:(In Network)	Per Admission Copay is: (Out of Network)

**Benefit Period Maximum:**

100 days

**Maximums: (Combined for In and Out-of-Network)**

**Inpatient Facilities pay at**

Tier 1	In Network	Out of Network
CoINS - 100% +BYD	CoINS - 80% +BYD	Not Covered
Per Admission Copay is (Tier1-Inpat Fac)	Per Admission Copay is:(In Network)	Per Admission Copay is: (Out of Network)

**Inpatient / SNF Professional pay at**

Tier 1	In Network	Out of Network
CoINS - 100% +BYD	CoINS - 80% +BYD	Not Covered

**NOTE: For IP Facility Pre-Authorization requirements, see Pre-Authorization Section of checklist.**

**Inpatient rehabilitation is covered with no limitations.**

**Maternity Care**

**Female Employee / Spouse is covered**

Are dependents (non-spouse) maternity covered?

Yes

Are elective abortions covered?

Yes

Are non-elective abortions covered?

Yes

**NOTE: When abortions and maternity are covered, services will be paid based on place of srvs filed.**

**Newborn Benefits**

**Pay Newborn care (physician's charges for the initial pediatric exam in the hospital) at**

Tier 1	In Network	Out of Network
CoINS - 100% +BYD	CoINS - 80% +BYD	Not Covered

Are Routine Nursery charges subject to the benefit year deductible?

No, deductible will apply to mother's claim only.

**Outpatient Services:**

**Emergency Room (ER - Facility Only) - True Emergency**

Tier 1	In Network	Out of Network
CoINS - 100% +BYD	CoINS - 80% +BYD	CoINS - 80% +BYD
Per Admission Copay is (Tier 1 - ER)	Per Admission Copay is: (In Network)	Per Admission Copay is: (Out of Network)

**Emergency Room (ER - Facility Only) - Non-Emergency**

Tier 1	In Network	Out of Network
CoINS - 100% +BYD	CoINS - 80% +BYD	CoINS - 80% +BYD
Per Admission Copay is (Tier 1 - ER, Non Emg)	Per Admission Copay is: (In Network)	Per Admission Copay is:(Out of Network)

**Copay will be waived if admitted. This applies whether the visit is for true or non-emergency.**

**NOTE: In-Network ER Physicians will be paid as outpatient medical. Out of Network ER physicians will be paid under REAP benefits unless otherwise specified.**

**REAP**

All services filed by REAP pro will pay at Refer to Non-Standard	Apply BYDs to match NA
Apply OOPs to match NA	Apply pricing to match Billed Charges

Notes: Reap Providers are Radiologists, Emergency Room Physicians, Anesthesiologists, Pathologists, and (Independent Laboratories unless otherwise specified). These providers most often refuse to join our networks but can still render services at our Network hospitals. These claims will be filed as Out-of-Network so the member can be balance billed for the remainder of the charges. The claim does not indicate these services were performed at a network or non-network hospital. As such, we are only able to capture this by the claim indicator for non-participating status and by the specific provider specialty type. Services for True Emergencies will pay as required under the Affordable Care Act (HCR) unless otherwise specified.

**ITS Processing for True Emergencies**

**If a claim is filed with a TRUE emergency diagnosis and the HOST Plan indicates NO network was available, should all services for that claims pay at INN level?**

Yes	If Yes, members claims will pay at In-Network levels. Apply pricing same as: Billed Charges
-----	--

**Outpatient Facilities pay at:**

Surgery: Tier 1 CoINS - 100% +BYD	Surgery: In Network CoINS - 80% +BYD	Surgery: Out of Network Not Covered
Maternity: Tier 1 CoINS - 100% +BYD	Maternity: In Network CoINS - 80% +BYD	Maternity: Out of Network Not Covered
Medical: Tier 1 CoINS - 100% +BYD	Medical: In Network CoINS - 80% +BYD	Medical: Out of Network Not Covered
Diagnostic Lab / X-Ray: Tier 1 CoINS - 100% +BYD	Diagnostic Lab / X-Ray: In Network CoINS - 80% +BYD	Diagnostic Lab / X-Ray: Out of Network Not Covered

**Outpatient Professionals pay:**

Surgery: Tier 1 CoINS - 100% +BYD	Surgery: In Network CoINS - 80% +BYD	Surgery: Out of Network Not Covered
Maternity: Tier 1 CoINS - 100% +BYD	Maternity: In Network CoINS - 80% +BYD	Maternity: Out of Network Not Covered

**Outpatient Professionals pay:**

Medical: Tier 1 CoINS - 100% +BYD	Medical: In Network CoINS - 80% +BYD	Medical: Out of Network Not Covered
Diagnostic Lab / X-Ray: Tier 1 CoINS - 100% +BYD	Diagnostic Lab / X-Ray: In Network CoINS - 80% +BYD	Diagnostic Lab / X-Ray: Out of Network Not Covered
Independent Lab / X-Ray: Tier 1 CoINS - 100% +BYD	Independent Lab / X-Ray: In Network CoINS - 100% +BYD	Independent Lab / X-Ray: Out of Network Not Covered

**Out of Network diagnostic lab, x-ray and independent lab services may pay under OPD or REAP depending on their network status and provider specialty filed.**

**NOTE: Clinical Pathology will be paid as all other OPD professional charges.**

**Testing prior to an admission to an Inpat Fac (Pre-Admission testing) will pay as all other OPD**

**Pre-Authorization Requirements**

Is pre-authorization required for Inpatient facilities?

Yes

Tier 1 Penalty

Denial of Room and Board

In Network Penalty

Denial of Room and Board

Out of Network Penalty

Denial of Room and Board

Is pre-authorization required for Outpatient facilities?

Yes

If 'Yes', what is the penalty for not obtaining Outpatient Facility pre-authorization?

NA

Are the prior carrier's, if applicable, authorized services to be grandfathered as Approved?

Yes

NOTE: a) Depending on the contractual agreements the BCBS plan has with its local providers in the state where services are rendered, members may be responsible for all charges where pre-authorization is not obtained at an In-network, Inpatient facility. (b) Pre-Admission Review will be required beginning at the Group's Effective Date. No grace period allowed.

If Yes, the recommended procedures to be pre-authorized at an Outpatient facility are:Septoplasty (surgery to straighten the nasal septum), Surgical Procedures that may potentially be cosmetic (such as: Blepharoplasty, Reduction Mammoplasty), Hysterectomy

NOTE: Professional charges for Inpatient and Outpatient are not subject to Pre-Authorization requirements. Experimental/Investigation services are not covered. Potentially experimental/investigation procedures are sent to medical review to determine coverage. Chemotherapy and Radiology therapy require a one time notification; no penalty will be applied if notification is not received.

**The Following Outpatient Procedures Require Pre-authorization (ASO)**

All cosmetic surgery procedures

Yes

Chemo or Radiation Therapy (one-time notification)

Yes

Hysterectomy

Yes

Investigational procedures

Yes

Sclerotherapy (treatment of varicose veins)

Yes

Septoplasty (surgery to straighten the nasal septum)

Yes



## **Mental Health**

---

**Mental Health: Mental Health | Med | 60541 | 1/1/2018 | Active | Nation [ National Alliance ASO | National Alliance ]**

**Mental Health**

**Group Name: CharterCare| 71-60541 | CharterCare**

**Mental Health and Substance Use (MH/SU) Benefits**

MH/SU benefits covered?  
Under BCBS Medical

**Does Companion Benefit Alternative (CBA) manage Pre-Authorization requirement?**

Yes

**Basic MH/SU - Pre-Authorization required for Inpatient Services?**

Yes

If Yes - see Inpatient Services in Pre-Authorization Section for applicable penalties.

**Pre-Authorization required for Outpatient Services?**

Yes

If Yes - see Outpatient Services in Pre-Authorization Section for applicable penalties.

**Pre-authorization required for office visits?**

No

If Yes - see Outpatient Services in Pre-Authorization Section for applicable penalties.

**Stand Alone EAP**

Does this group have a Stand Alone EAP

Yes

Stand Alone EAP Vendor

Unum Life Balance - CharterCare

NOTES: CBA is the BCBS subsidiary dedicated to managing Mental Health and Substance Use MH/SU benefits. Medication Management services performed in a Primary Care Physicians office do not require precertification. These services will be paid as all other medical services.

**Applied Behavioral Analysis (ABA) therapy?**

Yes

Load ABA benefit according to South Carolina's mandate (Ryan's Law)?

No

Min Diagnosis Age

Max Diagnosis Age

Min Benefit Age

Max Benefit Age

**In addition to Autism, Asperger's and Pervasive Development Disorder (PDD), what diagnoses are included?**

Rett's Disorder

No

Childhood Disintegrative Disorder

No

Other Diagnoses Included

No

NOTES: Preauthorization is required for ABA therapy. Groups must purchase CBA's case management services when adding coverage for ABA therapy. If case management is not purchased for the entire population, the account will default to the Autism Management case rate. ABA therapy for Autism, if purchased, will apply to OOP maximums and will pay at 100% once the OOP maximums are met. Precertification penalty is denial of benefits. Mental Health and Substance Use (MH/SU) services will apply to OOP maximums. These services will pay at 100% once the OOP maximums are met.

**MH / SU Benefits**

**Inpatient MH/SU Facilities pay at**

Tier 1	In Network	Out of Network
CoINS - 100% +BYD	CoINS - 80% +BYD	Not Covered
Per Admission Copay is (Tier 1 - MHSU Fac)	Per Admission Copay is: (In Network)	Per Admission Copay is: (Out of Network)

**Inpatient MH/SU Professionals pay at**

Tier 1	In Network	Out of Network
CoINS - 100% +BYD	CoINS - 80% +BYD	Not Covered

**Outpatient MH/SU Facilities pay at**

Tier 1	In Network	Out of Network
CoINS - 100% +BYD	CoINS - 80% +BYD	Not Covered

**Includes partial HOSP/INTENSIVE OUTPAT services in hospital or outpatient setting**

**Outpatient MH/SU Professional pay at**

Tier 1	In Network	Out of Network
\$30 Copay / 100%	CoINS - 80% +BYD	Not Covered

**Outpatient MH/SU ER Facilities pay at**

Tier 1	In Network	Out of Network
CoINS - 100% +BYD	CoINS - 80% +BYD	CoINS - 80% +BYD
Tier 1 Copay Is	In Network Copay Is	Out of Network Copay Is

**Outpatient MH/SU ER Professional pay at**

Tier 1	In Network	Out of Network
CoINS - 100% +BYD	CoINS - 80% +BYD	CoINS - 80% +BYD

**Office MH/SU professional pay at (Tier 1)**

PCP: Tier 1	Spec: Tier 1
\$30 Copay / 100%	\$30 Copay / 100%

**Office MH/SU professional pay at:**

PCP: In Network	Spec: In Network	Out of Network
CoINS - 80% +BYD	CoINS - 80% +BYD	Not Covered

Has this group added coverage for Residential Treatment Centers (RTCs)?	Is preauth required?
Yes	Yes

**Office Physician Services**

---

**Office Physician Service: OfcPhySvc | Med | 60541 | 1/1/2018 | Active | Nation [ National Alliance ASO | National Alliance ]**

**Office Physician Services**

**Group Name: CharterCare| 71-60541 | CharterCare**

**Office Physician Services**

Physicians Office Services Options

Two - ALL office services including Allergy Injections, Dialysis, Labs/X-Rays, Surgery and Second Surgical Opinions

**Indicate the payment for your Choice below (Tier 1)**

PCP: Tier 1

\$30 Copay / 100%

Spec: Tier 1

\$35 Copay / 100%

**Indicate the payment for your Choice below:**

PCP: In Network

CoINS - 80% +BYD

Spec: In Network

CoINS - 80% +BYD

Out of Network

Not Covered

**Definition: PCPs are: Family and General Practitioners, Pediatricians, Internists, OB-Gyns, and Mixed Specialties. This only applies when office visit copays vary between a PCP provider and a Specialist provider.**

**Who should be considered a PCP?**

Should Nurse Practitioner be considered PCP?

Yes

Should Physician Assistants be considered a PCP

Yes

**Preventive Care: Prev Care | Med | 60541 | 1/1/2018 | Active | Nation [ National Alliance ASO | National Alliance ]**

**Preventive Care**

**Group Name: CharterCare| 71-60541 | Limited PPO Plan**

**Preventive Care Package (See HCR Guidelines)**

Contraceptive Opt Out  
No

**Sustained Health Benefit (Sustained Health Benefits are covered above PPACA benefits)**

Preventive Care Package  
Yes

Mammography Network Provider  
No

**Please indicate payment for each preventive care services listed below:**

**Mammograms (Tier 1)**

PCP: Tier 1	Spec: Tier 1
CoINS - 100% NOBYD	CoINS - 100% NOBYD

**Mammograms: - Allow one annually for female patients beginning at age 40 and above**

PCP: In Network	Spec: In Network	Out of Network
CoINS - 100% NOBYD	CoINS - 100% NOBYD	Not Covered

**Paps (Tier 1)**

PCP: Tier 1	Spec: Tier 1
CoINS - 100% NOBYD	CoINS - 100% NOBYD

**Paps: - (One per benefit period)**

PCP: In Network	Spec: In Network	Out of Network
CoINS - 100% NOBYD	CoINS - 100% NOBYD	Not Covered

**Prostate Screening (PSAs) (Tier 1)**

PCP: Tier 1	Spec: Tier 1
CoINS - 100% NOBYD	CoINS - 100% NOBYD

**Prostate Screening: (PSAs) - (One per benefit period)**

PCP: In Network	Spec: In Network	Out of Network
CoINS - 100% NOBYD	CoINS - 100% NOBYD	Not Covered

**NOTE: The services above are for labwork and the interpretation of that labwork. It is recommended that these be paid at 100% when copay is defined on Routine Physical benefit below.**

**Well Baby / Well Child (Tier 1)**

PCP: Tier 1	Spec: Tier 1
CoINS - 100% NOBYD	CoINS - 100% NOBYD

**Well Baby / Well Child:**

PCP: In Network	Spec: In Network	Out of Network
CoINS - 100% NOBYD	CoINS - 100% NOBYD	Not Covered
Well Baby / Well child (Age Limit)	Well Baby / Well child (Covered to Age) Enter	

**Routine Physical Exams (Tier 1)**

PCP: Tier 1	Spec: Tier 1
CoINS - 100% NOBYD	CoINS - 100% NOBYD

**Routine Physical Exams:**

PCP: In Network	Spec: In Network	Out of Network
CoINS - 100% NOBYD	CoINS - 100% NOBYD	Not Covered
Routine Phy (Age Limit)	Routine Phy (Covered Beginning Age) Enter	Routine Phy (Limited to X per benefit period)

**NOTE: If no age or monetary limits apply to Routine Physical exams, benefit will be limited to one annually.**

**Immunizations (Tier 1)**

PCP: Tier 1	Spec: Tier 1
CoINS - 100% NOBYD	CoINS - 100% NOBYD

**Immunizations:**

PCP: In Network	Spec: In Network	Out of Network
CoINS - 100% NOBYD	CoINS - 100% NOBYD	Not Covered
Immunizations (Age Limit)	Immunizations (Covered to Age) Enter	

**Flu Shots (Include Flu Mist) (Tier 1)**

PCP: Tier 1	Spec: Tier 1
CoINS - 100% NOBYD	CoINS - 100% NOBYD

**Flu Shots (Include Flu Mist)**

PCP: In Network	Spec: In Network	Out of Network
CoINS - 100% NOBYD	CoINS - 100% NOBYD	Not Covered
Prev Care: Flu Shots (Age Limit)	Flu Shots (Covered to Age) Enter	

**Routine Colonoscopies (Tier 1)**

PCP: Tier 1	Spec: Tier 1
CoINS - 100% NOBYD	CoINS - 100% NOBYD

**Routine Colonoscopies:**

PCP: In Network	Spec: In Network	Out of Network
CoINS - 100% NOBYD	CoINS - 100% NOBYD	Not Covered

**Routine Bone Density Screenings (Tier 1)**

PCP: Tier 1	Spec: Tier 1
CoINS - 100% NOBYD	CoINS - 100% NOBYD

**Routine Bone Density Screenings:**

PCP: In Network	Spec: In Network	Out of Network
CoINS - 100% NOBYD	CoINS - 100% NOBYD	Not Covered

**Monetary Maximum per benefit period apply to Sustained Health Benefits as follows:**

Monetary Maximum per benefit period

Mammography(diagnostics/interpretation)  
No

PAPS (labwork / interpretation)  
No

PSAs (labwork / interpretation)  
No

Well Baby / Well Child  
No

Routine Bone Density Screening  
No

Adult Routine Physical (associated diagnostics ot  
No

Well Woman Exams (associate diagnostics other than  
No

Immunizations  
No

Flu Shots/including Flu Mist  
No

Routine Colonoscopy  
No



**Other Services**

---

**Other Service: Other Svc | Med | 60541 | 1/1/2018 | Active | Nation [ National Alliance ASO | National Alliance ]**

**Other Service**

**Group Name: CharterCare| 71-60541 | Limited PPO Plan**

**DME / Prosthetic Devices / Orthotics Benefits**

Is Pre-Authorization Required for DME/Prosthetic Devices/Orthotics? Enter Amt  
 Yes, purchases of (Enter Amount) 500

**DME Std Limitation is Pre-Auth required for rental or replacement of over \$500**

**Pay DME / Prosthetic Device / Orthotics at**

Tier 1	In Network	Out of Network (Std Non-GF limit is OON DME is not a covered benefit)
CoINS - 100% +BYD	CoINS - 80% +BYD	Not Covered

If In and Out-of-Network pay the same, OON BYDs and OOPs will match  
 NA

**NOTE: If Pay Based on POS Filed is not indicated above, then all POS will pay at indicated level including DRs office services.**

**Professional Ambulance (non-hospital based) Benefit**

**Pay Ambulance at**

Tier 1	In Network	Out of Network
Refer to Non-Standard	CoINS - 90% +BYD	CoINS - 90% +BYD

If In and Out-of-Network pay the same, OON (Amb) For OON professionals, apply pricing to match:  
 In Network Billed Charges

**Home Healthcare Benefit**

Is Home Healthcare subject to any maximum?	Maximum Visits
Yes	100
Maximum applies per	Maximum Days

**Pay Home Healthcare at**

Tier 1	In Network	Out of Network
\$30 Copay / 100%	CoINS - 80% +BYD	Not Covered

**NOTE: Home Healthcare services require Pre-Authorization and all charges will be denied if authorization is not obtained. Approved Home Healthcare treatment plans may include Private Duty Nursing.**

**Hospice Benefits**

Is Hospice subject to any maximum?  
 No

**Pay Hospice at**

Tier 1	In Network	Out of Network
CoINS - 100% +BYD	CoINS - 80% +BYD	Not Covered

**NOTE: For In-Network, Inpatient facilities, see pre-authorization section. For In-Network (Outpat) & Out of Network (Inpatient and Outpatient) facilities, the penalty will be denial of all charges.**

**Human Organ Transplant Benefits**

Do the IP Facility benefit copays apply (when applicable)?

Yes

**Pay Human Organ at**

Tier 1	In Network	Out of Network
CoINS - 100% +BYD	CoINS - 80% +BYD	Not Covered

**Non-Grandfathered Std is: Services must be obtained through a Blue Centers of Distinction (BDCT) designated transplant center or if not available, a Blue Card facility only**

**Covered transplants are limited to the following:**

Bone Marrow Stem Cell | Cornea | Heart | Heart Lung Single | Heart Lung Double | Kidney Single | Kidney Double | Liver | Liver Segmental | Lung Segmental | Lung Single | Lung Double | Pancreas | Pancreas Kidney

**NOTE: HOT IP Facility preauthorization requirements follow the same requirements as all other IP Facility admissions, unless otherwise stated in the Preauthorization Requirements section or the non-standards tab.**

**Travel and Lodging**

Is Travel and Lodging for Recipient/Family covered?

No

Is Travel and Lodging for Donor/Family covered?

No

Is Travel and Lodging maximum Combined for Recipient and Donor?

No

**NOTE: For National Alliance accounts, Travel and Lodging benefits will always be subject**

**to In-Network payment levels paid at billed charges.**

**Infertility Benefits**

Are Infertility services covered?

Yes

Are Infertility services subject to max?

Yes

If 'Yes', benefit period maximum is: (Infertility)

Physician visits for testing and diagnosis only. No coverage for treatment or assisted fertilization

**Pay Infertility at**

Tier 1	In Network	Out of Network
Refer to Non-Standard	Refer to Non-Standard	Not Covered

**Obesity Benefits**

Are obesity services covered?

Yes

If 'Yes', benefit period maximum is: (Obesity)

Are Morbid Obesity services covered?

Yes

Are surgical procedures for the treatment of Morbid obesity covered?

Yes

If 'Yes', benefit period maximum is: (Morbid)

**For covered services indicate above as 'yes', pay at:**

Tier 1	In Network	Out of Network
Refer to Non-Standard	Refer to Non-Standard	Not Covered

**Diabetic Education**

---

**Services for diabetic education ARE covered and will be paid based on place of service filed.**

**Non-standard Benefit: Ambulance**

**General**

**General**

**Non-standard Benefit Definition**

Name: Ambulance  
 Owner: Morgan Myers

Effective Date: 1/1/2016

Benefit Definition: Tier 1 ambulance will pay at \$100 copay then 100% after deductible is met.

Non-emergency transports are covered when it is from one facility to another facility.

Relates to coverage: Ambulance

Does this benefit pay according to the related benefit section? No

**Pre-Approval**

Is Pre-Authorization Required?	Require over \$	Penalty
No		

**Maximums**

Tier 1 (Dollar Limit)	Event or Item Limit	Apply maximum per
In Network (Dollar Limit)	Event or Item Limit	Apply maximum per
Out of Network (Dollar Limit)	Event or Item Limit	Apply maximum per

Are maximums combined in and out of network? No

**Payment Level**

Tier 1	In Network	Out of Network
--------	------------	----------------

**Out of Pocket Maximums**

**Should benefits contribute to the Out of Pocket Maximum?**

Tier 1	In Network	Out of Network
Yes	Yes	Yes

**Should benefits flip to 100% once OOP max is met?**

Tier 1	In Network	Out of Network
Yes	Yes	Yes

---

## Non-standard Benefit: Annual Foot and Eye Exam for Diabetic Members

---

### General

---

### General

---

### Non-standard Benefit Definition

---

Name	Owner
Annual Foot and Eye Exam for Diabetic Members	Caroline Jones (81)

Effective Date  
1/1/2016

Benefit Definition  
Covered at 100%NOBYD tier 1, 80% BYD tier 2.

Relates to coverage  
Other

Does this benefit pay according to the related benefit section?  
Yes

### Include / Exclude

---

Include

Exclude

---

## Non-standard Benefit: Chemotherapy and Radiation Therapy

---

### General

---

### General

---

### Non-standard Benefit Definition

---

Name	Owner
Chemotherapy and Radiation Therapy	Caroline Jones (81)

Effective Date  
1/1/2017

Benefit Definition  
Payable per outpatient section even if coded as office visit. Office visit copay should not apply.

Relates to coverage  
OTHER:

Does this benefit pay according to the related benefit section?  
Yes

### Include / Exclude

---

Include

Exclude

## Non-standard Benefit: CUSTOMER SERVICE

### General

### General

### Non-standard Benefit Definition

Name	Owner
CUSTOMER SERVICE - SIGN LANGUAGE INTERPRETER	Caroline Jones (81)

Effective Date  
1/1/2016

Benefit Definition  
If a member or provider requests a sign language interpreter, email the request to InterpreterRequest@bcbsri.org. Please ensure the email request includes the information below. Refer to the Customer Service desk procedure for additional information.

Email Request must include:

- 1.) Member Name
- 2.) Subscriber ID
- 3.) Contact Number
- 4.) Provider's full name
- 5.) Provider's telephone # (w/extension if applicable)
- 6.) Complete address including floor and suite number (if applicable)
- 7.) Date interpreter is required
- 8.) Time interpreter is required
- 9.) Type of language - Sign
- 10.) Special Request – i.e. a particular interpreter or/ male or female

The Commission for the Deaf and Hard of Hearing request at least a 3 week notice when requesting an interpreter. There is a shortage of Interpreters so the request may not be filled even with a 3 week notice. If a member or provider office doesn't give at least 3 weeks' notice, please advise the member that the request may not be filled.

Relates to coverage  
OTHER:

Does this benefit pay according to the related benefit section?  
Yes

### Include / Exclude

Include

Exclude



---

## Non-standard Benefit: Dependent (non-spouse) Maternity

---

### General

---

#### General

---

#### Non-standard Benefit Definition

---

Name	Owner
Dependent (non-spouse) Maternity	Caroline Jones (81)

Effective Date  
1/1/2015

Benefit Definition  
Non-Union plans will cover pre-natal services and delivery.

Union plan will cover all pre-natal services, delivery, and will cover the dependent newborn (grandchild) for 31 days after birth.

Relates to coverage  
Maternity Benefits

Does this benefit pay according to the related benefit section?  
Yes

#### Include / Exclude

---

Include

Exclude

---

## Non-standard Benefit: Gender Dysphoria and Gender Reassignment Services

---

### General

---

### General

---

### Non-standard Benefit Definition

---

Name	Owner
Gender Dysphoria and Gender Reassignment Services	Caroline Jones (81)
Effective Date	
1/1/2017	
Benefit Definition	
Gender dysphoria counseling services are covered. Gender reassignment services (surgery) are covered.	
Relates to coverage	
OTHER:	
Does this benefit pay according to the related benefit section?	
Yes	

### Include / Exclude

---

Include

Exclude

---

## Non-standard Benefit: Hearing Aids

---

### General

---

### General

---

### Non-standard Benefit Definition

---

Name	Owner
Hearing Aids	Caroline Jones (81)

Effective Date  
1/1/2016

Benefit Definition  
Hearing aids are covered at applicable tier 1 benefit for tier 1 and INN. Not covered OON.  
Limited to \$1, 500 per individual hearing aid, per ear, per occurrence, for anyone under the age of 19, and for \$700 per individual hearing aid, per ear, per occurrence, for anyone of the age of nineteen 19 years and older.

Relates to coverage  
Other

Does this benefit pay according to the related benefit section?  
Yes

### Include / Exclude

---

Include

Exclude

---

## Non-standard Benefit: Infertility

---

### General

---

### General

---

### Non-standard Benefit Definition

---

Name	Owner
Infertility	Caroline Jones (81)

Effective Date  
1/1/2015

Benefit Definition  
Physician visits for testing and diagnosis only. No coverage for treatment or assisted fertilization. Payable at applicable copay per POS filed for tiers 1, and 2.

Relates to coverage  
Infertility Benefits

Does this benefit pay according to the related benefit section?  
Yes

### Include / Exclude

---

Include

Exclude

---

## Non-standard Benefit: MRI/MRA/PET/CT Scans

---

### General

---

#### General

---

#### Non-standard Benefit Definition

---

Name	Owner
MRI/MRA/PET/CT Scans	Caroline Jones (81)

Effective Date  
1/1/2015

Benefit Definition  
Tier 1- payable at 100% +BYD  
Tier 2 - payable at 80% after BYD  
Tier 3- not covered

PA is required - see NIA non-standard.

Relates to coverage  
Outpatient Benefits

Does this benefit pay according to the related benefit section?  
Yes

#### Include / Exclude

---

Include

Exclude

---

## Non-standard Benefit: NIA

---

### General

---

### General

---

### Non-standard Benefit Definition

---

Name	Owner
NIA	Caroline Jones (81)

Effective Date  
1/1/2015

Benefit Definition  
Outpatient pre-cert is required through NIA and the following are the procedures that require pre-cert:

CT Scans, MRI/MRA, PET Scans. Failure to obtain authorization results in full denial of charges for that imaging service.

Relates to coverage  
Pre-Authorization Requirements

Does this benefit pay according to the related benefit section?  
Yes

### Include / Exclude

---

Include

Exclude

## Non-standard Benefit: Obesity Services

### General

#### General

#### Non-standard Benefit Definition

Name  
Obesity Services

Owner  
Caroline Jones (81)

Effective Date  
1/1/2016

Benefit Definition  
Obesity Surgery:  
In order for services to be covered, Prior Authorization based on medical necessity is required as well as the following criteria. Services are payable per POS filed.

- Obesity surgery coverage is ONLY available if the service is performed at a CharterCare facility (Services Not Available request is not available for this service).
- Pre-Surgery Counseling – Candidates for bariatric surgery are required to undergo an orientation and counseling program. The member would complete an orientation at the bariatric surgeon office and would complete a nutrition and psychiatric evaluation.
- Physician’s Statement – In advance of approving the surgery, the patient’s Physician should present written documentation of at least 6 months good faith effort to lose weight. The physician statement, which is required to document the member’s weight loss efforts, would indicate previous weight loss programs attempted and verification that there is ongoing recent weight reduction effort. Recording the member’s weight loss efforts and weights for the 12 months prior to surgery would be expected.

Non-Surgery Services for Obesity Diagnoses:  
Covered per POS filed at applicable tiered benefit level.

Relates to coverage  
Obesity Benefits

Does this benefit pay according to the related benefit section?  
No

#### Pre-Approval

Is Pre-Authorization Required?	Require over \$	Penalty
Yes		

#### Maximums

Tier 1 (Dollar Limit)	Event or Item Limit	Apply maximum per
In Network (Dollar Limit)	Event or Item Limit	Apply maximum per
Out of Network (Dollar Limit)	Event or Item Limit	Apply maximum per

Are maximums combined in and out of network  
No

#### Payment Level

Tier 1	In Network	Out of Network
--------	------------	----------------

#### Out of Pocket Maximums

**Should benefits contribute to the Out of Pocket Maximum?**

Tier 1	In Network	Out of Network
Yes	Yes	No

**Should benefits flip to 100% once OOP max is met?**

Tier 1	In Network	Out of Network
Yes	Yes	No



**Non-standard Benefit: OBGYN services**

**General**

**General**

**Non-standard Benefit Definition**

Name	Owner
OBGYN services	Morgan Myers

Effective Date  
1/1/2016

Benefit Definition  
All services filed by an OBGYN at tier 2 should pay at tier 1 benefits since these services are not performed at Chartercare.

Relates to coverage  
Physician's Office Services

Does this benefit pay according to the related benefit section?  
No

**Pre-Approval**

Is Pre-Authorization Required?	Require over \$	Penalty
No		

**Maximums**

Tier 1 (Dollar Limit)	Event or Item Limit	Apply maximum per
In Network (Dollar Limit)	Event or Item Limit	Apply maximum per
Out of Network (Dollar Limit)	Event or Item Limit	Apply maximum per

Are maximums combined in and out of network  
No

**Payment Level**

Tier 1	In Network	Out of Network
\$30 Copay / 100%	CoINS - 80% +BYD	Not Covered

**Out of Pocket Maximums**

**Should benefits contribute to the Out of Pocket Maximum?**

Tier 1	In Network	Out of Network
Yes	Yes	No

**Should benefits flip to 100% once OOP max is met?**

Tier 1	In Network	Out of Network
Yes	Yes	No

---

## Non-standard Benefit: OON ER PHYSICIAN PRICING

---

### General

---

### General

---

### Non-standard Benefit Definition

---

Name	Owner
OON ER PHYSICIAN PRICING	Caroline Jones (81)

Effective Date  
1/1/2016

Benefit Definition  
REIMBURSE UP TO BILLED CHARGES.

Relates to coverage  
OTHER:

Does this benefit pay according to the related benefit section?  
Yes

### Include / Exclude

---

Include

Exclude

---

## Non-standard Benefit: Pre-Natal and Post-Natal Care

---

### General

---

### General

---

### Non-standard Benefit Definition

---

Name	Owner
Pre-Natal and Post-Natal Care	Caroline Jones (81)
Effective Date	
1/1/2015	
Benefit Definition	
All Pre-natal and post natal care covered at 100%NOBYD for tiers 1 and 2. Not covered for OON.	
Relates to coverage	
Maternity Benefits	
Does this benefit pay according to the related benefit section?	
Yes	

### Include / Exclude

---

Include

Exclude

---

## Non-standard Benefit: Provider Tier List

---

### General

---

### General

---

### Non-standard Benefit Definition

---

Name	Owner
Provider Tier List	Caroline Jones (81)
Effective Date	
1/1/2015	

**Non-standard Benefit Definition**

Benefit Definition

Other Prospect Medical Holding Facilities that are NOT CharterCare owned. These should all pay at Tier 1.

FACILITY TAX ID

FACILITY NAME

PROVIDER NPI

352539785	EAST ORANGE GENERAL HOSPITAL	1013386143
954690845	SOUTHERN CALIFORNIA HOSP AT CULVER CITY	1023010113
954690845	SCH AT HOLLYWOOD	1023010113
954690845	SCH AT CULVER CITY	1023010113
954690845	SCH AT VAN NUYS	1023010113
812229999	ROCKVILLE GENERAL HOSPITAL	1205283538
812229999	PROSPECT ROCKVILLE HOSPITAL	1205283538
812216981	PROSPECT MANCHESTER HOSPITAL	1225484751
812216981	MANCHESTER MEMORIAL HOSPITAL	1316394638
462349271	NIX COMMUNITY GENERAL HOSPITAL	1427390574
811507712	CROZER TAYLOR SPRINGFIELD	1457715146
811507712	CROZER CHESTER MEDICAL CENTER	1457715146
812181470	WATERBURY HOSPITAL	1477902641
812181470	PROSPECT WATERBURY INC	1477902641
811520273	DELAWARE COUNTY MEMORIAL	1548624851
811520273	DELAWARE COUNTY MEMORIAL HOSPITAL	
1548624851		
221487166	EAST ORANGE GENERAL HOSPITAL	1619924362
352539785	EAST ORANGE GENERAL HOSPITAL	1619924362
454112042	NIX HEALTH CARE SYSTEM	1801168190
454112042	NIX BEHAVIORAL HEALTH CENTER	1801168190
454112042	NIX HOSPITALS SYSTEMS LLC	1801168190
954691839	LOS ANGELES COMMUNITY HOSPITAL	1922001809

Relates to coverage

OTHER:

Does this benefit pay according to the related benefit section?

Yes

**Include / Exclude**

---

Include

Exclude

---

## Non-standard Benefit: REAP

---

### General

---

### General

---

### Non-standard Benefit Definition

---

Name	Owner
REAP	Caroline Jones (81)

Effective Date  
1/1/2015

Benefit Definition  
REAP benefits should be payable at the applicable tier 1 provider benefit per POS filed and should reimburse up to billed charges.

Relates to coverage  
REAP

Does this benefit pay according to the related benefit section?  
Yes

### Include / Exclude

---

Include

Exclude

---

## Non-standard Benefit: RIMI

---

### General

---

#### General

---

#### Non-standard Benefit Definition

---

Name	Owner
RIMI	Caroline Jones (81)

Effective Date  
1/1/2016

Benefit Definition  
Claims filed at RIMI should always process at Tier 1.

TIN 050318025

Relates to coverage  
Other

Does this benefit pay according to the related benefit section?  
Yes

#### Include / Exclude

---

Include

Exclude



---

## Non-standard Benefit: Services Not Available (SNA) Forms

---

### General

---

### General

---

### Non-standard Benefit Definition

---

Name	Owner
Services Not Available (SNA) Forms	Caroline Jones (81)

Effective Date  
1/1/2016

Benefit Definition  
SNA forms are NOT valid on this plan.

Relates to coverage  
OTHER:

Does this benefit pay according to the related benefit section?  
Yes

### Include / Exclude

---

Include

Exclude

**Non-standard Benefit: Teladoc**

**General**

**General**

**Non-standard Benefit Definition**

Name	Owner
Teladoc	Stephanie Musto (N10)

Effective Date  
1/1/2018

Benefit Definition

Relates to coverage  
OTHER:

Does this benefit pay according to the related benefit section?  
No

**Pre-Approval**

Is Pre-Authorization Required?	Require over \$	Penalty
No		

**Maximums**

Tier 1 (Dollar Limit)	Event or Item Limit	Apply maximum per
In Network (Dollar Limit)	Event or Item Limit	Apply maximum per
Out of Network (Dollar Limit)	Event or Item Limit	Apply maximum per

Are maximums combined in and out of network  
No

**Payment Level**

Tier 1	In Network \$10 Copay / 100%	Out of Network Not Covered
--------	---------------------------------	-------------------------------

**Out of Pocket Maximums**

**Should benefits contribute to the Out of Pocket Maximum?**

Tier 1	In Network	Out of Network
No	No	No

**Should benefits flip to 100% once OOP max is met?**

Tier 1	In Network	Out of Network
No	No	No

---

## Non-standard Benefit: True Emergency

---

### General

---

### General

---

### Non-standard Benefit Definition

---

Name	Owner
True Emergency	Caroline Jones (81)

Effective Date  
1/1/2015

Benefit Definition  
True Emergency services are always payable at the applicable tier 1 benefit.

Relates to coverage  
ITS Processing for True Emergencies

Does this benefit pay according to the related benefit section?  
Yes

### Include / Exclude

---

Include

Exclude

**Non-standard Benefit: Urgent Care**

**General**

**General**

**Non-standard Benefit Definition**

Name Urgent Care Owner Caroline Jones (81)

Effective Date 1/1/2016

Benefit Definition

Relates to coverage OTHER:

Does this benefit pay according to the related benefit section? No

**Pre-Approval**

Is Pre-Authorization Required? No Require over \$ Penalty

**Maximums**

Tier 1 (Dollar Limit)	Event or Item Limit	Apply maximum per
In Network (Dollar Limit)	Event or Item Limit	Apply maximum per
Out of Network (Dollar Limit)	Event or Item Limit	Apply maximum per

Are maximums combined in and out of network No

**Payment Level**

Tier 1	In Network	Out of Network
\$30 Copay / 100%	\$30 Copay / 100%	Not Covered

**Out of Pocket Maximums**

**Should benefits contribute to the Out of Pocket Maximum?**

Tier 1	In Network	Out of Network
Yes	Yes	No

**Should benefits flip to 100% once OOP max is met?**

Tier 1	In Network	Out of Network
Yes	Yes	No

---

## Non-standard Benefit: Value Based Benefit (CC)

---

### General

---

### General

---

### Non-standard Benefit Definition

---

Name	Owner
Value Based Benefit (CC)	Caroline Jones (81)

Effective Date  
1/1/2016

Benefit Definition  
Care Coordination Fee - This group has opted into the program.

Relates to coverage  
Other

Does this benefit pay according to the related benefit section?  
Yes

### Include / Exclude

---

Include

Exclude

## Recommended New Exclusions / Limits

### Exclusions (New or Changed)

Please indicate which exclusions will apply. "Yes" means client accepts exclusions as is. "No" means they are rejecting the exclusion as a whole. "Other" is listed if the exclusion is to apply with modifications.

**1. All services and supplies related to pregnancy of a Dependent Child, except for life-threatening pregnancy complications, to either the mother or fetus. An elective abortion is not considered to be a complication of pregnancy.**

Other

Other  
See Non-Standard

**2. Services for Animal Assisted Therapy, rTMS, Eye Movement Desensitization and Reprocessing (EMDR), behavior therapy for solitary maladaptive habits, or Rapid Opiate Detox**

Yes

**3. Manual or Motorized Wheelchairs or power operated vehicles, such as scooters, for mobility outside of the home setting. Coverage for these devices to assist with mobility in the home setting is subject to the establishment of Medical Necessity by the Corporation.**

Yes

**4. Charges for hypnotism, biofeedback therapy and TENS Units. Services for chronic pain management programs or any program developed by centers with multidisciplinary staffs intended to provide the interventions necessary to allow the patient to develop pain coping skills and freedom from dependence on analgesic medications.**

Yes

**5. Orthomolecular therapy including infant formula, nutrients, vitamins and food supplements. Enteral feedings when not a sole source of nutrient**

Yes

**6. Adjustable cranial orthoses (band or helmet) for positional plagiocephaly or craniosyntoses in the absence of cranial vault remodeling surgery.**

Yes

**7. Growth hormone therapy for patients over 18 years of age. Growth hormone therapy for patients 18 years of age or younger is excluded unless for documented growth hormone deficiency.**

Yes

**8. Pulmonary Rehabilitation, except in conjunction with a Covered lung Transplant.**

Yes

**9. Medical and surgical expenses for care and treatment of a living human organ transplant donor.**

Yes

**10. Bioelectric, microprocessor or computer programmed prosthetic components.**

Yes

### Limitations

Please indicate which if any, limitations will apply. "Yes" means client accepts limitation as is. "Other" is listed if the limitation is to apply with modifications. "No" means claims will defer or reject per standard medical policy.

**1. ACCIDENTAL DENTAL – Services must be rendered within 6 months of the date of injury for ben cov**

Yes

**2. HEMOPHILIA – Must have care coordinated through a CDC designated hemophilia treatment center at least once per benefit year or coverage of services for treatment of hemophilia will be reduced to 50%**

Yes

**3. PROSTHETICS – Limited to \$50,000 per Benefit Year.**

Yes

**4. VARICOSE VEIN TREATMENT – Limited to \$2,500 per Benefit Year.**

Yes

**Ancillary Benefit: Ancillary | 60541 | 1/1/2018 | Active | Nation | Ch [ National Alliance ASO | National Alliance ]**

---

**General**

---

Owner Stephanie Musto (N10)	Short Name CharterCare Ancillaries	Group Configuration 60541   4/1/2018   Active   Nation   CharterCare
--------------------------------	---------------------------------------	---



**Selected Products**

**Ancillary Product Options**

**Product**

My Health Essentials Engagement Suite (ASO)  
 No

**PEPM and MHE**

Health Management (includes PHA and Maternity Care)  
 No

24-Hour Nurse Advisor  
 No

Personal Health Assessment (Basic)  
 Yes

Informed Health Messaging

Core Disease Management	Essential Advocate
Yes	Yes

Naturally Slim  
 Yes

Oncology Management  
 No

Health Coaching – Chronic Condition and Behavioral Health  
 No

Rally	Health Coaching - Lifestyle
No	No

Private Sweepstakes	Rally Rewards
No	No

Premium Rally  
 No

**Additional Programs**

Healthy Vision  
 No

Quit for Life	BluesEnroll
No	No

HR in Touch  
 No

Data Feed (Incoming)	Data Feed (Outgoing)
No	No

Employee Assistance Program  
 No

Complex Care  
 No

HIPAA Administration

No

Telehealth

Teladoc

NIA Program(s)

Radiology Management

Enhanced Transparency

Penalty for no pre-auth out of state imaging svc?

Novologix - Specialty Medical Benefit Management

Yes

The penalty for members failing to obtain pre-auth from NIA for imaging services from an out of state provider will result in denial of claim.

Concierge Customer Service

Yes

**The following benefits require benefit configuration records attached to a plan**

Flexible Spending Account (FSA)

Health Reimbursement/Health

No

Incentive Account

None

Health Savings Account (HSA)

COBRA Administration

No

No

**Performance Guarantees**

Performance Guarantees?

## Incentive Programs

---

### Clinical Rewards

---

#### Options

Clinical Rewards 'Plan' Option

Clinical Rewards Model

Eye Exam Option with Diabetes

PHA Option

### Incentive Plan Activities

---

#### IPA CAP

EE Coverage Max

Reward Label

EE+ Coverage Max

Reward Label

Apply Program To

**If Embedded or Tier max apply, please describe in field below**

Embedded/Tier Max

## **Inclusions/Exclusions**

---

### **Inclusions and Exclusions to Standard Benefits**

---

Inclusions/Exclusions

**Plan: OOA EPO Plan**

**General**

Name  
OOA EPO Plan

Group CharterCare	Group Configuration 60541   4/1/2018   Active   Nation   CharterCare	Select the Group Type Non-Grandfather	Add Additional Tier to B&C Report
----------------------	---	--	-----------------------------------

**Employee Classification**

EE Classification Hrs per Week 20	EE Classification Weeks per Year	If other (NA only):
--------------------------------------	----------------------------------	---------------------

**Dependent Coverage**

Dependent Child is covered to age (Standard is age 26) 26	Dependent Coverage is in effect until End of the month	Dependent Coverage Other:
--	---	---------------------------

**Contract Covers**

Is Applicable? Yes	Board Members? No	Appointed/Elected Officials No	Other
Major Stockholders? No	Retirees? No		
Actives? Yes	COBRA? Yes	Grandfathered Employees? No	

**Blue Card Details**

Blue Card National ADMIN Fees Pass Through to: Group	Traveler's (OOA) Admin Fees Pass Through to Group	Blue Card National ACCESS Fees Pass Through to: Group	Traveler's (OOA) Access Fees Pass Through to Group
ITS Cust Arr (neg fees b/t Control & Par licensees) or Cust Network Arr (eg Prec Blue or AltNet) ? Yes		if yes, which Program Code applies? Program Code A	

**Cancellation Details**

Cancel Subscribers on End of Month		
Anything other than 1st and 15th? No	Specific cancellation arrangement	Add one day to term date? Yes (will ensure member is covered through the end of the term date or cancellation arrangement)

**Timely Filing Information**

Timely Filing? Yes	Timely Filing (Number of Months) 12
-----------------------	--

---

## Medical Benefit: Med | 60541 | 4/1/2018 | Active | Nation | Ch [ National Alliance ASO | National Alliance ]

---

### General

---

#### Group Name: CharterCare| 71-60541

---

Group Configuration	Short Name (Product Name)	Products	Select the Group Type
60541   4/1/2018   Active   Nation   CharterCare	OOA EPO Plan	3 Tier PPO	Non-Grandfather

Medical Benefit Type 3 Tier EPO	Owner Stephanie Musto (N10)
------------------------------------	--------------------------------

Tier 1 Name:  
CharterCare Network

Does this plan have an associated Health Saving Account (HSA)?  
No

Custom Network?  
Yes

## Custom Network: CT | Charter Care

---

### General

---

Network Code

CT

Is Cashless?

Yes

Cashless Pricing

Host Plan

Code Applies to Tier?

1

Eligibility Network Name Voiced/Displayed

Charter Care

Medical Benefit

Med | 60541 | 4/1/2018 | Active | Nation | Ch [ National Alliance ASO | National Alliance ] - 4/1/2018

## Custom Network: CU | CharterCare

---

### General

---

Network Code

CU

Is Cashless?

No

Code Applies to Tier?

1

Eligibility Network Name Voiced/Displayed

CharterCare

Medical Benefit

Med | 60541 | 4/1/2018 | Active | Nation | Ch [ National Alliance ASO | National Alliance ] - 4/1/2018



**Summary**

**Benefit Period/Year Processing**

Benefit Period runs on a Calendar Year

Initial Benefit Period runs: (From) 1/1/2015	Initial Benefit Period runs: (Through) 12/31/2015	On-Going Benefit Period runs: (From) (MM/DD) 1/1	On-Going Benefit Period runs: (Through) (MM/DD) 12/31
---	--	---	--

**Contract Maximums**

Per Member Contract Maximum (Per Benefit Period):

**Deductibles**

Deductible Type

True Family Aggregate Deductible (Indicator 22 Embedded)

22 – Family Deductible (Type 22 Embedded): Individual amounts with any combination of family members accumulate towards the family amount. No one member will go over the individual amount.

**True Family Aggregate Deductible Amounts**

Per Member Tier 1 \$200.00	Per Member In Network \$200.00	Per Member Out of Network
Per Family Tier 1 \$600.00	Per Family In Network \$600.00	Per Family Out of Network

**Deductible Accumulations**

Is Deductible

Collective (BYD dollars apply to both PB and non-PB maximums even when dollar amounts differ) [Standard Option]

Does this group have Common Accident deductible

No

**Out of Pocket (OOP) Maximums**

Out-Of-Pocket Provisions

Yes

Out of Pocket Type

Individual and Family Combination Coinsurance (Indicator 24)

24 – Individual and Family Combination (Type 24): Individual amounts with any combination of family members accumulate towards the family amount. No one member will go over the individual amount.

**Maximum (Global) OOP Limits**

Per Member: Tier 1 \$2,500.00	Per Member: In Network \$2,500.00
Per Family: Tier 1 \$7,500.00	Per Family: In Network \$7,500.00

**Standard OOP Limits**

Per Member at Tier 1 provider	Per Member at In Network provider:	Per Member at Out of Network provider
Per Family at Tier 1 provider	Per Family at In Network provider:	Per Family at Out of Network provider

**INN Contribution to Standard OOP**

Coinsurance  
No

Deductible  
No

**INN Contribution to Standard OOP**

Per Occurrence Co-payment No	Per Admission Co-payment No
---------------------------------	--------------------------------

**OON Contribution to Standard OOP**

Coinsurance Yes	Deductible Yes
Per Occurrence Co-payment Yes	Per Admission Co-payment Yes

**OOP Accumulations**

OOP Accumulations  
Collective (OOP dollars apply to both PB and non-PB maximums even when dollar amounts differ) [Standard Option]

**Carry overs**

3-month year-end carry over? No	Carry over from prior Carrier? No
------------------------------------	--------------------------------------

**Pricing**

**Facility charges will be based off of:**

Tier 1 Blue Card Pricing for Tiers 1 AND 2	In-Network Per Agreement	Out of Network
---	-----------------------------	----------------

**Professional charges will be based off of:**

Tier 1 Blue Card Pricing for Tiers 1 AND 2	In-Network Allowed Amount	Out of Network
---	------------------------------	----------------

**OON ER Professional charges will be based off of:**

Tier 1 Blue Card Pricing for Tiers 1 AND 2	In-Network Per Agreement	Out of Network Other	Other (Enter Amt) BILLED CHARGES
---	-----------------------------	-------------------------	-------------------------------------

**Par Network Providers**

PAR Network -- Payment to  
Provider

**Accident Benefits**

Accident Benefits  
Accident pays as all other services. (Standard Option)

## Dental / Drug / Vision Benefits

### Dental Benefits

#### Does this group have Freestanding Dental Services?

Yes

If "Yes", under:  
Dental Carrier Listed Below:

Dental Carrier  
delta dental RI - CharterCare

#### Are dental anesthesia and outpatient facility charges related to dental covered under medical?

Yes

Are there any limitations (i.e. age, medical condition)?  
Yes

Detail the limitations:  
Only covered when services are due to accidental injury to sound natural teeth.

#### If covered under "BCBS Medical" pay at services at

Tier 1	In Network	Out of Network
CoINS - 100% +BYD	\$300 Copay / 90%	Not Covered

#### Are services for Impacted teeth covered?

Services for Impacted Teeth Covered  
No

#### If covered under "BCBS Medical" pay at

Tier 1	In-Network	Out of Network
--------	------------	----------------

**NOTE: If Pay Based on POS Filed is not indicated above, then all POS will pay at indicated level including DRs office services.**

#### Are all services for treatment of TMJ covered?

All services for TMJ Covered?  
Yes

Monetary Benefit Period Maximum	Med Dental TMJ: Monetary Lifetime Max
---------------------------------	---------------------------------------

Detail limitations of procedures below:

#### Pay ALL services for TMJ at

Tier 1	In-Network	Out of Network
CoINS - 100% +BYD	\$300 Copay / 90%	Not Covered

**NOTE: If Pay Based on POS Filed is not indicated above, then all POS will pay at indicated level including DRs office services**

#### Are orthognathic surgeries covered?

Orthognathic surgeries covered?  
Yes

Coverage includes:  
Cover if the disorders are attributed to the malposition of the bones and muscles regardless of the symptoms including dental related orthognathic conditions

NOTES:  
Orthognathic: If Yes, services will be paid based on diagnosis, procedure and place of service filed. Services will be sent to Medical Review to determine coverage.

TMJ: To capture TMJ benefits, claims must be filed with appropriate procedure codes and diagnosis codes related to TMJ only. This logic is applied to both facility and professional charges.

Accidental Dental: Dental Services related to an accident are paid under MEDICAL.

Oral Surgeries: Oral Surgery related to the MOUTH is covered under MEDICAL. Oral surgery related to the TEETH should be covered under the DENTAL contract.

**Drug Benefits**

Drugs are covered under Vendor other than Caremark

Drug Carrier Express Scripts

Does this group have Integrated drug  
No

Do Caremark benefits feed medical contract maximum?  
No

Does this group have Blue RX?  
No

Are contraceptives covered under med when provided/admin in a Drs office?  
Yes

Are birth control devices covered under med when provided/admin in a Drs office?  
Yes

Block certain Self-Administered Drugs under Medical?  
No

**Require members to access certain infused medications in the lowest cost, clinically appropriate setting (Site of Care steerage)?**

NO

Are diabetic supplies covered under med?  
No

**Routine Vision Benefits**

Routine Vision covered BCBS Medical and Vendor other than BCBS	Vision Carrier VSP - CharterCare
---	-------------------------------------

**If "under BCBS Medical", are refraction services covered?**

No	Apply Pricing: In Network	Apply Pricing: Out of Network
----	---------------------------	-------------------------------

**Vision Options**

Choice Two - Please indicate payment/coverage for the vision categories below:

Exam: PCP: Tier 1 \$30 Copay / 100%	Exam: Spec : Tier 1 \$35 Copay / 100%
Vision Srv: PCP: Tier 1 Not Covered	Vision Srv: Spec: Tier 1 Not Covered
Vision Hrd:PCP: Tier 1 Not Covered	Vision Hrd: Spec: Tier 1 Not Covered

Aids Misc: PCP: Tier 1  
Not Covered

Aids Misc: Spec: Tier 1  
Not Covered

Exam: PCP: In Network  
\$30 Copay / 100%

Exam: Spec: In Network  
\$35 Copay / 100%

Exam: Out of Network  
Not Covered

Vision Srv: PCP: In Network  
Not Covered

Vision Srv: Spec: In Network  
Not Covered

Vision Srv: Out of Network  
Not Covered

Vision Hrd:PCP: In Network  
Not Covered

Vision Hrd:Spec: In Network  
Not Covered

Vision Hrd: Out of Network  
Not Covered

Aids Misc: PCP: In Network  
Not Covered

Aids Misc: Spec: In Network  
Not Covered

Aids Misc: Out of Network  
Not Covered

Vision categories subject to a benefit period maximum per service?  
Yes

If 'YES', list maximum

**Therapy: Therapy | Med | 60541 | 1/1/2018 | Active | Nation [ National Alliance ASO | National Alliance ]**

**Therapy**

**Group Name: CharterCare| 71-60541 | OOA EPO Plan**

**Chiropractic**

Are chiropractic services covered?  
No

**Outpatient Rehabilitation Benefits**

Is outpatient physical/occupational therapy covered?  
Yes

Is outpatient physical/occupational therapy subject to any maximum?  
Yes

If 'Yes', benefit period maximum is: (combined INN and OON)  
60

Are maximums for physical / occupational and speech therapy combined?  
Yes

If 'Yes', Is maximum combined for Facility and Professional charges?  
Yes

**Pay outpatient facility services for physical / occupational therapy (Tier 1)**

PCP: Tier 1 \$30 Copay / 100%	Spec: Tier 1 \$35 Copay / 100%
----------------------------------	-----------------------------------

**Pay outpatient facility services for physical / occupational therapy**

PCP: In Network \$30 Copay / 100%	Spec: In Network \$35 Copay / 100%	Out of Network Not Covered
--------------------------------------	---------------------------------------	-------------------------------

**Pay outpatient professional services for physical / occupational therapy performed in a fac (Tier 1)**

PCP: Tier 1 \$30 Copay / 100%	Spec: Tier 1 \$35 Copay / 100%
----------------------------------	-----------------------------------

**Pay outpatient professional services for physical / occupational therapy performed in a fac**

PCP: In Network \$30 Copay / 100%	Spec: In Network \$35 Copay / 100%	Out of Network Not Covered
--------------------------------------	---------------------------------------	-------------------------------

**Pay outpatient pro services for physical / occupational therapy performed in a doctors off (Tier 1)**

PCP: Tier 1 \$30 Copay / 100%	Spec: Tier 1 \$35 Copay / 100%
----------------------------------	-----------------------------------

**Pay outpatient pro services for physical / occupational therapy performed in a doctors off**

PCP: In Network \$30 Copay / 100%	Spec: In Network \$35 Copay / 100%	Out of Network Not Covered
--------------------------------------	---------------------------------------	-------------------------------

**NOTE:Services for physical/occupational therapy are not subject to any pre-authorization requirement**

**Speech Therapy**

Is outpatient speech therapy covered?  
Yes

Is outpatient speech therapy subject to any maximum?  
Yes

If 'Yes', benefit period maximums is: (combined INN and OON)  
60

**Speech Therapy**

---

If 'Yes', Is maximum combined for Facility and Professional charges?

Yes

**Pay outpatient facility services for speech therapy**

PCP: Tier 1 \$30 Copay / 100%	PCP: In Network \$30 Copay / 100%	Out of Network Not Covered
Spec: Tier 1 \$35 Copay / 100%	Spec: In Network \$35 Copay / 100%	

**Pay outpatient professional speech therapy services performed in a facility (Tier1)**

PCP: Tier 1 \$30 Copay / 100%	Spec: Tier 1 \$35 Copay / 100%
----------------------------------	-----------------------------------

**Pay outpatient professional speech therapy services performed in a facility**

PCP: In Network \$30 Copay / 100%	Spec: In Network \$35 Copay / 100%	Out of Network Not Covered
--------------------------------------	---------------------------------------	-------------------------------

**Pay outpatient professional speech therapy services performed in a doctors office (T1)**

PCP: Tier 1 \$30 Copay / 100%	Spec: Tier 1 \$35 Copay / 100%
----------------------------------	-----------------------------------

**Pay outpatient pro speech therapy services performed in a doctors office**

PCP: In Network \$30 Copay / 100%	Spec: In Network \$35 Copay / 100%	Out of Network Not Covered
--------------------------------------	---------------------------------------	-------------------------------

**NOTE: Services for speech therapy are not subject to any pre-authorization requirements.**

**Acupuncture Benefits**

---

Are Acupuncture services covered?

No

**Inpatient / Outpatient**

---



**Inpatient/Outpatient: InpatOutput | Med | 60541 | 1/1/2018 | Active | Nation [ National Alliance ASO | National Alliance ]**

**Inpatient/Outpatient**

**Group Name: CharterCare| 71-60541 | OOA EPO Plan**

**Inpatient Services**

**Inpatient Skilled Nursing Facilities pay at**

Tier 1	In Network	Out of Network
Refer to Non-Standard	Refer to Non-Standard	Not Covered
Per Admission Copay is (Tier 1)	Per Admission Copay is:(In Network)	Per Admission Copay is: (Out of Network)

**Benefit Period Maximum:**

100 days

**Maximums: (Combined for In and Out-of-Network)**

**Inpatient Facilities pay at**

Tier 1	In Network	Out of Network
CoINS - 100% +BYD	CoINS - 90% +BYD	Not Covered
Per Admission Copay is (Tier1-Inpat Fac)	Per Admission Copay is:(In Network) 600	Per Admission Copay is: (Out of Network)

**Inpatient / SNF Professional pay at**

Tier 1	In Network	Out of Network
Refer to Non-Standard	Refer to Non-Standard	Not Covered

**NOTE: For IP Facility Pre-Authorization requirements, see Pre-Authorization Section of checklist.**

**Inpatient rehabilitation is covered with no limitations.**

**Maternity Care**

**Female Employee / Spouse is covered**

Are dependents (non-spouse) maternity covered?

Yes

Are elective abortions covered?

Yes

Are non-elective abortions covered?

Yes

**NOTE: When abortions and maternity are covered, services will be paid based on place of srvs filed.**

**Newborn Benefits**

**Pay Newborn care (physician's charges for the initial pediatric exam in the hospital) at**

Tier 1	In Network	Out of Network
CoINS - 100% +BYD	\$600 Copay / 90%	Not Covered

Are Routine Nursery charges subject to the benefit year deductible?

No, deductible will apply to mother's claim only.

**Outpatient Services:**

**Emergency Room (ER - Facility Only) - True Emergency**

Tier 1	In Network	Out of Network
CoINS - 100% +BYD	CoINS - 100% +BYD	CoINS - 100% +BYD
Per Admission Copay is (Tier 1 - ER)	Per Admission Copay is: (In Network)	Per Admission Copay is: (Out of Network)
	150	150

**Emergency Room (ER - Facility Only) - Non-Emergency**

Tier 1	In Network	Out of Network
CoINS - 100% +BYD	CoINS - 100% +BYD	CoINS - 100% +BYD
Per Admission Copay is (Tier 1 - ER, Non Emg)	Per Admission Copay is: (In Network)	Per Admission Copay is:(Out of Network)
	150	150

**Copay will be waived if admitted. This applies whether the visit is for true or non-emergency.**

**NOTE: In-Network ER Physicians will be paid as outpatient medical. Out of Network ER physicians will be paid under REAP benefits unless otherwise specified.**

**REAP**

All services filed by REAP pro will pay at Refer to Non-Standard	Apply BYDs to match NA
Apply OOPs to match NA	Apply pricing to match Billed Charges

Notes: Reap Providers are Radiologists, Emergency Room Physicians, Anesthesiologists, Pathologists, and (Independent Laboratories unless otherwise specified). These providers most often refuse to join our networks but can still render services at our Network hospitals. These claims will be filed as Out-of-Network so the member can be balance billed for the remainder of the charges. The claim does not indicate these services were performed at a network or non-network hospital. As such, we are only able to capture this by the claim indicator for non-participating status and by the specific provider specialty type. Services for True Emergencies will pay as required under the Affordable Care Act (HCR) unless otherwise specified.

**ITS Processing for True Emergencies**

**If a claim is filed with a TRUE emergency diagnosis and the HOST Plan indicates NO network was available, should all services for that claims pay at INN level?**

Yes	If Yes, members claims will pay at In-Network levels. Apply pricing same as: Billed Charges
-----	--

**Outpatient Facilities pay at:**

Surgery: Tier 1	Surgery: In Network	Surgery: Out of Network
CoINS - 100% +BYD	\$300 Copay / 90%	Not Covered
Maternity: Tier 1	Maternity: In Network	Maternity: Out of Network
CoINS - 100% +BYD	\$300 Copay / 90%	Not Covered
Medical: Tier 1	Medical: In Network	Medical: Out of Network
CoINS - 100% +BYD	\$300 Copay / 90%	Not Covered
Diagnostic Lab / X-Ray: Tier 1	Diagnostic Lab / X-Ray: In Network	Diagnostic Lab / X-Ray: Out of Network
CoINS - 100% +BYD	CoINS - 100% +BYD	Not Covered

**Outpatient Professionals pay:**

Surgery: Tier 1	Surgery: In Network	Surgery: Out of Network
CoINS - 100% +BYD	CoINS - 100% +BYD	Not Covered
Maternity: Tier 1	Maternity: In Network	Maternity: Out of Network
CoINS - 100% +BYD	CoINS - 100% +BYD	Not Covered

**Outpatient Professionals pay:**

Medical: Tier 1 CoINS - 100% +BYD	Medical: In Network CoINS - 100% +BYD	Medical: Out of Network Not Covered
Diagnostic Lab / X-Ray: Tier 1 CoINS - 100% +BYD	Diagnostic Lab / X-Ray: In Network CoINS - 100% +BYD	Diagnostic Lab / X-Ray: Out of Network Not Covered
Independent Lab / X-Ray: Tier 1 CoINS - 100% +BYD	Independent Lab / X-Ray: In Network CoINS - 100% +BYD	Independent Lab / X-Ray: Out of Network Not Covered

**Out of Network diagnostic lab, x-ray and independent lab services may pay under OPD or REAP depending on their network status and provider specialty filed.**

**NOTE: Clinical Pathology will be paid as all other OPD professional charges.**

**Testing prior to an admission to an Inpat Fac (Pre-Admission testing) will pay as all other OPD**

**Pre-Authorization Requirements**

Is pre-authorization required for Inpatient facilities?

Yes

Tier 1 Penalty

Denial of Room and Board

In Network Penalty

Denial of Room and Board

Out of Network Penalty

Denial of Room and Board

Is pre-authorization required for Outpatient facilities?

Yes

If 'Yes', what is the penalty for not obtaining Outpatient Facility pre-authorization?

NA

Are the prior carrier's, if applicable, authorized services to be grandfathered as Approved?

Yes

NOTE: a) Depending on the contractual agreements the BCBS plan has with its local providers in the state where services are rendered, members may be responsible for all charges where pre-authorization is not obtained at an In-network, Inpatient facility. (b) Pre-Admission Review will be required beginning at the Group's Effective Date. No grace period allowed.

If Yes, the recommended procedures to be pre-authorized at an Outpatient facility are:Septoplasty (surgery to straighten the nasal septum), Surgical Procedures that may potentially be cosmetic (such as: Blepharoplasty, Reduction Mammoplasty), Hysterectomy

NOTE: Professional charges for Inpatient and Outpatient are not subject to Pre-Authorization requirements. Experimental/Investigation services are not covered. Potentially experimental/investigation procedures are sent to medical review to determine coverage. Chemotherapy and Radiology therapy require a one time notification; no penalty will be applied if notification is not received.

**The Following Outpatient Procedures Require Pre-authorization (ASO)**

All cosmetic surgery procedures

Yes

Chemo or Radiation Therapy (one-time notification)

Yes

Hysterectomy

Yes

Investigational procedures

Yes

Sclerotherapy (treatment of varicose veins)

Yes

Septoplasty (surgery to straighten the nasal septum)

Yes

## **Mental Health**

---

## Mental Health: Mental Health | Med | 60541 | 1/1/2018 | Active | Nation [ National Alliance ASO | National Alliance ]

### Mental Health

Group Name: CharterCare | 71-60541 | CharterCare

#### Mental Health and Substance Use (MH/SU) Benefits

MH/SU benefits covered?

Under BCBS Medical

#### Does Companion Benefit Alternative (CBA) manage Pre-Authorization requirement?

Yes

#### Basic MH/SU - Pre-Authorization required for Inpatient Services?

Yes

If Yes - see Inpatient Services in Pre-Authorization Section for applicable penalties.

#### Pre-Authorization required for Outpatient Services?

Yes

If Yes - see Outpatient Services in Pre-Authorization Section for applicable penalties.

#### Pre-authorization required for office visits?

No

If Yes - see Outpatient Services in Pre-Authorization Section for applicable penalties.

#### Stand Alone EAP

Does this group have a Stand Alone EAP

Yes

Stand Alone EAP Vendor

Unum Life Balance - CharterCare

NOTES: CBA is the BCBS subsidiary dedicated to managing Mental Health and Substance Use MH/SU benefits. Medication Management services performed in a Primary Care Physicians office do not require precertification. These services will be paid as all other medical services.

#### Applied Behavioral Analysis (ABA) therapy?

Yes

Load ABA benefit according to South Carolina's mandate (Ryan's Law)?

No

Min Diagnosis Age

Max Diagnosis Age

Min Benefit Age

Max Benefit Age

#### In addition to Autism, Asperger's and Pervasive Development Disorder (PDD), what diagnoses are included?

Rett's Disorder

No

Childhood Disintegrative Disorder

No

Other Diagnoses Included

No

NOTES: Preauthorization is required for ABA therapy. Groups must purchase CBA's case management services when adding coverage for ABA therapy. If case management is not purchased for the entire population, the account will default to the Autism Management case rate. ABA therapy for Autism, if purchased, will apply to OOP maximums and will pay at 100% once the OOP maximums are met. Precertification penalty is denial of benefits. Mental Health and Substance Use (MH/SU) services will apply to OOP maximums. These services will pay at 100% once the OOP maximums are met.

**MH / SU Benefits**

**Inpatient MH/SU Facilities pay at**

Tier 1	In Network	Out of Network
CoINS - 100% +BYD	CoINS - 90% +BYD	Not Covered
Per Admission Copay is (Tier 1 - MHSU Fac)	Per Admission Copay is: (In Network)	Per Admission Copay is: (Out of Network)
	600	

**Inpatient MH/SU Professionals pay at**

Tier 1	In Network	Out of Network
CoINS - 100% +BYD	CoINS - 100% +BYD	Not Covered

**Outpatient MH/SU Facilities pay at**

Tier 1	In Network	Out of Network
CoINS - 100% +BYD	\$300 Copay / 90%	Not Covered

**Includes partial HOSP/INTENSIVE OUTPAT services in hospital or outpatient setting**

**Outpatient MH/SU Professional pay at**

Tier 1	In Network	Out of Network
CoINS - 100% +BYD	CoINS - 100% +BYD	Not Covered

**Outpatient MH/SU ER Facilities pay at**

Tier 1	In Network	Out of Network
CoINS - 100% +BYD	CoINS - 90% +BYD	CoINS - 90% +BYD
Tier 1 Copay Is	In Network Copay Is	Out of Network Copay Is
	150	150

**Outpatient MH/SU ER Professional pay at**

Tier 1	In Network	Out of Network
CoINS - 100% +BYD	CoINS - 100% +BYD	CoINS - 100% +BYD

**Office MH/SU professional pay at (Tier 1)**

PCP: Tier 1	Spec: Tier 1
\$30 Copay / 100%	\$30 Copay / 100%

**Office MH/SU professional pay at:**

PCP: In Network	Spec: In Network	Out of Network
\$30 Copay / 100%	\$30 Copay / 100%	Not Covered

Has this group added coverage for Residential Treatment Centers (RTCs)? Is preauth required?  
 Yes Yes

**Office Physician Services**

---

**Office Physician Service: OfcPhySvc | Med | 60541 | 1/1/2018 | Active | Nation [ National Alliance ASO | National Alliance ]**

**Office Physician Services**

**Group Name: CharterCare| 71-60541 | CharterCare**

**Office Physician Services**

Physicians Office Services Options

Two - ALL office services including Allergy Injections, Dialysis, Labs/X-Rays, Surgery and Second Surgical Opinions

**Indicate the payment for your Choice below (Tier 1)**

PCP: Tier 1

\$30 Copay / 100%

Spec: Tier 1

\$35 Copay / 100%

**Indicate the payment for your Choice below:**

PCP: In Network

\$30 Copay / 100%

Spec: In Network

\$35 Copay / 100%

Out of Network

Not Covered

**Definition: PCPs are: Family and General Practitioners, Pediatricians, Internists, OB-Gyns, and Mixed Specialties. This only applies when office visit copays vary between a PCP provider and a Specialist provider.**

**Who should be considered a PCP?**

Should Nurse Practitioner be considered PCP?

Yes

Should Physician Assistants be considered a PCP

Yes



**Preventive Care: Prev Care | Med | 60541 | 1/1/2018 | Active | Nation [ National Alliance ASO | National Alliance ]**

**Preventive Care**

**Group Name: CharterCare| 71-60541 | OOA EPO Plan**

**Preventive Care Package (See HCR Guidelines)**

Contraceptive Opt Out  
No

**Sustained Health Benefit (Sustained Health Benefits are covered above PPACA benefits)**

Preventive Care Package  
Yes

Mammography Network Provider  
No

**Please indicate payment for each preventive care services listed below:**

**Mammograms (Tier 1)**

PCP: Tier 1	Spec: Tier 1
CoINS - 100% NOBYD	CoINS - 100% NOBYD

**Mammograms: - Allow one annually for female patients beginning at age 40 and above**

PCP: In Network	Spec: In Network	Out of Network
CoINS - 100% NOBYD	CoINS - 100% NOBYD	Not Covered

**Paps (Tier 1)**

PCP: Tier 1	Spec: Tier 1
CoINS - 100% NOBYD	CoINS - 100% NOBYD

**Paps: - (One per benefit period)**

PCP: In Network	Spec: In Network	Out of Network
CoINS - 100% NOBYD	CoINS - 100% NOBYD	Not Covered

**Prostate Screening (PSAs) (Tier 1)**

PCP: Tier 1	Spec: Tier 1
CoINS - 100% NOBYD	CoINS - 100% NOBYD

**Prostate Screening: (PSAs) - (One per benefit period)**

PCP: In Network	Spec: In Network	Out of Network
CoINS - 100% NOBYD	CoINS - 100% NOBYD	Not Covered

**NOTE: The services above are for labwork and the interpretation of that labwork. It is recommended that these be paid at 100% when copay is defined on Routine Physical benefit below.**

**Well Baby / Well Child (Tier 1)**

PCP: Tier 1	Spec: Tier 1
CoINS - 100% NOBYD	CoINS - 100% NOBYD

**Well Baby / Well Child:**

PCP: In Network	Spec: In Network	Out of Network
CoINS - 100% NOBYD	CoINS - 100% NOBYD	Not Covered
Well Baby / Well child (Age Limit)	Well Baby / Well child (Covered to Age) Enter	

**Routine Physical Exams (Tier 1)**

PCP: Tier 1	Spec: Tier 1
CoINS - 100% NOBYD	CoINS - 100% NOBYD

**Routine Physical Exams:**

PCP: In Network	Spec: In Network	Out of Network
CoINS - 100% NOBYD	CoINS - 100% NOBYD	Not Covered
Routine Phy (Age Limit)	Routine Phy (Covered Beginning Age) Enter	Routine Phy (Limited to X per benefit period)

**NOTE: If no age or monetary limits apply to Routine Physical exams, benefit will be limited to one annually.**

**Immunizations (Tier 1)**

PCP: Tier 1	Spec: Tier 1
CoINS - 100% NOBYD	CoINS - 100% NOBYD

**Immunizations:**

PCP: In Network	Spec: In Network	Out of Network
CoINS - 100% NOBYD	CoINS - 100% NOBYD	Not Covered
Immunizations (Age Limit)	Immunizations (Covered to Age) Enter	

**Flu Shots (Include Flu Mist) (Tier 1)**

PCP: Tier 1	Spec: Tier 1
CoINS - 100% NOBYD	CoINS - 100% NOBYD

**Flu Shots (Include Flu Mist)**

PCP: In Network	Spec: In Network	Out of Network
CoINS - 100% NOBYD	CoINS - 100% NOBYD	Not Covered
Prev Care: Flu Shots (Age Limit)	Flu Shots (Covered to Age) Enter	

**Routine Colonoscopies (Tier 1)**

PCP: Tier 1	Spec: Tier 1
CoINS - 100% NOBYD	CoINS - 100% NOBYD

**Routine Colonoscopies:**

PCP: In Network	Spec: In Network	Out of Network
CoINS - 100% NOBYD	CoINS - 100% NOBYD	Not Covered

**Routine Bone Density Screenings (Tier 1)**

PCP: Tier 1	Spec: Tier 1
CoINS - 100% NOBYD	CoINS - 100% NOBYD

**Routine Bone Density Screenings:**

PCP: In Network	Spec: In Network	Out of Network
CoINS - 100% NOBYD	CoINS - 100% NOBYD	Not Covered

**Monetary Maximum per benefit period apply to Sustained Health Benefits as follows:**

Monetary Maximum per benefit period

Mammography(diagnosics/interpretation)  
No

PAPS (labwork / interpretation)  
No

PSAs (labwork / interpretation)  
No

Well Baby / Well Child  
No

Routine Bone Density Screening  
No

Adult Routine Physical (associated diagnostics ot  
No

Well Woman Exams (associate diagnostics other than  
No

Immunizations  
No

Flu Shots/including Flu Mist  
No

Routine Colonscopy  
No

## **Other Services**

---

**Other Service: Other Svc | Med | 60541 | 1/1/2018 | Active | Nation [ National Alliance ASO | National Alliance ]**

**Other Service**

**Group Name: CharterCare| 71-60541 | OOA EPO Plan**

**DME / Prosthetic Devices / Orthotics Benefits**

Is Pre-Authorization Required for DME/Prosthetic Devices/Orthotics?	Enter Amt
Yes, purchases of (Enter Amount)	500

**DME Std Limitation is Pre-Auth required for rental or replacement of over \$500**

**Pay DME / Prosthetic Device / Orthotics at**

Tier 1	In Network	Out of Network (Std Non-GF limit is OON DME is not a covered benefit)
CoINS - 100% +BYD	CoINS - 100% +BYD	Not Covered

If In and Out-of-Network pay the same, OON BYDs and OOPs will match  
NA

**NOTE: If Pay Based on POS Filed is not indicated above, then all POS will pay at indicated level including DRs office services.**

**Professional Ambulance (non-hospital based) Benefit**

**Pay Ambulance at**

Tier 1	In Network	Out of Network
Refer to Non-Standard	Refer to Non-Standard	Refer to Non-Standard
If In and Out-of-Network pay the same, OON (Amb)	For OON professionals, apply pricing to match:	
In Network	Billed Charges	

**Home Healthcare Benefit**

Is Home Healthcare subject to any maximum?	Maximum Visits
Yes	100
Maximum applies per	Maximum Days

**Pay Home Healthcare at**

Tier 1	In Network	Out of Network
\$30 Copay / 100%	\$30 Copay / 100%	Not Covered

**NOTE: Home Healthcare services require Pre-Authorization and all charges will be denied if authorization is not obtained. Approved Home Healthcare treatment plans may include Private Duty Nursing.**

**Hospice Benefits**

Is Hospice subject to any maximum?  
No

**Pay Hospice at**

Tier 1	In Network	Out of Network
CoINS - 100% +BYD	\$100 Copay / 100%	Not Covered

**NOTE: For In-Network, Inpatient facilities, see pre-authorization section. For In-Network (Outpat) & Out of Network (Inpatient and Outpatient) facilities, the penalty will be denial of all charges.**

**Human Organ Transplant Benefits**

Do the IP Facility benefit copays apply (when applicable)?

Yes

**Pay Human Organ at**

Tier 1	In Network	Out of Network
CoINS - 100% +BYD	\$500 Copay / 90%	Not Covered

**Non-Grandfathered Std is: Services must be obtained through a Blue Centers of Distinction (BDCT) designated transplant center or if not available, a Blue Card facility only**

**Covered transplants are limited to the following:**

Bone Marrow Stem Cell | Cornea | Heart | Heart Lung Single | Heart Lung Double | Kidney Single | Kidney Double | Liver | Liver Segmental | Lung Segmental | Lung Single | Lung Double | Pancreas | Pancreas Kidney

**NOTE: HOT IP Facility preauthorization requirements follow the same requirements as all other IP Facility admissions, unless otherwise stated in the Preauthorization Requirements section or the non-standards tab.**

**Travel and Lodging**

Is Travel and Lodging for Recipient/Family covered?

No

Is Travel and Lodging for Donor/Family covered?

No

Is Travel and Lodging maximum Combined for Recipient and Donor?

No

**NOTE: For National Alliance accounts, Travel and Lodging benefits will always be subject**

**to In-Network payment levels paid at billed charges.**

**Infertility Benefits**

Are Infertility services covered?

Yes

Are Infertility services subject to max?

Yes

If 'Yes', benefit period maximum is: (Infertility)

Physician visits for testing and diagnosis only. No coverage for treatment or assisted fertilization

**Pay Infertility at**

Tier 1	In Network	Out of Network
Refer to Non-Standard	Refer to Non-Standard	Not Covered

**Obesity Benefits**

Are obesity services covered?

Yes

If 'Yes', benefit period maximum is: (Obesity)

Are Morbid Obesity services covered?

Yes

Are surgical procedures for the treatment of Morbid obesity covered?

Yes

If 'Yes', benefit period maximum is: (Morbid)

**For covered services indicate above as 'yes', pay at:**

Tier 1	In Network	Out of Network
Refer to Non-Standard	Refer to Non-Standard	Not Covered

**Diabetic Education**

---

**Services for diabetic education ARE covered and will be paid based on place of service filed.**

---

## Non-standard Benefit: ABA Therapy

---

### General

---

### General

---

### Non-standard Benefit Definition

---

Name	Owner
ABA Therapy	Caroline Jones (81)

Effective Date  
1/1/2017

Benefit Definition  
Payable per POS filed. Limited to 60 visits combined with ST/OT/PT.

Relates to coverage  
Other

Does this benefit pay according to the related benefit section?  
Yes

### Include / Exclude

---

Include

Exclude



## Non-standard Benefit: Advanced Imaging

### General

#### General

#### Non-standard Benefit Definition

Name	Owner
Advanced Imaging	Morgan Myers
Effective Date	
1/1/2016	
Benefit Definition	
CAT scans, PET scans, MRI, MRA and Nuclear medicine are covered as stated below. PA is required - see NIA non-standard. INN benefit listed below should apply deductible first.	
Relates to coverage	
OTHER:	
Does this benefit pay according to the related benefit section?	
No	

#### Pre-Approval

Is Pre-Authorization Required?	Require over \$	Penalty
Yes		

#### Maximums

Tier 1 (Dollar Limit)	Event or Item Limit	Apply maximum per
In Network (Dollar Limit)	Event or Item Limit	Apply maximum per
Out of Network (Dollar Limit)	Event or Item Limit	Apply maximum per

Are maximums combined in and out of network  
No

#### Payment Level

Tier 1	In Network	Out of Network
CoINS - 100% +BYD	\$100 Copay / 100%	Not Covered

#### Out of Pocket Maximums

#### Should benefits contribute to the Out of Pocket Maximum?

Tier 1	In Network	Out of Network
Yes	Yes	No

#### Should benefits flip to 100% once OOP max is met?

Tier 1	In Network	Out of Network
Yes	Yes	No

## Non-standard Benefit: Ambulance

### General

#### General

#### Non-standard Benefit Definition

Name: Ambulance  
 Owner: Stephanie Musto (N10)

Effective Date: 1/1/2018

Benefit Definition: \$100 Copay +BYD for Tier 1, INN and OON;  
 And Non-emergency transports are covered when it is from one facility to another facility.

Relates to coverage: Ambulance

Does this benefit pay according to the related benefit section? No

#### Pre-Approval

Is Pre-Authorization Required?	Require over \$	Penalty
Yes		

#### Maximums

Tier 1 (Dollar Limit)	Event or Item Limit	Apply maximum per
In Network (Dollar Limit)	Event or Item Limit	Apply maximum per
Out of Network (Dollar Limit)	Event or Item Limit	Apply maximum per

Are maximums combined in and out of network? No

#### Payment Level

Tier 1	In Network Refer to Non-Standard	Out of Network Refer to Non-Standard
--------	-------------------------------------	---

#### Out of Pocket Maximums

#### Should benefits contribute to the Out of Pocket Maximum?

Tier 1	In Network	Out of Network
Yes	Yes	Yes

#### Should benefits flip to 100% once OOP max is met?

Tier 1	In Network	Out of Network
Yes	Yes	Yes

---

## Non-standard Benefit: Annual Foot and Eye Exam for Diabetic Members

---

### General

---

### General

---

### Non-standard Benefit Definition

---

Name	Owner
Annual Foot and Eye Exam for Diabetic Members	Caroline Jones (81)

Effective Date  
1/1/2015

Benefit Definition  
Covered at 100% NOBYD for tier 1, \$30 copay then 100% for tier 2.

Relates to coverage  
Other

Does this benefit pay according to the related benefit section?  
Yes

### Include / Exclude

---

Include

Exclude

---

## Non-standard Benefit: Chemotherapy and Radiation Therapy

---

### General

---

### General

---

### Non-standard Benefit Definition

---

Name	Owner
Chemotherapy and Radiation Therapy	Caroline Jones (81)

Effective Date  
1/1/2017

Benefit Definition  
Payable per outpatient section even if coded as office visit. Office visit copay should not apply.

Relates to coverage  
Other

Does this benefit pay according to the related benefit section?  
Yes

### Include / Exclude

---

Include

Exclude

## Non-standard Benefit: CUSTOMER SERVICE

---

### General

---

### General

---

### Non-standard Benefit Definition

---

Name	Owner
CUSTOMER SERVICE - SIGN LANGUAGE INTERPRETER	Caroline Jones (81)

Effective Date  
1/1/2016

#### Benefit Definition

If a member or provider requests a sign language interpreter, email the request to InterpreterRequest@bcbsri.org. Please ensure the email request includes the information below. Refer to the Customer Service desk procedure for additional information.

Email Request must include:

- 1.) Member Name
- 2.) Subscriber ID
- 3.) Contact Number
- 4.) Provider's full name
- 5.) Provider's telephone # (w/extension if applicable)
- 6.) Complete address including floor and suite number (if applicable)
- 7.) Date interpreter is required
- 8.) Time interpreter is required
- 9.) Type of language - Sign
- 10.) Special Request – i.e. a particular interpreter or/ male or female

The Commission for the Deaf and Hard of Hearing request at least a 3 week notice when requesting an interpreter. There is a shortage of Interpreters so the request may not be filled even with a 3 week notice. If a member or provider office doesn't give at least 3 weeks' notice, please advise the member that the request may not be filled.

Relates to coverage

OTHER:

Does this benefit pay according to the related benefit section?

Yes

### Include / Exclude

---

Include

Exclude

---

## Non-standard Benefit: Dependent (non-spouse) Maternity

---

### General

---

### General

---

### Non-standard Benefit Definition

---

Name	Owner
Dependent (non-spouse) Maternity	Caroline Jones (81)

Effective Date  
1/1/2015

Benefit Definition  
Non-Union plans will cover pre-natal visits and delivery only.

Union plan will cover all pre-natal services, delivery, and will cover the dependent newborn (grandchild) for 31 days after birth.

Relates to coverage  
Maternity Benefits

Does this benefit pay according to the related benefit section?  
Yes

### Include / Exclude

---

Include

Exclude

---

## Non-standard Benefit: Gender Dysphoria and Gender Reassignment Services

---

### General

---

### General

---

### Non-standard Benefit Definition

---

Name	Owner
Gender Dysphoria and Gender Reassignment Services	Caroline Jones (81)
Effective Date	
1/1/2017	
Benefit Definition	
Gender dysphoria counseling services are covered. Gender reassignment services (surgery) are covered.	
Relates to coverage	
Other	
Does this benefit pay according to the related benefit section?	
Yes	

### Include / Exclude

---

Include

Exclude

---

## Non-standard Benefit: Hearing Aids

---

### General

---

### General

---

### Non-standard Benefit Definition

---

Name	Owner
Hearing Aids	Caroline Jones (81)

Effective Date  
1/1/2016

#### Benefit Definition

Hearing aids are covered at applicable tier 1 benefit for tier 1 and INN. Not covered OON.

Limited to \$1, 500 per individual hearing aid, per ear, per occurrence, for anyone under the age of 19, and for \$700 per individual hearing aid, per ear, per occurrence, for anyone of the age of nineteen 19 years and older.

Relates to coverage

Other

Does this benefit pay according to the related benefit section?

Yes

### Include / Exclude

---

Include

Exclude



---

## Non-standard Benefit: Infertility

---

### General

---

### General

---

### Non-standard Benefit Definition

---

Name	Owner
Infertility	Caroline Jones (81)

Effective Date  
1/1/2016

Benefit Definition  
Physician visits for testing and diagnosis only. No coverage for treatment or assisted fertilization. Payable at applicable copay per POS filed for tiers 1 and 2.

Relates to coverage  
Infertility Benefits

Does this benefit pay according to the related benefit section?  
Yes

### Include / Exclude

---

Include

Exclude

## Non-standard Benefit: Inpatient/Skilled Nursing Facility and Professional

### General

#### General

#### Non-standard Benefit Definition

Name: Inpatient/Skilled Nursing Facility and Professional  
 Owner: Stephanie Musto (N10)

Effective Date: 1/1/2018

Benefit Definition  
 Tier 1:  
 Facility should pay at 100% +NOBYD  
 Professional should pay at 100% +BYD

INN:  
 Facility should pay at \$100 copay +BYD  
 Professional should pay at 100% +BYD

Relates to coverage  
 Inpatient Benefits/Skilled Nursing (SNF)

Does this benefit pay according to the related benefit section?  
 No

#### Pre-Approval

Is Pre-Authorization Required?	Require over \$	Penalty
No		

#### Maximums

Tier 1 (Dollar Limit)	Event or Item Limit	Apply maximum per
In Network (Dollar Limit)	Event or Item Limit	Apply maximum per
Out of Network (Dollar Limit)	Event or Item Limit	Apply maximum per

Are maximums combined in and out of network  
 No

#### Payment Level

Tier 1	In Network	Out of Network
Refer to Non-Standard	Refer to Non-Standard	Not Covered

#### Out of Pocket Maximums

#### Should benefits contribute to the Out of Pocket Maximum?

Tier 1	In Network	Out of Network
Yes	Yes	No

#### Should benefits flip to 100% once OOP max is met?

Tier 1	In Network	Out of Network
Yes	Yes	No

---

## Non-standard Benefit: NIA

---

### General

---

### General

---

### Non-standard Benefit Definition

---

Name	Owner
NIA	Caroline Jones (81)

Effective Date  
1/1/2015

Benefit Definition  
Outpatient pre-cert is required through NIA and the following are the procedures that require pre-cert:

CT Scans, MRI/MRA, PET Scans. Failure to obtain authorization results in full denial of charges for that imaging service.

Relates to coverage  
Pre-Authorization Requirements

Does this benefit pay according to the related benefit section?  
Yes

### Include / Exclude

---

Include

Exclude

## Non-standard Benefit: Obesity Services

### General

#### General

#### Non-standard Benefit Definition

Name  
Obesity Services

Owner  
Caroline Jones (81)

Effective Date  
1/1/2016

Benefit Definition  
Obesity Surgery:  
In order for services to be covered, Prior Authorization based on medical necessity is required as well as the following criteria. Services are payable per POS filed.

- Obesity surgery coverage is ONLY available if the service is performed at a CharterCare facility (Services Not Available request is not available for this service).
- Pre-Surgery Counseling – Candidates for bariatric surgery are required to undergo an orientation and counseling program. The member would complete an orientation at the bariatric surgeon office and would complete a nutrition and psychiatric evaluation.
- Physician’s Statement – In advance of approving the surgery, the patient’s Physician should present written documentation of at least 6 months good faith effort to lose weight. The physician statement, which is required to document the member’s weight loss efforts, would indicate previous weight loss programs attempted and verification that there is ongoing recent weight reduction effort. Recording the member’s weight loss efforts and weights for the 12 months prior to surgery would be expected.

Non-Surgery Services for Obesity Diagnoses:  
Covered per POS filed at applicable tiered benefit level.

Relates to coverage  
Obesity Benefits

Does this benefit pay according to the related benefit section?  
No

#### Pre-Approval

Is Pre-Authorization Required?	Require over \$	Penalty
Yes		

#### Maximums

Tier 1 (Dollar Limit)	Event or Item Limit	Apply maximum per
In Network (Dollar Limit)	Event or Item Limit	Apply maximum per
Out of Network (Dollar Limit)	Event or Item Limit	Apply maximum per

Are maximums combined in and out of network  
No

#### Payment Level

Tier 1	In Network	Out of Network
--------	------------	----------------

#### Out of Pocket Maximums

**Should benefits contribute to the Out of Pocket Maximum?**

Tier 1	In Network	Out of Network
Yes	Yes	No

**Should benefits flip to 100% once OOP max is met?**

Tier 1	In Network	Out of Network
Yes	Yes	No

---

## Non-standard Benefit: Payment order

---

### General

---

### General

---

### Non-standard Benefit Definition

---

Name	Owner
Payment order	Morgan Myers

Effective Date  
1/1/2016

Benefit Definition  
In the cases where a copay and coinsurance apply, the deductible also applies. This applies to ER copays as well.

Relates to coverage  
Other

Does this benefit pay according to the related benefit section?  
Yes

### Include / Exclude

---

Include

Exclude

---

## Non-standard Benefit: Pre-Natal and Post-Natal Care

---

### General

---

### General

---

### Non-standard Benefit Definition

---

Name	Owner
Pre-Natal and Post-Natal Care	Caroline Jones (81)

Effective Date  
1/1/2016

Benefit Definition  
All Pre-natal and post natal covered at 100% NOBYD for tiers 1 and 2. Not covered for OON.

Relates to coverage  
Maternity Benefits

Does this benefit pay according to the related benefit section?  
Yes

### Include / Exclude

---

Include

Exclude

---

## Non-standard Benefit: Provider Tier List

---

### General

---

### General

---

### Non-standard Benefit Definition

---

Name	Owner
Provider Tier List	Caroline Jones (81)

Effective Date  
1/1/2015

Benefit Definition  
A current provider list is included in the Blue Relationship or the Repository.

Relates to coverage  
OTHER:

Does this benefit pay according to the related benefit section?  
Yes

### Include / Exclude

---

Include

Exclude



---

## Non-standard Benefit: REAP

---

### General

---

### General

---

### Non-standard Benefit Definition

---

Name	Owner
REAP	Caroline Jones (81)

Effective Date  
1/1/2015

Benefit Definition  
REAP benefits should be payable at the applicable tier 1 provider benefit per POS filed and should reimburse up to billed charges.

Relates to coverage  
REAP

Does this benefit pay according to the related benefit section?  
Yes

### Include / Exclude

---

Include

Exclude

---

## Non-standard Benefit: RIMI

---

### General

---

### General

---

### Non-standard Benefit Definition

---

Name	Owner
RIMI	Caroline Jones (81)

Effective Date  
1/1/2017

Benefit Definition  
Services at RIMI always payable at tier 1.

TIN 050318025

Relates to coverage  
OTHER:

Does this benefit pay according to the related benefit section?  
Yes

### Include / Exclude

---

Include

Exclude

**Non-standard Benefit: Teladoc**

**General**

**General**

**Non-standard Benefit Definition**

Name	Owner
Teladoc	Stephanie Musto (N10)

Effective Date  
1/1/2018

Benefit Definition

Relates to coverage  
OTHER:

Does this benefit pay according to the related benefit section?  
No

**Pre-Approval**

Is Pre-Authorization Required?	Require over \$	Penalty
No		

**Maximums**

Tier 1 (Dollar Limit)	Event or Item Limit	Apply maximum per
In Network (Dollar Limit)	Event or Item Limit	Apply maximum per
Out of Network (Dollar Limit)	Event or Item Limit	Apply maximum per

Are maximums combined in and out of network  
No

**Payment Level**

Tier 1	In Network \$10 Copay / 100%	Out of Network
--------	---------------------------------	----------------

**Out of Pocket Maximums**

**Should benefits contribute to the Out of Pocket Maximum?**

Tier 1	In Network	Out of Network
No	No	No

**Should benefits flip to 100% once OOP max is met?**

Tier 1	In Network	Out of Network
No	No	No

---

## Non-standard Benefit: TIERS LISTED IN GIL

---

### General

---

### General

---

### Non-standard Benefit Definition

---

Name	Owner
TIERS LISTED IN GIL - IMPORTANT	Caroline Jones (81)

Effective Date  
1/1/2016

Benefit Definition  
Tier 1 = listed as Tier 1 in GIL  
Tier 2 = listed as INN

Relates to coverage  
---- Medical Benefit Select Below -----

Does this benefit pay according to the related benefit section?  
Yes

### Include / Exclude

---

Include

Exclude

**Non-standard Benefit: Urgent Care**

**General**

**General**

**Non-standard Benefit Definition**

Name Urgent Care Owner Caroline Jones (81)

Effective Date 1/1/2016

Benefit Definition

Relates to coverage OTHER:

Does this benefit pay according to the related benefit section? No

**Pre-Approval**

Is Pre-Authorization Required? No Require over \$ Penalty

**Maximums**

Tier 1 (Dollar Limit)	Event or Item Limit	Apply maximum per
In Network (Dollar Limit)	Event or Item Limit	Apply maximum per
Out of Network (Dollar Limit)	Event or Item Limit	Apply maximum per

Are maximums combined in and out of network No

**Payment Level**

Tier 1	In Network	Out of Network
\$30 Copay / 100%	\$30 Copay / 100%	

**Out of Pocket Maximums**

**Should benefits contribute to the Out of Pocket Maximum?**

Tier 1	In Network	Out of Network
Yes	Yes	No

**Should benefits flip to 100% once OOP max is met?**

Tier 1	In Network	Out of Network
Yes	Yes	No

---

## Non-standard Benefit: Value Based Benefit (CC)

---

### General

---

### General

---

### Non-standard Benefit Definition

---

Name	Owner
Value Based Benefit (CC)	Caroline Jones (81)

Effective Date  
1/1/2016

Benefit Definition  
Care Coordination Fee - This group has opted into the program.

Relates to coverage  
Other

Does this benefit pay according to the related benefit section?  
Yes

### Include / Exclude

---

Include

Exclude

## Recommended New Exclusions / Limits

### Exclusions (New or Changed)

Please indicate which exclusions will apply. "Yes" means client accepts exclusions as is. "No" means they are rejecting the exclusion as a whole. "Other" is listed if the exclusion is to apply with modifications.

**1. All services and supplies related to pregnancy of a Dependent Child, except for life-threatening pregnancy complications, to either the mother or fetus. An elective abortion is not considered to be a complication of pregnancy.**

Other

Other  
See Non-Standard

**2. Services for Animal Assisted Therapy, rTMS, Eye Movement Desensitization and Reprocessing (EMDR), behavior therapy for solitary maladaptive habits, or Rapid Opiate Detox**

Yes

**3. Manual or Motorized Wheelchairs or power operated vehicles, such as scooters, for mobility outside of the home setting. Coverage for these devices to assist with mobility in the home setting is subject to the establishment of Medical Necessity by the Corporation.**

Yes

**4. Charges for hypnotism, biofeedback therapy and TENS Units. Services for chronic pain management programs or any program developed by centers with multidisciplinary staffs intended to provide the interventions necessary to allow the patient to develop pain coping skills and freedom from dependence on analgesic medications.**

Yes

**5. Orthomolecular therapy including infant formula, nutrients, vitamins and food supplements. Enteral feedings when not a sole source of nutrient**

Yes

**6. Adjustable cranial orthoses (band or helmet) for positional plagiocephaly or craniosyntoses in the absence of cranial vault remodeling surgery.**

Yes

**7. Growth hormone therapy for patients over 18 years of age. Growth hormone therapy for patients 18 years of age or younger is excluded unless for documented growth hormone deficiency.**

Yes

**8. Pulmonary Rehabilitation, except in conjunction with a Covered lung Transplant.**

Yes

**9. Medical and surgical expenses for care and treatment of a living human organ transplant donor.**

Yes

**10. Bioelectric, microprocessor or computer programmed prosthetic components.**

Yes

### Limitations

Please indicate which if any, limitations will apply. "Yes" means client accepts limitation as is. "Other" is listed if the limitation is to apply with modifications. "No" means claims will defer or reject per standard medical policy.

**1. ACCIDENTAL DENTAL – Services must be rendered within 6 months of the date of injury for ben cov**

Yes

**2. HEMOPHILIA – Must have care coordinated through a CDC designated hemophilia treatment center at least once per benefit year or coverage of services for treatment of hemophilia will be reduced to 50%**

Yes

**3. PROSTHETICS – Limited to \$50,000 per Benefit Year.**

Yes

**4. VARICOSE VEIN TREATMENT – Limited to \$2,500 per Benefit Year.**

Yes



**Ancillary Benefit: Ancillary | 60541 | 1/1/2018 | Active | Nation | Ch [ National Alliance ASO | National Alliance ]**

---

**General**

---

Owner Stephanie Musto (N10)	Short Name CharterCare Ancillaries	Group Configuration 60541   4/1/2018   Active   Nation   CharterCare
--------------------------------	---------------------------------------	---

**Selected Products**

**Ancillary Product Options**

**Product**

My Health Essentials Engagement Suite (ASO)  
No

**PEPM and MHE**

Health Management (includes PHA and Maternity Care)  
No

24-Hour Nurse Advisor  
No

Personal Health Assessment (Basic)  
Yes

Informed Health Messaging

Core Disease Management	Essential Advocate
Yes	Yes

Naturally Slim  
Yes

Oncology Management  
No

Health Coaching – Chronic Condition and Behavioral Health  
No

Rally	Health Coaching - Lifestyle
No	No

Private Sweepstakes	Rally Rewards
No	No

Premium Rally  
No

**Additional Programs**

Healthy Vision  
No

Quit for Life	BluesEnroll
No	No

HR in Touch  
No

Data Feed (Incoming)	Data Feed (Outgoing)
No	No

Employee Assistance Program  
No

Complex Care  
No

HIPAA Administration

No

Telehealth

Teladoc

NIA Program(s)

Radiology Management

Enhanced Transparency

Penalty for no pre-auth out of state imaging svc?

Novologix - Specialty Medical Benefit Management

Yes

The penalty for members failing to obtain pre-auth from NIA for imaging services from an out of state provider will result in denial of claim.

Concierge Customer Service

Yes

**The following benefits require benefit configuration records attached to a plan**

Flexible Spending Account (FSA)

Health Reimbursement/Health

No

Incentive Account

None

Health Savings Account (HSA)

COBRA Administration

No

No

**Performance Guarantees**

Performance Guarantees?

## Incentive Programs

---

### Clinical Rewards

---

#### Options

Clinical Rewards 'Plan' Option

Clinical Rewards Model

Eye Exam Option with Diabetes

PHA Option

### Incentive Plan Activities

---

#### IPA CAP

EE Coverage Max

Reward Label

EE+ Coverage Max

Reward Label

Apply Program To

#### If Embedded or Tier max apply, please describe in field below

Embedded/Tier Max

## **Inclusions/Exclusions**

---

### **Inclusions and Exclusions to Standard Benefits**

---

Inclusions/Exclusions

**Plan: Preferred EPO Plan**

**General**

Name Preferred EPO Plan			
Group CharterCare	Group Configuration 60541   4/1/2018   Active   Nation   CharterCare	Select the Group Type Non-Grandfather	Add Additional Tier to B&C Report

**Employee Classification**

EE Classification Hrs per Week 20	EE Classification Weeks per Year	If other (NA only):
--------------------------------------	----------------------------------	---------------------

**Dependent Coverage**

Dependent Child is covered to age (Standard is age 26) 26	Dependent Coverage is in effect until End of the month	Dependent Coverage Other:
--	---	---------------------------

**Contract Covers**

Is Applicable? Yes	Board Members? No	Appointed/Elected Officials No	Other
Major Stockholders? No	Retirees? No		
Actives? Yes	COBRA? Yes	Grandfathered Employees? No	

**Blue Card Details**

Blue Card National ADMIN Fees Pass Through to: Group	Traveler's (OOA) Admin Fees Pass Through to Group	Blue Card National ACCESS Fees Pass Through to: Group	Traveler's (OOA) Access Fees Pass Through to Group
ITS Cust Arr (neg fees b/t Control & Par licensees) or Cust Network Arr (eg Prec Blue or AltNet) ? Yes		if yes, which Program Code applies? Program Code A	

**Cancellation Details**

Cancel Subscribers on End of Month		
Anything other than 1st and 15th? No	Specific cancellation arrangement	Add one day to term date? Yes (will ensure member is covered through the end of the term date or cancellation arrangement)

**Timely Filing Information**

Timely Filing? Yes	Timely Filing (Number of Months) 12
-----------------------	--

---

## Medical Benefit: Med | 60541 | 4/1/2018 | Active | Nation | Ch [ National Alliance ASO | National Alliance ]

---

### General

---

#### Group Name: CharterCare| 71-60541

---

Group Configuration	Short Name (Product Name)	Products	Select the Group Type
60541   4/1/2018   Active   Nation   CharterCare	Preferred EPO Plan	3 Tier PPO	Non-Grandfather

Medical Benefit Type 3 Tier EPO	Owner Stephanie Musto (N10)
------------------------------------	--------------------------------

Tier 1 Name:  
CharterCare Network

Does this plan have an associated Health Saving Account (HSA)?  
No

Custom Network?  
Yes

## Custom Network: CT | CharterCare

---

### General

---

Network Code

CT

Is Cashless?

Yes

Cashless Pricing

Host Plan

Code Applies to Tier?

1

Eligibility Network Name Voiced/Displayed

CharterCare

Medical Benefit

Med | 60541 | 4/1/2018 | Active | Nation | Ch [ National Alliance ASO | National Alliance ] - 4/1/2018



## Custom Network: CU | CharterCare

---

### General

---

Network Code

CU

Is Cashless?

No

Code Applies to Tier?

1

Eligibility Network Name Voiced/Displayed

CharterCare

Medical Benefit

Med | 60541 | 4/1/2018 | Active | Nation | Ch [ National Alliance ASO | National Alliance ] - 4/1/2018

**Summary**

**Benefit Period/Year Processing**

Benefit Period runs on a Calendar Year

Initial Benefit Period runs: (From) 1/1/2015	Initial Benefit Period runs: (Through) 12/31/2015	On-Going Benefit Period runs: (From) (MM/DD) 1/1	On-Going Benefit Period runs: (Through) (MM/DD) 12/31
--	---	--	---

**Contract Maximums**

Per Member Contract Maximum (Per Benefit Period):

**Deductibles**

Deductible Type

True Family Aggregate Deductible (Indicator 22 Embedded)

22 – Family Deductible (Type 22 Embedded): Individual amounts with any combination of family members accumulate towards the family amount. No one member will go over the individual amount.

**True Family Aggregate Deductible Amounts**

Per Member Tier 1 \$200.00	Per Member In Network \$200.00	Per Member Out of Network
Per Family Tier 1 \$600.00	Per Family In Network \$600.00	Per Family Out of Network

**Deductible Accumulations**

Is Deductible

Collective (BYD dollars apply to both PB and non-PB maximums even when dollar amounts differ) [Standard Option]

Does this group have Common Accident deductible

No

**Out of Pocket (OOP) Maximums**

Out-Of-Pocket Provisions

Yes

Out of Pocket Type

Individual and Family Combination Coinsurance (Indicator 24)

24 – Individual and Family Combination (Type 24): Individual amounts with any combination of family members accumulate towards the family amount. No one member will go over the individual amount.

**Maximum (Global) OOP Limits**

Per Member: Tier 1 \$2,500.00	Per Member: In Network \$2,500.00
Per Family: Tier 1 \$7,500.00	Per Family: In Network \$7,500.00

**Standard OOP Limits**

Per Member at Tier 1 provider	Per Member at In Network provider:	Per Member at Out of Network provider
Per Family at Tier 1 provider	Per Family at In Network provider:	Per Family at Out of Network provider

**INN Contribution to Standard OOP**

Coinsurance  
No

Deductible  
No

**INN Contribution to Standard OOP**

Per Occurrence Co-payment No	Per Admission Co-payment No
---------------------------------	--------------------------------

**OON Contribution to Standard OOP**

Coinsurance Yes	Deductible Yes
Per Occurrence Co-payment Yes	Per Admission Co-payment Yes

**OOP Accumulations**

OOP Accumulations  
Collective (OOP dollars apply to both PB and non-PB maximums even when dollar amounts differ) [Standard Option]

**Carry overs**

3-month year-end carry over? No	Carry over from prior Carrier? No
------------------------------------	--------------------------------------

**Pricing**

**Facility charges will be based off of:**

Tier 1 Blue Card Pricing for Tiers 1 AND 2	In-Network Per Agreement	Out of Network
---	-----------------------------	----------------

**Professional charges will be based off of:**

Tier 1 Blue Card Pricing for Tiers 1 AND 2	In-Network Allowed Amount	Out of Network
---	------------------------------	----------------

**OON ER Professional charges will be based off of:**

Tier 1 Blue Card Pricing for Tiers 1 AND 2	In-Network Per Agreement	Out of Network Host Plan Pricing (Fac & Prof must match)
---	-----------------------------	---

**Par Network Providers**

PAR Network -- Payment to Provider

**Accident Benefits**

Accident Benefits  
Accident pays as all other services. (Standard Option)

## Dental / Drug / Vision Benefits

### Dental Benefits

**Does this group have Freestanding Dental Services?**

Yes If "Yes", under:  
Dental Carrier Listed Below:

Dental Carrier  
delta dental RI - CharterCare

**Are dental anesthesia and outpatient facility charges related to dental covered under medical?**

Yes Are there any limitations (i.e. age, medical condition)?  
Yes

Detail the limitations:  
Only covered when services are due to accidental injury to sound natural teeth.

**If covered under "BCBS Medical" pay at services at**

Tier 1	In Network	Out of Network
CoINS - 100% NOBYD	\$300 Copay / 90%	Not Covered

**Are services for Impacted teeth covered?**

Services for Impacted Teeth Covered  
No

**If covered under "BCBS Medical" pay at**

Tier 1	In-Network	Out of Network
--------	------------	----------------

**NOTE: If Pay Based on POS Filed is not indicated above, then all POS will pay at indicated level including DRs office services.**

**Are all services for treatment of TMJ covered?**

All services for TMJ Covered?  
Yes Med Dental TMJ: Monetary Lifetime Max

Monetary Benefit Period Maximum

Detail limitations of procedures below:

**Pay ALL services for TMJ at**

Tier 1	In-Network	Out of Network
CoINS - 100% +BYD	\$300 Copay / 90%	Not Covered

**NOTE: If Pay Based on POS Filed is not indicated above, then all POS will pay at indicated level including DRs office services**

**Are orthognathic surgeries covered?**

Orthognathic surgeries covered?  
Yes

Coverage includes:  
Cover if the disorders are attributed to the malposition of the bones and muscles regardless of the symptoms including dental related orthognathic conditions

NOTES:  
Orthognathic: If Yes, services will be paid based on diagnosis, procedure and place of service filed. Services will be sent to Medical Review to determine coverage.  
TMJ: To capture TMJ benefits, claims must be filed with appropriate procedure codes and diagnosis codes related to TMJ only. This logic is applied to both facility and professional charges.  
Accidental Dental: Dental Services related to an accident are paid under MEDICAL.  
Oral Surgeries: Oral Surgery related to the MOUTH is covered under MEDICAL. Oral surgery related to the TEETH should be covered under the DENTAL contract.

**Drug Benefits**

Drugs are covered under  
Vendor other than Caremark

Drug Carrier  
Express Scripts

Does this group have Integrated drug  
No

Do Caremark benefits feed medical contract maximum?  
No

Does this group have Blue RX?  
No

Are contraceptives covered under med when provided/admin in a Drs office?  
Yes

Are birth control devices covered under med when provided/admin in a Drs office?  
Yes

Block certain Self-Administered Drugs under Medical?

**Require members to access certain infused medications in the lowest cost, clinically appropriate setting (Site of Care steerage)?**

Are diabetic supplies covered under med?  
No

**Routine Vision Benefits**

Routine Vision covered BCBS Medical and Vendor other than BCBS	Vision Carrier VSP - CharterCare
---	-------------------------------------

**If "under BCBS Medical", are refraction services covered?**

No	Apply Pricing: In Network	Apply Pricing: Out of Network
----	---------------------------	-------------------------------

**Vision Options**

Choice Two - Please indicate payment/coverage for the vision categories below:

Exam: PCP: Tier 1 \$30 Copay / 100%	Exam: Spec : Tier 1 \$35 Copay / 100%
Vision Srv: PCP: Tier 1 Not Covered	Vision Srv: Spec: Tier 1 Not Covered
Vision Hrd:PCP: Tier 1 Not Covered	Vision Hrd: Spec: Tier 1 Not Covered

Aids Misc: PCP: Tier 1  
Not Covered

Aids Misc: Spec: Tier 1  
Not Covered

Exam: PCP: In Network  
\$30 Copay / 100%

Exam: Spec: In Network  
\$35 Copay / 100%

Exam: Out of Network  
Not Covered

Vision Srv: PCP: In Network  
Not Covered

Vision Srv: Spec: In Network  
Not Covered

Vision Srv: Out of Network  
Not Covered

Vision Hrd:PCP: In Network  
Not Covered

Vision Hrd:Spec: In Network  
Not Covered

Vision Hrd: Out of Network  
Not Covered

Aids Misc: PCP: In Network  
Not Covered

Aids Misc: Spec: In Network  
Not Covered

Aids Misc: Out of Network  
Not Covered

Vision categories subject to a benefit period maximum per service?  
No

**Therapy: Therapy | Med | 60541 | 1/1/2018 | Active | Nation [ National Alliance ASO | National Alliance ]**

**Therapy**

**Group Name: CharterCare| 71-60541 | Preferred EPO Plan**

**Chiropractic**

Are chiropractic services covered?  
No

**Outpatient Rehabilitation Benefits**

Is outpatient physical/occupational therapy covered?  
Yes

Is outpatient physical/occupational therapy subject to any maximum?  
Yes

If 'Yes', benefit period maximum is: (combined INN and OON)  
60

Are maximums for physical / occupational and speech therapy combined?  
Yes

If 'Yes', Is maximum combined for Facility and Professional charges?  
Yes

**Pay outpatient facility services for physical / occupational therapy (Tier 1)**

PCP: Tier 1 \$35 Copay / 100%	Spec: Tier 1 \$35 Copay / 100%
----------------------------------	-----------------------------------

**Pay outpatient facility services for physical / occupational therapy**

PCP: In Network \$35 Copay / 100%	Spec: In Network \$35 Copay / 100%	Out of Network Not Covered
--------------------------------------	---------------------------------------	-------------------------------

**Pay outpatient professional services for physical / occupational therapy performed in a fac (Tier 1)**

PCP: Tier 1 \$35 Copay / 100%	Spec: Tier 1 \$35 Copay / 100%
----------------------------------	-----------------------------------

**Pay outpatient professional services for physical / occupational therapy performed in a fac**

PCP: In Network \$35 Copay / 100%	Spec: In Network \$35 Copay / 100%	Out of Network Not Covered
--------------------------------------	---------------------------------------	-------------------------------

**Pay outpatient pro services for physical / occupational therapy performed in a doctors off (Tier 1)**

PCP: Tier 1 \$30 Copay / 100%	Spec: Tier 1 \$35 Copay / 100%
----------------------------------	-----------------------------------

**Pay outpatient pro services for physical / occupational therapy performed in a doctors off**

PCP: In Network \$30 Copay / 100%	Spec: In Network \$35 Copay / 100%	Out of Network Not Covered
--------------------------------------	---------------------------------------	-------------------------------

**NOTE:Services for physical/occupational therapy are not subject to any pre-authorization requirement**

**Speech Therapy**

Is outpatient speech therapy covered?  
Yes

Is outpatient speech therapy subject to any maximum?  
Yes

If 'Yes', benefit period maximums is: (combined INN and OON)  
60

**Speech Therapy**

If 'Yes', Is maximum combined for Facility and Professional charges?

Yes

**Pay outpatient facility services for speech therapy**

PCP: Tier 1 \$35 Copay / 100%	PCP: In Network \$35 Copay / 100%	Out of Network Not Covered
Spec: Tier 1 \$35 Copay / 100%	Spec: In Network \$35 Copay / 100%	

**Pay outpatient professional speech therapy services performed in a facility (Tier1)**

PCP: Tier 1 \$35 Copay / 100%	Spec: Tier 1 \$35 Copay / 100%
----------------------------------	-----------------------------------

**Pay outpatient professional speech therapy services performed in a facility**

PCP: In Network \$35 Copay / 100%	Spec: In Network \$35 Copay / 100%	Out of Network Not Covered
--------------------------------------	---------------------------------------	-------------------------------

**Pay outpatient professional speech therapy services performed in a doctors office (T1)**

PCP: Tier 1 \$30 Copay / 100%	Spec: Tier 1 \$35 Copay / 100%
----------------------------------	-----------------------------------

**Pay outpatient pro speech therapy services performed in a doctors office**

PCP: In Network \$30 Copay / 100%	Spec: In Network \$35 Copay / 100%	Out of Network Not Covered
--------------------------------------	---------------------------------------	-------------------------------

**NOTE: Services for speech therapy are not subject to any pre-authorization requirements.**

**Acupuncture Benefits**

Are Acupuncture services covered?

No



**Inpatient / Outpatient**

---

**Inpatient/Outpatient: InpatOutput | Med | 60541 | 1/1/2018 | Active | Nation [ National Alliance ASO | National Alliance ]**

**Inpatient/Outpatient**

**Group Name: CharterCare| 71-60541 | Preferred EPO Plan**

**Inpatient Services**

**Inpatient Skilled Nursing Facilities pay at**

Tier 1	In Network	Out of Network
CoINS - 100% +BYD	CoINS - 100% +BYD	Not Covered
Per Admission Copay is (Tier 1)	Per Admission Copay is:(In Network)	Per Admission Copay is: (Out of Network)
	100	

**Benefit Period Maximum:**

100 days

**Maximums: (Combined for In and Out-of-Network)**

**Inpatient Facilities pay at**

Tier 1	In Network	Out of Network
CoINS - 100% +BYD	CoINS - 90% +BYD	Not Covered
Per Admission Copay is (Tier1-Inpat Fac)	Per Admission Copay is:(In Network)	Per Admission Copay is: (Out of Network)
	600	

**Inpatient / SNF Professional pay at**

Tier 1	In Network	Out of Network
CoINS - 100% +BYD	CoINS - 100% +BYD	Not Covered

**NOTE: For IP Facility Pre-Authorization requirements, see Pre-Authorization Section of checklist.**

**Inpatient rehabilitation is covered with no limitations.**

**Maternity Care**

**Female Employee / Spouse is covered**

Are dependents (non-spouse) maternity covered?

Yes

Are elective abortions covered?

Yes

Are non-elective abortions covered?

Yes

**NOTE: When abortions and maternity are covered, services will be paid based on place of srvs filed.**

**Newborn Benefits**

**Pay Newborn care (physician's charges for the initial pediatric exam in the hospital) at**

Tier 1	In Network	Out of Network
CoINS - 100% NOBYD	\$600 Copay / 90%	Not Covered

Are Routine Nursery charges subject to the benefit year deductible?

No, deductible will apply to mother's claim only.

**Outpatient Services:**

**Emergency Room (ER - Facility Only) - True Emergency**

Tier 1	In Network	Out of Network
CoINS - 100% +BYD	CoINS - 100% +BYD	CoINS - 100% +BYD
Per Admission Copay is (Tier 1 - ER)	Per Admission Copay is: (In Network)	Per Admission Copay is: (Out of Network)
	150	150

**Emergency Room (ER - Facility Only) - Non-Emergency**

Tier 1	In Network	Out of Network
CoINS - 100% +BYD	CoINS - 100% +BYD	CoINS - 100% +BYD
Per Admission Copay is (Tier 1 - ER, Non Emg)	Per Admission Copay is: (In Network)	Per Admission Copay is:(Out of Network)
	150	150

**Copay will be waived if admitted. This applies whether the visit is for true or non-emergency.**

**NOTE: In-Network ER Physicians will be paid as outpatient medical. Out of Network ER physicians will be paid under REAP benefits unless otherwise specified.**

**REAP**

All services filed by REAP pro will pay at Refer to Non-Standard	Apply BYDs to match NA
Apply OOPs to match NA	Apply pricing to match Billed Charges

Notes: Reap Providers are Radiologists, Emergency Room Physicians, Anesthesiologists, Pathologists, and (Independent Laboratories unless otherwise specified). These providers most often refuse to join our networks but can still render services at our Network hospitals. These claims will be filed as Out-of-Network so the member can be balance billed for the remainder of the charges. The claim does not indicate these services were performed at a network or non-network hospital. As such, we are only able to capture this by the claim indicator for non-participating status and by the specific provider specialty type. Services for True Emergencies will pay as required under the Affordable Care Act (HCR) unless otherwise specified.

**ITS Processing for True Emergencies**

**If a claim is filed with a TRUE emergency diagnosis and the HOST Plan indicates NO network was available, should all services for that claims pay at INN level?**

Yes	If Yes, members claims will pay at In-Network levels. Apply pricing same as: Billed Charges
-----	--

**Outpatient Facilities pay at:**

Surgery: Tier 1 CoINS - 100% +BYD	Surgery: In Network Refer to Non-Standard	Surgery: Out of Network Not Covered
Maternity: Tier 1 CoINS - 100% +BYD	Maternity: In Network Refer to Non-Standard	Maternity: Out of Network Not Covered
Medical: Tier 1 CoINS - 100% +BYD	Medical: In Network Refer to Non-Standard	Medical: Out of Network Not Covered
Diagnostic Lab / X-Ray: Tier 1 CoINS - 100% +BYD	Diagnostic Lab / X-Ray: In Network CoINS - 100% +BYD	Diagnostic Lab / X-Ray: Out of Network Not Covered

**Outpatient Professionals pay:**

Surgery: Tier 1 CoINS - 100% +BYD	Surgery: In Network CoINS - 100% +BYD	Surgery: Out of Network Not Covered
Maternity: Tier 1 CoINS - 100% +BYD	Maternity: In Network CoINS - 100% +BYD	Maternity: Out of Network Not Covered

**Outpatient Professionals pay:**

Medical: Tier 1 CoINS - 100% +BYD	Medical: In Network CoINS - 100% +BYD	Medical: Out of Network Not Covered
Diagnostic Lab / X-Ray: Tier 1 CoINS - 100% +BYD	Diagnostic Lab / X-Ray: In Network CoINS - 100% +BYD	Diagnostic Lab / X-Ray: Out of Network Not Covered
Independent Lab / X-Ray: Tier 1 CoINS - 100% +BYD	Independent Lab / X-Ray: In Network CoINS - 100% +BYD	Independent Lab / X-Ray: Out of Network Not Covered

**Out of Network diagnostic lab, x-ray and independent lab services may pay under OPD or REAP depending on their network status and provider specialty filed.**

**NOTE: Clinical Pathology will be paid as all other OPD professional charges.**

**Testing prior to an admission to an Inpat Fac (Pre-Admission testing) will pay as all other OPD**

**Pre-Authorization Requirements**

Is pre-authorization required for Inpatient facilities?

Yes

Tier 1 Penalty

Denial of Room and Board

In Network Penalty

Denial of Room and Board

Out of Network Penalty

Denial of Room and Board

Is pre-authorization required for Outpatient facilities?

Yes

If 'Yes', what is the penalty for not obtaining Outpatient Facility pre-authorization?

NA

Are the prior carrier's, if applicable, authorized services to be grandfathered as Approved?

Yes

NOTE: a) Depending on the contractual agreements the BCBS plan has with its local providers in the state where services are rendered, members may be responsible for all charges where pre-authorization is not obtained at an In-network, Inpatient facility. (b) Pre-Admission Review will be required beginning at the Group's Effective Date. No grace period allowed.

If Yes, the recommended procedures to be pre-authorized at an Outpatient facility are:Septoplasty (surgery to straighten the nasal septum), Surgical Procedures that may potentially be cosmetic (such as: Blepharoplasty, Reduction Mammoplasty), Hysterectomy

NOTE: Professional charges for Inpatient and Outpatient are not subject to Pre-Authorization requirements. Experimental/Investigation services are not covered. Potentially experimental/investigation procedures are sent to medical review to determine coverage. Chemotherapy and Radiology therapy require a one time notification; no penalty will be applied if notification is not received.

**The Following Outpatient Procedures Require Pre-authorization (ASO)**

All cosmetic surgery procedures

Yes

Chemo or Radiation Therapy (one-time notification)

Yes

Hysterectomy

Yes

Investigational procedures

Yes

Sclerotherapy (treatment of varicose veins)

Yes

Septoplasty (surgery to straighten the nasal septum)

Yes

## **Mental Health**

---

## Mental Health: Mental Health | Med | 60541 | 1/1/2018 | Active | Nation [ National Alliance ASO | National Alliance ]

### Mental Health

Group Name: CharterCare | 71-60541 | CharterCare

#### Mental Health and Substance Use (MH/SU) Benefits

MH/SU benefits covered?

Under BCBS Medical

#### Does Companion Benefit Alternative (CBA) manage Pre-Authorization requirement?

Yes

#### Basic MH/SU - Pre-Authorization required for Inpatient Services?

Yes

If Yes - see Inpatient Services in Pre-Authorization Section for applicable penalties.

#### Pre-Authorization required for Outpatient Services?

Yes

If Yes - see Outpatient Services in Pre-Authorization Section for applicable penalties.

#### Pre-authorization required for office visits?

No

If Yes - see Outpatient Services in Pre-Authorization Section for applicable penalties.

#### Stand Alone EAP

Does this group have a Stand Alone EAP

Yes

Stand Alone EAP Vendor

Unum Life Balance - CharterCare

NOTES: CBA is the BCBS subsidiary dedicated to managing Mental Health and Substance Use MH/SU benefits. Medication Management services performed in a Primary Care Physicians office do not require precertification. These services will be paid as all other medical services.

#### Applied Behavioral Analysis (ABA) therapy?

Yes

Load ABA benefit according to South Carolina's mandate (Ryan's Law)?

No

Min Diagnosis Age

Max Diagnosis Age

Min Benefit Age

Max Benefit Age

#### In addition to Autism, Asperger's and Pervasive Development Disorder (PDD), what diagnoses are included?

Rett's Disorder

No

Childhood Disintegrative Disorder

No

Other Diagnoses Included

No

NOTES: Preauthorization is required for ABA therapy. Groups must purchase CBA's case management services when adding coverage for ABA therapy. If case management is not purchased for the entire population, the account will default to the Autism Management case rate. ABA therapy for Autism, if purchased, will apply to OOP maximums and will pay at 100% once the OOP maximums are met. Precertification penalty is denial of benefits. Mental Health and Substance Use (MH/SU) services will apply to OOP maximums. These services will pay at 100% once the OOP maximums are met.

**MH / SU Benefits**

**Inpatient MH/SU Facilities pay at**

Tier 1	In Network	Out of Network
CoINS - 100% +BYD	CoINS - 90% +BYD	Not Covered
Per Admission Copay is (Tier 1 - MHSU Fac)	Per Admission Copay is: (In Network)	Per Admission Copay is: (Out of Network)
	600	

**Inpatient MH/SU Professionals pay at**

Tier 1	In Network	Out of Network
CoINS - 100% +BYD	CoINS - 100% +BYD	Not Covered

**Outpatient MH/SU Facilities pay at**

Tier 1	In Network	Out of Network
CoINS - 100% +BYD	Refer to Non-Standard	Not Covered

**Includes partial HOSP/INTENSIVE OUTPAT services in hospital or outpatient setting**

**Outpatient MH/SU Professional pay at**

Tier 1	In Network	Out of Network
CoINS - 100% +BYD	CoINS - 100% +BYD	Not Covered

**Outpatient MH/SU ER Facilities pay at**

Tier 1	In Network	Out of Network
CoINS - 100% +BYD	CoINS - 100% +BYD	CoINS - 100% +BYD
Tier 1 Copay Is	In Network Copay Is	Out of Network Copay Is
	150	150

**Outpatient MH/SU ER Professional pay at**

Tier 1	In Network	Out of Network
CoINS - 100% +BYD	CoINS - 100% +BYD	CoINS - 100% +BYD

**Office MH/SU professional pay at (Tier 1)**

PCP: Tier 1	Spec: Tier 1
\$30 Copay / 100%	\$30 Copay / 100%

**Office MH/SU professional pay at:**

PCP: In Network	Spec: In Network	Out of Network
\$30 Copay / 100%	\$30 Copay / 100%	Not Covered

Has this group added coverage for Residential Treatment Centers (RTCs)?	Is preauth required?
Yes	Yes

**Office Physician Services**

---



**Office Physician Service: OfcPhySvc | Med | 60541 | 1/1/2018 | Active | Nation [ National Alliance ASO | National Alliance ]**

**Office Physician Services**

**Group Name: CharterCare| 71-60541 | CharterCare**

**Office Physician Services**

Physicians Office Services Options

Two - ALL office services including Allergy Injections, Dialysis, Labs/X-Rays, Surgery and Second Surgical Opinions

**Indicate the payment for your Choice below (Tier 1)**

PCP: Tier 1

\$30 Copay / 100%

Spec: Tier 1

\$35 Copay / 100%

**Indicate the payment for your Choice below:**

PCP: In Network

\$30 Copay / 100%

Spec: In Network

\$35 Copay / 100%

Out of Network

Not Covered

**Definition: PCPs are: Family and General Practitioners, Pediatricians, Internists, OB-Gyns, and Mixed Specialties. This only applies when office visit copays vary between a PCP provider and a Specialist provider.**

**Who should be considered a PCP?**

Should Nurse Practitioner be considered PCP?

Yes

Should Physician Assistants be considered a PCP

Yes

**Preventive Care: Prev Care | Med | 60541 | 1/1/2018 | Active | Nation [ National Alliance ASO | National Alliance ]**

**Preventive Care**

**Group Name: CharterCare| 71-60541 | Preferred EPO Plan**

**Preventive Care Package (See HCR Guidelines)**

Contraceptive Opt Out  
No

**Sustained Health Benefit (Sustained Health Benefits are covered above PPACA benefits)**

Preventive Care Package  
Yes

Mammography Network Provider  
No

**Please indicate payment for each preventive care services listed below:**

**Mammograms (Tier 1)**

PCP: Tier 1	Spec: Tier 1
CoINS - 100% NOBYD	CoINS - 100% NOBYD

**Mammograms: - Allow one annually for female patients beginning at age 40 and above**

PCP: In Network	Spec: In Network	Out of Network
CoINS - 100% NOBYD	CoINS - 100% NOBYD	Not Covered

**Paps (Tier 1)**

PCP: Tier 1	Spec: Tier 1
CoINS - 100% NOBYD	CoINS - 100% NOBYD

**Paps: - (One per benefit period)**

PCP: In Network	Spec: In Network	Out of Network
CoINS - 100% NOBYD	CoINS - 100% NOBYD	Not Covered

**Prostate Screening (PSAs) (Tier 1)**

PCP: Tier 1	Spec: Tier 1
CoINS - 100% NOBYD	CoINS - 100% NOBYD

**Prostate Screening: (PSAs) - (One per benefit period)**

PCP: In Network	Spec: In Network	Out of Network
CoINS - 100% NOBYD	CoINS - 100% NOBYD	Not Covered

**NOTE: The services above are for labwork and the interpretation of that labwork. It is recommended that these be paid at 100% when copay is defined on Routine Physical benefit below.**

**Well Baby / Well Child (Tier 1)**

PCP: Tier 1	Spec: Tier 1
CoINS - 100% NOBYD	CoINS - 100% NOBYD

**Well Baby / Well Child:**

PCP: In Network	Spec: In Network	Out of Network
CoINS - 100% NOBYD	CoINS - 100% NOBYD	Not Covered
Well Baby / Well child (Age Limit)	Well Baby / Well child (Covered to Age) Enter	

**Routine Physical Exams (Tier 1)**

PCP: Tier 1	Spec: Tier 1
CoINS - 100% NOBYD	CoINS - 100% NOBYD

**Routine Physical Exams:**

PCP: In Network	Spec: In Network	Out of Network
CoINS - 100% NOBYD	CoINS - 100% NOBYD	Not Covered
Routine Phy (Age Limit)	Routine Phy (Covered Beginning Age) Enter	Routine Phy (Limited to X per benefit period)

**NOTE: If no age or monetary limits apply to Routine Physical exams, benefit will be limited to one annually.**

**Immunizations (Tier 1)**

PCP: Tier 1	Spec: Tier 1
CoINS - 100% NOBYD	CoINS - 100% NOBYD

**Immunizations:**

PCP: In Network	Spec: In Network	Out of Network
CoINS - 100% NOBYD	CoINS - 100% NOBYD	Not Covered
Immunizations (Age Limit)	Immunizations (Covered to Age) Enter	

**Flu Shots (Include Flu Mist) (Tier 1)**

PCP: Tier 1	Spec: Tier 1
CoINS - 100% NOBYD	CoINS - 100% NOBYD

**Flu Shots (Include Flu Mist)**

PCP: In Network	Spec: In Network	Out of Network
CoINS - 100% NOBYD	CoINS - 100% NOBYD	Not Covered
Prev Care: Flu Shots (Age Limit)	Flu Shots (Covered to Age) Enter	

**Routine Colonoscopies (Tier 1)**

PCP: Tier 1	Spec: Tier 1
CoINS - 100% NOBYD	CoINS - 100% NOBYD

**Routine Colonoscopies:**

PCP: In Network	Spec: In Network	Out of Network
CoINS - 100% NOBYD	CoINS - 100% NOBYD	Not Covered

**Routine Bone Density Screenings (Tier 1)**

PCP: Tier 1	Spec: Tier 1
CoINS - 100% NOBYD	CoINS - 100% NOBYD

**Routine Bone Density Screenings:**

PCP: In Network	Spec: In Network	Out of Network
CoINS - 100% NOBYD	CoINS - 100% NOBYD	Not Covered

**Monetary Maximum per benefit period apply to Sustained Health Benefits as follows:**

Monetary Maximum per benefit period

Mammography(diagnostics/interpretation)  
No

PAPS (labwork / interpretation)  
No

PSAs (labwork / interpretation)  
No

Well Baby / Well Child  
No

Routine Bone Density Screening  
No

Adult Routine Physical (associated diagnostics ot  
No

Well Woman Exams (associate diagnostics other than  
No

Immunizations  
No

Flu Shots/including Flu Mist  
No

Routine Colonoscopy  
No

**Other Services**

---

**Other Service: Other Svc | Med | 60541 | 1/1/2018 | Active | Nation [ National Alliance ASO | National Alliance ]**

**Other Service**

**Group Name: CharterCare| 71-60541 | Preferred EPO Plan**

**DME / Prosthetic Devices / Orthotics Benefits**

Is Pre-Authorization Required for DME/Prosthetic Devices/Orthotics? Enter Amt  
 Yes, purchases of (Enter Amount) 500

**DME Std Limitation is Pre-Auth required for rental or replacement of over \$500**

**Pay DME / Prosthetic Device / Orthotics at**

Tier 1	In Network	Out of Network (Std Non-GF limit is OON DME is not a covered benefit)
CoINS - 100% +BYD	CoINS - 100% +BYD	Not Covered

If In and Out-of-Network pay the same, OON BYDs and OOPs will match  
 NA

**NOTE: If Pay Based on POS Filed is not indicated above, then all POS will pay at indicated level including DRs office services.**

**Professional Ambulance (non-hospital based) Benefit**

**Pay Ambulance at**

Tier 1	In Network	Out of Network
Refer to Non-Standard	Refer to Non-Standard	Refer to Non-Standard
If In and Out-of-Network pay the same, OON (Amb)	For OON professionals, apply pricing to match:	
In Network	Billed Charges	

**Home Healthcare Benefit**

Is Home Healthcare subject to any maximum?	Maximum Visits
Yes	100
Maximum applies per	Maximum Days

**Pay Home Healthcare at**

Tier 1	In Network	Out of Network
\$30 Copay / 100%	\$30 Copay / 100%	Not Covered

**NOTE: Home Healthcare services require Pre-Authorization and all charges will be denied if authorization is not obtained. Approved Home Healthcare treatment plans may include Private Duty Nursing.**

**Hospice Benefits**

Is Hospice subject to any maximum?  
 No

**Pay Hospice at**

Tier 1	In Network	Out of Network
CoINS - 100% +BYD	CoINS - 100% +BYD	Not Covered

**NOTE: For In-Network, Inpatient facilities, see pre-authorization section. For In-Network (Outpat) & Out of Network (Inpatient and Outpatient) facilities, the penalty will be denial of all charges.**

**Human Organ Transplant Benefits**

Do the IP Facility benefit copays apply (when applicable)?

Yes

**Pay Human Organ at**

Tier 1	In Network	Out of Network
CoINS - 100% +BYD	Refer to Non-Standard	Not Covered

**Non-Grandfathered Std is: Services must be obtained through a Blue Centers of Distinction (BDCT) designated transplant center or if not available, a Blue Card facility only**

**Covered transplants are limited to the following:**

Bone Marrow Stem Cell | Cornea | Heart | Heart Lung Single | Heart Lung Double | Kidney Single | Kidney Double | Liver | Liver Segmental | Lung Segmental | Lung Single | Lung Double | Pancreas | Pancreas Kidney

**NOTE: HOT IP Facility preauthorization requirements follow the same requirements as all other IP Facility admissions, unless otherwise stated in the Preauthorization Requirements section or the non-standards tab.**

**Travel and Lodging**

Is Travel and Lodging for Recipient/Family covered?

No

Is Travel and Lodging for Donor/Family covered?

No

Is Travel and Lodging maximum Combined for Recipient and Donor?

No

**NOTE: For National Alliance accounts, Travel and Lodging benefits will always be subject**

**to In-Network payment levels paid at billed charges.**

**Infertility Benefits**

Are Infertility services covered?

Yes

Are Infertility services subject to max?

Yes

If 'Yes', benefit period maximum is: (Infertility)

Physician visits for testing and diagnosis only. No coverage for treatment or assisted fertilization

**Pay Infertility at**

Tier 1	In Network	Out of Network
Refer to Non-Standard	Refer to Non-Standard	Not Covered

**Obesity Benefits**

Are obesity services covered?

Yes

If 'Yes', benefit period maximum is: (Obesity)

Are Morbid Obesity services covered?

Yes

Are surgical procedures for the treatment of Morbid obesity covered?

Yes

If 'Yes', benefit period maximum is: (Morbid)

**For covered services indicate above as 'yes', pay at:**

Tier 1	In Network	Out of Network
Refer to Non-Standard	Refer to Non-Standard	Not Covered

**Diabetic Education**

---

**Services for diabetic education ARE covered and will be paid based on place of service filed.**



## Non-standard Benefit: Advanced Radiology

### General

#### General

#### Non-standard Benefit Definition

Name: Advanced Radiology  
 Owner: Morgan Myers

Effective Date: 1/1/2016

Benefit Definition: CT scan, PET scans, MRI, MRA and nuclear medicine are covered as stated below. Deductible applies for tier 1 and 2.

Tier 1: Coins - 100% + BYD  
 INN: \$100 Copay + BYD  
 OON: Not Covered

\*No SNA form required for tier 2.

PA is required- see NIA non-standard.

Relates to coverage  
 OTHER:

Does this benefit pay according to the related benefit section?  
 No

#### Pre-Approval

Is Pre-Authorization Required?	Require over \$	Penalty
Yes		

#### Maximums

Tier 1 (Dollar Limit)	Event or Item Limit	Apply maximum per
In Network (Dollar Limit)	Event or Item Limit	Apply maximum per
Out of Network (Dollar Limit)	Event or Item Limit	Apply maximum per

Are maximums combined in and out of network  
 No

#### Payment Level

Tier 1	In Network	Out of Network
--------	------------	----------------

#### Out of Pocket Maximums

#### Should benefits contribute to the Out of Pocket Maximum?

Tier 1	In Network	Out of Network
No	Yes	No

#### Should benefits flip to 100% once OOP max is met?

Tier 1	In Network	Out of Network
No	Yes	No

## Non-standard Benefit: Ambulance

### General

#### General

#### Non-standard Benefit Definition

Name	Owner
Ambulance	Morgan Myers

Effective Date  
1/1/2016

Benefit Definition  
Ambulance is payable as follows:

All tiers-\$100 copay after deductible

Non-emergency transports are covered when it is from one facility to another facility.

Relates to coverage  
Ambulance

Does this benefit pay according to the related benefit section?  
No

#### Pre-Approval

Is Pre-Authorization Required?	Require over \$	Penalty
No		

#### Maximums

Tier 1 (Dollar Limit)	Event or Item Limit	Apply maximum per
In Network (Dollar Limit)	Event or Item Limit	Apply maximum per
Out of Network (Dollar Limit)	Event or Item Limit	Apply maximum per

Are maximums combined in and out of network  
No

#### Payment Level

Tier 1	In Network	Out of Network
--------	------------	----------------

#### Out of Pocket Maximums

#### Should benefits contribute to the Out of Pocket Maximum?

Tier 1	In Network	Out of Network
No	No	No

#### Should benefits flip to 100% once OOP max is met?

Tier 1	In Network	Out of Network
No	No	No

---

## Non-standard Benefit: Annual Foot and Eye Exam for Diabetic Members

---

### General

---

### General

---

### Non-standard Benefit Definition

---

Name	Owner
Annual Foot and Eye Exam for Diabetic Members	Caroline Jones (81)

Effective Date  
1/1/2016

Benefit Definition  
Covered at 100% NOBYD after \$30 copay for tier 1 and tier 2 PCP, Covered at 100% NOBYD after \$35 copay for tier 1 and tier 2 Specialist.

Relates to coverage  
Other

Does this benefit pay according to the related benefit section?  
Yes

### Include / Exclude

---

Include

Exclude

---

## Non-standard Benefit: Chemotherapy and Radiation Therapy

---

### General

---

### General

---

### Non-standard Benefit Definition

---

Name	Owner
Chemotherapy and Radiation Therapy	Caroline Jones (81)

Effective Date  
1/1/2017

Benefit Definition  
Payable per outpatient section even if coded as office visit. Office visit copay should not apply.

Relates to coverage  
Outpatient Benefits

Does this benefit pay according to the related benefit section?  
Yes

### Include / Exclude

---

Include

Exclude

## Non-standard Benefit: CUSTOMER SERVICE

---

### General

---

### General

---

### Non-standard Benefit Definition

---

Name	Owner
CUSTOMER SERVICE - SIGN LANGUAGE INTERPRETER	Caroline Jones (81)

Effective Date  
1/1/2016

#### Benefit Definition

If a member or provider requests a sign language interpreter, email the request to [InterpreterRequest@bcbsri.org](mailto:InterpreterRequest@bcbsri.org). Please ensure the email request includes the information below. Refer to the Customer Service desk procedure for additional information.

Email Request must include:

- 1.) Member Name
- 2.) Subscriber ID
- 3.) Contact Number
- 4.) Provider's full name
- 5.) Provider's telephone # (w/extension if applicable)
- 6.) Complete address including floor and suite number (if applicable)
- 7.) Date interpreter is required
- 8.) Time interpreter is required
- 9.) Type of language - Sign
- 10.) Special Request – i.e. a particular interpreter or/ male or female

The Commission for the Deaf and Hard of Hearing request at least a 3 week notice when requesting an interpreter. There is a shortage of Interpreters so the request may not be filled even with a 3 week notice. If a member or provider office doesn't give at least 3 weeks' notice, please advise the member that the request may not be filled.

Relates to coverage

OTHER:

Does this benefit pay according to the related benefit section?

Yes

### Include / Exclude

---

Include

Exclude

---

## Non-standard Benefit: Dependent (non-spouse) Maternity

---

### General

---

### General

---

### Non-standard Benefit Definition

---

Name	Owner
Dependent (non-spouse) Maternity	Caroline Jones (81)

Effective Date  
1/1/2015

Benefit Definition  
Non-Union plans will cover pre-natal visits and delivery only.

Union plan will cover all pre-natal services, delivery, and will cover the dependent newborn (grandchild) for 31 days after birth.

Relates to coverage  
Maternity Benefits

Does this benefit pay according to the related benefit section?  
Yes

### Include / Exclude

---

Include

Exclude

---

## Non-standard Benefit: Gender Dysphoria and Gender Reassignment Services

---

### General

---

### General

---

### Non-standard Benefit Definition

---

Name	Owner
Gender Dysphoria and Gender Reassignment Services	Caroline Jones (81)
Effective Date	
1/1/2017	
Benefit Definition	
Gender dysphoria counseling services are covered. Gender reassignment services (surgery) are covered.	
Relates to coverage	
OTHER:	
Does this benefit pay according to the related benefit section?	
Yes	

### Include / Exclude

---

Include

Exclude

---

## Non-standard Benefit: Hearing Aids

---

### General

---

### General

---

### Non-standard Benefit Definition

---

Name	Owner
Hearing Aids	Caroline Jones (81)

Effective Date  
1/1/2016

Benefit Definition  
Hearing aids are covered at applicable tier 1 benefit for tier 1 and INN. Not covered OON.  
Limited to \$1, 500 per individual hearing aid, per ear, per occurrence, for anyone under the age of 19, and for \$700 per individual hearing aid, per ear, per occurrence, for anyone of the age of nineteen 19 years and older.

Relates to coverage  
OTHER:

Does this benefit pay according to the related benefit section?  
Yes

### Include / Exclude

---

Include

Exclude



## Non-standard Benefit: Human Organ transplants

### General

#### General

#### Non-standard Benefit Definition

Name	Owner
Human Organ transplants	Morgan Myers
Effective Date	
1/1/2016	
Benefit Definition	
Tier 1- 100% after deductible	
Tier 2-\$600 copay after deductible and 90%	
Relates to coverage	
Human Organ Transplant Benefits	
Does this benefit pay according to the related benefit section?	
No	

#### Pre-Approval

Is Pre-Authorization Required?	Require over \$	Penalty
Yes		

#### Maximums

Tier 1 (Dollar Limit)	Event or Item Limit	Apply maximum per
In Network (Dollar Limit)	Event or Item Limit	Apply maximum per
Out of Network (Dollar Limit)	Event or Item Limit	Apply maximum per

Are maximums combined in and out of network  
Yes

#### Payment Level

Tier 1	In Network	Out of Network
--------	------------	----------------

#### Out of Pocket Maximums

##### Should benefits contribute to the Out of Pocket Maximum?

Tier 1	In Network	Out of Network
Yes	Yes	No

##### Should benefits flip to 100% once OOP max is met?

Tier 1	In Network	Out of Network
Yes	Yes	No

---

## Non-standard Benefit: Infertility

---

### General

---

### General

---

### Non-standard Benefit Definition

---

Name	Owner
Infertility	Caroline Jones (81)

Effective Date  
1/1/2016

Benefit Definition  
Physician visits for testing and diagnosis only. No coverage for treatment or assisted fertilization. Payable at applicable copay per POS filed for tiers 1 and 2.

Relates to coverage  
Infertility Benefits

Does this benefit pay according to the related benefit section?  
Yes

### Include / Exclude

---

Include

Exclude

---

## Non-standard Benefit: NIA

---

### General

---

### General

---

### Non-standard Benefit Definition

---

Name	Owner
NIA	Caroline Jones (81)

Effective Date  
1/1/2015

Benefit Definition  
Outpatient pre-cert is required through NIA and the following are the procedures that require pre-cert:

CT Scans, MRI/MRA, PET Scans. Failure to obtain authorization results in full denial of charges for that imaging service.

Relates to coverage  
Pre-Authorization Requirements

Does this benefit pay according to the related benefit section?  
Yes

### Include / Exclude

---

Include

Exclude

## Non-standard Benefit: Obesity Services

### General

#### General

#### Non-standard Benefit Definition

Name	Owner
Obesity Services	Caroline Jones (81)
Effective Date	
5/1/2015	
Benefit Definition	
Obesity Surgery:	
In order for services to be covered, Prior Authorization based on medical necessity is required as well as the following criteria. Services are payable per POS filed.	

- Obesity surgery coverage is ONLY available if the service is performed at a CharterCare facility (Services Not Available request is not available for this service).
- Pre-Surgery Counseling – Candidates for bariatric surgery are required to undergo an orientation and counseling program. The member would complete an orientation at the bariatric surgeon office and would complete a nutrition and psychiatric evaluation.
- Physician’s Statement – In advance of approving the surgery, the patient’s Physician should present written documentation of at least 6 months good faith effort to lose weight. The physician statement, which is required to document the member’s weight loss efforts, would indicate previous weight loss programs attempted and verification that there is ongoing recent weight reduction effort. Recording the member’s weight loss efforts and weights for the 12 months prior to surgery would be expected.

Non-Surgery Services for Obesity Diagnoses:  
 Covered per POS filed at applicable tiered benefit level.

Relates to coverage  
 Obesity Benefits

Does this benefit pay according to the related benefit section?  
 No

#### Pre-Approval

Is Pre-Authorization Required?	Require over \$	Penalty
Yes		

#### Maximums

Tier 1 (Dollar Limit)	Event or Item Limit	Apply maximum per
In Network (Dollar Limit)	Event or Item Limit	Apply maximum per
Out of Network (Dollar Limit)	Event or Item Limit	Apply maximum per

Are maximums combined in and out of network  
 Yes

#### Payment Level

Tier 1	In Network	Out of Network
--------	------------	----------------

#### Out of Pocket Maximums

**Should benefits contribute to the Out of Pocket Maximum?**

Tier 1	In Network	Out of Network
Yes	Yes	No

**Should benefits flip to 100% once OOP max is met?**

Tier 1	In Network	Out of Network
Yes	Yes	No

**Non-standard Benefit: OBGYN, Pediatric Providers, DME, Mental Health Providers, Preventive Care, labs/xrays/advanced radiology, ER, and True Emergencies**

**General**

**General**

**Non-standard Benefit Definition**

Name	Owner
OBGYN, Pediatric Providers, DME, Mental Health Providers, Preventive Care, labs/xrays/advanced radiology, ER, and True Emergencies	Caroline Jones (81)

Effective Date

Benefit Definition

OBGYN diagnoses and OBGYN providers, Pediatric Providers and services for members under 18 years of age, DME, Mental Health Providers, Preventive Care, Urgent Care, labs/xrays/advanced radiology, True Emergencies, and ER (true and non-emergent) do not require an SNA form. These services should pay at applicable tier level per POS filed.

If a denial code of UCCHP is seen for one of the above procedures the claim should be adjusted to pay per POS filed.

Relates to coverage

OTHER:

Does this benefit pay according to the related benefit section?

Yes

**Include / Exclude**

Include

Exclude

---

## Non-standard Benefit: OON ER PHYSICIAN PRICING

---

### General

---

### General

---

### Non-standard Benefit Definition

---

Name	Owner
OON ER PHYSICIAN PRICING	Caroline Jones (81)

Effective Date  
1/1/2016

Benefit Definition  
REIMBURSE UP TO BILLED CHARGES.

Relates to coverage  
Other

Does this benefit pay according to the related benefit section?  
Yes

### Include / Exclude

---

Include

Exclude

**Non-standard Benefit: OP facility and MHSU OP Facility**

**General**

**General**

**Non-standard Benefit Definition**

Name: OP facility and MHSU OP Facility  
 Owner: Morgan Myers

Effective Date: 1/1/2016

Benefit Definition:  
 Tier 1-100% after BYD  
 Tier 2- \$300 copay after deductible and 90%

Relates to coverage: Outpatient Benefits

Does this benefit pay according to the related benefit section?  
 No

**Pre-Approval**

Is Pre-Authorization Required? No  
 Require over \$  
 Penalty

**Maximums**

Tier 1 (Dollar Limit)	Event or Item Limit	Apply maximum per
In Network (Dollar Limit)	Event or Item Limit	Apply maximum per
Out of Network (Dollar Limit)	Event or Item Limit	Apply maximum per

Are maximums combined in and out of network?  
 Yes

**Payment Level**

Tier 1	In Network	Out of Network
--------	------------	----------------

**Out of Pocket Maximums**

**Should benefits contribute to the Out of Pocket Maximum?**

Tier 1	In Network	Out of Network
Yes	Yes	No

**Should benefits flip to 100% once OOP max is met?**

Tier 1	In Network	Out of Network
Yes	Yes	No



---

## Non-standard Benefit: Pre-Natal and Post-Natal Care

---

### General

---

### General

---

### Non-standard Benefit Definition

---

Name	Owner
Pre-Natal and Post-Natal Care	Caroline Jones (81)

Effective Date  
1/1/2016

Benefit Definition  
All Pre-natal and post natal covered at 100% NOBYD for tiers 1 and 2. Not covered for OON.

Relates to coverage  
Maternity Benefits

Does this benefit pay according to the related benefit section?  
Yes

### Include / Exclude

---

Include

Exclude

---

## Non-standard Benefit: Provider Tier List

---

### General

---

### General

---

### Non-standard Benefit Definition

---

Name	Owner
Provider Tier List	Caroline Jones (81)

Effective Date  
1/1/2015

Benefit Definition  
A current provider list is included in the Blue Relationship or the Repository.

Relates to coverage  
OTHER:

Does this benefit pay according to the related benefit section?  
Yes

### Include / Exclude

---

Include

Exclude

---

## Non-standard Benefit: REAP

---

### General

---

### General

---

### Non-standard Benefit Definition

---

Name	Owner
REAP	Caroline Jones (81)

Effective Date  
1/1/2015

Benefit Definition  
REAP benefits should be payable at the applicable tier 1 provider benefit per POS filed and should reimburse up to billed charges.

Relates to coverage  
REAP

Does this benefit pay according to the related benefit section?  
Yes

### Include / Exclude

---

Include

Exclude

---

## Non-standard Benefit: RIMI

---

### General

---

### General

---

### Non-standard Benefit Definition

---

Name	Owner
RIMI	Caroline Jones (81)

Effective Date  
1/1/2017

Benefit Definition  
Services at RIMI always payable at tier 1.

TIN 050318025

Relates to coverage  
OTHER:

Does this benefit pay according to the related benefit section?  
Yes

### Include / Exclude

---

Include

Exclude

## Non-standard Benefit: Teladoc

### General

#### General

#### Non-standard Benefit Definition

Name	Owner
Teladoc	Stephanie Musto (N10)

Effective Date  
1/1/2018

Benefit Definition

Relates to coverage  
OTHER:

Does this benefit pay according to the related benefit section?  
No

#### Pre-Approval

Is Pre-Authorization Required?	Require over \$	Penalty
No		

#### Maximums

Tier 1 (Dollar Limit)	Event or Item Limit	Apply maximum per
In Network (Dollar Limit)	Event or Item Limit	Apply maximum per
Out of Network (Dollar Limit)	Event or Item Limit	Apply maximum per

Are maximums combined in and out of network  
No

#### Payment Level

Tier 1	In Network \$10 Copay / 100%	Out of Network
--------	---------------------------------	----------------

#### Out of Pocket Maximums

#### Should benefits contribute to the Out of Pocket Maximum?

Tier 1	In Network	Out of Network
No	No	No

#### Should benefits flip to 100% once OOP max is met?

Tier 1	In Network	Out of Network
No	No	No

**Non-standard Benefit: TIER 2**

---

**General**

---

**General**

---

**Non-standard Benefit Definition**

---

Name  
TIER 2 - IMPORTANT!!

Owner  
Caroline Jones (81)

Effective Date  
1/1/2016

Benefit Definition  
TIER 2 BENEFITS ARE ONLY PAYABLE IF A SERVICES NOT AVAILABLE FORM WAS SUBMITTED AND APPROVED\*. THESE CLAIMS SHOULD BE SET TO DEFER WHERE THEY WILL PEND UNTIL A PROCESSOR CAN CHECK FOR THE SNA FORM AND EITHER PAY OR DENY THE CLAIM.

\*OBGYN diagnoses and OBGYN providers, Pediatric Providers and services for members under 18 years of age, DME, Mental Health Providers, Preventive Care, Urgent Care, labs/xrays/advanced radiology, True Emergencies, and ER (true and non-emergent) do not require an SNA form. These services should pay at applicable tier level per POS filed. If a denial code of UCCHP is seen for one of these procedures the claim should be adjusted to pay per POS filed.

Relates to coverage  
Other

Does this benefit pay according to the related benefit section?  
Yes

**Include / Exclude**

---

Include

Exclude

---

## Non-standard Benefit: TIERS LISTED IN GIL

---

### General

---

### General

---

### Non-standard Benefit Definition

---

Name	Owner
TIERS LISTED IN GIL - IMPORTANT	Caroline Jones (81)

Effective Date  
1/1/2016

Benefit Definition  
Tier 1 = listed as Tier 1 in GIL  
Tier 2 = listed in INN

Relates to coverage  
---- Medical Benefit Select Below -----

Does this benefit pay according to the related benefit section?  
Yes

### Include / Exclude

---

Include

Exclude

## Non-standard Benefit: Urgent Care

### General

#### General

#### Non-standard Benefit Definition

Name Urgent Care Owner Caroline Jones (81)

Effective Date 1/1/2016

Benefit Definition

Relates to coverage OTHER:

Does this benefit pay according to the related benefit section? No

#### Pre-Approval

Is Pre-Authorization Required?	Require over \$	Penalty
No		

#### Maximums

Tier 1 (Dollar Limit)	Event or Item Limit	Apply maximum per
In Network (Dollar Limit)	Event or Item Limit	Apply maximum per
Out of Network (Dollar Limit)	Event or Item Limit	Apply maximum per

Are maximums combined in and out of network No

#### Payment Level

Tier 1	In Network	Out of Network
\$30 Copay / 100%	\$30 Copay / 100%	

#### Out of Pocket Maximums

#### Should benefits contribute to the Out of Pocket Maximum?

Tier 1	In Network	Out of Network
Yes	Yes	No

#### Should benefits flip to 100% once OOP max is met?

Tier 1	In Network	Out of Network
Yes	Yes	No



---

## Non-standard Benefit: Value Based Benefit (CC)

---

### General

---

### General

---

### Non-standard Benefit Definition

---

Name	Owner
Value Based Benefit (CC)	Caroline Jones (81)

Effective Date  
1/1/2016

Benefit Definition  
Care Coordination Fee - This group has opted into the program.

Relates to coverage  
OTHER:

Does this benefit pay according to the related benefit section?  
Yes

### Include / Exclude

---

Include

Exclude

## Recommended New Exclusions / Limits

### Exclusions (New or Changed)

Please indicate which exclusions will apply. "Yes" means client accepts exclusions as is. "No" means they are rejecting the exclusion as a whole. "Other" is listed if the exclusion is to apply with modifications.

**1. All services and supplies related to pregnancy of a Dependent Child, except for life-threatening pregnancy complications, to either the mother or fetus. An elective abortion is not considered to be a complication of pregnancy.**

Other

Other  
See Non-Standard

**2. Services for Animal Assisted Therapy, rTMS, Eye Movement Desensitization and Reprocessing (EMDR), behavior therapy for solitary maladaptive habits, or Rapid Opiate Detox**

Yes

**3. Manual or Motorized Wheelchairs or power operated vehicles, such as scooters, for mobility outside of the home setting. Coverage for these devices to assist with mobility in the home setting is subject to the establishment of Medical Necessity by the Corporation.**

Yes

**4. Charges for hypnotism, biofeedback therapy and TENS Units. Services for chronic pain management programs or any program developed by centers with multidisciplinary staffs intended to provide the interventions necessary to allow the patient to develop pain coping skills and freedom from dependence on analgesic medications.**

Yes

**5. Orthomolecular therapy including infant formula, nutrients, vitamins and food supplements. Enteral feedings when not a sole source of nutrient**

Yes

**6. Adjustable cranial orthoses (band or helmet) for positional plagiocephaly or craniosyntoses in the absence of cranial vault remodeling surgery.**

Yes

**7. Growth hormone therapy for patients over 18 years of age. Growth hormone therapy for patients 18 years of age or younger is excluded unless for documented growth hormone deficiency.**

Yes

**8. Pulmonary Rehabilitation, except in conjunction with a Covered lung Transplant.**

Yes

**9. Medical and surgical expenses for care and treatment of a living human organ transplant donor.**

Yes

**10. Bioelectric, microprocessor or computer programmed prosthetic components.**

Yes

### Limitations

Please indicate which if any, limitations will apply. "Yes" means client accepts limitation as is. "Other" is listed if the limitation is to apply with modifications. "No" means claims will defer or reject per standard medical policy.

**1. ACCIDENTAL DENTAL – Services must be rendered within 6 months of the date of injury for ben cov**

Yes

**2. HEMOPHILIA – Must have care coordinated through a CDC designated hemophilia treatment center at least once per benefit year or coverage of services for treatment of hemophilia will be reduced to 50%**

Yes

**3. PROSTHETICS – Limited to \$50,000 per Benefit Year.**

Yes

**4. VARICOSE VEIN TREATMENT – Limited to \$2,500 per Benefit Year.**

Yes

**Ancillary Benefit: Ancillary | 60541 | 1/1/2018 | Active | Nation | Ch [ National Alliance ASO | National Alliance ]**

---

**General**

---

Owner Stephanie Musto (N10)	Short Name CharterCare Ancillaries	Group Configuration 60541   4/1/2018   Active   Nation   CharterCare
--------------------------------	---------------------------------------	---

**Selected Products**

**Ancillary Product Options**

**Product**

My Health Essentials Engagement Suite (ASO)  
No

**PEPM and MHE**

Health Management (includes PHA and Maternity Care)  
No

24-Hour Nurse Advisor  
No

Personal Health Assessment (Basic)  
Yes

Informed Health Messaging

Core Disease Management	Essential Advocate
Yes	Yes

Naturally Slim  
Yes

Oncology Management  
No

Health Coaching – Chronic Condition and Behavioral Health  
No

Rally	Health Coaching - Lifestyle
No	No

Private Sweepstakes	Rally Rewards
No	No

Premium Rally  
No

**Additional Programs**

Healthy Vision  
No

Quit for Life	BluesEnroll
No	No

HR in Touch  
No

Data Feed (Incoming)	Data Feed (Outgoing)
No	No

Employee Assistance Program  
No

Complex Care  
No

HIPAA Administration

No

Telehealth

Teladoc

NIA Program(s)

Radiology Management

Enhanced Transparency

Penalty for no pre-auth out of state imaging svc?

Novologix - Specialty Medical Benefit Management

Yes

The penalty for members failing to obtain pre-auth from NIA for imaging services from an out of state provider will result in denial of claim.

Concierge Customer Service

Yes

**The following benefits require benefit configuration records attached to a plan**

Flexible Spending Account (FSA)

Health Reimbursement/Health

No

Incentive Account

None

Health Savings Account (HSA)

COBRA Administration

No

No

**Performance Guarantees**

Performance Guarantees?

## Incentive Programs

---

### Clinical Rewards

---

#### Options

Clinical Rewards 'Plan' Option

Clinical Rewards Model

Eye Exam Option with Diabetes

PHA Option

### Incentive Plan Activities

---

#### IPA CAP

EE Coverage Max

Reward Label

EE+ Coverage Max

Reward Label

Apply Program To

#### If Embedded or Tier max apply, please describe in field below

Embedded/Tier Max

## **Inclusions/Exclusions**

---

### **Inclusions and Exclusions to Standard Benefits**

---

Inclusions/Exclusions



**Plan: Premier Plan**

**General**

Name  
Premier Plan

Group CharterCare      Group Configuration 60541 | 4/1/2018 | Active | Nation | CharterCare      Select the Group Type Non-Grandfather      Add Additional Tier to B&C Report

**Employee Classification**

EE Classification Hrs per Week 20      EE Classification Weeks per Year      If other (NA only):

**Dependent Coverage**

Dependent Child is covered to age (Standard is age 26) 26      Dependent Coverage is in effect until End of the month      Dependent Coverage Other:

**Contract Covers**

Is Applicable? Yes      Board Members? No      Appointed/Elected Officials No      Other

Major Stockholders? No      Retirees? No

Actives? Yes      COBRA? Yes      Grandfathered Employees? No

**Blue Card Details**

Blue Card National ADMIN Fees Pass Through to: Group      Traveler's (OOA) Admin Fees Pass Through to Group      Blue Card National ACCESS Fees Pass Through to: Group      Traveler's (OOA) Access Fees Pass Through to Group

ITS Cust Arr (neg fees b/t Control & Par licensees) or Cust Network Arr (eg Prec Blue or AltNet) ? Yes      if yes, which Program Code applies? Program Code A

**Cancellation Details**

Cancel Subscribers on End of Month

Anything other than 1st and 15th? No      Specific cancellation arrangement      Add one day to term date? Yes (will ensure member is covered through the end of the term date or cancellation arrangement)

**Timely Filing Information**

Timely Filing? Yes      Timely Filing (Number of Months) 12

---

**Medical Benefit: Med | 60541 | 4/1/2018 | Active | Nation | Ch [ National Alliance ASO | National Alliance ]**

---

**General**

---

**Group Name: CharterCare| 71-60541**

---

Group Configuration	Short Name (Product Name)	Products	Select the Group Type
60541   4/1/2018   Active   Nation   CharterCare	Premier Plan	PPO	Non-Grandfather

Medical Benefit Type	Owner
3 Tier PPO	Stephanie Musto (N10)

Tier 1 Name:  
CharterCare Network

Does this plan have an associated Health Saving Account (HSA)?  
No

Custom Network?  
Yes

## Custom Network: CU | CharterCare

---

### General

---

Network Code

CU

Is Cashless?

No

Code Applies to Tier?

1

Eligibility Network Name Voiced/Displayed

CharterCare

Medical Benefit

Med | 60541 | 4/1/2018 | Active | Nation | Ch [ National Alliance ASO | National Alliance ] - 4/1/2018

## Custom Network: CT | CharterCare

---

### General

---

Network Code

CT

Is Cashless?

Yes

Cashless Pricing

Host Plan

Code Applies to Tier?

1

Eligibility Network Name Voiced/Displayed

CharterCare

Medical Benefit

Med | 60541 | 4/1/2018 | Active | Nation | Ch [ National Alliance ASO | National Alliance ] - 4/1/2018

**Summary**

**Benefit Period/Year Processing**

Benefit Period runs on a Calendar Year

Initial Benefit Period runs: (From) 1/1/2015	Initial Benefit Period runs: (Through) 12/31/2015	On-Going Benefit Period runs: (From) (MM/DD) 1/1	On-Going Benefit Period runs: (Through) (MM/DD) 12/31
--	---	--	---

**Contract Maximums**

Per Member Contract Maximum (Per Benefit Period):

**Deductibles**

Deductible Type

True Family Aggregate Deductible (Indicator 22 Embedded)

22 – Family Deductible (Type 22 Embedded): Individual amounts with any combination of family members accumulate towards the family amount. No one member will go over the individual amount.

**True Family Aggregate Deductible Amounts**

Per Member Tier 1 \$500.00	Per Member In Network \$500.00	Per Member Out of Network \$500.00
Per Family Tier 1 \$1,000.00	Per Family In Network \$1,000.00	Per Family Out of Network \$1,000.00

**Deductible Accumulations**

Is Deductible

Collective (BYD dollars apply to both PB and non-PB maximums even when dollar amounts differ) [Standard Option]

Does this group have Common Accident deductible

No

**Out of Pocket (OOP) Maximums**

Out-Of-Pocket Provisions

Yes

Out of Pocket Type

Individual and Family Combination Coinsurance (Indicator 24)

24 – Individual and Family Combination (Type 24): Individual amounts with any combination of family members accumulate towards the family amount. No one member will go over the individual amount.

**Maximum (Global) OOP Limits**

Per Member: Tier 1 \$2,000.00	Per Member: In Network \$2,400.00
Per Family: Tier 1 \$5,000.00	Per Family: In Network \$6,000.00

**Standard OOP Limits**

Per Member at Tier 1 provider	Per Member at In Network provider:	Per Member at Out of Network provider \$4,400.00
Per Family at Tier 1 provider	Per Family at In Network provider:	Per Family at Out of Network provider \$13,200.00

**INN Contribution to Standard OOP**

Coinsurance  
No

Deductible  
No

**INN Contribution to Standard OOP**

Per Occurrence Co-payment No	Per Admission Co-payment No
---------------------------------	--------------------------------

**OON Contribution to Standard OOP**

Coinsurance Yes	Deductible Yes
Per Occurrence Co-payment Yes	Per Admission Co-payment Yes

**OOP Accumulations**

OOP Accumulations  
Collective (OOP dollars apply to both PB and non-PB maximums even when dollar amounts differ) [Standard Option]

**Carry overs**

3-month year-end carry over? No	Carry over from prior Carrier? No
------------------------------------	--------------------------------------

**Pricing**

**Facility charges will be based off of:**

Tier 1 Blue Card Pricing for Tiers 1 and 2	In-Network Per Agreement	Out of Network Host Plan Pricing (Fac & Prof must match)
---	-----------------------------	---

**Professional charges will be based off of:**

Tier 1 Blue Card Pricing for Tiers 1 and 2	In-Network Allowed Amount	Out of Network Host Plan Pricing (Fac & Prof must match)
---	------------------------------	---

**OON ER Professional charges will be based off of:**

Tier 1 Blue Card Pricing for Tiers 1 and 2	In-Network Per Agreement	Out of Network Host Plan Pricing (Fac & Prof must match)
---	-----------------------------	---

**Par Network Providers**

PAR Network -- Payment to Provider

**Accident Benefits**

Accident Benefits  
Accident pays as all other services. (Standard Option)

**Dental / Drug / Vision Benefits**

**Dental Benefits**

**Does this group have Freestanding Dental Services?**

Yes If "Yes", under:  
Dental Carrier Listed Below:

Dental Carrier  
delta dental RI - CharterCare

**Are dental anesthesia and outpatient facility charges related to dental covered under medical?**

Yes Are there any limitations (i.e. age, medical condition)?  
Yes

Detail the limitations:  
Only covered when services are due to accidental injury to sound natural teeth.

**If covered under "BCBS Medical" pay at services at**

Tier 1	In Network	Out of Network
CoINS - 100% +BYD	CoINS - 90% +BYD	CoINS - 70% +BYD

**Are services for Impacted teeth covered?**

Services for Impacted Teeth Covered  
No

**If covered under "BCBS Medical" pay at**

Tier 1	In-Network	Out of Network
--------	------------	----------------

**NOTE: If Pay Based on POS Filed is not indicated above, then all POS will pay at indicated level including DRs office services.**

**Are all services for treatment of TMJ covered?**

All services for TMJ Covered?  
Yes Med Dental TMJ: Monetary Lifetime Max

Monetary Benefit Period Maximum

Detail limitations of procedures below:

**Pay ALL services for TMJ at**

Tier 1	In-Network	Out of Network
CoINS - 100% +BYD	CoINS - 90% +BYD	CoINS - 70% +BYD

**NOTE: If Pay Based on POS Filed is not indicated above, then all POS will pay at indicated level including DRs office services**

**Are orthognathic surgeries covered?**

Orthognathic surgeries covered?  
Yes

Coverage includes:  
Cover if the disorders are attributed to the malposition of the bones and muscles regardless of the symptoms including dental related orthognathic conditions

NOTES:  
Orthognathic: If Yes, services will be paid based on diagnosis, procedure and place of service filed. Services will be sent to Medical Review to determine coverage.  
TMJ: To capture TMJ benefits, claims must be filed with appropriate procedure codes and diagnosis codes related to TMJ only. This logic is applied to both facility and professional charges.  
Accidental Dental: Dental Services related to an accident are paid under MEDICAL.  
Oral Surgeries: Oral Surgery related to the MOUTH is covered under MEDICAL. Oral surgery related to the TEETH should be covered under the DENTAL contract.

**Drug Benefits**

Drugs are covered under  
Vendor other than Caremark

Drug Carrier  
Express Scripts

Does this group have Integrated drug  
No

Do Caremark benefits feed medical contract maximum?  
No

Does this group have Blue RX?  
No

Are contraceptives covered under med when provided/admin in a Drs office?  
Yes

Are birth control devices covered under med when provided/admin in a Drs office?  
Yes

Block certain Self-Administered Drugs under Medical?

**Require members to access certain infused medications in the lowest cost, clinically appropriate setting (Site of Care steerage)?**

Are diabetic supplies covered under med?  
No

**Routine Vision Benefits**

Routine Vision covered BCBS Medical and Vendor other than BCBS	Vision Carrier VSP - CharterCare
---	-------------------------------------

**If "under BCBS Medical", are refraction services covered?**

No	Apply Pricing: In Network	Apply Pricing: Out of Network
----	---------------------------	-------------------------------

**Vision Options**

Choice Two - Please indicate payment/coverage for the vision categories below:

Exam: PCP: Tier 1 \$20 Copay / 100%	Exam: Spec : Tier 1 \$20 Copay / 100%
Vision Srv: PCP: Tier 1	Vision Srv: Spec: Tier 1 Not Covered
Vision Hrd:PCP: Tier 1	Vision Hrd: Spec: Tier 1 Not Covered



Aids Misc: PCP: Tier 1

Aids Misc: Spec: Tier 1  
Not Covered

Exam: PCP: In Network  
\$25 Copay / 100%

Exam: Spec: In Network  
\$25 Copay / 100%

Exam: Out of Network  
CoINS - 70% +BYD

Vision Srv: PCP: In Network  
Not Covered

Vision Srv: Spec: In Network  
Not Covered

Vision Srv: Out of Network  
Not Covered

Vision Hrd:PCP: In Network  
Not Covered

Vision Hrd:Spec: In Network  
Not Covered

Vision Hrd: Out of Network  
Not Covered

Aids Misc: PCP: In Network  
Not Covered

Aids Misc: Spec: In Network  
Not Covered

Aids Misc:Out of Network  
Not Covered

Vision categories subject to a benefit period maximum per service?  
No

**Therapy: Therapy | Med | 60541 | 1/1/2018 | Active | Nation [ National Alliance ASO | National Alliance ]**

**Therapy**

**Group Name: CharterCare | 71-60541 | Premier Plan**

**Chiropractic**

Are chiropractic services covered?

Yes

**Yes, Include:**

Spinal Manipulation / Subluxation?

Yes

Chiropractic Modalities?

Yes

Chiropractic Office visits

Yes

X-Rays?

No-Pay as all other OPD.

**Are chiropractic services limited to benefit period maximums or visit limits?**

Yes

Chiro: Type of limit

Visit limit benefit period

Chiro: Enter Value

12

**Pay Chiropractic services at: (Tier 1)**

PCP: Tier 1

\$25 Copay / 100%

Spec: Tier 1

\$25 Copay / 100%

**Pay Chiropractic services at:**

PCP: In Network

\$25 Copay / 100%

Spec: In Network

\$25 Copay / 100%

Out of Network

Not Covered

**Chiropractic services apply to OOP limits?**

Tier 1

Chiro OOP limits: In-Network

Yes

Chiro OOP limits: Out of Network

No

**Chiropractic services pay at 100% once OOP is met?**

Tier 1

Chiro OOP met: In-Network

Yes

Chiro OOP met: Out of Network

No

**Unattended electrical stimulation, when billed by a Chiro, is covered unless otherwise specified**

**Outpatient Rehabilitation Benefits**

Is outpatient physical/occupational therapy covered?

Yes

Is outpatient physical/occupational therapy subject to any maximum?

Yes

If 'Yes', benefit period maximum is: (combined INN and OON)

60 visits

Are maximums for physical / occupational and speech therapy combined?

Yes

If 'Yes', Is maximum combined for Facility and Professional charges?

Yes

**Pay outpatient facility services for physical / occupational therapy (Tier 1)**

PCP: Tier 1 \$20 Copay / 100%	Spec: Tier 1 \$20 Copay / 100%
----------------------------------	-----------------------------------

**Pay outpatient facility services for physical / occupational therapy**

PCP: In Network \$25 Copay / 100%	Spec: In Network \$25 Copay / 100%	Out of Network CoINS - 70% +BYD
--------------------------------------	---------------------------------------	------------------------------------

**Pay outpatient professional services for physical / occupational therapy performed in a fac (Tier 1)**

PCP: Tier 1 \$20 Copay / 100%	Spec: Tier 1 \$20 Copay / 100%
----------------------------------	-----------------------------------

**Pay outpatient professional services for physical / occupational therapy performed in a fac**

PCP: In Network \$25 Copay / 100%	Spec: In Network \$25 Copay / 100%	Out of Network CoINS - 70% +BYD
--------------------------------------	---------------------------------------	------------------------------------

**Pay outpatient pro services for physical / occupational therapy performed in a doctors off (Tier 1)**

PCP: Tier 1 \$20 Copay / 100%	Spec: Tier 1 \$20 Copay / 100%
----------------------------------	-----------------------------------

**Pay outpatient pro services for physical / occupational therapy performed in a doctors off**

PCP: In Network \$25 Copay / 100%	Spec: In Network \$25 Copay / 100%	Out of Network CoINS - 70% +BYD
--------------------------------------	---------------------------------------	------------------------------------

**NOTE:Services for physical/occupational therapy are not subject to any pre-authorization requirement**

**Speech Therapy**

Is outpatient speech therapy covered?

Yes

Is outpatient speech therapy subject to any maximum?

Yes

If 'Yes', benefit period maximums is: (combined INN and OON)

60 visits

If 'Yes', Is maximum combined for Facility and Professional charges?

Yes

**Pay outpatient facility services for speech therapy**

PCP: Tier 1 \$20 Copay / 100%	PCP: In Network \$25 Copay / 100%	Out of Network CoINS - 70% +BYD
Spec: Tier 1 \$20 Copay / 100%	Spec: In Network \$25 Copay / 100%	

**Pay outpatient professional speech therapy services performed in a facility (Tier1)**

PCP: Tier 1 \$20 Copay / 100%	Spec: Tier 1 \$20 Copay / 100%
----------------------------------	-----------------------------------

**Pay outpatient professional speech therapy services performed in a facility**

PCP: In Network \$25 Copay / 100%	Spec: In Network \$25 Copay / 100%	Out of Network CoINS - 70% +BYD
--------------------------------------	---------------------------------------	------------------------------------

**Pay outpatient professional speech therapy services performed in a doctors office (T1)**

PCP: Tier 1 \$20 Copay / 100%	Spec: Tier 1 \$20 Copay / 100%
----------------------------------	-----------------------------------

**Pay outpatient pro speech therapy services performed in a doctors office**

PCP: In Network \$25 Copay / 100%	Spec: In Network \$25 Copay / 100%	Out of Network CoINS - 70% +BYD
--------------------------------------	---------------------------------------	------------------------------------

**Pay outpatient pro speech therapy services performed in a doctors office**

**NOTE: Services for speech therapy are not subject to any pre-authorization requirements.**

**Acupuncture Benefits**

---

Are Acupuncture services covered?  
Yes

Are Acupuncture services subject to any maximum?  
Yes

If 'Yes', benefit period maximum is: (Acup)  
20 visits per benefit year

**Pay Acupuncture at**

Tier 1	In Network	Out of Network
\$25 Copay / 100%	\$25 Copay / 100%	\$25 Copay / 100%

**NOTE: Acupuncture services are not subject to Pre-Authorization requirements.**

**Inpatient / Outpatient**

---

**Inpatient/Outpatient: InpatOutput | Med | 60541 | 1/1/2018 | Active | Nation [ National Alliance ASO | National Alliance ]**

**Inpatient/Outpatient**

**Group Name: CharterCare| 71-60541 | Premier Plan**

**Inpatient Services**

**Inpatient Skilled Nursing Facilities pay at**

Tier 1	In Network	Out of Network
CoINS - 100% +BYD	CoINS - 90% +BYD	CoINS - 70% +BYD
Per Admission Copay is (Tier 1)	Per Admission Copay is:(In Network)	Per Admission Copay is: (Out of Network)

**Benefit Period Maximum:**

100 days

**Maximums: (Combined for In and Out-of-Network)**

**Inpatient Facilities pay at**

Tier 1	In Network	Out of Network
CoINS - 100% +BYD	CoINS - 90% +BYD	CoINS - 70% +BYD
Per Admission Copay is (Tier1-Inpat Fac)	Per Admission Copay is:(In Network)	Per Admission Copay is: (Out of Network)

**Inpatient / SNF Professional pay at**

Tier 1	In Network	Out of Network
CoINS - 90% +BYD	CoINS - 90% +BYD	CoINS - 70% +BYD

**NOTE: For IP Facility Pre-Authorization requirements, see Pre-Authorization Section of checklist.**

**Inpatient rehabilitation is covered with no limitations.**

**Maternity Care**

**Female Employee / Spouse is covered**

Are dependents (non-spouse) maternity covered?

Yes

Are elective abortions covered?

Yes

Are non-elective abortions covered?

Yes

**NOTE: When abortions and maternity are covered, services will be paid based on place of srvs filed.**

**Newborn Benefits**

**Pay Newborn care (physician's charges for the initial pediatric exam in the hospital) at**

Tier 1	In Network	Out of Network
CoINS - 90% +BYD	CoINS - 90% +BYD	CoINS - 70% +BYD

Are Routine Nursery charges subject to the benefit year deductible?

No, deductible will apply to mother's claim only.

**Outpatient Services:**

**Emergency Room (ER - Facility Only) - True Emergency**

Tier 1	In Network	Out of Network
CoINS - 100% NOBYD	CoINS - 90% +BYD	CoINS - 90% +BYD
Per Admission Copay is (Tier 1 - ER)	Per Admission Copay is: (In Network)	Per Admission Copay is: (Out of Network)
	100	100

**Emergency Room (ER - Facility Only) - Non-Emergency**

Tier 1	In Network	Out of Network
CoINS - 100% NOBYD	CoINS - 90% +BYD	CoINS - 90% +BYD
Per Admission Copay is (Tier 1 - ER, Non Emg)	Per Admission Copay is: (In Network)	Per Admission Copay is:(Out of Network)
	100	100

**Copay will be waived if admitted. This applies whether the visit is for true or non-emergency.**

**NOTE: In-Network ER Physicians will be paid as outpatient medical. Out of Network ER physicians will be paid under REAP benefits unless otherwise specified.**

**REAP**

All services filed by REAP pro will pay at CoINS - 90% +BYD	Apply BYDs to match NA
Apply OOPs to match NA	Apply pricing to match Billed Charges

Notes: Reap Providers are Radiologists, Emergency Room Physicians, Anesthesiologists, Pathologists, and (Independent Laboratories unless otherwise specified). These providers most often refuse to join our networks but can still render services at our Network hospitals. These claims will be filed as Out-of-Network so the member can be balance billed for the remainder of the charges. The claim does not indicate these services were performed at a network or non-network hospital. As such, we are only able to capture this by the claim indicator for non-participating status and by the specific provider specialty type. Services for True Emergencies will pay as required under the Affordable Care Act (HCR) unless otherwise specified.

**ITS Processing for True Emergencies**

**If a claim is filed with a TRUE emergency diagnosis and the HOST Plan indicates NO network was available, should all services for that claims pay at INN level?**

Yes	If Yes, members claims will pay at In-Network levels. Apply pricing same as: Billed Charges
-----	--

**Outpatient Facilities pay at:**

Surgery: Tier 1	Surgery: In Network	Surgery: Out of Network
CoINS - 100% NOBYD	CoINS - 90% +BYD	CoINS - 70% +BYD
Maternity: Tier 1	Maternity: In Network	Maternity: Out of Network
CoINS - 100% NOBYD	CoINS - 90% +BYD	CoINS - 70% +BYD
Medical: Tier 1	Medical: In Network	Medical: Out of Network
CoINS - 100% NOBYD	CoINS - 90% +BYD	CoINS - 70% +BYD
Diagnostic Lab / X-Ray: Tier 1	Diagnostic Lab / X-Ray: In Network	Diagnostic Lab / X-Ray: Out of Network
CoINS - 100% NOBYD	CoINS - 90% +BYD	CoINS - 70% +BYD

**Outpatient Professionals pay:**

Surgery: Tier 1	Surgery: In Network	Surgery: Out of Network
CoINS - 90% +BYD	CoINS - 90% +BYD	CoINS - 70% +BYD
Maternity: Tier 1	Maternity: In Network	Maternity: Out of Network
CoINS - 90% +BYD	CoINS - 90% +BYD	CoINS - 70% +BYD

**Outpatient Professionals pay:**

Medical: Tier 1 CoINS - 90% +BYD	Medical: In Network CoINS - 90% +BYD	Medical: Out of Network CoINS - 70% +BYD
Diagnostic Lab / X-Ray: Tier 1 CoINS - 100% NOBYD	Diagnostic Lab / X-Ray: In Network CoINS - 90% +BYD	Diagnostic Lab / X-Ray: Out of Network CoINS - 70% +BYD
Independent Lab / X-Ray: Tier 1 CoINS - 100% NOBYD	Independent Lab / X-Ray: In Network Refer to Non-Standard	Independent Lab / X-Ray: Out of Network CoINS - 70% +BYD

**Out of Network diagnostic lab, x-ray and independent lab services may pay under OPD or REAP depending on their network status and provider specialty filed.**

**NOTE: Clinical Pathology will be paid as all other OPD professional charges.**

**Testing prior to an admission to an Inpat Fac (Pre-Admission testing) will pay as all other OPD**

**Pre-Authorization Requirements**

Is pre-authorization required for Inpatient facilities?

Yes

Tier 1 Penalty  
Denial of Room and Board

In Network Penalty  
Denial of Room and Board

Out of Network Penalty  
Denial of Room and Board

Is pre-authorization required for Outpatient facilities?

Yes

If 'Yes', what is the penalty for not obtaining Outpatient Facility pre-authorization?

NA

Are the prior carrier's, if applicable, authorized services to be grandfathered as Approved?

Yes

NOTE: a) Depending on the contractual agreements the BCBS plan has with its local providers in the state where services are rendered, members may be responsible for all charges where pre-authorization is not obtained at an In-network, Inpatient facility. (b) Pre-Admission Review will be required beginning at the Group's Effective Date. No grace period allowed.

If Yes, the recommended procedures to be pre-authorized at an Outpatient facility are:Septoplasty (surgery to straighten the nasal septum), Surgical Procedures that may potentially be cosmetic (such as: Blepharoplasty, Reduction Mammoplasty), Hysterectomy

NOTE: Professional charges for Inpatient and Outpatient are not subject to Pre-Authorization requirements. Experimental/Investigation services are not covered. Potentially experimental/investigation procedures are sent to medical review to determine coverage. Chemotherapy and Radiology therapy require a one time notification; no penalty will be applied if notification is not received.

**The Following Outpatient Procedures Require Pre-authorization (ASO)**

All cosmetic surgery procedures Yes	Chemo or Radiation Therapy (one-time notification) Yes
Hysterectomy Yes	Investigational procedures Yes
Sclerotherapy (treatment of varicose veins) Yes	Septoplasty (surgery to straighten the nasal septum) Yes



## **Mental Health**

---

## Mental Health: Mental Health | Med | 60541 | 1/1/2018 | Active | Nation [ National Alliance ASO | National Alliance ]

### Mental Health

Group Name: CharterCare | 71-60541 | CharterCare

#### Mental Health and Substance Use (MH/SU) Benefits

MH/SU benefits covered?

Under BCBS Medical

#### Does Companion Benefit Alternative (CBA) manage Pre-Authorization requirement?

Yes

#### Basic MH/SU - Pre-Authorization required for Inpatient Services?

Yes

If Yes - see Inpatient Services in Pre-Authorization Section for applicable penalties.

#### Pre-Authorization required for Outpatient Services?

Yes

If Yes - see Outpatient Services in Pre-Authorization Section for applicable penalties.

#### Pre-authorization required for office visits?

No

If Yes - see Outpatient Services in Pre-Authorization Section for applicable penalties.

#### Stand Alone EAP

Does this group have a Stand Alone EAP

Yes

Stand Alone EAP Vendor

Unum Life Balance - CharterCare

NOTES: CBA is the BCBS subsidiary dedicated to managing Mental Health and Substance Use MH/SU benefits. Medication Management services performed in a Primary Care Physicians office do not require precertification. These services will be paid as all other medical services.

#### Applied Behavioral Analysis (ABA) therapy?

Yes

Load ABA benefit according to South Carolina's mandate (Ryan's Law)?

No

Min Diagnosis Age

Max Diagnosis Age

Min Benefit Age

Max Benefit Age

#### In addition to Autism, Asperger's and Pervasive Development Disorder (PDD), what diagnoses are included?

Rett's Disorder

No

Childhood Disintegrative Disorder

No

Other Diagnoses Included

No

NOTES: Preauthorization is required for ABA therapy. Groups must purchase CBA's case management services when adding coverage for ABA therapy. If case management is not purchased for the entire population, the account will default to the Autism Management case rate. ABA therapy for Autism, if purchased, will apply to OOP maximums and will pay at 100% once the OOP maximums are met. Precertification penalty is denial of benefits. Mental Health and Substance Use (MH/SU) services will apply to OOP maximums. These services will pay at 100% once the OOP maximums are met.

**MH / SU Benefits**

**Inpatient MH/SU Facilities pay at**

Tier 1	In Network	Out of Network
CoINS - 100% NOBYD	CoINS - 90% +BYD	CoINS - 70% +BYD
Per Admission Copay is (Tier 1 - MHSU Fac)	Per Admission Copay is: (In Network)	Per Admission Copay is: (Out of Network)

**Inpatient MH/SU Professionals pay at**

Tier 1	In Network	Out of Network
CoINS - 90% +BYD	CoINS - 90% +BYD	CoINS - 70% +BYD

**Outpatient MH/SU Facilities pay at**

Tier 1	In Network	Out of Network
CoINS - 100% NOBYD	CoINS - 90% +BYD	CoINS - 70% +BYD

**Includes partial HOSP/INTENSIVE OUTPAT services in hospital or outpatient setting**

**Outpatient MH/SU Professional pay at**

Tier 1	In Network	Out of Network
CoINS - 90% +BYD	CoINS - 90% +BYD	CoINS - 70% +BYD

**Outpatient MH/SU ER Facilities pay at**

Tier 1	In Network	Out of Network
CoINS - 100% NOBYD	CoINS - 90% +BYD	CoINS - 90% +BYD
Tier 1 Copay Is	In Network Copay Is 100	Out of Network Copay Is 100

**Outpatient MH/SU ER Professional pay at**

Tier 1	In Network	Out of Network
CoINS - 90% +BYD	CoINS - 90% +BYD	CoINS - 90% +BYD

**Office MH/SU professional pay at (Tier 1)**

PCP: Tier 1	Spec: Tier 1
\$20 Copay / 100%	\$20 Copay / 100%

**Office MH/SU professional pay at:**

PCP: In Network	Spec: In Network	Out of Network
\$25 Copay / 100%	\$25 Copay / 100%	CoINS - 70% +BYD

Has this group added coverage for Residential Treatment Centers (RTCs)? Is preauth required?  
 Yes Yes

**Office Physician Services**

---

**Office Physician Service: OfcPhySvc | Med | 60541 | 1/1/2018 | Active | Nation [ National Alliance ASO | National Alliance ]**

**Office Physician Services**

**Group Name: CharterCare| 71-60541 | CharterCare**

**Office Physician Services**

Physicians Office Services Options

Two - ALL office services including Allergy Injections, Dialysis, Labs/X-Rays, Surgery and Second Surgical Opinions

**Indicate the payment for your Choice below (Tier 1)**

PCP: Tier 1

\$20 Copay / 100%

Spec: Tier 1

\$20 Copay / 100%

**Indicate the payment for your Choice below:**

PCP: In Network

\$25 Copay / 100%

Spec: In Network

\$25 Copay / 100%

Out of Network

CoINS - 70% +BYD

**Definition: PCPs are: Family and General Practitioners, Pediatricians, Internists, OB-Gyns, and Mixed Specialties. This only applies when office visit copays vary between a PCP provider and a Specialist provider.**

**Who should be considered a PCP?**

Should Nurse Practitioner be considered PCP?

Yes

Should Physician Assistants be considered a PCP

Yes

**Preventive Care: Prev Care | Med | 60541 | 1/1/2018 | Active | Nation [ National Alliance ASO | National Alliance ]**

**Preventive Care**

**Group Name: CharterCare| 71-60541 | Premier Plan**

**Preventive Care Package (See HCR Guidelines)**

Contraceptive Opt Out  
No

**Sustained Health Benefit (Sustained Health Benefits are covered above PPACA benefits)**

Preventive Care Package  
Yes

Mammography Network Provider  
No

**Please indicate payment for each preventive care services listed below:**

**Mammograms (Tier 1)**

PCP: Tier 1	Spec: Tier 1
CoINS - 100% NOBYD	CoINS - 100% NOBYD

**Mammograms: - Allow one annually for female patients beginning at age 40 and above**

PCP: In Network	Spec: In Network	Out of Network
CoINS - 100% NOBYD	CoINS - 100% NOBYD	Not Covered

**Paps (Tier 1)**

PCP: Tier 1	Spec: Tier 1
CoINS - 100% NOBYD	CoINS - 100% NOBYD

**Paps: - (One per benefit period)**

PCP: In Network	Spec: In Network	Out of Network
CoINS - 100% NOBYD	CoINS - 100% NOBYD	Not Covered

**Prostate Screening (PSAs) (Tier 1)**

PCP: Tier 1	Spec: Tier 1
CoINS - 100% NOBYD	CoINS - 100% NOBYD

**Prostate Screening: (PSAs) - (One per benefit period)**

PCP: In Network	Spec: In Network	Out of Network
CoINS - 100% NOBYD	CoINS - 100% NOBYD	Not Covered

**NOTE: The services above are for labwork and the interpretation of that labwork. It is recommended that these be paid at 100% when copay is defined on Routine Physical benefit below.**

**Well Baby / Well Child (Tier 1)**

PCP: Tier 1	Spec: Tier 1
CoINS - 100% NOBYD	CoINS - 100% NOBYD

**Well Baby / Well Child:**

PCP: In Network	Spec: In Network	Out of Network
CoINS - 100% NOBYD	CoINS - 100% NOBYD	Not Covered
Well Baby / Well child (Age Limit)	Well Baby / Well child (Covered to Age) Enter	

**Routine Physical Exams (Tier 1)**

PCP: Tier 1	Spec: Tier 1
CoINS - 100% NOBYD	CoINS - 100% NOBYD

**Routine Physical Exams:**

PCP: In Network	Spec: In Network	Out of Network
CoINS - 100% NOBYD	CoINS - 100% NOBYD	Not Covered
Routine Phy (Age Limit)	Routine Phy (Covered Beginning Age) Enter	Routine Phy (Limited to X per benefit period)

**NOTE: If no age or monetary limits apply to Routine Physical exams, benefit will be limited to one annually.**

**Immunizations (Tier 1)**

PCP: Tier 1	Spec: Tier 1
CoINS - 100% NOBYD	CoINS - 100% NOBYD

**Immunizations:**

PCP: In Network	Spec: In Network	Out of Network
CoINS - 100% NOBYD	CoINS - 100% NOBYD	Not Covered
Immunizations (Age Limit)	Immunizations (Covered to Age) Enter	

**Flu Shots (Include Flu Mist) (Tier 1)**

PCP: Tier 1	Spec: Tier 1
CoINS - 100% NOBYD	CoINS - 100% NOBYD

**Flu Shots (Include Flu Mist)**

PCP: In Network	Spec: In Network	Out of Network
CoINS - 100% NOBYD	CoINS - 100% NOBYD	Not Covered
Prev Care: Flu Shots (Age Limit)	Flu Shots (Covered to Age) Enter	

**Routine Colonoscopies (Tier 1)**

PCP: Tier 1	Spec: Tier 1
CoINS - 100% NOBYD	CoINS - 100% NOBYD

**Routine Colonoscopies:**

PCP: In Network	Spec: In Network	Out of Network
CoINS - 100% NOBYD	CoINS - 100% NOBYD	Not Covered

**Routine Bone Density Screenings (Tier 1)**

PCP: Tier 1	Spec: Tier 1
CoINS - 100% NOBYD	CoINS - 100% NOBYD

**Routine Bone Density Screenings:**

PCP: In Network	Spec: In Network	Out of Network
CoINS - 100% NOBYD	CoINS - 100% NOBYD	Not Covered

**Monetary Maximum per benefit period apply to Sustained Health Benefits as follows:**

Monetary Maximum per benefit period

Mammography(diagnostics/interpretation)  
No

PAPS (labwork / interpretation)  
No

PSAs (labwork / interpretation)  
No

Well Baby / Well Child  
No

Routine Bone Density Screening  
No

Adult Routine Physical (associated diagnostics ot  
No

Well Woman Exams (associate diagnostics other than  
No

Immunizations  
No

Flu Shots/including Flu Mist  
No

Routine Colonoscopy  
No



**Other Services**

---

**Other Service: Other Svc | Med | 60541 | 1/1/2018 | Active | Nation [ National Alliance ASO | National Alliance ]**

**Other Service**

**Group Name: CharterCare| 71-60541 | Premier Plan**

**DME / Prosthetic Devices / Orthotics Benefits**

Is Pre-Authorization Required for DME/Prosthetic Devices/Orthotics? Enter Amt  
 Yes, purchases of (Enter Amount) 500

**DME Std Limitation is Pre-Auth required for rental or replacement of over \$500**

**Pay DME / Prosthetic Device / Orthotics at**

Tier 1	In Network	Out of Network (Std Non-GF limit is OON DME is not a covered benefit)
CoINS - 90% +BYD	CoINS - 90% +BYD	CoINS - 70% +BYD

If In and Out-of-Network pay the same, OON BYDs and OOPs will match  
 NA

**NOTE: If Pay Based on POS Filed is not indicated above, then all POS will pay at indicated level including DRs office services.**

**Professional Ambulance (non-hospital based) Benefit**

**Pay Ambulance at**

Tier 1	In Network	Out of Network
CoINS - 90% +BYD	CoINS - 90% +BYD	CoINS - 90% +BYD

If In and Out-of-Network pay the same, OON (Amb) For OON professionals, apply pricing to match:  
 In Network Billed Charges

**Home Healthcare Benefit**

Is Home Healthcare subject to any maximum? Maximum Visits  
 Yes 100  
 Maximum applies per Maximum Days

**Pay Home Healthcare at**

Tier 1	In Network	Out of Network
CoINS - 90% +BYD	CoINS - 90% +BYD	Not Covered

**NOTE: Home Healthcare services require Pre-Authorization and all charges will be denied if authorization is not obtained. Approved Home Healthcare treatment plans may include Private Duty Nursing.**

**Hospice Benefits**

Is Hospice subject to any maximum?  
 No

**Pay Hospice at**

Tier 1	In Network	Out of Network
CoINS - 100% +BYD	CoINS - 90% +BYD	Not Covered

**NOTE: For In-Network, Inpatient facilities, see pre-authorization section. For In-Network (Outpat) & Out of Network (Inpatient and Outpatient) facilities, the penalty will be denial of all charges.**

**Human Organ Transplant Benefits**

Do the IP Facility benefit copays apply (when applicable)?

Yes

**Pay Human Organ at**

Tier 1	In Network	Out of Network
CoINS - 100% NOBYD	CoINS - 90% +BYD	CoINS - 70% +BYD

**Non-Grandfathered Std is: Services must be obtained through a Blue Centers of Distinction (BDCT) designated transplant center or if not available, a Blue Card facility only**

**Covered transplants are limited to the following:**

Bone Marrow Stem Cell | Cornea | Heart | Heart Lung Single | Heart Lung Double | Kidney Single | Kidney Double | Liver | Liver Segmental | Lung Segmental | Lung Single | Lung Double | Pancreas | Pancreas Kidney

**NOTE: HOT IP Facility preauthorization requirements follow the same requirements as all other IP Facility admissions, unless otherwise stated in the Preauthorization Requirements section or the non-standards tab.**

**Travel and Lodging**

Is Travel and Lodging for Recipient/Family covered?

No

Is Travel and Lodging for Donor/Family covered?

No

Is Travel and Lodging maximum Combined for Recipient and Donor?

No

**NOTE: For National Alliance accounts, Travel and Lodging benefits will always be subject**

**to In-Network payment levels paid at billed charges.**

**Infertility Benefits**

Are Infertility services covered?

Yes

Are Infertility services subject to max?

Yes

If 'Yes', benefit period maximum is: (Infertility)

Physician visits for testing and diagnosis only. No coverage for treatment or assisted fertilization

**Pay Infertility at**

Tier 1	In Network	Out of Network
\$20 Copay / 100%	\$25 Copay / 100%	CoINS - 70% +BYD

**Obesity Benefits**

Are obesity services covered?

Yes

If 'Yes', benefit period maximum is: (Obesity)

Are Morbid Obesity services covered?

Yes

Are surgical procedures for the treatment of Morbid obesity covered?

Yes

If 'Yes', benefit period maximum is: (Morbid)

**For covered services indicate above as 'yes', pay at:**

Tier 1	In Network	Out of Network
Refer to Non-Standard	Refer to Non-Standard	Refer to Non-Standard

**Diabetic Education**

---

**Services for diabetic education ARE covered and will be paid based on place of service filed.**

---

## Non-standard Benefit: Advanced imaging

---

### General

---

### General

---

### Non-standard Benefit Definition

---

Name	Owner
Advanced imaging	Morgan Myers

Effective Date  
1/1/2016

Benefit Definition  
CAT, PET, MRI, MRA and Nuclear medicine done at Tier 1 covered at 100%+NOBYD. INN will pay at \$35 copay after deductible. ONN payable at 70%+BYD. PA is required - see NIA non-standard.

Relates to coverage  
OTHER:

Does this benefit pay according to the related benefit section?  
Yes

### Include / Exclude

---

Include

Exclude

---

## Non-standard Benefit: Ambulance

---

### General

---

### General

---

### Non-standard Benefit Definition

---

Name	Owner
Ambulance	Stephanie Musto (N10)

Effective Date  
1/1/2018

Benefit Definition  
Non-emergency transports are covered when it is from one facility to another facility.

Relates to coverage  
Ambulance

Does this benefit pay according to the related benefit section?  
Yes

### Include / Exclude

---

Include

Exclude

---

## Non-standard Benefit: Annual Foot and Eye Exam for Diabetic Members

---

### General

---

### General

---

### Non-standard Benefit Definition

---

Name	Owner
Annual Foot and Eye Exam for Diabetic Members	Caroline Jones (81)

Effective Date  
1/1/2016

Benefit Definition  
Covered for members with diabetes. Payable at \$20 copay then 100% at Tier 1. \$25 copay then 100% INN and 70%+BYD OON.

Relates to coverage  
Diabetic Education

Does this benefit pay according to the related benefit section?  
Yes

### Include / Exclude

---

Include

Exclude

## Non-standard Benefit: CUSTOMER SERVICE

---

### General

---

### General

---

### Non-standard Benefit Definition

---

Name	Owner
CUSTOMER SERVICE - SIGN LANGUAGE INTERPRETER	Caroline Jones (81)

Effective Date  
1/1/2016

#### Benefit Definition

If a member or provider requests a sign language interpreter, email the request to InterpreterRequest@bcbsri.org. Please ensure the email request includes the information below. Refer to the Customer Service desk procedure for additional information.

Email Request must include:

- 1.) Member Name
- 2.) Subscriber ID
- 3.) Contact Number
- 4.) Provider's full name
- 5.) Provider's telephone # (w/extension if applicable)
- 6.) Complete address including floor and suite number (if applicable)
- 7.) Date interpreter is required
- 8.) Time interpreter is required
- 9.) Type of language - Sign
- 10.) Special Request – i.e. a particular interpreter or/ male or female

The Commission for the Deaf and Hard of Hearing request at least a 3 week notice when requesting an interpreter. There is a shortage of Interpreters so the request may not be filled even with a 3 week notice. If a member or provider office doesn't give at least 3 weeks' notice, please advise the member that the request may not be filled.

Relates to coverage

OTHER:

Does this benefit pay according to the related benefit section?

Yes

### Include / Exclude

---

Include

Exclude



---

## Non-standard Benefit: Dependent (non-spouse) Maternity

---

### General

---

### General

---

### Non-standard Benefit Definition

---

Name	Owner
Dependent (non-spouse) Maternity	Caroline Jones (81)

Effective Date  
1/1/2016

Benefit Definition  
Non-Union plans will cover pre-natal visits and delivery only.

Union plan will cover all pre-natal services, delivery, and will cover the dependent newborn (grandchild) for 31 days after birth.

Relates to coverage  
Maternity Benefits

Does this benefit pay according to the related benefit section?  
Yes

### Include / Exclude

---

Include

Exclude

---

## Non-standard Benefit: ER Physician

---

### General

---

### General

---

### Non-standard Benefit Definition

---

Name	Owner
ER Physician	Stephanie Musto (N10)

Effective Date  
1/1/2018

Benefit Definition  
Payable at 90%+BYD for Tier 1, INN and OON.

Relates to coverage  
Emergency Room

Does this benefit pay according to the related benefit section?  
Yes

### Include / Exclude

---

Include

Exclude

---

## Non-standard Benefit: Gender Dysphoria and Gender Reassignment Services

---

### General

---

### General

---

### Non-standard Benefit Definition

---

Name	Owner
Gender Dysphoria and Gender Reassignment Services	Caroline Jones (81)
Effective Date	
1/1/2017	
Benefit Definition	
Gender dysphoria counseling services are covered. Gender reassignment services (surgery) are covered.	
Relates to coverage	
OTHER:	
Does this benefit pay according to the related benefit section?	
Yes	

### Include / Exclude

---

Include

Exclude

---

## Non-standard Benefit: Hearing Aids

---

### General

---

### General

---

### Non-standard Benefit Definition

---

Name	Owner
Hearing Aids	Caroline Jones (81)

Effective Date  
1/1/2016

Benefit Definition  
Hearing aids are covered at applicable tier 1 benefit for tier 1 and INN. Not covered OON.  
Limited to \$1, 500 per individual hearing aid, per ear, per occurrence, for anyone under the age of 19, and for \$700 per individual hearing aid, per ear, per occurrence, for anyone of the age of nineteen 19 years and older.

Relates to coverage  
Other

Does this benefit pay according to the related benefit section?  
Yes

### Include / Exclude

---

Include

Exclude

---

## Non-standard Benefit: NIA

---

### General

---

### General

---

### Non-standard Benefit Definition

---

Name	Owner
NIA	Caroline Jones (81)

Effective Date  
1/1/2015

Benefit Definition  
Outpatient pre-cert is required through NIA and the following are the procedures that require pre-cert:

CT Scans, MRI/MRA, PET Scans. Failure to obtain authorization results in full denial of charges for that imaging service.

Relates to coverage  
Pre-Authorization Requirements

Does this benefit pay according to the related benefit section?  
Yes

### Include / Exclude

---

Include

Exclude

## Non-standard Benefit: Obesity Services

### General

#### General

#### Non-standard Benefit Definition

Name  
Obesity Services

Owner  
Caroline Jones (81)

Effective Date  
1/1/2016

Benefit Definition  
Obesity Surgery:  
In order for services to be covered, Prior Authorization based on medical necessity is required as well as the following criteria. Services are payable per POS filed.

- Obesity surgery coverage is ONLY available if the service is performed at a CharterCare facility (Services Not Available request is not available for this service).
- Pre-Surgery Counseling – Candidates for bariatric surgery are required to undergo an orientation and counseling program. The member would complete an orientation at the bariatric surgeon office and would complete a nutrition and psychiatric evaluation.
- Physician’s Statement – In advance of approving the surgery, the patient’s Physician should present written documentation of at least 6 months good faith effort to lose weight. The physician statement, which is required to document the member’s weight loss efforts, would indicate previous weight loss programs attempted and verification that there is ongoing recent weight reduction effort. Recording the member’s weight loss efforts and weights for the 12 months prior to surgery would be expected.

Non-Surgery Services for Obesity Diagnoses:  
Covered per POS filed at applicable tiered benefit level.

Relates to coverage  
Obesity Benefits

Does this benefit pay according to the related benefit section?  
No

#### Pre-Approval

Is Pre-Authorization Required?	Require over \$	Penalty
Yes		

#### Maximums

Tier 1 (Dollar Limit)	Event or Item Limit	Apply maximum per
In Network (Dollar Limit)	Event or Item Limit	Apply maximum per
Out of Network (Dollar Limit)	Event or Item Limit	Apply maximum per

Are maximums combined in and out of network  
No

#### Payment Level

Tier 1	In Network	Out of Network
--------	------------	----------------

#### Out of Pocket Maximums

**Should benefits contribute to the Out of Pocket Maximum?**

Tier 1	In Network	Out of Network
No	Yes	Yes

**Should benefits flip to 100% once OOP max is met?**

Tier 1	In Network	Out of Network
No	Yes	Yes

---

## Non-standard Benefit: OON ER PHYSICIAN PRICING

---

### General

---

### General

---

### Non-standard Benefit Definition

---

Name	Owner
OON ER PHYSICIAN PRICING	Caroline Jones (81)

Effective Date  
1/1/2016

Benefit Definition  
REIMBURSE UP TO BILLED CHARGES.

Relates to coverage  
Other

Does this benefit pay according to the related benefit section?  
Yes

### Include / Exclude

---

Include

Exclude



**Non-standard Benefit: OP independent and diagnostic labs and xrays**

**General**

**General**

**Non-standard Benefit Definition**

Name: OP independent and diagnostic labs and xrays  
 Owner: Morgan Myers

Effective Date: 1/1/2016

Benefit Definition: INN Facility and professional will pay \$35 copay then 100% after the BYD.

Relates to coverage: Outpatient Benefits

Does this benefit pay according to the related benefit section? No

**Pre-Approval**

Is Pre-Authorization Required? No  
 Require over \$  
 Penalty

**Maximums**

Tier 1 (Dollar Limit)	Event or Item Limit	Apply maximum per
In Network (Dollar Limit)	Event or Item Limit	Apply maximum per
Out of Network (Dollar Limit)	Event or Item Limit	Apply maximum per

Are maximums combined in and out of network? No

**Payment Level**

Tier 1	In Network	Out of Network
--------	------------	----------------

**Out of Pocket Maximums**

**Should benefits contribute to the Out of Pocket Maximum?**

Tier 1	In Network	Out of Network
No	Yes	Yes

**Should benefits flip to 100% once OOP max is met?**

Tier 1	In Network	Out of Network
No	Yes	Yes

---

## Non-standard Benefit: Pre-Natal and Post-Natal Care

---

### General

---

### General

---

### Non-standard Benefit Definition

---

Name	Owner
Pre-Natal and Post-Natal Care	Caroline Jones (81)

Effective Date  
1/1/2015

Benefit Definition  
All Pre-natal and post natal care covered at 100% NOBYD at Tier 1 and INN. 70%+BYD OON.

Relates to coverage  
Maternity Benefits

Does this benefit pay according to the related benefit section?  
Yes

### Include / Exclude

---

Include

Exclude

---

## Non-standard Benefit: Provider Tier List

---

### General

---

### General

---

### Non-standard Benefit Definition

---

Name	Owner
Provider Tier List	Stephanie Musto (N10)
Effective Date	
1/1/2018	

**Non-standard Benefit Definition**

## Benefit Definition

Other Prospect Medical Holding Facilities that are NOT CharterCare owned. These should all pay at Tier 1.

FACILITY TAX ID

FACILITY NAME

PROVIDER NPI

352539785	EAST ORANGE GENERAL HOSPITAL	1013386143
954690845	SOUTHERN CALIFORNIA HOSP AT CULVER CITY	1023010113
954690845	SCH AT HOLLYWOOD	1023010113
954690845	SCH AT CULVER CITY	1023010113
954690845	SCH AT VAN NUYS	1023010113
812229999	ROCKVILLE GENERAL HOSPITAL	1205283538
812229999	PROSPECT ROCKVILLE HOSPITAL	1205283538
812216981	PROSPECT MANCHESTER HOSPITAL	1225484751
812216981	MANCHESTER MEMORIAL HOSPITAL	1316394638
462349271	NIX COMMUNITY GENERAL HOSPITAL	1427390574
811507712	CROZER TAYLOR SPRINGFIELD	1457715146
811507712	CROZER CHESTER MEDICAL CENTER	1457715146
812181470	WATERBURY HOSPITAL	1477902641
812181470	PROSPECT WATERBURY INC	1477902641
811520273	DELAWARE COUNTY MEMORIAL	1548624851
811520273	DELAWARE COUNTY MEMORIAL HOSPITAL	
1548624851		
221487166	EAST ORANGE GENERAL HOSPITAL	1619924362
352539785	EAST ORANGE GENERAL HOSPITAL	1619924362
454112042	NIX HEALTH CARE SYSTEM	1801168190
454112042	NIX BEHAVIORAL HEALTH CENTER	1801168190
454112042	NIX HOSPITALS SYSTEMS LLC	1801168190
954691839	LOS ANGELES COMMUNITY HOSPITAL	1922001809

Relates to coverage

OTHER:

Does this benefit pay according to the related benefit section?

No

**Pre-Approval**

Is Pre-Authorization Required?	Require over \$	Penalty
No		

**Maximums**

Tier 1 (Dollar Limit)	Event or Item Limit	Apply maximum per
In Network (Dollar Limit)	Event or Item Limit	Apply maximum per
Out of Network (Dollar Limit)	Event or Item Limit	Apply maximum per

Are maximums combined in and out of network

No

**Payment Level**

Tier 1	In Network	Out of Network
--------	------------	----------------

**Out of Pocket Maximums**

**Should benefits contribute to the Out of Pocket Maximum?**

Tier 1	In Network	Out of Network
No	No	No

**Should benefits flip to 100% once OOP max is met?**

Tier 1	In Network	Out of Network
No	No	No

**Non-standard Benefit: Teladoc**

**General**

**General**

**Non-standard Benefit Definition**

Name	Owner
Teladoc	Stephanie Musto (N10)

Effective Date  
1/1/2018

Benefit Definition

Relates to coverage  
OTHER:

Does this benefit pay according to the related benefit section?  
No

**Pre-Approval**

Is Pre-Authorization Required?	Require over \$	Penalty
No		

**Maximums**

Tier 1 (Dollar Limit)	Event or Item Limit	Apply maximum per
In Network (Dollar Limit)	Event or Item Limit	Apply maximum per
Out of Network (Dollar Limit)	Event or Item Limit	Apply maximum per

Are maximums combined in and out of network  
No

**Payment Level**

Tier 1	In Network	Out of Network
	\$10 Copay / 100%	

**Out of Pocket Maximums**

**Should benefits contribute to the Out of Pocket Maximum?**

Tier 1	In Network	Out of Network
No	No	No

**Should benefits flip to 100% once OOP max is met?**

Tier 1	In Network	Out of Network
No	No	No

---

## Non-standard Benefit: Urgent Care

---

### General

---

### General

---

### Non-standard Benefit Definition

---

Name	Owner
Urgent Care	Caroline Jones (81)

Effective Date  
1/1/2016

Benefit Definition  
Covered at \$20 copay then 100% Tier 1, \$25 copay then 100% INN, and 70%+BYD OON.

Relates to coverage  
OTHER:

Does this benefit pay according to the related benefit section?  
Yes

### Include / Exclude

---

Include

Exclude

---

## Non-standard Benefit: Value Based Benefit (CC)

---

### General

---

### General

---

### Non-standard Benefit Definition

---

Name	Owner
Value Based Benefit (CC)	Caroline Jones (81)

Effective Date  
1/1/2016

Benefit Definition  
Care Coordination Fee - This group has opted into the program.

Relates to coverage  
Other

Does this benefit pay according to the related benefit section?  
Yes

### Include / Exclude

---

Include

Exclude



## Recommended New Exclusions / Limits

### Exclusions (New or Changed)

Please indicate which exclusions will apply. "Yes" means client accepts exclusions as is. "No" means they are rejecting the exclusion as a whole. "Other" is listed if the exclusion is to apply with modifications.

**1. All services and supplies related to pregnancy of a Dependent Child, except for life-threatening pregnancy complications, to either the mother or fetus. An elective abortion is not considered to be a complication of pregnancy.**

Other

Other  
See Non-Standard

**2. Services for Animal Assisted Therapy, rTMS, Eye Movement Desensitization and Reprocessing (EMDR), behavior therapy for solitary maladaptive habits, or Rapid Opiate Detox**

Yes

**3. Manual or Motorized Wheelchairs or power operated vehicles, such as scooters, for mobility outside of the home setting. Coverage for these devices to assist with mobility in the home setting is subject to the establishment of Medical Necessity by the Corporation.**

Yes

**4. Charges for hypnotism, biofeedback therapy and TENS Units. Services for chronic pain management programs or any program developed by centers with multidisciplinary staffs intended to provide the interventions necessary to allow the patient to develop pain coping skills and freedom from dependence on analgesic medications.**

Yes

**5. Orthomolecular therapy including infant formula, nutrients, vitamins and food supplements. Enteral feedings when not a sole source of nutrient**

Yes

**6. Adjustable cranial orthoses (band or helmet) for positional plagiocephaly or craniosyntoses in the absence of cranial vault remodeling surgery.**

Yes

**7. Growth hormone therapy for patients over 18 years of age. Growth hormone therapy for patients 18 years of age or younger is excluded unless for documented growth hormone deficiency.**

Yes

**8. Pulmonary Rehabilitation, except in conjunction with a Covered lung Transplant.**

Yes

**9. Medical and surgical expenses for care and treatment of a living human organ transplant donor.**

Yes

**10. Bioelectric, microprocessor or computer programmed prosthetic components.**

Yes

### Limitations

Please indicate which if any, limitations will apply. "Yes" means client accepts limitation as is. "Other" is listed if the limitation is to apply with modifications. "No" means claims will defer or reject per standard medical policy.

**1. ACCIDENTAL DENTAL – Services must be rendered within 6 months of the date of injury for ben cov**

Yes

**2. HEMOPHILIA – Must have care coordinated through a CDC designated hemophilia treatment center at least once per benefit year or coverage of services for treatment of hemophilia will be reduced to 50%**

Yes

**3. PROSTHETICS – Limited to \$50,000 per Benefit Year.**

Yes

**4. VARICOSE VEIN TREATMENT – Limited to \$2,500 per Benefit Year.**

Yes

**Ancillary Benefit: Ancillary | 60541 | 1/1/2018 | Active | Nation | Ch [ National Alliance ASO | National Alliance ]**

---

**General**

---

Owner Stephanie Musto (N10)	Short Name CharterCare Ancillaries	Group Configuration 60541   4/1/2018   Active   Nation   CharterCare
--------------------------------	---------------------------------------	---

**Selected Products**

**Ancillary Product Options**

**Product**

My Health Essentials Engagement Suite (ASO)  
No

**PEPM and MHE**

Health Management (includes PHA and Maternity Care)  
No

24-Hour Nurse Advisor  
No

Personal Health Assessment (Basic)  
Yes

Informed Health Messaging

Core Disease Management	Essential Advocate
Yes	Yes

Naturally Slim  
Yes

Oncology Management  
No

Health Coaching – Chronic Condition and Behavioral Health  
No

Rally	Health Coaching - Lifestyle
No	No

Private Sweepstakes	Rally Rewards
No	No

Premium Rally  
No

**Additional Programs**

Healthy Vision  
No

Quit for Life	BluesEnroll
No	No

HR in Touch  
No

Data Feed (Incoming)	Data Feed (Outgoing)
No	No

Employee Assistance Program  
No

Complex Care  
No

HIPAA Administration

No

Telehealth

Teladoc

NIA Program(s)

Radiology Management

Enhanced Transparency

Penalty for no pre-auth out of state imaging svc?

Novologix - Specialty Medical Benefit Management

Yes

The penalty for members failing to obtain pre-auth from NIA for imaging services from an out of state provider will result in denial of claim.

Concierge Customer Service

Yes

**The following benefits require benefit configuration records attached to a plan**

Flexible Spending Account (FSA)

Health Reimbursement/Health

No

Incentive Account

None

Health Savings Account (HSA)

COBRA Administration

No

No

**Performance Guarantees**

Performance Guarantees?

## Incentive Programs

---

### Clinical Rewards

---

#### Options

Clinical Rewards 'Plan' Option

Clinical Rewards Model

Eye Exam Option with Diabetes

PHA Option

### Incentive Plan Activities

---

#### IPA CAP

EE Coverage Max

Reward Label

EE+ Coverage Max

Reward Label

Apply Program To

#### If Embedded or Tier max apply, please describe in field below

Embedded/Tier Max

## **Inclusions/Exclusions**

---

### **Inclusions and Exclusions to Standard Benefits**

---

Inclusions/Exclusions

**Plan: UNION Premium Plan**

**General**

Name  
UNION Premium Plan

Group CharterCare	Group Configuration 60541   4/1/2018   Active   Nation   CharterCare	Select the Group Type Non-Grandfather	Add Additional Tier to B&C Report
----------------------	---	--	-----------------------------------

**Employee Classification**

EE Classification Hrs per Week 20	EE Classification Weeks per Year	If other (NA only):
--------------------------------------	----------------------------------	---------------------

**Dependent Coverage**

Dependent Child is covered to age (Standard is age 26) 26	Dependent Coverage is in effect until End of the month	Dependent Coverage Other:
--	---	---------------------------

**Contract Covers**

Is Applicable? Yes	Board Members? No	Appointed/Elected Officials No	Other
Major Stockholders? No	Retirees? No		
Actives? Yes	COBRA? Yes	Grandfathered Employees? No	

**Blue Card Details**

Blue Card National ADMIN Fees Pass Through to: Group	Traveler's (OOA) Admin Fees Pass Through to Group	Blue Card National ACCESS Fees Pass Through to: Group	Traveler's (OOA) Access Fees Pass Through to Group
ITS Cust Arr (neg fees b/t Control & Par licensees) or Cust Network Arr (eg Prec Blue or AltNet) ? Yes		if yes, which Program Code applies? Program Code A	

**Cancellation Details**

Cancel Subscribers on End of Month		
Anything other than 1st and 15th? No	Specific cancellation arrangement	Add one day to term date? Yes (will ensure member is covered through the end of the term date or cancellation arrangement)

**Timely Filing Information**

Timely Filing? Yes	Timely Filing (Number of Months) 12
-----------------------	--



---

## Medical Benefit: Med | 60541 | 4/1/2018 | Active | Nation | Ch [ National Alliance ASO | National Alliance ]

---

### General

---

**Group Name: CharterCare | 71-60541**

---

Group Configuration 60541   4/1/2018   Active   Nation   CharterCare	Short Name (Product Name) UNION Premium Plan	Products PPO	Select the Group Type Non-Grandfather
Medical Benefit Type Standard PPO	Owner Stephanie Musto (N10)		

Does this plan have an associated Health Saving Account (HSA)?  
No

Custom Network?  
No

**Summary**

**Benefit Period/Year Processing**

Benefit Period runs on a  
Calendar Year

Initial Benefit Period runs: (From) 1/1/2015	Initial Benefit Period runs: (Through) 12/31/2015	On-Going Benefit Period runs: (From) (MM/DD) 1/1	On-Going Benefit Period runs: (Through) (MM/DD) 12/31
---	--	--	---

**Contract Maximums**

Per Member Contract Maximum (Per Benefit Period):

**Deductibles**

Deductible Type

**Deductible Accumulations**

Is Deductible Collective (BYD dollars apply to both PB and non-PB maximums even when dollar amounts differ) [Standard Option]	Does this group have Common Accident deductible No
--	---

**Out of Pocket (OOP) Maximums**

Out-Of-Pocket Provisions  
Yes

Out of Pocket Type  
Individual and Family Combination Coinsurance (Indicator 24)

24 – Individual and Family Combination (Type 24): Individual amounts with any combination of family members accumulate towards the family amount. No one member will go over the individual amount.

**Maximum (Global) OOP Limits**

Per Member: In Network  
\$6,000.00

Per Family: In Network  
\$12,000.00

**Standard OOP Limits**

Per Member at In Network provider:	Per Member at Out of Network provider \$6,000.00
------------------------------------	---

Per Family at In Network provider:	Per Family at Out of Network provider \$12,000.00
------------------------------------	--

**INN Contribution to Standard OOP**

Coinsurance No	Deductible No
Per Occurrence Co-payment No	Per Admission Co-payment No

**OON Contribution to Standard OOP**

Coinsurance Yes	Deductible Yes
--------------------	-------------------

**OON Contribution to Standard OOP**

Per Occurrence Co-payment                      Per Admission Co-payment  
Yes    Yes

**OOP Accumulations**

OOP Accumulations  
Collective (OOP dollars apply to both PB and non-PB maximums even when dollar amounts differ) [Standard Option]

**Carry overs**

3-month year-end carry over?                      Carry over from prior Carrier?  
No    No

**Pricing**

**Facility charges will be based off of:**

In-Network                                      Out of Network  
Per Agreement                                      Host Plan Pricing (Fac & Prof must match)

**Professional charges will be based off of:**

In-Network                                      Out of Network  
Allowed Amount                                      Host Plan Pricing (Fac & Prof must match)

**OON ER Professional charges will be based off of:**

In-Network                                      Out of Network  
Per Agreement                                      Host Plan Pricing (Fac & Prof must match)

**Par Network Providers**

PAR Network -- Payment to  
Provider

**Accident Benefits**

Accident Benefits  
Accident pays as all other services. (Standard Option)

## Dental / Drug / Vision Benefits

### Dental Benefits

#### Does this group have Freestanding Dental Services?

Yes

If "Yes", under:  
Dental Carrier Listed Below:Dental Carrier  
delta dental RI - CharterCare

#### Are dental anesthesia and outpatient facility charges related to dental covered under medical?

Yes

Are there any limitations (i.e. age, medical condition)?  
Yes

Detail the limitations:

Only covered when services are due to accidental injury to sound natural teeth.

#### If covered under "BCBS Medical" pay at services at

In Network	Out of Network
CoINS - 100% NOBYD	CoINS - 80% NOBYD

#### Are services for Impacted teeth covered?

Services for Impacted Teeth Covered  
No

#### If covered under "BCBS Medical" pay at

In-Network	Out of Network
------------	----------------

**NOTE: If Pay Based on POS Filed is not indicated above, then all POS will pay at indicated level including DRs office services.**

#### Are all services for treatment of TMJ covered?

All services for TMJ Covered?

Yes

Monetary Benefit Period Maximum

Med Dental TMJ: Monetary Lifetime Max

Detail limitations of procedures below:

#### Pay ALL services for TMJ at

In-Network	Out of Network
CoINS - 100% NOBYD	CoINS - 80% NOBYD

**NOTE: If Pay Based on POS Filed is not indicated above, then all POS will pay at indicated level including DRs office services**

#### Are orthognathic surgeries covered?

Orthognathic surgeries covered?

Yes

Coverage includes:

Cover if the disorders are attributed to the malposition of the bones and muscles regardless of the symptoms including dental related orthognathic conditions

NOTES:

Orthognathic: If Yes, services will be paid based on diagnosis, procedure and place of service filed. Services will be sent to Medical Review to determine coverage.

TMJ: To capture TMJ benefits, claims must be filed with appropriate procedure codes and diagnosis codes related to TMJ only. This logic is applied to both facility and professional charges.

Accidental Dental: Dental Services related to an accident are paid under MEDICAL.

Oral Surgeries: Oral Surgery related to the MOUTH is covered under MEDICAL. Oral surgery related to the TEETH should be covered under the DENTAL contract.

**Drug Benefits**

Drugs are covered under Vendor other than Caremark

Drug Carrier Express Scripts

Does this group have Integrated drug Yes

Integration Effective Date 1/1/2016

Integrate on deductible? No

Integrate on Out of Pocket? Yes

Integrate on HRA? No

PBM Indicator M - Medco/Express Scripts (ESI)

PBM Client ID BCBS4230SC 0037501

Carve-out Indicator Yes

YTD Balance

Do Caremark benefits feed medical contract maximum? No

Does this group have Blue RX? No

Are contraceptives covered under med when provided/admin in a Drs office? Yes

Are birth control devices covered under med when provided/admin in a Drs office? Yes

Block certain Self-Administered Drugs under Medical? No

**Require members to access certain infused medications in the lowest cost, clinically appropriate setting (Site of Care steerage)?**

NO

Are diabetic supplies covered under med? No

**Routine Vision Benefits**

Routine Vision covered BCBS Medical and Vendor other than BCBS	Vision Carrier VSP - CharterCare
---	-------------------------------------

**If "under BCBS Medical", are refraction services covered?**

Yes	Apply Pricing: In Network Allowance	Apply Pricing: Out of Network Host Plan Pricing (Fac & Prof must match)
-----	-------------------------------------	---

**Vision Options**

Choice Two - Please indicate payment/coverage for the vision categories below:

Exam: PCP: In Network  
\$15 Copay / 100%

Exam: Spec: In Network  
\$15 Copay / 100%

Exam: Out of Network  
\$15 Copay / 80%

Vision Srv: PCP: In Network  
Not Covered

Vision Srv: Spec: In Network  
Not Covered

Vision Srv: Out of Network  
Not Covered

Vision Hrd:PCP: In Network  
Not Covered

Vision Hrd:Spec: In Network  
Not Covered

Vision Hrd: Out of Network  
Not Covered

Aids Misc: PCP: In Network  
Not Covered

Aids Misc: Spec: In Network  
Not Covered

Aids Misc:Out of Network  
Not Covered

Vision categories subject to a benefit period maximum per service?  
Yes

If 'YES", list maximum  
refer to NS

**Therapy: Therapy | Med | 60541 | 1/1/2018 | Active | Nation [ National Alliance ASO | National Alliance ]**

**Therapy**

**Group Name: CharterCare | 71-60541 | UNION Premium Plan**

**Chiropractic**

Are chiropractic services covered?

Yes

**Yes, Include:**

Spinal Manipulation / Subluxation?

Yes

Chiropractic Modalities?

Yes

Chiropractic Office visits

Yes

X-Rays?

No-Pay as all other OPD.

**Are chiropractic services limited to benefit period maximums or visit limits?**

Yes

Chiro: Type of limit

Visit limit benefit period

Chiro: Enter Value

12

**Pay Chiropractic services at:**

PCP: In Network  
\$15 Copay / 100%

Spec: In Network  
\$15 Copay / 100%

Out of Network  
\$15 Copay / 80%

**Chiropractic services apply to OOP limits?**

Chiro OOP limits: In-Network

Yes

Chiro OOP limits: Out of Network

Yes

**Chiropractic services pay at 100% once OOP is met?**

Chiro OOP met: In-Network

Yes

Chiro OOP met: Out of Network

Yes

**Unattended electrical stimulation, when billed by a Chiro, is covered unless otherwise specified**

**Outpatient Rehabilitation Benefits**

Is outpatient physical/occupational therapy covered?

Yes

Is outpatient physical/occupational therapy subject to any maximum?

Yes

If 'Yes', benefit period maximum is: (combined INN and OON)

30

Are maximums for physical / occupational and speech therapy combined?

No

If 'Yes', Is maximum combined for Facility and Professional charges?

Yes

**Pay outpatient facility services for physical / occupational therapy**

PCP: In Network  
CoINS - 80% NOBYD

Spec: In Network  
CoINS - 80% NOBYD

Out of Network  
CoINS - 80% NOBYD

**Pay outpatient professional services for physical / occupational therapy performed in a fac**

PCP: In Network	Spec: In Network	Out of Network
CoINS - 80% NOBYD	CoINS - 80% NOBYD	CoINS - 80% NOBYD

**Pay outpatient pro services for physical / occupational therapy performed in a doctors off**

PCP: In Network	Spec: In Network	Out of Network
\$15 Copay / 100%	\$15 Copay / 100%	\$15 Copay / 80%

**NOTE: Services for physical/occupational therapy are not subject to any pre-authorization requirement**

**Speech Therapy**

Is outpatient speech therapy covered?

Yes

Is outpatient speech therapy subject to any maximum?

No

**Pay outpatient facility services for speech therapy**

PCP: In Network	Out of Network
CoINS - 80% NOBYD	CoINS - 80% NOBYD

Spec: In Network
CoINS - 80% NOBYD

**Pay outpatient professional speech therapy services performed in a facility**

PCP: In Network	Spec: In Network	Out of Network
CoINS - 80% NOBYD	CoINS - 80% NOBYD	CoINS - 80% NOBYD

**Pay outpatient pro speech therapy services performed in a doctors office**

PCP: In Network	Spec: In Network	Out of Network
\$15 Copay / 100%	\$15 Copay / 100%	\$15 Copay / 80%

**NOTE: Services for speech therapy are not subject to any pre-authorization requirements.**

**Acupuncture Benefits**

Are Acupuncture services covered?

No



**Inpatient / Outpatient**

---

**Inpatient/Outpatient: InpatOutput | Med | 60541 | 1/1/2018 | Active | Nation [ National Alliance ASO | National Alliance ]**

**Inpatient/Outpatient**

**Group Name: CharterCare| 71-60541 | UNION Premium Plan**

**Inpatient Services**

**Inpatient Skilled Nursing Facilities pay at**

In Network	Out of Network
CoINS - 100% NOBYD	CoINS - 80% NOBYD
Per Admission Copay is:(In Network)	Per Admission Copay is: (Out of Network)

**Benefit Period Maximum:**

**Maximums: (Combined for In and Out-of-Network)**

**Inpatient Facilities pay at**

In Network	Out of Network
CoINS - 100% NOBYD	CoINS - 80% NOBYD
Per Admission Copay is:(In Network)	Per Admission Copay is: (Out of Network)

**Inpatient / SNF Professional pay at**

In Network	Out of Network
CoINS - 100% NOBYD	CoINS - 80% NOBYD

**NOTE: For IP Facility Pre-Authorization requirements, see Pre-Authorization Section of checklist. Inpatient rehabilitation is covered with no limitations.**

**Maternity Care**

**Female Employee / Spouse is covered**

Are dependents (non-spouse) maternity covered?

Yes

Are elective abortions covered?

Yes

Are non-elective abortions covered?

Yes

**NOTE: When abortions and maternity are covered, services will be paid based on place of srvs filed.**

**Newborn Benefits**

**Pay Newborn care (physician's charges for the initial pediatric exam in the hospital) at**

In Network	Out of Network
CoINS - 100% NOBYD	CoINS - 80% NOBYD

Are Routine Nursery charges subject to the benefit year deductible?

No, deductible will apply to mother's claim only.

**Outpatient Services:**

**Emergency Room (ER - Facility Only) - True Emergency**

In Network	Out of Network
\$100 Copay / 100%	\$100 Copay / 100%
Per Admission Copay is: (In Network)	Per Admission Copay is: (Out of Network)

**Emergency Room (ER - Facility Only) - Non-Emergency**

In Network	Out of Network
\$100 Copay / 100%	\$100 Copay / 100%
Per Admission Copay is: (In Network)	Per Admission Copay is:(Out of Network)

**Copay will be waived if admitted. This applies whether the visit is for true or non-emergency.**

**NOTE: In-Network ER Physicians will be paid as outpatient medical. Out of Network ER physicians will be paid under REAP benefits unless otherwise specified.**

**REAP**

All services filed by REAP pro will pay at CoINS - 100% NOBYD	Apply BYDs to match NA
Apply OOPs to match NA	Apply pricing to match Billed Charges

Notes: Reap Providers are Radiologists, Emergency Room Physicians, Anesthesiologists, Pathologists, and (Independent Laboratories unless otherwise specified). These providers most often refuse to join our networks but can still render services at our Network hospitals. These claims will be filed as Out-of-Network so the member can be balance billed for the remainder of the charges. The claim does not indicate these services were performed at a network or non-network hospital. As such, we are only able to capture this by the claim indicator for non-participating status and by the specific provider specialty type. Services for True Emergencies will pay as required under the Affordable Care Act (HCR) unless otherwise specified.

**ITS Processing for True Emergencies**

**If a claim is filed with a TRUE emergency diagnosis and the HOST Plan indicates NO network was available, should all services for that claims pay at INN level?**

Yes	If Yes, members claims will pay at In-Network levels. Apply pricing same as: Billed Charges
-----	--

**Outpatient Facilities pay at:**

Surgery: In Network CoINS - 100% NOBYD	Surgery: Out of Network CoINS - 80% NOBYD
Maternity: In Network CoINS - 100% NOBYD	Maternity: Out of Network CoINS - 80% NOBYD
Medical: In Network CoINS - 100% NOBYD	Medical: Out of Network CoINS - 80% NOBYD
Diagnostic Lab / X-Ray: In Network CoINS - 100% NOBYD	Diagnostic Lab / X-Ray: Out of Network CoINS - 80% NOBYD

**Outpatient Professionals pay:**

Surgery: In Network CoINS - 100% NOBYD	Surgery: Out of Network CoINS - 80% NOBYD
Maternity: In Network CoINS - 100% NOBYD	Maternity: Out of Network CoINS - 80% NOBYD

**Outpatient Professionals pay:**

Medical: In Network CoINS - 100% NOBYD	Medical: Out of Network CoINS - 80% NOBYD
Diagnostic Lab / X-Ray: In Network CoINS - 100% NOBYD	Diagnostic Lab / X-Ray: Out of Network CoINS - 80% NOBYD
Independent Lab / X-Ray: In Network CoINS - 100% NOBYD	Independent Lab / X-Ray: Out of Network CoINS - 80% NOBYD

**Out of Network diagnostic lab, x-ray and independent lab services may pay under OPD or REAP depending on their network status and provider specialty filed.**

**NOTE: Clinical Pathology will be paid as all other OPD professional charges.**

**Testing prior to an admission to an Inpat Fac (Pre-Admission testing) will pay as all other OPD**

**Pre-Authorization Requirements**

Is pre-authorization required for Inpatient facilities?

Yes

In Network Penalty  
Denial of Room and Board

Out of Network Penalty  
Denial of Room and Board

Is pre-authorization required for Outpatient facilities?

Yes

If 'Yes', what is the penalty for not obtaining Outpatient Facility pre-authorization?

NA

Are the prior carrier's, if applicable, authorized services to be grandfathered as Approved?

Yes

NOTE: a) Depending on the contractual agreements the BCBS plan has with its local providers in the state where services are rendered, members may be responsible for all charges where pre-authorization is not obtained at an In-network, Inpatient facility. (b) Pre-Admission Review will be required beginning at the Group's Effective Date. No grace period allowed.

If Yes, the recommended procedures to be pre-authorized at an Outpatient facility are:Septoplasty (surgery to straighten the nasal septum), Surgical Procedures that may potentially be cosmetic (such as: Blepharoplasty, Reduction Mammoplasty), Hysterectomy

NOTE: Professional charges for Inpatient and Outpatient are not subject to Pre-Authorization requirements. Experimental/Investigation services are not covered. Potentially experimental/investigation procedures are sent to medical review to determine coverage. Chemotherapy and Radiology therapy require a one time notification; no penalty will be applied if notification is not received.

**The Following Outpatient Procedures Require Pre-authorization (ASO)**

All cosmetic surgery procedures Yes	Chemo or Radiation Therapy (one-time notification) Yes
Hysterectomy Yes	Investigational procedures Yes
Sclerotherapy (treatment of varicose veins) Yes	Septoplasty (surgery to straighten the nasal septum) Yes

## **Mental Health**

---

## Mental Health: Mental Health | Med | 60541 | 1/1/2018 | Active | Nation [ National Alliance ASO | National Alliance ]

### Mental Health

Group Name: CharterCare | 71-60541 | CharterCare

#### Mental Health and Substance Use (MH/SU) Benefits

MH/SU benefits covered?

Under BCBS Medical

#### Does Companion Benefit Alternative (CBA) manage Pre-Authorization requirement?

Yes

#### Basic MH/SU - Pre-Authorization required for Inpatient Services?

Yes

If Yes - see Inpatient Services in Pre-Authorization Section for applicable penalties.

#### Pre-Authorization required for Outpatient Services?

Yes

If Yes - see Outpatient Services in Pre-Authorization Section for applicable penalties.

#### Pre-authorization required for office visits?

No

If Yes - see Outpatient Services in Pre-Authorization Section for applicable penalties.

#### Stand Alone EAP

Does this group have a Stand Alone EAP

Yes

Stand Alone EAP Vendor

Unum Life Balance - CharterCare

NOTES: CBA is the BCBS subsidiary dedicated to managing Mental Health and Substance Use MH/SU benefits. Medication Management services performed in a Primary Care Physicians office do not require precertification. These services will be paid as all other medical services.

#### Applied Behavioral Analysis (ABA) therapy?

Yes

Load ABA benefit according to South Carolina's mandate (Ryan's Law)?

No

Min Diagnosis Age

Max Diagnosis Age

Min Benefit Age

Max Benefit Age

#### In addition to Autism, Asperger's and Pervasive Development Disorder (PDD), what diagnoses are included?

Rett's Disorder

Yes

Childhood Disintegrative Disorder

Yes

Other Diagnoses Included

No

NOTES: Preauthorization is required for ABA therapy. Groups must purchase CBA's case management services when adding coverage for ABA therapy. If case management is not purchased for the entire population, the account will default to the Autism Management case rate. ABA therapy for Autism, if purchased, will apply to OOP maximums and will pay at 100% once the OOP maximums are met. Precertification penalty is denial of benefits. Mental Health and Substance Use (MH/SU) services will apply to OOP maximums. These services will pay at 100% once the OOP maximums are met.

**MH / SU Benefits**

**Inpatient MH/SU Facilities pay at**

In Network	Out of Network
CoINS - 100% NOBYD	CoINS - 80% NOBYD
Per Admission Copay is: (In Network)	Per Admission Copay is: (Out of Network)

**Inpatient MH/SU Professionals pay at**

In Network	Out of Network
CoINS - 100% NOBYD	CoINS - 80% NOBYD

**Outpatient MH/SU Facilities pay at**

In Network	Out of Network
CoINS - 100% NOBYD	CoINS - 80% NOBYD

**Includes partial HOSP/INTENSIVE OUTPAT services in hospital or outpatient setting**

**Outpatient MH/SU Professional pay at**

In Network	Out of Network
CoINS - 100% NOBYD	CoINS - 80% NOBYD

**Outpatient MH/SU ER Facilities pay at**

In Network	Out of Network
\$100 Copay / 100%	\$100 Copay / 100%
In Network Copay Is	Out of Network Copay Is

**Outpatient MH/SU ER Professional pay at**

In Network	Out of Network
CoINS - 100% NOBYD	CoINS - 100% NOBYD

**Office MH/SU professional pay at:**

PCP: In Network	Spec: In Network	Out of Network
\$15 Copay / 100%	\$15 Copay / 100%	\$15 Copay / 80%

Has this group added coverage for Residential Treatment Centers (RTCs)?	Is preauth required?
Yes	Yes

**Office Physician Services**

---



**Office Physician Service: OfcPhySvc | Med | 60541 | 1/1/2018 | Active | Nation [ National Alliance ASO | National Alliance ]**

**Office Physician Services**

**Group Name: CharterCare | 71-60541 | CharterCare**

**Office Physician Services**

Physicians Office Services Options

Two - ALL office services including Allergy Injections, Dialysis, Labs/X-Rays, Surgery and Second Surgical Opinions

**Indicate the payment for your Choice below:**

PCP: In Network  
\$15 Copay / 100%

Spec: In Network  
\$15 Copay / 100%

Out of Network  
\$15 Copay / 80%

**Definition: PCPs are: Family and General Practitioners, Pediatricians, Internists, OB-Gyns, and Mixed Specialties. This only applies when office visit copays vary between a PCP provider and a Specialist provider.**

**Who should be considered a PCP?**

Should Nurse Practitioner be considered PCP?

Yes

Should Physician Assistants be considered a PCP

Yes

**Preventive Care: Prev Care | Med | 60541 | 1/1/2018 | Active | Nation [ National Alliance ASO | National Alliance ]**

**Preventive Care**

**Group Name: CharterCare| 71-60541 | UNION Premium Plan**

**Preventive Care Package (See HCR Guidelines)**

Contraceptive Opt Out  
No

**Sustained Health Benefit (Sustained Health Benefits are covered above PPACA benefits)**

Preventive Care Package  
Yes

Mammography Network Provider  
No

**Please indicate payment for each preventive care services listed below:**

**Mammograms: - Allow one annually for female patients beginning at age 40 and above**

PCP: In Network	Spec: In Network	Out of Network
CoINS - 100% NOBYD	CoINS - 100% NOBYD	CoINS - 80% NOBYD

**Paps: - (One per benefit period)**

PCP: In Network	Spec: In Network	Out of Network
CoINS - 100% NOBYD	CoINS - 100% NOBYD	CoINS - 80% NOBYD

**Prostate Screening: (PSAs) - (One per benefit period)**

PCP: In Network	Spec: In Network	Out of Network
CoINS - 100% NOBYD	CoINS - 100% NOBYD	CoINS - 80% NOBYD

**NOTE: The services above are for labwork and the interpretation of that labwork. It is recommended that these be paid at 100% when copay is defined on Routine Physical benefit below.**

**Well Baby / Well Child:**

PCP: In Network	Spec: In Network	Out of Network
CoINS - 100% NOBYD	CoINS - 100% NOBYD	\$15 Copay / 80%
Well Baby / Well child (Age Limit)	Well Baby / Well child (Covered to Age) Enter	

**Routine Physical Exams:**

PCP: In Network	Spec: In Network	Out of Network
CoINS - 100% NOBYD	CoINS - 100% NOBYD	\$15 Copay / 80%
Routine Phy (Age Limit)	Routine Phy (Covered Beginning Age) Enter	Routine Phy (Limited to X per benefit period)

**Routine Physical Exams:**

**NOTE: If no age or monetary limits apply to Routine Physical exams, benefit will be limited to one annually.**

**Immunizations:**

PCP: In Network	Spec: In Network	Out of Network
CoINS - 100% NOBYD	CoINS - 100% NOBYD	CoINS - 80% NOBYD
Immunizations (Age Limit)	Immunizations (Covered to Age) Enter	

**Flu Shots (Include Flu Mist)**

PCP: In Network	Spec: In Network	Out of Network
CoINS - 100% NOBYD	CoINS - 100% NOBYD	CoINS - 80% NOBYD
Prev Care: Flu Shots (Age Limit)	Flu Shots (Covered to Age) Enter	

**Routine Colonoscopies:**

PCP: In Network	Spec: In Network	Out of Network
CoINS - 100% NOBYD	CoINS - 100% NOBYD	CoINS - 80% NOBYD

**Routine Bone Density Screenings:**

PCP: In Network	Spec: In Network	Out of Network
CoINS - 100% NOBYD	CoINS - 100% NOBYD	CoINS - 80% NOBYD

**Monetary Maximum per benefit period apply to Sustained Health Benefits as follows:**

Monetary Maximum per benefit period

Mammography(diagnostics/interpretation)	Adult Routine Physical (associated diagnostics ot
No	No
PAPS (labwork / interpretation)	Well Woman Exams (associate diagnostics other than
No	No
PSAs (labwork / interpretation)	Immunizations
No	No
Well Baby / Well Child	Flu Shots/including Flu Mist
No	No
Routine Bone Density Screening	Routine Colonoscopy
No	No

**Other Services**

---

**Other Service: Other Svc | Med | 60541 | 1/1/2018 | Active | Nation [ National Alliance ASO | National Alliance ]**

**Other Service**

**Group Name: CharterCare| 71-60541 | UNION Premium Plan**

**DME / Prosthetic Devices / Orthotics Benefits**

Is Pre-Authorization Required for DME/Prosthetic Devices/Orthotics? Enter Amt  
Yes, purchases of (Enter Amount) 500

**DME Std Limitation is Pre-Auth required for rental or replacement of over \$500**

**Pay DME / Prosthetic Device / Orthotics at**

In Network Out of Network (Std Non-GF limit is OON DME is  
CoINS - 80% NOBYD not a covered benefit)  
CoINS - 80% NOBYD

If In and Out-of-Network pay the same, OON  
BYDs and OOPs will match  
NA

**NOTE: If Pay Based on POS Filed is not indicated above, then all POS will pay at indicated level including DRs office services.**

**Professional Ambulance (non-hospital based) Benefit**

**Pay Ambulance at**

In Network Out of Network  
\$50 Copay / 100% \$50 Copay / 100%  
If In and Out-of-Network pay the same, OON For OON professionals, apply pricing to match:  
(Amb) Billed Charges  
In Network

**Home Healthcare Benefit**

Is Home Healthcare subject to any maximum?  
No

**Pay Home Healthcare at**

In Network Out of Network  
CoINS - 100% NOBYD CoINS - 80% NOBYD

**NOTE: Home Healthcare services require Pre-Authorization and all charges will be denied if authorization is not obtained. Approved Home Healthcare treatment plans may include Private Duty Nursing.**

**Hospice Benefits**

Is Hospice subject to any maximum?  
No

**Pay Hospice at**

In Network Out of Network  
CoINS - 100% NOBYD CoINS - 80% NOBYD

**NOTE: For In-Network, Inpatient facilities, see pre-authorization section. For In-Network (Outpat) & Out of Network (Inpatient and Outpatient) facilities, the penalty will be denial of all charges.**

**Human Organ Transplant Benefits**

Do the IP Facility benefit copays apply (when applicable)?

Yes

**Pay Human Organ at**

In Network

CoINS - 100% NOBYD

Out of Network

CoINS - 80% NOBYD

**Non-Grandfathered Std is: Services must be obtained through a Blue Centers of Distinction (BDCT) designated transplant center or if not available, a Blue Card facility only**

**Covered transplants are limited to the following:**

Bone Marrow Stem Cell | Cornea | Heart | Heart Lung Single | Heart Lung Double | Kidney Single | Kidney Double | Liver | Liver Segmental | Lung Segmental | Lung Single | Lung Double | Pancreas | Pancreas Kidney

**NOTE: HOT IP Facility preauthorization requirements follow the same requirements as all other IP Facility admissions, unless otherwise stated in the Preauthorization Requirements section or the non-standards tab.**

**Travel and Lodging**

Is Travel and Lodging for Recipient/Family covered?

No

Is Travel and Lodging for Donor/Family covered?

No

Is Travel and Lodging maximum Combined for Recipient and Donor?

No

**NOTE: For National Alliance accounts, Travel and Lodging benefits will always be subject**

**to In-Network payment levels paid at billed charges.**

**Infertility Benefits**

Are Infertility services covered?

Yes

Are Infertility services subject to max?

Yes

If 'Yes', benefit period maximum is: (Infertility)  
Physician visits for testing and diagnosis only. No coverage for treatment or assisted fertilization

**Pay Infertility at**

In Network

CoINS - 100% NOBYD

Out of Network

CoINS - 80% NOBYD

**Obesity Benefits**

Are obesity services covered?

Yes

If 'Yes', benefit period maximum is: (Obesity)

Are Morbid Obesity services covered?

Yes

Are surgical procedures for the treatment of Morbid obesity covered?

Yes

If 'Yes', benefit period maximum is: (Morbid)

**For covered services indicate above as 'yes', pay at:**

In Network

\$15 Copay / 100%

Out of Network

\$15 Copay / 80%

**Diabetic Education**

---

**Services for diabetic education ARE covered and will be paid based on place of service filed.**

---

## Non-standard Benefit: Ambulance

---

### General

---

### General

---

### Non-standard Benefit Definition

---

Name	Owner
Ambulance	Stephanie Musto (N10)

Effective Date  
1/1/2018

Benefit Definition  
Non-emergency transports are covered when it is from one facility to another facility.

Relates to coverage  
Ambulance

Does this benefit pay according to the related benefit section?  
Yes

### Include / Exclude

---

Include

Exclude



---

## Non-standard Benefit: Annual Foot and Eye Exam for Diabetic Members

---

### General

---

### General

---

### Non-standard Benefit Definition

---

Name	Owner
Annual Foot and Eye Exam for Diabetic Members	Caroline Jones (81)
Effective Date	
1/1/2015	
Benefit Definition	
Covered for members with diabetes. Payable at \$15 copay then 100% INN and \$15 copay then 80% OON.	
Relates to coverage	
Diabetic Education	
Does this benefit pay according to the related benefit section?	
Yes	

### Include / Exclude

---

Include

Exclude

**Non-standard Benefit: CUSTOMER SERVICE- SIGN LANGUAGE INTERPRETER****General****General****Non-standard Benefit Definition**

Name	Owner
CUSTOMER SERVICE- SIGN LANGUAGE INTERPRETER	Caroline Jones (81)

Effective Date  
1/1/2016

**Benefit Definition**

If a member or provider requests a sign language interpreter, email the request to InterpreterRequest@bcbsri.org. Please ensure the email request includes the information below. Refer to the Customer Service desk procedure for additional information.

Email Request must include:

- 1.) Member Name
- 2.) Subscriber ID
- 3.) Contact Number
- 4.) Provider's full name
- 5.) Provider's telephone # (w/extension if applicable)
- 6.) Complete address including floor and suite number (if applicable)
- 7.) Date interpreter is required
- 8.) Time interpreter is required
- 9.) Type of language - Sign
- 10.) Special Request – i.e. a particular interpreter or/ male or female

The Commission for the Deaf and Hard of Hearing request at least a 3 week notice when requesting an interpreter. There is a shortage of Interpreters so the request may not be filled even with a 3 week notice. If a member or provider office doesn't give at least 3 weeks' notice, please advise the member that the request may not be filled.

Relates to coverage

Other

Does this benefit pay according to the related benefit section?

Yes

**Include / Exclude**

Include

Exclude

---

## Non-standard Benefit: Dependent (non-spouse) Maternity

---

### General

---

#### General

---

#### Non-standard Benefit Definition

---

Name	Owner
Dependent (non-spouse) Maternity	Caroline Jones (81)

Effective Date  
1/1/2015

Benefit Definition  
Non-Union plans will cover pre-natal visits only.

Union plan will cover all pre-natal services, delivery, and will cover the dependent newborn (grandchild) for 31 days after birth.

Relates to coverage  
Maternity Benefits

Does this benefit pay according to the related benefit section?  
Yes

#### Include / Exclude

---

Include

Exclude

---

## Non-standard Benefit: Gender Dysphoria and Gender Reassignment Services

---

### General

---

### General

---

### Non-standard Benefit Definition

---

Name	Owner
Gender Dysphoria and Gender Reassignment Services	Caroline Jones (81)
Effective Date	
1/1/2017	
Benefit Definition	
Gender dysphoria counseling services are covered. Gender reassignment services (surgery) are covered.	
Relates to coverage	
OTHER:	
Does this benefit pay according to the related benefit section?	
Yes	

### Include / Exclude

---

Include

Exclude

---

## Non-standard Benefit: Hearing Aids

---

### General

---

### General

---

### Non-standard Benefit Definition

---

Name	Owner
Hearing Aids	Caroline Jones (81)

Effective Date  
1/1/2016

Benefit Definition  
Hearing aids are covered at applicable tier 1 benefit for tier 1 and INN. Not covered OON.  
Limited to \$1, 500 per individual hearing aid, per ear, per occurrence, for anyone under the age of 19, and for \$700 per individual hearing aid, per ear, per occurrence, for anyone of the age of nineteen 19 years and older.

Relates to coverage  
Other

Does this benefit pay according to the related benefit section?  
Yes

### Include / Exclude

---

Include

Exclude

---

## Non-standard Benefit: MRI/MRA/PET/CT Scans

---

### General

---

### General

---

### Non-standard Benefit Definition

---

Name	Owner
MRI/MRA/PET/CT Scans	Caroline Jones (81)

Effective Date  
1/1/2015

Benefit Definition  
Payable at 100% NOBYD INN and 80% NOBYD OON. PA required- see NIA non-standard.

Relates to coverage  
Outpatient Benefits

Does this benefit pay according to the related benefit section?  
Yes

### Include / Exclude

---

Include

Exclude

---

## Non-standard Benefit: NIA

---

### General

---

### General

---

### Non-standard Benefit Definition

---

Name	Owner
NIA	Caroline Jones (81)

Effective Date  
1/1/2015

Benefit Definition  
Outpatient pre-cert is required through NIA and the following are the procedures that require pre-cert:

CT Scans, MRI/MRA, PET Scans. Failure to obtain authorization results in full denial of charges for that imaging service.

Relates to coverage  
Pre-Authorization Requirements

Does this benefit pay according to the related benefit section?  
Yes

### Include / Exclude

---

Include

Exclude

---

## Non-standard Benefit: OON ER PHYSICIAN PRICING

---

### General

---

### General

---

### Non-standard Benefit Definition

---

Name	Owner
OON ER PHYSICIAN PRICING	Caroline Jones (81)

Effective Date  
1/1/2016

Benefit Definition  
REIMBURSE UP TO BILLED CHARGES.

Relates to coverage  
Other

Does this benefit pay according to the related benefit section?  
Yes

### Include / Exclude

---

Include

Exclude



---

## Non-standard Benefit: Pre-Natal and Post-Natal Care

---

### General

---

### General

---

### Non-standard Benefit Definition

---

Name	Owner
Pre-Natal and Post-Natal Care	Caroline Jones (81)

Effective Date  
1/1/2015

Benefit Definition  
All Pre-natal and post natal covered at 100% NOBYD INN. Payable at 80% NOBYD OON.

Relates to coverage  
Maternity Benefits

Does this benefit pay according to the related benefit section?  
Yes

### Include / Exclude

---

Include

Exclude

---

## Non-standard Benefit: Private Duty Nursing

---

### General

---

### General

---

### Non-standard Benefit Definition

---

Name	Owner
Private Duty Nursing	Caroline Jones (81)

Effective Date  
1/1/2015

Benefit Definition  
Covered at 80% NOBYD INN and 80% NOBYD OON. No maximum.

Relates to coverage  
OTHER:

Does this benefit pay according to the related benefit section?  
Yes

### Include / Exclude

---

Include

Exclude

---

## Non-standard Benefit: Routine Vision

---

### General

---

### General

---

### Non-standard Benefit Definition

---

Name	Owner
Routine Vision	Caroline Jones (81)

Effective Date  
1/1/2015

Benefit Definition  
One routine eye exam is covered per benefit year.

Relates to coverage  
---- Vision Benefit Select Below -----

Does this benefit pay according to the related benefit section?  
Yes

### Include / Exclude

---

Include

Exclude

---

## Non-standard Benefit: Urgent Care

---

### General

---

### General

---

### Non-standard Benefit Definition

---

Name	Owner
Urgent Care	Caroline Jones (81)

Effective Date  
1/1/2015

Benefit Definition  
Covered at \$15 copay then 100% INN and \$15 copay then 80% OON.

Relates to coverage  
OTHER:

Does this benefit pay according to the related benefit section?  
Yes

### Include / Exclude

---

Include

Exclude

---

## Non-standard Benefit: Value Based Benefit (CC)

---

### General

---

### General

---

### Non-standard Benefit Definition

---

Name	Owner
Value Based Benefit (CC)	Caroline Jones (81)

Effective Date  
1/1/2016

Benefit Definition  
Care Coordination Fee - This group has opted into the program.

Relates to coverage  
OTHER:

Does this benefit pay according to the related benefit section?  
Yes

### Include / Exclude

---

Include

Exclude

## Recommended New Exclusions / Limits

### Exclusions (New or Changed)

Please indicate which exclusions will apply. "Yes" means client accepts exclusions as is. "No" means they are rejecting the exclusion as a whole. "Other" is listed if the exclusion is to apply with modifications.

**1. All services and supplies related to pregnancy of a Dependent Child, except for life-threatening pregnancy complications, to either the mother or fetus. An elective abortion is not considered to be a complication of pregnancy.**

Other

Other  
See Non-Standard

**2. Services for Animal Assisted Therapy, rTMS, Eye Movement Desensitization and Reprocessing (EMDR), behavior therapy for solitary maladaptive habits, or Rapid Opiate Detox**

Yes

**3. Manual or Motorized Wheelchairs or power operated vehicles, such as scooters, for mobility outside of the home setting. Coverage for these devices to assist with mobility in the home setting is subject to the establishment of Medical Necessity by the Corporation.**

Yes

**4. Charges for hypnotism, biofeedback therapy and TENS Units. Services for chronic pain management programs or any program developed by centers with multidisciplinary staffs intended to provide the interventions necessary to allow the patient to develop pain coping skills and freedom from dependence on analgesic medications.**

Yes

**5. Orthomolecular therapy including infant formula, nutrients, vitamins and food supplements. Enteral feedings when not a sole source of nutrient**

Yes

**6. Adjustable cranial orthoses (band or helmet) for positional plagiocephaly or craniosyntoses in the absence of cranial vault remodeling surgery.**

Yes

**7. Growth hormone therapy for patients over 18 years of age. Growth hormone therapy for patients 18 years of age or younger is excluded unless for documented growth hormone deficiency.**

Yes

**8. Pulmonary Rehabilitation, except in conjunction with a Covered lung Transplant.**

Yes

**9. Medical and surgical expenses for care and treatment of a living human organ transplant donor.**

Yes

**10. Bioelectric, microprocessor or computer programmed prosthetic components.**

Yes

### Limitations

Please indicate which if any, limitations will apply. "Yes" means client accepts limitation as is. "Other" is listed if the limitation is to apply with modifications. "No" means claims will defer or reject per standard medical policy.

**1. ACCIDENTAL DENTAL – Services must be rendered within 6 months of the date of injury for ben cov**

Yes

**2. HEMOPHILIA – Must have care coordinated though a CDC designated hemophilia treatment center at least once per benefit year or coverage of services for treatment of hemophilia will be reduced to 50%**

Yes

**3. PROSTHETICS – Limited to \$50,000 per Benefit Year.**

Yes

**4. VARICOSE VEIN TREATMENT – Limited to \$2,500 per Benefit Year.**

Yes

**Ancillary Benefit: Ancillary | 60541 | 1/1/2018 | Active | Nation | Ch [ National Alliance ASO | National Alliance ]**

---

**General**

---

Owner Stephanie Musto (N10)	Short Name CharterCare Ancillaries	Group Configuration 60541   4/1/2018   Active   Nation   CharterCare
--------------------------------	---------------------------------------	---



**Selected Products**

**Ancillary Product Options**

**Product**

My Health Essentials Engagement Suite (ASO)  
No

**PEPM and MHE**

Health Management (includes PHA and Maternity Care)  
No

24-Hour Nurse Advisor  
No

Personal Health Assessment (Basic)  
Yes

Informed Health Messaging

Core Disease Management	Essential Advocate
Yes	Yes

Naturally Slim  
Yes

Oncology Management  
No

Health Coaching – Chronic Condition and Behavioral Health  
No

Rally	Health Coaching - Lifestyle
No	No

Private Sweepstakes	Rally Rewards
No	No

Premium Rally  
No

**Additional Programs**

Healthy Vision  
No

Quit for Life	BluesEnroll
No	No

HR in Touch  
No

Data Feed (Incoming)	Data Feed (Outgoing)
No	No

Employee Assistance Program  
No

Complex Care  
No

HIPAA Administration

No

Telehealth

Teladoc

NIA Program(s)

Radiology Management

Enhanced Transparency

Penalty for no pre-auth out of state imaging svc?

Novologix - Specialty Medical Benefit Management

Yes

The penalty for members failing to obtain pre-auth from NIA for imaging services from an out of state provider will result in denial of claim.

Concierge Customer Service

Yes

**The following benefits require benefit configuration records attached to a plan**

Flexible Spending Account (FSA)

Health Reimbursement/Health

No

Incentive Account

None

Health Savings Account (HSA)

COBRA Administration

No

No

**Performance Guarantees**

Performance Guarantees?

## Incentive Programs

---

### Clinical Rewards

---

#### Options

Clinical Rewards 'Plan' Option

Clinical Rewards Model

Eye Exam Option with Diabetes

PHA Option

### Incentive Plan Activities

---

#### IPA CAP

EE Coverage Max

Reward Label

EE+ Coverage Max

Reward Label

Apply Program To

**If Embedded or Tier max apply, please describe in field below**

Embedded/Tier Max

## **Inclusions/Exclusions**

---

### **Inclusions and Exclusions to Standard Benefits**

---

Inclusions/Exclusions

**Plan: Value PPO Plan**

**General**

Name  
Value PPO Plan

Group CharterCare	Group Configuration 60541   4/1/2018   Active   Nation   CharterCare	Select the Group Type Non-Grandfather	Add Additional Tier to B&C Report
----------------------	---	--	-----------------------------------

**Employee Classification**

EE Classification Hrs per Week 20	EE Classification Weeks per Year	If other (NA only):
--------------------------------------	----------------------------------	---------------------

**Dependent Coverage**

Dependent Child is covered to age (Standard is age 26) 26	Dependent Coverage is in effect until End of the month	Dependent Coverage Other:
--	---	---------------------------

**Contract Covers**

Is Applicable? Yes	Board Members? No	Appointed/Elected Officials No	Other
Major Stockholders? No	Retirees? No		
Actives? Yes	COBRA? Yes	Grandfathered Employees? No	

**Blue Card Details**

Blue Card National ADMIN Fees Pass Through to: Group	Traveler's (OOA) Admin Fees Pass Through to Group	Blue Card National ACCESS Fees Pass Through to: Group	Traveler's (OOA) Access Fees Pass Through to Group
ITS Cust Arr (neg fees b/t Control & Par licensees) or Cust Network Arr (eg Prec Blue or AltNet) ? Yes		if yes, which Program Code applies? Program Code A	

**Cancellation Details**

Cancel Subscribers on End of Month		
Anything other than 1st and 15th? No	Specific cancellation arrangement	Add one day to term date? Yes (will ensure member is covered through the end of the term date or cancellation arrangement)

**Timely Filing Information**

Timely Filing? Yes	Timely Filing (Number of Months) 12
-----------------------	--

---

## Medical Benefit: Med | 60541 | 4/1/2018 | Active | Nation | Ch [ National Alliance ASO | National Alliance ]

---

### General

---

#### Group Name: CharterCare| 71-60541

---

Group Configuration	Short Name (Product Name)	Products	Select the Group Type
60541   4/1/2018   Active   Nation   CharterCare	Value PPO Plan	PPO	Non-Grandfather

Medical Benefit Type 3 Tier PPO	Owner Stephanie Musto (N10)
------------------------------------	--------------------------------

Tier 1 Name:  
CharterCare Network

Does this plan have an associated Health Saving Account (HSA)?  
No

Custom Network?  
Yes

## Custom Network: CU | CharterCare

---

### General

---

Network Code

CU

Is Cashless?

No

Code Applies to Tier?

1

Eligibility Network Name Voiced/Displayed

CharterCare

Medical Benefit

Med | 60541 | 4/1/2018 | Active | Nation | Ch [ National Alliance ASO | National Alliance ] - 4/1/2018

## Custom Network: CT | CharterCare

---

### General

---

Network Code

CT

Is Cashless?

Yes

Cashless Pricing

Host Plan

Code Applies to Tier?

1

Eligibility Network Name Voiced/Displayed

CharterCare

Medical Benefit

Med | 60541 | 4/1/2018 | Active | Nation | Ch [ National Alliance ASO | National Alliance ] - 4/1/2018



**Summary**

**Benefit Period/Year Processing**

Benefit Period runs on a Calendar Year

Initial Benefit Period runs: (From) 1/1/2015	Initial Benefit Period runs: (Through) 12/31/2015	On-Going Benefit Period runs: (From) (MM/DD) 1/1	On-Going Benefit Period runs: (Through) (MM/DD) 12/31
---	--	---	--

**Contract Maximums**

Per Member Contract Maximum (Per Benefit Period):

**Deductibles**

Deductible Type

True Family Aggregate Deductible (Indicator 22 Embedded)

22 – Family Deductible (Type 22 Embedded): Individual amounts with any combination of family members accumulate towards the family amount. No one member will go over the individual amount.

**True Family Aggregate Deductible Amounts**

Per Member Tier 1 \$5,850.00	Per Member In Network \$5,850.00	Per Member Out of Network \$10,000.00
Per Family Tier 1 \$11,700.00	Per Family In Network \$11,700.00	Per Family Out of Network \$20,000.00

**Deductible Accumulations**

Is Deductible

Collective (BYD dollars apply to both PB and non-PB maximums even when dollar amounts differ) [Standard Option]

Does this group have Common Accident deductible

No

**Out of Pocket (OOP) Maximums**

Out-Of-Pocket Provisions

Yes

Out of Pocket Type

Individual and Family Combination Coinsurance (Indicator 24)

24 – Individual and Family Combination (Type 24): Individual amounts with any combination of family members accumulate towards the family amount. No one member will go over the individual amount.

**Maximum (Global) OOP Limits**

Per Member: Tier 1 \$5,850.00	Per Member: In Network \$5,850.00
Per Family: Tier 1 \$11,700.00	Per Family: In Network \$11,700.00

**Standard OOP Limits**

Per Member at Tier 1 provider	Per Member at In Network provider:	Per Member at Out of Network provider \$30,000.00
Per Family at Tier 1 provider	Per Family at In Network provider:	Per Family at Out of Network provider \$60,000.00

**INN Contribution to Standard OOP**

Coinsurance  
No

Deductible  
No

**INN Contribution to Standard OOP**

Per Occurrence Co-payment No	Per Admission Co-payment No
---------------------------------	--------------------------------

**OON Contribution to Standard OOP**

Coinsurance Yes	Deductible Yes
Per Occurrence Co-payment Yes	Per Admission Co-payment Yes

**OOP Accumulations**

OOP Accumulations  
Collective (OOP dollars apply to both PB and non-PB maximums even when dollar amounts differ) [Standard Option]

**Carry overs**

3-month year-end carry over? No	Carry over from prior Carrier? No
------------------------------------	--------------------------------------

**Pricing**

**Facility charges will be based off of:**

Tier 1 Per agreement	In-Network Per Agreement	Out of Network Host Plan Pricing (Fac & Prof must match)
-------------------------	-----------------------------	---

**Professional charges will be based off of:**

Tier 1 Per agreement	In-Network Allowed Amount	Out of Network Host Plan Pricing (Fac & Prof must match)
-------------------------	------------------------------	---

**OON ER Professional charges will be based off of:**

Tier 1 per agreement	In-Network Per Agreement	Out of Network Host Plan Pricing (Fac & Prof must match)
-------------------------	-----------------------------	---

**Par Network Providers**

PAR Network -- Payment to Provider

**Accident Benefits**

Accident Benefits  
Accident pays as all other services. (Standard Option)

**Dental / Drug / Vision Benefits**

**Dental Benefits**

**Does this group have Freestanding Dental Services?**

Yes If "Yes", under:  
Dental Carrier Listed Below:

Dental Carrier  
delta dental RI - CharterCare

**Are dental anesthesia and outpatient facility charges related to dental covered under medical?**

Yes Are there any limitations (i.e. age, medical condition)?  
Yes

Detail the limitations:  
Only covered when services are due to accidental injury to sound natural teeth.

**If covered under "BCBS Medical" pay at services at**

Tier 1	In Network	Out of Network
CoINS - 100% +BYD	CoINS - 100% +BYD	CoINS - 50% +BYD

**Are services for Impacted teeth covered?**

Services for Impacted Teeth Covered  
No

**If covered under "BCBS Medical" pay at**

Tier 1	In-Network	Out of Network
--------	------------	----------------

**NOTE: If Pay Based on POS Filed is not indicated above, then all POS will pay at indicated level including DRs office services.**

**Are all services for treatment of TMJ covered?**

All services for TMJ Covered?  
Yes Med Dental TMJ: Monetary Lifetime Max

Monetary Benefit Period Maximum

Detail limitations of procedures below:

**Pay ALL services for TMJ at**

Tier 1	In-Network	Out of Network
CoINS - 100% +BYD	CoINS - 100% +BYD	CoINS - 50% +BYD

**NOTE: If Pay Based on POS Filed is not indicated above, then all POS will pay at indicated level including DRs office services**

**Are orthognathic surgeries covered?**

Orthognathic surgeries covered?  
Yes

Coverage includes:  
Cover if the disorders are attributed to the malposition of the bones and muscles regardless of the symptoms including dental related orthognathic conditions

NOTES:  
Orthognathic: If Yes, services will be paid based on diagnosis, procedure and place of service filed. Services will be sent to Medical Review to determine coverage.  
TMJ: To capture TMJ benefits, claims must be filed with appropriate procedure codes and diagnosis codes related to TMJ only. This logic is applied to both facility and professional charges.  
Accidental Dental: Dental Services related to an accident are paid under MEDICAL.  
Oral Surgeries: Oral Surgery related to the MOUTH is covered under MEDICAL. Oral surgery related to the TEETH should be covered under the DENTAL contract.

**Drug Benefits**

---

Drugs are covered under Vendor other than Caremark

Drug Carrier Express Scripts

Does this group have Integrated drug No

Do Caremark benefits feed medical contract maximum? No

Does this group have Blue RX? No

Are contraceptives covered under med when provided/admin in a Drs office? Yes

Are birth control devices covered under med when provided/admin in a Drs office? Yes

Block certain Self-Administered Drugs under Medical?

**Require members to access certain infused medications in the lowest cost, clinically appropriate setting (Site of Care steerage)?**

Are diabetic supplies covered under med? No

**Routine Vision Benefits**

---

Routine Vision covered BCBS Medical and Vendor other than BCBS

Vision Carrier VSP - CharterCare

**If "under BCBS Medical", are refraction services covered?**

No Apply Pricing: In Network Apply Pricing: Out of Network

**Vision Options**

Choice Two - Please indicate payment/coverage for the vision categories below:

Exam: PCP: Tier 1 CoINS - 100% +BYD

Exam: Spec : Tier 1 CoINS - 100% +BYD

Vision Srv: PCP: Tier 1

Vision Srv: Spec: Tier 1 Not Covered

Vision Hrd:PCP: Tier 1

Vision Hrd: Spec: Tier 1 Not Covered

Aids Misc: PCP: Tier 1

Aids Misc: Spec: Tier 1  
Not Covered

Exam: PCP: In Network  
CoINS - 100% +BYD

Exam: Spec: In Network  
CoINS - 100% +BYD

Exam: Out of Network  
CoINS - 50% +BYD

Vision Srv: PCP: In Network  
Not Covered

Vision Srv: Spec: In Network  
Not Covered

Vision Srv: Out of Network  
Not Covered

Vision Hrd:PCP: In Network  
Not Covered

Vision Hrd:Spec: In Network  
Not Covered

Vision Hrd: Out of Network  
Not Covered

Aids Misc: PCP: In Network  
Not Covered

Aids Misc: Spec: In Network  
Not Covered

Aids Misc:Out of Network  
Not Covered

Vision categories subject to a benefit period maximum per service?  
No

**Therapy: Therapy | Med | 60541 | 1/1/2018 | Active | Nation [ National Alliance ASO | National Alliance ]****Therapy****Group Name: CharterCare | 71-60541 | Value PPO Plan****Chiropractic**

Are chiropractic services covered?

No

**Outpatient Rehabilitation Benefits**

Is outpatient physical/occupational therapy covered?

Yes

Is outpatient physical/occupational therapy subject to any maximum?

Yes

If 'Yes', benefit period maximum is: (combined INN and OON)  
60 visitsAre maximums for physical / occupational and speech therapy combined?  
Yes

If 'Yes', Is maximum combined for Facility and Professional charges?

Yes

**Pay outpatient facility services for physical / occupational therapy (Tier 1)**

PCP: Tier 1

CoINS - 100% +BYD

Spec: Tier 1

CoINS - 100% +BYD

**Pay outpatient facility services for physical / occupational therapy**

PCP: In Network

CoINS - 100% +BYD

Spec: In Network

CoINS - 100% +BYD

Out of Network

CoINS - 50% +BYD

**Pay outpatient professional services for physical / occupational therapy performed in a fac (Tier 1)**

PCP: Tier 1

CoINS - 100% +BYD

Spec: Tier 1

CoINS - 100% +BYD

**Pay outpatient professional services for physical / occupational therapy performed in a fac**

PCP: In Network

CoINS - 100% +BYD

Spec: In Network

CoINS - 100% +BYD

Out of Network

CoINS - 50% +BYD

**Pay outpatient pro services for physical / occupational therapy performed in a doctors off (Tier 1)**

PCP: Tier 1

CoINS - 100% +BYD

Spec: Tier 1

CoINS - 100% +BYD

**Pay outpatient pro services for physical / occupational therapy performed in a doctors off**

PCP: In Network

CoINS - 100% +BYD

Spec: In Network

CoINS - 100% +BYD

Out of Network

CoINS - 50% +BYD

**NOTE: Services for physical/occupational therapy are not subject to any pre-authorization requirement****Speech Therapy**

Is outpatient speech therapy covered?

Yes

Is outpatient speech therapy subject to any maximum?

Yes

If 'Yes', benefit period maximums is: (combined INN and OON)  
60 visits

**Speech Therapy**

---

If 'Yes', Is maximum combined for Facility and Professional charges?

Yes

**Pay outpatient facility services for speech therapy**

PCP: Tier 1  
CoINS - 100% +BYD

PCP: In Network  
CoINS - 100% +BYD

Out of Network  
CoINS - 50% +BYD

Spec: Tier 1  
CoINS - 100% +BYD

Spec: In Network  
CoINS - 100% +BYD

**Pay outpatient professional speech therapy services performed in a facility (Tier1)**

PCP: Tier 1  
CoINS - 100% +BYD

Spec: Tier 1  
CoINS - 100% +BYD

**Pay outpatient professional speech therapy services performed in a facility**

PCP: In Network  
CoINS - 100% +BYD

Spec: In Network  
CoINS - 100% +BYD

Out of Network  
CoINS - 50% +BYD

**Pay outpatient professional speech therapy services performed in a doctors office (T1)**

PCP: Tier 1  
CoINS - 100% +BYD

Spec: Tier 1  
CoINS - 100% +BYD

**Pay outpatient pro speech therapy services performed in a doctors office**

PCP: In Network  
CoINS - 100% +BYD

Spec: In Network  
CoINS - 100% +BYD

Out of Network  
CoINS - 50% +BYD

**NOTE: Services for speech therapy are not subject to any pre-authorization requirements.**

**Acupuncture Benefits**

---

Are Acupuncture services covered?

No

**Inpatient / Outpatient**

---



## Inpatient/Outpatient: InpatOutput | Med | 60541 | 1/1/2018 | Active | Nation [ National Alliance ASO | National Alliance ]

### Inpatient/Outpatient

Group Name: CharterCare| 71-60541 | Value PPO Plan

#### Inpatient Services

##### Inpatient Skilled Nursing Facilities pay at

Tier 1	In Network	Out of Network
CoINS - 100% +BYD	CoINS - 100% +BYD	CoINS - 50% +BYD
Per Admission Copay is (Tier 1)	Per Admission Copay is:(In Network)	Per Admission Copay is: (Out of Network)

##### Benefit Period Maximum:

100 days

##### Maximums: (Combined for In and Out-of-Network)

##### Inpatient Facilities pay at

Tier 1	In Network	Out of Network
CoINS - 100% +BYD	CoINS - 100% +BYD	CoINS - 50% +BYD
Per Admission Copay is (Tier1-Inpat Fac)	Per Admission Copay is:(In Network)	Per Admission Copay is: (Out of Network)

##### Inpatient / SNF Professional pay at

Tier 1	In Network	Out of Network
CoINS - 100% +BYD	CoINS - 100% +BYD	CoINS - 50% +BYD

**NOTE: For IP Facility Pre-Authorization requirements, see Pre-Authorization Section of checklist.**

**Inpatient rehabilitation is covered with no limitations.**

#### Maternity Care

##### Female Employee / Spouse is covered

Are dependents (non-spouse) maternity covered?

Yes

Are elective abortions covered?

Yes

Are non-elective abortions covered?

Yes

**NOTE: When abortions and maternity are covered, services will be paid based on place of srvs filed.**

#### Newborn Benefits

##### Pay Newborn care (physician's charges for the initial pediatric exam in the hospital) at

Tier 1	In Network	Out of Network
CoINS - 100% +BYD	CoINS - 100% +BYD	CoINS - 50% +BYD

Are Routine Nursery charges subject to the benefit year deductible?

No, deductible will apply to mother's claim only.

#### Outpatient Services:

**Emergency Room (ER - Facility Only) - True Emergency**

Tier 1	In Network	Out of Network
CoINS - 100% +BYD	CoINS - 100% +BYD	CoINS - 90% +BYD
Per Admission Copay is (Tier 1 - ER)	Per Admission Copay is: (In Network)	Per Admission Copay is: (Out of Network)

**Emergency Room (ER - Facility Only) - Non-Emergency**

Tier 1	In Network	Out of Network
CoINS - 100% +BYD	CoINS - 100% +BYD	CoINS - 90% +BYD
Per Admission Copay is (Tier 1 - ER, Non Emg)	Per Admission Copay is: (In Network)	Per Admission Copay is:(Out of Network)

**Copay will be waived if admitted. This applies whether the visit is for true or non-emergency.**

**NOTE: In-Network ER Physicians will be paid as outpatient medical. Out of Network ER physicians will be paid under REAP benefits unless otherwise specified.**

**REAP**

All services filed by REAP pro will pay at CoINS - 100% +BYD	Apply BYDs to match NA
Apply OOPs to match NA	Apply pricing to match Billed Charges

Notes: Reap Providers are Radiologists, Emergency Room Physicians, Anesthesiologists, Pathologists, and (Independent Laboratories unless otherwise specified). These providers most often refuse to join our networks but can still render services at our Network hospitals. These claims will be filed as Out-of-Network so the member can be balance billed for the remainder of the charges. The claim does not indicate these services were performed at a network or non-network hospital. As such, we are only able to capture this by the claim indicator for non-participating status and by the specific provider specialty type. Services for True Emergencies will pay as required under the Affordable Care Act (HCR) unless otherwise specified.

**ITS Processing for True Emergencies**

**If a claim is filed with a TRUE emergency diagnosis and the HOST Plan indicates NO network was available, should all services for that claims pay at INN level?**

Yes	If Yes, members claims will pay at In-Network levels. Apply pricing same as: Billed Charges
-----	--

**Outpatient Facilities pay at:**

Surgery: Tier 1 CoINS - 100% +BYD	Surgery: In Network CoINS - 100% +BYD	Surgery: Out of Network CoINS - 50% +BYD
Maternity: Tier 1 CoINS - 100% +BYD	Maternity: In Network CoINS - 100% +BYD	Maternity: Out of Network CoINS - 50% +BYD
Medical: Tier 1 CoINS - 100% +BYD	Medical: In Network CoINS - 100% +BYD	Medical: Out of Network CoINS - 50% +BYD
Diagnostic Lab / X-Ray: Tier 1 CoINS - 100% +BYD	Diagnostic Lab / X-Ray: In Network CoINS - 100% +BYD	Diagnostic Lab / X-Ray: Out of Network CoINS - 50% +BYD

**Outpatient Professionals pay:**

Surgery: Tier 1 CoINS - 100% +BYD	Surgery: In Network CoINS - 100% +BYD	Surgery: Out of Network CoINS - 50% +BYD
Maternity: Tier 1 CoINS - 100% +BYD	Maternity: In Network CoINS - 100% +BYD	Maternity: Out of Network CoINS - 50% +BYD

**Outpatient Professionals pay:**

Medical: Tier 1 CoINS - 100% +BYD	Medical: In Network CoINS - 100% +BYD	Medical: Out of Network CoINS - 50% +BYD
Diagnostic Lab / X-Ray: Tier 1 CoINS - 100% +BYD	Diagnostic Lab / X-Ray: In Network CoINS - 100% +BYD	Diagnostic Lab / X-Ray: Out of Network CoINS - 50% +BYD
Independent Lab / X-Ray: Tier 1 CoINS - 100% +BYD	Independent Lab / X-Ray: In Network CoINS - 100% +BYD	Independent Lab / X-Ray: Out of Network CoINS - 50% +BYD

**Out of Network diagnostic lab, x-ray and independent lab services may pay under OPD or REAP depending on their network status and provider specialty filed.**

**NOTE: Clinical Pathology will be paid as all other OPD professional charges.**

**Testing prior to an admission to an Inpat Fac (Pre-Admission testing) will pay as all other OPD**

**Pre-Authorization Requirements**

Is pre-authorization required for Inpatient facilities?

Yes

Tier 1 Penalty

Denial of Room and Board

In Network Penalty

Denial of Room and Board

Out of Network Penalty

Denial of Room and Board

Is pre-authorization required for Outpatient facilities?

Yes

If 'Yes', what is the penalty for not obtaining Outpatient Facility pre-authorization?

NA

Are the prior carrier's, if applicable, authorized services to be grandfathered as Approved?

Yes

NOTE: a) Depending on the contractual agreements the BCBS plan has with its local providers in the state where services are rendered, members may be responsible for all charges where pre-authorization is not obtained at an In-network, Inpatient facility. (b) Pre-Admission Review will be required beginning at the Group's Effective Date. No grace period allowed.

If Yes, the recommended procedures to be pre-authorized at an Outpatient facility are:Septoplasty (surgery to straighten the nasal septum), Surgical Procedures that may potentially be cosmetic (such as: Blepharoplasty, Reduction Mammoplasty), Hysterectomy

NOTE: Professional charges for Inpatient and Outpatient are not subject to Pre-Authorization requirements. Experimental/Investigation services are not covered. Potentially experimental/investigation procedures are sent to medical review to determine coverage. Chemotherapy and Radiology therapy require a one time notification; no penalty will be applied if notification is not received.

**The Following Outpatient Procedures Require Pre-authorization (ASO)**

All cosmetic surgery procedures

Yes

Chemo or Radiation Therapy (one-time notification)

Yes

Hysterectomy

Yes

Investigational procedures

Yes

Sclerotherapy (treatment of varicose veins)

Yes

Septoplasty (surgery to straighten the nasal septum)

Yes

## **Mental Health**

---

**Mental Health: Mental Health | Med | 60541 | 1/1/2018 | Active | Nation [ National Alliance ASO | National Alliance ]**

**Mental Health**

**Group Name:** CharterCare| 71-60541 | CharterCare

**Mental Health and Substance Use (MH/SU) Benefits**

MH/SU benefits covered?  
Under BCBS Medical

**Does Companion Benefit Alternative (CBA) manage Pre-Authorization requirement?**

Yes

**Basic MH/SU - Pre-Authorization required for Inpatient Services?**

Yes

If Yes - see Inpatient Services in Pre-Authorization Section for applicable penalties.

**Pre-Authorization required for Outpatient Services?**

Yes

If Yes - see Outpatient Services in Pre-Authorization Section for applicable penalties.

**Pre-authorization required for office visits?**

No

If Yes - see Outpatient Services in Pre-Authorization Section for applicable penalties.

**Stand Alone EAP**

Does this group have a Stand Alone EAP

Yes

Stand Alone EAP Vendor

Unum Life Balance - CharterCare

NOTES: CBA is the BCBS subsidiary dedicated to managing Mental Health and Substance Use MH/SU benefits. Medication Management services performed in a Primary Care Physicians office do not require precertification. These services will be paid as all other medical services.

**Applied Behavioral Analysis (ABA) therapy?**

Yes

Load ABA benefit according to South Carolina's mandate (Ryan's Law)?

No

Min Diagnosis Age

Max Diagnosis Age

Min Benefit Age

Max Benefit Age

**In addition to Autism, Asperger's and Pervasive Development Disorder (PDD), what diagnoses are included?**

Rett's Disorder

No

Childhood Disintegrative Disorder

No

Other Diagnoses Included

No

NOTES: Preauthorization is required for ABA therapy. Groups must purchase CBA's case management services when adding coverage for ABA therapy. If case management is not purchased for the entire population, the account will default to the Autism Management case rate. ABA therapy for Autism, if purchased, will apply to OOP maximums and will pay at 100% once the OOP maximums are met. Precertification penalty is denial of benefits. Mental Health and Substance Use (MH/SU) services will apply to OOP maximums. These services will pay at 100% once the OOP maximums are met.

**MH / SU Benefits**

**Inpatient MH/SU Facilities pay at**

Tier 1	In Network	Out of Network
CoINS - 100% +BYD	CoINS - 100% +BYD	CoINS - 50% +BYD
Per Admission Copay is (Tier 1 - MHSU Fac)	Per Admission Copay is: (In Network)	Per Admission Copay is: (Out of Network)

**Inpatient MH/SU Professionals pay at**

Tier 1	In Network	Out of Network
CoINS - 100% +BYD	CoINS - 100% +BYD	CoINS - 50% +BYD

**Outpatient MH/SU Facilities pay at**

Tier 1	In Network	Out of Network
CoINS - 100% +BYD	CoINS - 100% +BYD	CoINS - 50% +BYD

**Includes partial HOSP/INTENSIVE OUTPAT services in hospital or outpatient setting**

**Outpatient MH/SU Professional pay at**

Tier 1	In Network	Out of Network
CoINS - 100% +BYD	CoINS - 100% +BYD	CoINS - 50% +BYD

**Outpatient MH/SU ER Facilities pay at**

Tier 1	In Network	Out of Network
CoINS - 100% +BYD	CoINS - 100% +BYD	CoINS - 90% +BYD
Tier 1 Copay Is	In Network Copay Is	Out of Network Copay Is

**Outpatient MH/SU ER Professional pay at**

Tier 1	In Network	Out of Network
CoINS - 100% +BYD	CoINS - 100% +BYD	CoINS - 90% +BYD

**Office MH/SU professional pay at (Tier 1)**

PCP: Tier 1	Spec: Tier 1
CoINS - 100% +BYD	CoINS - 100% +BYD

**Office MH/SU professional pay at:**

PCP: In Network	Spec: In Network	Out of Network
CoINS - 100% +BYD	CoINS - 100% +BYD	CoINS - 50% +BYD

Has this group added coverage for Residential Treatment Centers (RTCs)? Is preauth required?  
 Yes Yes

**Office Physician Services**

---

**Office Physician Service: OfcPhySvc | Med | 60541 | 1/1/2018 | Active | Nation [ National Alliance ASO | National Alliance ]**

**Office Physician Services**

**Group Name: CharterCare| 71-60541 | CharterCare**

**Office Physician Services**

Physicians Office Services Options

Two - ALL office services including Allergy Injections, Dialysis, Labs/X-Rays, Surgery and Second Surgical Opinions

**Indicate the payment for your Choice below (Tier 1)**

PCP: Tier 1

CoINS - 100% +BYD

Spec: Tier 1

CoINS - 100% +BYD

**Indicate the payment for your Choice below:**

PCP: In Network

CoINS - 100% +BYD

Spec: In Network

CoINS - 100% +BYD

Out of Network

CoINS - 50% +BYD

**Definition: PCPs are: Family and General Practitioners, Pediatricians, Internists, OB-Gyns, and Mixed Specialties. This only applies when office visit copays vary between a PCP provider and a Specialist provider.**

**Who should be considered a PCP?**

Should Nurse Practitioner be considered PCP?

Yes

Should Physician Assistants be considered a PCP

Yes



**Preventive Care: Prev Care | Med | 60541 | 1/1/2018 | Active | Nation [ National Alliance ASO | National Alliance ]**

**Preventive Care**

**Group Name: CharterCare | 71-60541 | Value PPO Plan**

**Preventive Care Package (See HCR Guidelines)**

Contraceptive Opt Out  
No

**Sustained Health Benefit (Sustained Health Benefits are covered above PPACA benefits)**

Preventive Care Package  
Yes

Mammography Network Provider  
No

**Please indicate payment for each preventive care services listed below:**

**Mammograms (Tier 1)**

PCP: Tier 1	Spec: Tier 1
CoINS - 100% NOBYD	CoINS - 100% NOBYD

**Mammograms: - Allow one annually for female patients beginning at age 40 and above**

PCP: In Network	Spec: In Network	Out of Network
CoINS - 100% NOBYD	CoINS - 100% NOBYD	CoINS - 50% +BYD

**Paps (Tier 1)**

PCP: Tier 1	Spec: Tier 1
CoINS - 100% NOBYD	CoINS - 100% NOBYD

**Paps: - (One per benefit period)**

PCP: In Network	Spec: In Network	Out of Network
CoINS - 100% NOBYD	CoINS - 100% NOBYD	CoINS - 50% +BYD

**Prostate Screening (PSAs) (Tier 1)**

PCP: Tier 1	Spec: Tier 1
CoINS - 100% NOBYD	CoINS - 100% NOBYD

**Prostate Screening: (PSAs) - (One per benefit period)**

PCP: In Network	Spec: In Network	Out of Network
CoINS - 100% NOBYD	CoINS - 100% NOBYD	CoINS - 50% +BYD

**NOTE: The services above are for labwork and the interpretation of that labwork. It is recommended that these be paid at 100% when copay is defined on Routine Physical benefit below.**

**Well Baby / Well Child (Tier 1)**

PCP: Tier 1	Spec: Tier 1
CoINS - 100% NOBYD	CoINS - 100% NOBYD

**Well Baby / Well Child:**

PCP: In Network	Spec: In Network	Out of Network
CoINS - 100% NOBYD	CoINS - 100% NOBYD	CoINS - 50% +BYD
Well Baby / Well child (Age Limit)	Well Baby / Well child (Covered to Age) Enter	

**Routine Physical Exams (Tier 1)**

PCP: Tier 1	Spec: Tier 1
CoINS - 100% NOBYD	CoINS - 100% NOBYD

**Routine Physical Exams:**

PCP: In Network	Spec: In Network	Out of Network
CoINS - 100% NOBYD	CoINS - 100% NOBYD	CoINS - 50% +BYD
Routine Phy (Age Limit)	Routine Phy (Covered Beginning Age) Enter	Routine Phy (Limited to X per benefit period)

**NOTE: If no age or monetary limits apply to Routine Physical exams, benefit will be limited to one annually.**

**Immunizations (Tier 1)**

PCP: Tier 1	Spec: Tier 1
CoINS - 100% NOBYD	CoINS - 100% NOBYD

**Immunizations:**

PCP: In Network	Spec: In Network	Out of Network
CoINS - 100% NOBYD	CoINS - 100% NOBYD	CoINS - 50% +BYD
Immunizations (Age Limit)	Immunizations (Covered to Age) Enter	

**Flu Shots (Include Flu Mist) (Tier 1)**

PCP: Tier 1	Spec: Tier 1
CoINS - 100% NOBYD	CoINS - 100% NOBYD

**Flu Shots (Include Flu Mist)**

PCP: In Network	Spec: In Network	Out of Network
CoINS - 100% NOBYD	CoINS - 100% NOBYD	CoINS - 50% +BYD
Prev Care: Flu Shots (Age Limit)	Flu Shots (Covered to Age) Enter	

**Routine Colonoscopies (Tier 1)**

PCP: Tier 1	Spec: Tier 1
CoINS - 100% NOBYD	CoINS - 100% NOBYD

**Routine Colonoscopies:**

PCP: In Network	Spec: In Network	Out of Network
CoINS - 100% NOBYD	CoINS - 100% NOBYD	CoINS - 50% +BYD

**Routine Bone Density Screenings (Tier 1)**

PCP: Tier 1	Spec: Tier 1
CoINS - 100% NOBYD	CoINS - 100% NOBYD

**Routine Bone Density Screenings:**

PCP: In Network	Spec: In Network	Out of Network
CoINS - 100% NOBYD	CoINS - 100% NOBYD	CoINS - 50% +BYD

**Monetary Maximum per benefit period apply to Sustained Health Benefits as follows:**

Monetary Maximum per benefit period

Mammography(diagnostics/interpretation)  
No

PAPS (labwork / interpretation)  
No

PSAs (labwork / interpretation)  
No

Well Baby / Well Child  
No

Routine Bone Density Screening  
No

Adult Routine Physical (associated diagnostics ot  
No

Well Woman Exams (associate diagnostics other than  
No

Immunizations  
No

Flu Shots/including Flu Mist  
No

Routine Colonoscopy  
No

**Other Services**

---

**Other Service: Other Svc | Med | 60541 | 1/1/2018 | Active | Nation [ National Alliance ASO | National Alliance ]****Other Service****Group Name: CharterCare| 71-60541 | Value PPO Plan****DME / Prosthetic Devices / Orthotics Benefits**

Is Pre-Authorization Required for DME/Prosthetic Devices/Orthotics?	Enter Amt
Yes, purchases of (Enter Amount)	500

**DME Std Limitation is Pre-Auth required for rental or replacement of over \$500****Pay DME / Prosthetic Device / Orthotics at**

Tier 1	In Network	Out of Network (Std Non-GF limit is OON DME is not a covered benefit)
CoINS - 100% +BYD	CoINS - 100% +BYD	CoINS - 50% +BYD

If In and Out-of-Network pay the same, OON BYDs and OOPs will match  
NA

**NOTE: If Pay Based on POS Filed is not indicated above, then all POS will pay at indicated level including DRs office services.****Professional Ambulance (non-hospital based) Benefit****Pay Ambulance at**

Tier 1	In Network	Out of Network
CoINS - 100% +BYD	CoINS - 100% +BYD	CoINS - 90% +BYD

If In and Out-of-Network pay the same, OON (Amb)  
In Network For OON professionals, apply pricing to match:  
Billed Charges

**Home Healthcare Benefit**

Is Home Healthcare subject to any maximum?	Maximum Visits
Yes	100
Maximum applies per	Maximum Days

**Pay Home Healthcare at**

Tier 1	In Network	Out of Network
CoINS - 100% +BYD	CoINS - 100% +BYD	CoINS - 50% +BYD

**NOTE: Home Healthcare services require Pre-Authorization and all charges will be denied if authorization is not obtained. Approved Home Healthcare treatment plans may include Private Duty Nursing.****Hospice Benefits**

Is Hospice subject to any maximum?  
No

**Pay Hospice at**

Tier 1	In Network	Out of Network
CoINS - 100% +BYD	CoINS - 100% +BYD	CoINS - 50% +BYD

**NOTE: For In-Network, Inpatient facilities, see pre-authorization section. For In-Network (Outpat) & Out of Network (Inpatient and Outpatient) facilities, the penalty will be denial of all charges.**

**Human Organ Transplant Benefits**

Do the IP Facility benefit copays apply (when applicable)?

Yes

**Pay Human Organ at**

Tier 1	In Network	Out of Network
CoINS - 100% +BYD	CoINS - 100% +BYD	CoINS - 50% +BYD

**Non-Grandfathered Std is: Services must be obtained through a Blue Centers of Distinction (BDCT) designated transplant center or if not available, a Blue Card facility only**

**Covered transplants are limited to the following:**

Bone Marrow Stem Cell | Cornea | Heart | Heart Lung Single | Heart Lung Double | Kidney Single | Kidney Double | Liver | Liver Segmental | Lung Segmental | Lung Single | Lung Double | Pancreas | Pancreas Kidney

**NOTE: HOT IP Facility preauthorization requirements follow the same requirements as all other IP Facility admissions, unless otherwise stated in the Preauthorization Requirements section or the non-standards tab.**

**Travel and Lodging**

Is Travel and Lodging for Recipient/Family covered?

No

Is Travel and Lodging for Donor/Family covered?

No

Is Travel and Lodging maximum Combined for Recipient and Donor?

No

**NOTE: For National Alliance accounts, Travel and Lodging benefits will always be subject**

**to In-Network payment levels paid at billed charges.**

**Infertility Benefits**

Are Infertility services covered?

Yes

Are Infertility services subject to max?

Yes

If 'Yes', benefit period maximum is: (Infertility)

Physician visits for testing and diagnosis only. No coverage for treatment or assisted fertilization

**Pay Infertility at**

Tier 1	In Network	Out of Network
CoINS - 100% +BYD	CoINS - 100% +BYD	CoINS - 50% +BYD

**Obesity Benefits**

Are obesity services covered?

Yes

If 'Yes', benefit period maximum is: (Obesity)

Are Morbid Obesity services covered?

Yes

Are surgical procedures for the treatment of Morbid obesity covered?

Yes

If 'Yes', benefit period maximum is: (Morbid)

**For covered services indicate above as 'yes', pay at:**

Tier 1	In Network	Out of Network
CoINS - 100% +BYD	Not Covered	Not Covered

**Diabetic Education**

---

**Services for diabetic education ARE covered and will be paid based on place of service filed.**

---

## Non-standard Benefit: Ambulance

---

### General

---

### General

---

### Non-standard Benefit Definition

---

Name	Owner
Ambulance	Stephanie Musto (N10)

Effective Date  
1/1/2018

Benefit Definition  
Non-emergency transports are covered when it is from one facility to another facility.

Relates to coverage  
Ambulance

Does this benefit pay according to the related benefit section?  
Yes

### Include / Exclude

---

Include

Exclude



---

## Non-standard Benefit: Annual Foot and Eye Exam for Diabetic Members

---

### General

---

### General

---

### Non-standard Benefit Definition

---

Name	Owner
Annual Foot and Eye Exam for Diabetic Members	Caroline Jones (81)

Effective Date  
1/1/2016

Benefit Definition  
Covered for members with diabetes. Payable at 100% BYD for tiers 1 and 2 and 50%+BYD tier 3.

Relates to coverage  
Diabetic Education

Does this benefit pay according to the related benefit section?  
Yes

### Include / Exclude

---

Include

Exclude

---

## Non-standard Benefit: Chemotherapy and Radiation Therapy

---

### General

---

### General

---

### Non-standard Benefit Definition

---

Name	Owner
Chemotherapy and Radiation Therapy	Caroline Jones (81)

Effective Date  
1/1/2017

Benefit Definition  
Payable per outpatient section even if coded as office visit. Office visit copay should not apply.

Relates to coverage  
OTHER:

Does this benefit pay according to the related benefit section?  
Yes

### Include / Exclude

---

Include

Exclude

**Non-standard Benefit: CUSTOMER SERVICE- SIGN LANGUAGE INTERPRETER**

**General**

**General**

**Non-standard Benefit Definition**

Name	Owner
CUSTOMER SERVICE- SIGN LANGUAGE INTERPRETER	Caroline Jones (81)

Effective Date  
1/1/2016

Benefit Definition  
If a member or provider requests a sign language interpreter, email the request to InterpreterRequest@bcbsri.org. Please ensure the email request includes the information below. Refer to the Customer Service desk procedure for additional information.

Email Request must include:

- 1.) Member Name
- 2.) Subscriber ID
- 3.) Contact Number
- 4.) Provider's full name
- 5.) Provider's telephone # (w/extension if applicable)
- 6.) Complete address including floor and suite number (if applicable)
- 7.) Date interpreter is required
- 8.) Time interpreter is required
- 9.) Type of language - Sign
- 10.)Special Request – i.e. a particular interpreter or/ male or female

The Commission for the Deaf and Hard of Hearing request at least a 3 week notice when requesting an interpreter. There is a shortage of Interpreters so the request may not be filled even with a 3 week notice. If a member or provider office doesn't give at least 3 weeks' notice, please advise the member that the request may not be filled.

Relates to coverage  
OTHER:

Does this benefit pay according to the related benefit section?  
Yes

**Include / Exclude**

Include

Exclude

---

## Non-standard Benefit: Dependent (non-spouse) Maternity

---

### General

---

### General

---

### Non-standard Benefit Definition

---

Name	Owner
Dependent (non-spouse) Maternity	Caroline Jones (81)

Effective Date  
1/1/2015

Benefit Definition  
The dependent newborn (grandchild) for 31 days after birth.

Relates to coverage  
Maternity Benefits

Does this benefit pay according to the related benefit section?  
Yes

### Include / Exclude

---

Include

Exclude

---

## Non-standard Benefit: Gender Dysphoria and Gender Reassignment Services

---

### General

---

### General

---

### Non-standard Benefit Definition

---

Name	Owner
Gender Dysphoria and Gender Reassignment Services	Caroline Jones (81)
Effective Date	
1/1/2017	
Benefit Definition	
Gender dysphoria counseling services are covered. Gender reassignment services (surgery) are covered.	
Relates to coverage	
OTHER:	
Does this benefit pay according to the related benefit section?	
Yes	

### Include / Exclude

---

Include

Exclude

---

## Non-standard Benefit: Hearing Aids

---

### General

---

### General

---

### Non-standard Benefit Definition

---

Name	Owner
Hearing Aids	Caroline Jones (81)

Effective Date  
1/1/2016

Benefit Definition  
Hearing aids are covered at applicable tier 1 benefit for tier 1 and INN. Not covered OON.  
Limited to \$1, 500 per individual hearing aid, per ear, per occurrence, for anyone under the age of 19, and for \$700 per individual hearing aid, per ear, per occurrence, for anyone of the age of nineteen 19 years and older.

Relates to coverage  
Other

Does this benefit pay according to the related benefit section?  
Yes

### Include / Exclude

---

Include

Exclude

## Non-standard Benefit: MRI/MRA/PET/CT Scans

### General

#### General

#### Non-standard Benefit Definition

Name	Owner
MRI/MRA/PET/CT Scans	Caroline Jones (81)
Effective Date	
1/1/2016	
Benefit Definition	
Covered per below. PA is required- see NIA non-standard.	
Relates to coverage	
Outpatient Benefits	
Does this benefit pay according to the related benefit section?	
No	

#### Pre-Approval

Is Pre-Authorization Required?	Require over \$	Penalty
Yes		

#### Maximums

Tier 1 (Dollar Limit)	Event or Item Limit	Apply maximum per
In Network (Dollar Limit)	Event or Item Limit	Apply maximum per
Out of Network (Dollar Limit)	Event or Item Limit	Apply maximum per

Are maximums combined in and out of network  
No

#### Payment Level

Tier 1	In Network	Out of Network
CoINS - 100% +BYD	CoINS - 100% +BYD	CoINS - 50% +BYD

#### Out of Pocket Maximums

#### Should benefits contribute to the Out of Pocket Maximum?

Tier 1	In Network	Out of Network
No	Yes	Yes

#### Should benefits flip to 100% once OOP max is met?

Tier 1	In Network	Out of Network
No	Yes	Yes

---

## Non-standard Benefit: NIA

---

### General

---

### General

---

### Non-standard Benefit Definition

---

Name	Owner
NIA	Caroline Jones (81)

Effective Date  
1/1/2015

Benefit Definition  
Outpatient pre-cert is required through NIA and the following are the procedures that require pre-cert:

CT Scans, MRI/MRA, PET Scans. Failure to obtain authorization results in full denial of charges for that imaging service.

Relates to coverage  
Pre-Authorization Requirements

Does this benefit pay according to the related benefit section?  
Yes

### Include / Exclude

---

Include

Exclude



## Non-standard Benefit: Obesity Services

### General

#### General

#### Non-standard Benefit Definition

Name  
Obesity Services

Owner  
Caroline Jones (81)

Effective Date  
1/1/2016

Benefit Definition  
Obesity Surgery:  
In order for services to be covered, Prior Authorization based on medical necessity is required as well as the following criteria. Services are payable per POS filed.

- Obesity surgery coverage is ONLY available if the service is performed at a CharterCare facility (Services Not Available request is not available for this service).
- Pre-Surgery Counseling – Candidates for bariatric surgery are required to undergo an orientation and counseling program. The member would complete an orientation at the bariatric surgeon office and would complete a nutrition and psychiatric evaluation.
- Physician’s Statement – In advance of approving the surgery, the patient’s Physician should present written documentation of at least 6 months good faith effort to lose weight. The physician statement, which is required to document the member’s weight loss efforts, would indicate previous weight loss programs attempted and verification that there is ongoing recent weight reduction effort. Recording the member’s weight loss efforts and weights for the 12 months prior to surgery would be expected.

Non-Surgery Services for Obesity Diagnoses:  
Covered per obesity benefits section.

Relates to coverage  
Obesity Benefits

Does this benefit pay according to the related benefit section?  
No

#### Pre-Approval

Is Pre-Authorization Required?	Require over \$	Penalty
Yes		

#### Maximums

Tier 1 (Dollar Limit)	Event or Item Limit	Apply maximum per
In Network (Dollar Limit)	Event or Item Limit	Apply maximum per
Out of Network (Dollar Limit)	Event or Item Limit	Apply maximum per

Are maximums combined in and out of network  
No

#### Payment Level

Tier 1	In Network	Out of Network
--------	------------	----------------

#### Out of Pocket Maximums

**Should benefits contribute to the Out of Pocket Maximum?**

Tier 1	In Network	Out of Network
No	Yes	Yes

**Should benefits flip to 100% once OOP max is met?**

Tier 1	In Network	Out of Network
No	Yes	Yes

---

## Non-standard Benefit: OON ER PHYSICIAN PRICING

---

### General

---

### General

---

### Non-standard Benefit Definition

---

Name	Owner
OON ER PHYSICIAN PRICING	Caroline Jones (81)

Effective Date  
1/1/2016

Benefit Definition  
REIMBURSE UP TO BILLED CHARGES.

Relates to coverage  
Other

Does this benefit pay according to the related benefit section?  
Yes

### Include / Exclude

---

Include

Exclude

---

## Non-standard Benefit: Pre-Natal and Post-Natal Care

---

### General

---

### General

---

### Non-standard Benefit Definition

---

Name	Owner
Pre-Natal and Post-Natal Care	Stephanie Musto (N10)

Effective Date  
1/1/2016

Benefit Definition  
All Pre-natal and post natal care covered at 100% NOBYD at Tier 1 and INN. 50%+BYD OON.

Relates to coverage  
Maternity Benefits

Does this benefit pay according to the related benefit section?  
Yes

### Include / Exclude

---

Include

Exclude

---

## Non-standard Benefit: Provider Tier List

---

### General

---

### General

---

### Non-standard Benefit Definition

---

Name	Owner
Provider Tier List	Stephanie Musto (N10)
Effective Date	
1/1/2018	

**Non-standard Benefit Definition**

## Benefit Definition

Other Prospect Medical Holding Facilities that are NOT CharterCare owned. These should all pay at Tier 1.

FACILITY TAX ID

FACILITY NAME

PROVIDER NPI

352539785	EAST ORANGE GENERAL HOSPITAL	1013386143
954690845	SOUTHERN CALIFORNIA HOSP AT CULVER CITY	1023010113
954690845	SCH AT HOLLYWOOD	1023010113
954690845	SCH AT CULVER CITY	1023010113
954690845	SCH AT VAN NUYS	1023010113
812229999	ROCKVILLE GENERAL HOSPITAL	1205283538
812229999	PROSPECT ROCKVILLE HOSPITAL	1205283538
812216981	PROSPECT MANCHESTER HOSPITAL	1225484751
812216981	MANCHESTER MEMORIAL HOSPITAL	1316394638
462349271	NIX COMMUNITY GENERAL HOSPITAL	1427390574
811507712	CROZER TAYLOR SPRINGFIELD	1457715146
811507712	CROZER CHESTER MEDICAL CENTER	1457715146
812181470	WATERBURY HOSPITAL	1477902641
812181470	PROSPECT WATERBURY INC	1477902641
811520273	DELAWARE COUNTY MEMORIAL	1548624851
811520273	DELAWARE COUNTY MEMORIAL HOSPITAL	
1548624851		
221487166	EAST ORANGE GENERAL HOSPITAL	1619924362
352539785	EAST ORANGE GENERAL HOSPITAL	1619924362
454112042	NIX HEALTH CARE SYSTEM	1801168190
454112042	NIX BEHAVIORAL HEALTH CENTER	1801168190
454112042	NIX HOSPITALS SYSTEMS LLC	1801168190
954691839	LOS ANGELES COMMUNITY HOSPITAL	1922001809

Relates to coverage

OTHER:

Does this benefit pay according to the related benefit section?

Yes

**Include / Exclude**

---

Include

Exclude

---

## Non-standard Benefit: RIMI

---

### General

---

### General

---

### Non-standard Benefit Definition

---

Name	Owner
RIMI	Caroline Jones (81)

Effective Date  
1/1/2017

Benefit Definition  
Services performed at RIMI should always be payable at tier 1.

TIN 050318025

Relates to coverage  
OTHER:

Does this benefit pay according to the related benefit section?  
Yes

### Include / Exclude

---

Include

Exclude



**Non-standard Benefit: Teladoc**

**General**

**General**

**Non-standard Benefit Definition**

Name	Owner
Teladoc	Stephanie Musto (N10)

Effective Date  
1/1/2018

Benefit Definition

Relates to coverage  
OTHER:

Does this benefit pay according to the related benefit section?  
No

**Pre-Approval**

Is Pre-Authorization Required?	Require over \$	Penalty
No		

**Maximums**

Tier 1 (Dollar Limit)	Event or Item Limit	Apply maximum per
In Network (Dollar Limit)	Event or Item Limit	Apply maximum per
Out of Network (Dollar Limit)	Event or Item Limit	Apply maximum per

Are maximums combined in and out of network  
No

**Payment Level**

Tier 1	In Network \$10 Copay / 100%	Out of Network
--------	---------------------------------	----------------

**Out of Pocket Maximums**

**Should benefits contribute to the Out of Pocket Maximum?**

Tier 1	In Network	Out of Network
No	No	No

**Should benefits flip to 100% once OOP max is met?**

Tier 1	In Network	Out of Network
No	No	No

## Non-standard Benefit: Urgent Care

### General

#### General

#### Non-standard Benefit Definition

Name	Owner
Urgent Care	Caroline Jones (81)

Effective Date  
1/1/2016

Benefit Definition

Relates to coverage  
OTHER:

Does this benefit pay according to the related benefit section?  
No

#### Pre-Approval

Is Pre-Authorization Required?	Require over \$	Penalty
No		

#### Maximums

Tier 1 (Dollar Limit)	Event or Item Limit	Apply maximum per
In Network (Dollar Limit)	Event or Item Limit	Apply maximum per
Out of Network (Dollar Limit)	Event or Item Limit	Apply maximum per

Are maximums combined in and out of network  
No

#### Payment Level

Tier 1	In Network	Out of Network
CoINS - 100% +BYD	CoINS - 100% +BYD	CoINS - 90% +BYD

#### Out of Pocket Maximums

#### Should benefits contribute to the Out of Pocket Maximum?

Tier 1	In Network	Out of Network
Yes	Yes	Yes

#### Should benefits flip to 100% once OOP max is met?

Tier 1	In Network	Out of Network
Yes	Yes	Yes

---

## Non-standard Benefit: Value Based Benefit (CC)

---

### General

---

### General

---

### Non-standard Benefit Definition

---

Name	Owner
Value Based Benefit (CC)	Caroline Jones (81)

Effective Date  
1/1/2016

Benefit Definition  
Care Coordination Fee - This group has opted into the program.

Relates to coverage  
Other

Does this benefit pay according to the related benefit section?  
Yes

### Include / Exclude

---

Include

Exclude

## Recommended New Exclusions / Limits

### Exclusions (New or Changed)

Please indicate which exclusions will apply. "Yes" means client accepts exclusions as is. "No" means they are rejecting the exclusion as a whole. "Other" is listed if the exclusion is to apply with modifications.

**1. All services and supplies related to pregnancy of a Dependent Child, except for life-threatening pregnancy complications, to either the mother or fetus. An elective abortion is not considered to be a complication of pregnancy.**

Other

Other  
See Non-Standard

**2. Services for Animal Assisted Therapy, rTMS, Eye Movement Desensitization and Reprocessing (EMDR), behavior therapy for solitary maladaptive habits, or Rapid Opiate Detox**

Yes

**3. Manual or Motorized Wheelchairs or power operated vehicles, such as scooters, for mobility outside of the home setting. Coverage for these devices to assist with mobility in the home setting is subject to the establishment of Medical Necessity by the Corporation.**

Yes

**4. Charges for hypnotism, biofeedback therapy and TENS Units. Services for chronic pain management programs or any program developed by centers with multidisciplinary staffs intended to provide the interventions necessary to allow the patient to develop pain coping skills and freedom from dependence on analgesic medications.**

Yes

**5. Orthomolecular therapy including infant formula, nutrients, vitamins and food supplements. Enteral feedings when not a sole source of nutrient**

Yes

**6. Adjustable cranial orthoses (band or helmet) for positional plagiocephaly or craniosyntoses in the absence of cranial vault remodeling surgery.**

Yes

**7. Growth hormone therapy for patients over 18 years of age. Growth hormone therapy for patients 18 years of age or younger is excluded unless for documented growth hormone deficiency.**

Yes

**8. Pulmonary Rehabilitation, except in conjunction with a Covered lung Transplant.**

Yes

**9. Medical and surgical expenses for care and treatment of a living human organ transplant donor.**

Yes

**10. Bioelectric, microprocessor or computer programmed prosthetic components.**

Yes

### Limitations

Please indicate which if any, limitations will apply. "Yes" means client accepts limitation as is. "Other" is listed if the limitation is to apply with modifications. "No" means claims will defer or reject per standard medical policy.

**1. ACCIDENTAL DENTAL – Services must be rendered within 6 months of the date of injury for ben cov**

Yes

**2. HEMOPHILIA – Must have care coordinated through a CDC designated hemophilia treatment center at least once per benefit year or coverage of services for treatment of hemophilia will be reduced to 50%**

Yes

**3. PROSTHETICS – Limited to \$50,000 per Benefit Year.**

Yes

**4. VARICOSE VEIN TREATMENT – Limited to \$2,500 per Benefit Year.**

Yes

**Ancillary Benefit: Ancillary | 60541 | 1/1/2018 | Active | Nation | Ch [ National Alliance ASO | National Alliance ]**

---

**General**

---

Owner Stephanie Musto (N10)	Short Name CharterCare Ancillaries	Group Configuration 60541   4/1/2018   Active   Nation   CharterCare
--------------------------------	---------------------------------------	---

**Selected Products**

**Ancillary Product Options**

**Product**

My Health Essentials Engagement Suite (ASO)  
 No

**PEPM and MHE**

Health Management (includes PHA and Maternity Care)  
 No

24-Hour Nurse Advisor  
 No

Personal Health Assessment (Basic)  
 Yes

Informed Health Messaging

Core Disease Management	Essential Advocate
Yes	Yes

Naturally Slim  
 Yes

Oncology Management  
 No

Health Coaching – Chronic Condition and Behavioral Health  
 No

Rally	Health Coaching - Lifestyle
No	No

Private Sweepstakes	Rally Rewards
No	No

Premium Rally  
 No

**Additional Programs**

Healthy Vision  
 No

Quit for Life	BluesEnroll
No	No

HR in Touch  
 No

Data Feed (Incoming)	Data Feed (Outgoing)
No	No

Employee Assistance Program  
 No

Complex Care  
 No

HIPAA Administration

No

Telehealth

Teladoc

NIA Program(s)

Radiology Management

Enhanced Transparency

Penalty for no pre-auth out of state imaging svc?

Novologix - Specialty Medical Benefit Management

Yes

The penalty for members failing to obtain pre-auth from NIA for imaging services from an out of state provider will result in denial of claim.

Concierge Customer Service

Yes

**The following benefits require benefit configuration records attached to a plan**

Flexible Spending Account (FSA)

Health Reimbursement/Health

No

Incentive Account

None

Health Savings Account (HSA)

COBRA Administration

No

No

**Performance Guarantees**

Performance Guarantees?



## Incentive Programs

---

### Clinical Rewards

---

#### Options

Clinical Rewards 'Plan' Option

Clinical Rewards Model

Eye Exam Option with Diabetes

PHA Option

### Incentive Plan Activities

---

#### IPA CAP

EE Coverage Max

Reward Label

EE+ Coverage Max

Reward Label

Apply Program To

#### If Embedded or Tier max apply, please describe in field below

Embedded/Tier Max

## **Inclusions/Exclusions**

---

### **Inclusions and Exclusions to Standard Benefits**

---

Inclusions/Exclusions



**This is only a summary.** If you want more detail about your coverage and costs, you can get the complete terms in the policy or plan document at [www.BCBSRI.com](http://www.BCBSRI.com) or by calling 1-800-639-2227 or (401) 459-5000.

Important Questions	Answers	Why this Matters:
<b>What is the overall <u>deductible</u>?</b>	For In Network providers <b>\$3000</b> for an individual plan / <b>\$6000</b> for a family plan. For Out-of-Network providers <b>\$3000</b> for an individual plan / <b>\$6000</b> for a family plan. Doesn't apply to preventive services, services with a fixed dollar copay, diagnostic testing, imaging services and outpatient mental health.	You must pay all the costs up to the <b>deductible</b> amount before this plan begins to pay for covered services you use. Check your policy or plan document to see when the <b>deductible</b> starts over (usually, but not always, January 1st). See the chart starting on page 3 for how much you pay for covered services after you meet the <b>deductible</b> .
<b>Are there other <u>deductibles</u> for specific services?</b>	No.	You don't have to meet deductibles for specific services, but see the chart starting on page 3 for other costs for services this plan covers.
<b>Is there an <u>out-of-pocket limit</u> on my expenses?</b>	Yes. For In Network providers <b>\$6000</b> for an individual plan / <b>\$12000</b> for a family plan. For Out-of-Network providers <b>\$6000</b> for an individual plan / <b>\$12000</b> for a family plan.	The <b>out-of-pocket limit</b> is the most you could pay during a coverage period (usually one year) for your share of the cost of covered services. This limit helps you plan for health care expenses.
<b>What is not included in the <u>out-of-pocket limit</u>?</b>	Premiums, balance-billed charges and health care this plan doesn't cover.	Even though you pay these expenses, they don't count toward the <b>out-of-pocket limit</b> .
<b>Is there an overall annual limit on what the plan pays?</b>	No.	The chart starting on page 3 describes any limits on what the plan will pay for <i>specific</i> covered services, such as office visits.

**Questions:** Call 1-800-639-2227 or (401) 459-5000 or TDD 1-888-252-5051 or visit us at [www.BCBSRI.com](http://www.BCBSRI.com).

If you aren't clear about any of the bolded terms used in this form, see the Glossary. You can view the Glossary at [www.BCBSRI.com](http://www.BCBSRI.com) or call 1-800-639-2227 or (401) 459-5000 or TDD 1-888-252-5051 to request a copy.

<p><b>Does this plan use a <u>network of providers</u>?</b></p>	<p>Yes, this plan uses in-network providers. See <a href="http://www.BCBSRI.com">www.BCBSRI.com</a> or call 1-800-639-2227 or (401) 459-5000 for a list of participating providers.</p>	<p>If you use an in-network doctor or other health care <b><u>provider</u></b>, this plan will pay some or all of the costs of covered services. Be aware, your in-network doctor or hospital may use an out-of-network <b><u>provider</u></b> for some services. Plans use the term in-network, <b><u>preferred</u></b>, or participating for <b><u>providers</u></b> in their <b><u>network</u></b>. See the chart starting on page 3 for how this plan pays different kinds of <b><u>providers</u></b>.</p>
<p><b>Do I need a referral to see a <u>specialist</u>?</b></p>	<p>No. You don't need referral to see a specialist.</p>	<p>You can see the <b><u>specialist</u></b> you choose without permission from this plan.</p>
<p><b>Are there services this plan doesn't cover?</b></p>	<p>Yes.</p>	<p>Some of the services this plan doesn't cover are listed on page 7. See your policy or plan document for additional information about <b><u>excluded services</u></b>.</p>

**Questions:** Call 1-800-639-2227 or (401) 459-5000 or TDD 1-888-252-5051 or visit us at [www.BCBSRI.com](http://www.BCBSRI.com). If you aren't clear about any of the bolded terms used in this form, see the Glossary. You can view the Glossary at [www.BCBSRI.com](http://www.BCBSRI.com) or call 1-800-639-2227 or (401) 459-5000 or TDD 1-888-252-5051 to request a copy.



- **Copayments** are fixed dollar amounts (for example, \$15) you pay for covered health care, usually when you receive the service.
- **Coinsurance** is *your* share of the costs of a covered service, calculated as a percent of the **allowed amount** for the service. For example, if the plan's **allowed amount** for an overnight hospital stay is \$1,000, your **coinsurance** payment of 20% would be \$200. This may change if you haven't met your **deductible**.
- The amount the plan pays for covered services is based on the **allowed amount**. If an out-of-network **provider** charges more than the **allowed amount**, you may have to pay the difference. For example, if an out-of-network hospital charges \$1,500 for an overnight stay and the **allowed amount** is \$1,000, you may have to pay the \$500 difference. (This is called **balance billing**.)
- This plan may encourage you to use In Network **providers** by charging you lower **deductibles**, **copayments** and **coinsurance** amounts.

Common Medical Event	Services You May Need	Your cost if you use an In Network Provider	Your cost if you use an Out-of-Network Provider	Limitations & Exceptions
If you visit a health care <b>provider's</b> office or clinic	Primary care visit to treat an injury or illness	\$15 copay per visit	\$15 copay plus 20% coinsurance after deductible per visit	_____none_____
	Specialist visit	\$15 copay per visit	\$15 copay plus 20% coinsurance after deductible per visit	_____none_____
	Other practitioner office visit	\$15 copay per visit	\$15 copay plus 20% coinsurance after deductible per visit	Chiropractic Services are limited to 12 visits per year
	Preventive care/screening/immunization	No Charge	20% coinsurance after deductible	Member liability for Out-of -Network is based on services received. For additional details, please see your subscriber agreement or visit <a href="http://www.BCBSRI.com/providers/policies">www.BCBSRI.com/providers/policies</a>

Common Medical Event	Services You May Need	Your cost if you use an In Network Provider	Your cost if you use an Out-of-Network Provider	Limitations & Exceptions
<b>If you have a test</b>	Diagnostic test (x-ray, blood work)	No Charge	20% coinsurance after deductible	Preauthorization is recommended for certain services
	Imaging (CT/PET scans, MRIs)	No Charge	20% coinsurance after deductible	Preauthorization is recommended
<b>If you need drugs to treat your illness or condition</b>  More information about <b>prescription drug coverage</b> is available at <a href="http://www.BCBSRI.com">www.BCBSRI.com</a> .	Tier 1 generally low cost generic drugs	\$5 copay per prescription (retail) \$12.50 copay per prescription (mail-order)	Not covered	No Charge for certain preventive drugs; Infertility drugs: 20% coinsurance
	Tier 2 generally high cost generic and preferred brand name drugs	\$25 copay per prescription (retail) \$62.50 copay per prescription (mail-order)	Not covered	Infertility drugs: 20% coinsurance
	Tier 3 non- preferred brand name drugs	\$40 copay per prescription (retail) \$100 copay per prescription (mail-order)	Not covered	Infertility drugs: 20% coinsurance
	Tier 4 specialty prescription drugs	\$40 copay per prescription (specialty pharmacy only)	50% coinsurance	Infertility drugs: 20% coinsurance
<b>If you have outpatient surgery</b>	Facility fee (e.g., ambulatory surgery center)	No Charge after deductible	20% coinsurance after deductible	Preauthorization is recommended
	Physician/surgeon fees	No Charge after deductible	20% coinsurance after deductible	—————none—————
<b>If you need immediate medical attention</b>	Emergency room services	\$100 copay per visit	\$100 copay per visit	Copay waived if admitted
	Emergency medical transportation	\$50 copay per trip	\$50 copay per trip	

Common Medical Event	Services You May Need	Your cost if you use an In Network Provider	Your cost if you use an Out-of-Network Provider	Limitations & Exceptions
	Urgent care	\$15 copay per urgent care center visit	\$15 copay plus 20% coinsurance after deductible per urgent care visit	Applies to the visit only. If additional services are provided additional out of pockets costs would apply based on services received.
<b>If you have a hospital stay</b>	Facility fee (e.g., hospital room)	No Charge after deductible	20% coinsurance after deductible	45 day limit at an inpatient rehabilitation facility; Preauthorization is recommended.
	Physician/surgeon fee	No Charge after deductible	20% coinsurance after deductible	_____none_____
<b>If you have mental health, behavioral health, or substance abuse needs</b>	Mental/Behavioral health outpatient services	\$15 copay/office visit No Charge for outpatient services	\$15 copay plus 20% coinsurance after deductible/office visit 20% coinsurance after deductible for outpatient services	Preauthorization is recommended for certain services
	Mental/Behavioral health inpatient services	No Charge after deductible	20% coinsurance after deductible	Preauthorization is recommended
	Substance use disorder outpatient services	\$15 copay/office visit No Charge after deductible for outpatient services	\$15 copay plus 20% coinsurance after deductible/office visit 20% coinsurance after deductible for outpatient services	Preauthorization is recommended for certain services
	Substance use disorder inpatient services	No Charge after deductible	20% coinsurance after deductible	Preauthorization is recommended
<b>If you are pregnant</b>	Prenatal and postnatal care	No Charge after deductible	20% coinsurance after deductible	_____none_____

Common Medical Event	Services You May Need	Your cost if you use an In Network Provider	Your cost if you use an Out-of-Network Provider	Limitations & Exceptions
	Delivery and all inpatient services	No Charge after deductible	20% coinsurance after deductible	Preauthorization is recommended
<b>If you need help recovering or have other special health needs</b>	Home health care	No Charge after deductible	20% coinsurance after deductible	—————none—————
	Rehabilitation services	20% coinsurance after deductible	20% coinsurance after deductible	Includes Physical, Occupational and Speech Therapy. Physical and Occupational Therapy is limited to 30 visits; preauthorization is recommended after the first 10 visits; (combined for in and out of network). Speech Therapy preauthorization is recommended for all visits
	Habilitative services	20% coinsurance after deductible	20% coinsurance after deductible	Includes Physical, Occupational and Speech Therapy. Physical and Occupational Therapy is limited to 30 visits; preauthorization is recommended after the first 10 visits; (combined for in and out of network). Speech Therapy preauthorization is recommended for all visits
	Skilled nursing care	No Charge after deductible	20% coinsurance after deductible	Preauthorization is recommended; Custodial Care is not covered
	Durable medical equipment	20% coinsurance after deductible	20% coinsurance after deductible	Preauthorization is recommended for certain services.
	Hospice service	No Charge after deductible	20% coinsurance after deductible	Preauthorization is recommended
	<b>If your child needs dental or eye care</b>	Eye exam	\$15 copay	\$15 copay plus 20% coinsurance after deductible
Glasses		Not Covered	Not Covered	—————none—————
Dental check-up		Not Covered	Not Covered	—————none—————



## Excluded Services & Other Covered Services:

### Services Your Plan Does NOT Cover (This isn't a complete list. Check your policy or plan document for other excluded services.)

- Abortion services
- Acupuncture
- Any services related to sterilization
- Contraceptive services- Plan B is not covered
- Cosmetic surgery
- Dental care (Adult)
- Dental check-up, child
- Glasses, child
- Long-term care
- Routine foot care unless to treat a systemic condition
- Vasectomies or Tubal ligations
- Weight loss programs

### Other Covered Services (This isn't a complete list. Check your policy or plan document for other covered services and your costs for these services.)

- Bariatric Surgery
- Chiropractic care
- Hearing aids
- Infertility treatment
- Most coverage provided outside the United States. Contact Customer Service for more information.
- Private-duty nursing
- Routine eye care (Adult)

## Your Rights to Continue Coverage:

If you lose coverage under the plan, then, depending upon the circumstances, Federal and State laws may provide protections that allow you to keep health coverage. Any such rights may be limited in duration and will require you to pay a premium, which may be significantly higher than the premium you pay while covered under the plan. Other limitations on your rights to continue coverage may also apply.

For more information on your rights to continue coverage, contact the plan at 1-800-639-2227 or (401) 459-5000 or TDD 1-888-252-5051. You may also contact your state insurance department at (401) 462-9520 or by email at [HealthInsInquiry@ohic.ri.gov](mailto:HealthInsInquiry@ohic.ri.gov), the U.S. Department of Labor, Employee Benefits Security Administration at 1-866-444-3272 or [www.dol.gov/ebsa](http://www.dol.gov/ebsa), or the U.S. Department of Health and Human Services at 1-877-267-2323 x61565 or [www.cciio.cms.gov](http://www.cciio.cms.gov).

## Your Grievance and Appeals Rights:

If you have a complaint or are dissatisfied with a denial of coverage for claims under your plan, you may be able to appeal or file a grievance. For questions about your rights, this notice, or assistance, you can contact your state insurance department at (401) 462-9520 or by email at

HealthInsInquiry@ohic.ri.gov, the U.S. Department of Labor, Employee Benefits Security Administration at 1-866-444-3272 or [www.dol.gov/ebsa](http://www.dol.gov/ebsa), or the U.S. Department of Health and Human Services at 1-877-267-2323 x61565 or [www.cciio.cms.gov](http://www.cciio.cms.gov).

## Does this Coverage Provide Minimum Essential Coverage?

The Affordable Care Act requires most people to have health care coverage that qualifies as “minimum essential coverage.” **This plan or policy does provide minimum essential coverage.**

## Does this Coverage Meet the Minimum Value Standard?

The Affordable Care Act establishes a minimum value standard of benefits of a health plan. The minimum value standard is 60% (actuarial value). **This health coverage does meet the minimum value standard for the benefits it provides.**

## Language Access Services:

Para obtener asistencia en Español, llame al 1-800-639-2227.

Kung kailangan ninyo ang tulong sa Tagalog tumawag sa 1-800-639-2227.

如果需要中文的帮助，请拨打这个号码 1-800-639-2227.

Dinek'ehgo shika at'ohwol ninisingo, kwijjigo holne' 1-800-639-2227.

---

*To see examples of how this plan might cover costs for a sample medical situation, see the next page.*

---

## About these Coverage Examples:

These examples show how this plan might cover medical care in given situations. Use these examples to see, in general, how much financial protection a sample patient might get if they are covered under different plans.



### This is not a cost estimator.

Don't use these examples to estimate your actual costs under this plan. The actual care you receive will be different from these examples, and the cost of that care will also be different.

See the next page for important information about these examples.

### Having a baby (normal delivery)

- Amount owed to providers: \$7,540
- Plan pays \$4,500
- Patient pays \$3,040

#### Sample care costs:

Hospital charges (mother)	\$2,700
Routine obstetric care	\$2,100
Hospital charges (baby)	\$900
Anesthesia	\$900
Laboratory tests	\$500
Prescriptions	\$200
Radiology	\$200
Vaccines, other preventive	\$40
<b>Total</b>	<b>\$7,540</b>

#### Patient pays:

Deductibles	\$3,000
Copays	\$10
Coinsurance	\$0
Limits or exclusions	\$30
<b>Total</b>	<b>\$3,040</b>

### Managing type 2 diabetes (routine maintenance of a well-controlled condition)

- Amount owed to providers: \$5,400
- Plan pays \$2,110
- Patient pays \$3,290

#### Sample care costs:

Prescriptions	\$2,900
Medical Equipment and Supplies	\$1,300
Office Visits and Procedures	\$700
Education	\$300
Laboratory tests	\$100
Vaccines, other preventive	\$100
<b>Total</b>	<b>\$5,400</b>

#### Patient pays:

Deductibles	\$3,000
Copays	\$200
Coinsurance	\$50
Limits or exclusions	\$40
<b>Total</b>	<b>\$3,290</b>

These examples are based on coverage for an individual plan.

## Questions and answers about the Coverage Examples:

### What are some of the assumptions behind the Coverage Examples?

- Costs don't include **premiums**.
- Sample care costs are based on national averages supplied by the U.S. Department of Health and Human Services, and aren't specific to a particular geographic area or health plan.
- The patient's condition was not an excluded or preexisting condition.
- All services and treatments started and ended in the same coverage period.
- There are no other medical expenses for any member covered under this plan.
- Out-of-pocket expenses are based only on treating the condition in the example.
- The patient received all care from in-network **providers**. If the patient had received care from out-of-network **providers**, costs would have been higher.

### What does a Coverage Example show?

For each treatment situation, the Coverage Example helps you see how **deductibles**, **copayments**, and **coinsurance** can add up. It also helps you see what expenses might be left up to you to pay because the service or treatment isn't covered or payment is limited.

### Does the Coverage Example predict my own care needs?

✘ **No.** Treatments shown are just examples. The care you would receive for this condition could be different based on your doctor's advice, your age, how serious your condition is, and many other factors.

### Does the Coverage Example predict my future expenses?

✘ **No.** Coverage Examples are **not** cost estimators. You can't use the examples to estimate costs for an actual condition. They are for comparative purposes only. Your own costs will be different depending on the care you receive, the prices your **providers** charge, and the reimbursement your health plan allows.

### Can I use Coverage Examples to compare plans?

✓ **Yes.** When you look at the Summary of Benefits and Coverage for other plans, you'll find the same Coverage Examples. When you compare plans, check the "Patient Pays" box in each example. The smaller that number, the more coverage the plan provides.

### Are there other costs I should consider when comparing plans?

✓ **Yes.** An important cost is the **premium** you pay. Generally, the lower your **premium**, the more you'll pay in out-of-pocket costs, such as **copayments**, **deductibles**, and **coinsurance**. You should also consider contributions to accounts such as health savings accounts (HSAs), flexible spending arrangements (FSAs) or health reimbursement accounts (HRAs) that help you pay out-of-pocket expenses.

**Questions:** Call 1-800-639-2227 or (401) 459-5000 or TDD 1-888-252-5051 or visit us at [www.BCBSRI.com](http://www.BCBSRI.com). If you aren't clear about any of the bolded terms used in this form, see the Glossary. You can view the Glossary at [www.BCBSRI.com](http://www.BCBSRI.com) or call 1-800-639-2227 or (401) 459-5000 or TDD 1-888-252-5051 to request a copy.



**This is only a summary.** If you want more detail about your coverage and costs, you can get the complete terms in the policy or plan document at [www.BCBSRI.com](http://www.BCBSRI.com) or by calling 1-800-639-2227 or (401) 459-5000.

Important Questions	Answers	Why this Matters:
<b>What is the overall <u>deductible</u>?</b>	For In Network providers <b>\$5000</b> for an individual plan / <b>\$10000</b> for a family plan. For Out-of-Network providers <b>\$10000</b> for an individual plan / <b>\$20000</b> for a family plan. Doesn't apply to preventive services, services with a fixed dollar copay, prescription drugs and diagnostic testing.	You must pay all the costs up to the <b>deductible</b> amount before this plan begins to pay for covered services you use. Check your policy or plan document to see when the <b>deductible</b> starts over (usually, but not always, January 1st). See the chart starting on page 3 for how much you pay for covered services after you meet the <b>deductible</b> .
<b>Are there other <u>deductibles</u> for specific services?</b>	No.	You don't have to meet deductibles for specific services, but see the chart starting on page 3 for other costs for services this plan covers.
<b>Is there an <u>out-of-pocket limit</u> on my expenses?</b>	Yes. For In Network providers <b>\$6350</b> for an individual plan / <b>\$12700</b> for a family plan. For Out-of-Network providers <b>\$30000</b> for an individual plan / <b>\$60000</b> for a family plan.	The <b>out-of-pocket limit</b> is the most you could pay during a coverage period (usually one year) for your share of the cost of covered services. This limit helps you plan for health care expenses.
<b>What is not included in the <u>out-of-pocket limit</u>?</b>	Premiums, balance-billed charges and health care this plan doesn't cover.	Even though you pay these expenses, they don't count toward the <b>out-of-pocket limit</b> .
<b>Is there an overall annual limit on what the plan pays?</b>	No.	The chart starting on page 3 describes any limits on what the plan will pay for <i>specific</i> covered services, such as office visits.

**Questions:** Call 1-800-639-2227 or (401) 459-5000 or TDD 1-888-252-5051 or visit us at [www.BCBSRI.com](http://www.BCBSRI.com).

If you aren't clear about any of the bolded terms used in this form, see the Glossary. You can view the Glossary at [www.BCBSRI.com](http://www.BCBSRI.com) or call 1-800-639-2227 or (401) 459-5000 or TDD 1-888-252-5051 to request a copy.

<p><b>Does this plan use a <u>network of providers</u>?</b></p>	<p>Yes, this plan uses in-network providers. See <a href="http://www.BCBSRI.com">www.BCBSRI.com</a> or call 1-800-639-2227 or (401) 459-5000 for a list of participating providers.</p>	<p>If you use an in-network doctor or other health care <b><u>provider</u></b>, this plan will pay some or all of the costs of covered services. Be aware, your in-network doctor or hospital may use an out-of-network <b><u>provider</u></b> for some services. Plans use the term in-network, <b><u>preferred</u></b>, or participating for <b><u>providers</u></b> in their <b><u>network</u></b>. See the chart starting on page 3 for how this plan pays different kinds of <b><u>providers</u></b>.</p>
<p><b>Do I need a referral to see a <u>specialist</u>?</b></p>	<p>No. You don't need referral to see a specialist.</p>	<p>You can see the <b><u>specialist</u></b> you choose without permission from this plan.</p>
<p><b>Are there services this plan doesn't cover?</b></p>	<p>Yes.</p>	<p>Some of the services this plan doesn't cover are listed on page 7. See your policy or plan document for additional information about <b><u>excluded services</u></b>.</p>

**Questions:** Call 1-800-639-2227 or (401) 459-5000 or TDD 1-888-252-5051 or visit us at [www.BCBSRI.com](http://www.BCBSRI.com). If you aren't clear about any of the bolded terms used in this form, see the Glossary. You can view the Glossary at [www.BCBSRI.com](http://www.BCBSRI.com) or call 1-800-639-2227 or (401) 459-5000 or TDD 1-888-252-5051 to request a copy.



- **Copayments** are fixed dollar amounts (for example, \$15) you pay for covered health care, usually when you receive the service.
- **Coinsurance** is *your* share of the costs of a covered service, calculated as a percent of the **allowed amount** for the service. For example, if the plan's **allowed amount** for an overnight hospital stay is \$1,000, your **coinsurance** payment of 20% would be \$200. This may change if you haven't met your **deductible**.
- The amount the plan pays for covered services is based on the **allowed amount**. If an out-of-network **provider** charges more than the **allowed amount**, you may have to pay the difference. For example, if an out-of-network hospital charges \$1,500 for an overnight stay and the **allowed amount** is \$1,000, you may have to pay the \$500 difference. (This is called **balance billing**.)
- This plan may encourage you to use In Network **providers** by charging you lower **deductibles**, **copayments** and **coinsurance** amounts.

Common Medical Event	Services You May Need	Your cost if you use an In Network Provider	Your cost if you use an Out-of-Network Provider	Limitations & Exceptions
If you visit a health care <b>provider's</b> office or clinic	Primary care visit to treat an injury or illness	\$30 copay per visit	20% coinsurance after deductible	—————none—————
	Specialist visit	\$50 copay per visit	20% coinsurance after deductible	—————none—————
	Other practitioner office visit	\$50 copay per visit	20% coinsurance after deductible	Chiropractic Services are limited to 12 visits per year
	Preventive care/screening/immunization	No Charge	20% coinsurance after deductible	For additional details, please see your subscriber agreement or visit <a href="http://www.BCBSRI.com/providers/policies">www.BCBSRI.com/providers/policies</a>
If you have a test	Diagnostic test (x-ray, blood work)	No Charge	20% coinsurance after deductible	Preauthorization is recommended for certain services
	Imaging (CT/PET scans, MRIs)	No Charge after deductible	20% coinsurance after deductible	Preauthorization is recommended

Common Medical Event	Services You May Need	Your cost if you use an In Network Provider	Your cost if you use an Out-of-Network Provider	Limitations & Exceptions
<b>If you need drugs to treat your illness or condition</b>  More information about <b>prescription drug coverage</b> is available at <a href="http://www.BCBSRI.com">www.BCBSRI.com</a> .	Tier 1 generally low cost generic drugs	\$10 copay per prescription (retail) \$25 copay per prescription (mail-order)	Not covered	No Charge for certain preventive drugs
	Tier 2 generally high cost generic and preferred brand name drugs	\$35 copay per prescription (retail) \$87.50 copay per prescription (mail-order)	Not covered	Preauthorization is required for certain drugs
	Tier 3 non- preferred brand name drugs	\$60 copay per prescription (retail) \$150 copay per prescription (mail-order)	Not covered	Preauthorization is required for certain drugs
	Tier 4 specialty prescription drugs	\$100 copay per prescription (specialty pharmacy only)	50% coinsurance	Preauthorization is required for certain drugs; Infertility drugs: 20% coinsurance
<b>If you have outpatient surgery</b>	Facility fee (e.g., ambulatory surgery center)	No Charge after deductible	20% coinsurance after deductible	Preauthorization is recommended
	Physician/surgeon fees	No Charge after deductible	20% coinsurance after deductible	—————none—————
<b>If you need immediate medical attention</b>	Emergency room services	\$200 copay per visit	\$200 copay per visit	Copay waived if admitted
	Emergency medical transportation	\$50 copay per trip	\$50 copay per trip	—————none—————
	Urgent care	\$50 copay per urgent care center visit	\$50 copay per urgent care center visit	Applies to the visit only. If additional services are provided additional out of pockets costs would apply based on services received.



Common Medical Event	Services You May Need	Your cost if you use an In Network Provider	Your cost if you use an Out-of-Network Provider	Limitations & Exceptions
<b>If you have a hospital stay</b>	Facility fee (e.g., hospital room)	No Charge after deductible	20% coinsurance after deductible	45 day limit at an inpatient rehabilitation facility; Preauthorization is recommended.
	Physician/surgeon fee	No Charge after deductible	20% coinsurance after deductible	—————none—————
<b>If you have mental health, behavioral health, or substance abuse needs</b>	Mental/Behavioral health outpatient services	\$50 copay/office visit No Charge after deductible for outpatient services	20% coinsurance after deductible/office visit 20% coinsurance after deductible for outpatient services	Preauthorization is recommended for certain services
	Mental/Behavioral health inpatient services	No Charge after deductible	20% coinsurance after deductible	Preauthorization is recommended
	Substance use disorder outpatient services	\$50 copay/office visit No Charge after deductible for outpatient services	20% coinsurance after deductible/office visit 20% coinsurance after deductible for outpatient services	Preauthorization is recommended for certain services
	Substance use disorder inpatient services	No Charge	20% coinsurance after deductible	Preauthorization is recommended
<b>If you are pregnant</b>	Prenatal and postnatal care	No Charge after deductible	20% coinsurance after deductible	—————none—————
	Delivery and all inpatient services	No Charge after deductible	20% coinsurance after deductible	Preauthorization is recommended

Common Medical Event	Services You May Need	Your cost if you use an In Network Provider	Your cost if you use an Out-of-Network Provider	Limitations & Exceptions
<b>If you need help recovering or have other special health needs</b>	Home health care	No Charge after deductible	20% coinsurance after deductible	—————none—————
	Rehabilitation services	20% coinsurance after deductible	20% coinsurance after deductible	Includes Physical, Occupational and Speech Therapy. Physical and Occupational Therapy is limited to 30 visits; preauthorization is recommended after the first 10 visits; (combined for in and out of network). Speech Therapy preauthorization is recommended for all visits
	Habilitative services	20% coinsurance after deductible	20% coinsurance after deductible	Includes Physical/Occupational and Speech Therapy. Physical and Occupational Therapy is limited to 30 visits; preauthorization is recommended after the first 10 visits; (combined for in and out of network). Speech Therapy preauthorization is recommended for all visits
	Skilled nursing care	No Charge after deductible	20% coinsurance after deductible	Preauthorization is recommended; Custodial Care is not covered
	Durable medical equipment	20% coinsurance after deductible	20% coinsurance after deductible	Preauthorization is recommended for certain services.
	Hospice service	No Charge after deductible	20% coinsurance after deductible	Preauthorization is recommended
<b>If your child needs dental or eye care</b>	Eye exam	\$50 copay	20% coinsurance after deductible	Limited to one routine eye exam per year.
	Glasses	Not Covered	Not Covered	—————none—————
	Dental check-up	Not Covered	Not Covered	—————none—————

## Excluded Services & Other Covered Services:

### Services Your Plan Does NOT Cover (This isn't a complete list. Check your policy or plan document for other excluded services.)

- Abortion services
- Acupuncture
- Any services related to sterilization
- Contraceptive services-Plan B is not covered
- Cosmetic surgery
- Dental care (Adult)
- Dental check-up, child
- Glasses, child
- Long-term care
- Routine foot care unless to treat a systemic condition
- Vasectomies or Tubal ligations
- Weight loss programs

### Other Covered Services (This isn't a complete list. Check your policy or plan document for other covered services and your costs for these services.)

- Bariatric Surgery
- Chiropractic care
- Hearing aids
- Infertility treatment
- Most coverage provided outside the United States. Contact Customer Service for more information.
- Private-duty nursing
- Routine eye care (Adult)

## Your Rights to Continue Coverage:

If you lose coverage under the plan, then, depending upon the circumstances, Federal and State laws may provide protections that allow you to keep health coverage. Any such rights may be limited in duration and will require you to pay a premium, which may be significantly higher than the premium you pay while covered under the plan. Other limitations on your rights to continue coverage may also apply.

For more information on your rights to continue coverage, contact the plan at 1-800-639-2227 or (401) 459-5000 or TDD 1-888-252-5051. You may also contact your state insurance department at (401) 462-9520 or by email at [HealthInsInquiry@ohic.ri.gov](mailto:HealthInsInquiry@ohic.ri.gov), the U.S. Department of Labor, Employee Benefits Security Administration at 1-866-444-3272 or [www.dol.gov/ebsa](http://www.dol.gov/ebsa), or the U.S. Department of Health and Human Services at 1-877-267-2323 x61565 or [www.cciio.cms.gov](http://www.cciio.cms.gov).

## Your Grievance and Appeals Rights:

If you have a complaint or are dissatisfied with a denial of coverage for claims under your plan, you may be able to appeal or file a grievance. For questions about your rights, this notice, or assistance, you can contact your state insurance department at (401) 462-9520 or by email at

HealthInsInquiry@ohic.ri.gov, the U.S. Department of Labor, Employee Benefits Security Administration at 1-866-444-3272 or [www.dol.gov/ebsa](http://www.dol.gov/ebsa), or the U.S. Department of Health and Human Services at 1-877-267-2323 x61565 or [www.cciio.cms.gov](http://www.cciio.cms.gov).

## Does this Coverage Provide Minimum Essential Coverage?

The Affordable Care Act requires most people to have health care coverage that qualifies as “minimum essential coverage.” **This plan or policy does provide minimum essential coverage.**

## Does this Coverage Meet the Minimum Value Standard?

The Affordable Care Act establishes a minimum value standard of benefits of a health plan. The minimum value standard is 60% (actuarial value). **This health coverage does meet the minimum value standard for the benefits it provides.**

## Language Access Services:

Para obtener asistencia en Español, llame al 1-800-639-2227.

Kung kailangan ninyo ang tulong sa Tagalog tumawag sa 1-800-639-2227.

如果需要中文的帮助，请拨打这个号码 1-800-639-2227.

Dinek'ehgo shika at'ohwol ninisingo, kwijigo holne' 1-800-639-2227.

---

*To see examples of how this plan might cover costs for a sample medical situation, see the next page.*

---

## About these Coverage Examples:

These examples show how this plan might cover medical care in given situations. Use these examples to see, in general, how much financial protection a sample patient might get if they are covered under different plans.



### This is not a cost estimator.

Don't use these examples to estimate your actual costs under this plan. The actual care you receive will be different from these examples, and the cost of that care will also be different.

See the next page for important information about these examples.

### Having a baby (normal delivery)

- Amount owed to providers: \$7,540
- Plan pays \$2,470
- Patient pays \$5,070

#### Sample care costs:

Hospital charges (mother)	\$2,700
Routine obstetric care	\$2,100
Hospital charges (baby)	\$900
Anesthesia	\$900
Laboratory tests	\$500
Prescriptions	\$200
Radiology	\$200
Vaccines, other preventive	\$40
<b>Total</b>	<b>\$7,540</b>

#### Patient pays:

Deductibles	\$5,000
Copays	\$40
Coinsurance	\$0
Limits or exclusions	\$30
<b>Total</b>	<b>\$5,070</b>

### Managing type 2 diabetes (routine maintenance of a well-controlled condition)

- Amount owed to providers: \$5,400
- Plan pays \$3,560
- Patient pays \$1,840

#### Sample care costs:

Prescriptions	\$2,900
Medical Equipment and Supplies	\$1,300
Office Visits and Procedures	\$700
Education	\$300
Laboratory tests	\$100
Vaccines, other preventive	\$100
<b>Total</b>	<b>\$5,400</b>

#### Patient pays:

Deductibles	\$1,300
Copays	\$500
Coinsurance	\$0
Limits or exclusions	\$40
<b>Total</b>	<b>\$1,840</b>

These examples are based on coverage for an individual plan.

## Questions and answers about the Coverage Examples:

### What are some of the assumptions behind the Coverage Examples?

- Costs don't include **premiums**.
- Sample care costs are based on national averages supplied by the U.S. Department of Health and Human Services, and aren't specific to a particular geographic area or health plan.
- The patient's condition was not an excluded or preexisting condition.
- All services and treatments started and ended in the same coverage period.
- There are no other medical expenses for any member covered under this plan.
- Out-of-pocket expenses are based only on treating the condition in the example.
- The patient received all care from in-network **providers**. If the patient had received care from out-of-network **providers**, costs would have been higher.

### What does a Coverage Example show?

For each treatment situation, the Coverage Example helps you see how **deductibles**, **copayments**, and **coinsurance** can add up. It also helps you see what expenses might be left up to you to pay because the service or treatment isn't covered or payment is limited.

### Does the Coverage Example predict my own care needs?

✘ **No.** Treatments shown are just examples. The care you would receive for this condition could be different based on your doctor's advice, your age, how serious your condition is, and many other factors.

### Does the Coverage Example predict my future expenses?

✘ **No.** Coverage Examples are **not** cost estimators. You can't use the examples to estimate costs for an actual condition. They are for comparative purposes only. Your own costs will be different depending on the care you receive, the prices your **providers** charge, and the reimbursement your health plan allows.

### Can I use Coverage Examples to compare plans?

✓ **Yes.** When you look at the Summary of Benefits and Coverage for other plans, you'll find the same Coverage Examples. When you compare plans, check the "Patient Pays" box in each example. The smaller that number, the more coverage the plan provides.

### Are there other costs I should consider when comparing plans?

✓ **Yes.** An important cost is the **premium** you pay. Generally, the lower your **premium**, the more you'll pay in out-of-pocket costs, such as **copayments**, **deductibles**, and **coinsurance**. You should also consider contributions to accounts such as health savings accounts (HSAs), flexible spending arrangements (FSAs) or health reimbursement accounts (HRAs) that help you pay out-of-pocket expenses.

**Questions:** Call 1-800-639-2227 or (401) 459-5000 or TDD 1-888-252-5051 or visit us at [www.BCBSRI.com](http://www.BCBSRI.com). If you aren't clear about any of the bolded terms used in this form, see the Glossary. You can view the Glossary at [www.BCBSRI.com](http://www.BCBSRI.com) or call 1-800-639-2227 or (401) 459-5000 or TDD 1-888-252-5051 to request a copy.



**CharterCARE**  
HEALTH PARTNERS

## CharterCARE Health Partners 2014 Benefit Overview

---

*Charting The Way to a Healthier Rhode Island*



## Guiding Principles

- Consistency in programs, policies, and processes wherever possible.
- Market competitive programs and offerings.
- Cost effective approach for both employee and employer.





## Items to Review

- Healthcare Reform
- Summary of Benefits and Changes for 2014
- 2014 Open Enrollment Calendar
- Additional assistance



# Healthcare Reform

- The **Patient Protection and Affordable Care Act** (PPACA) is another name for **Healthcare Reform** and is a United States federal statute that was signed into law on March 23, 2010.
- Intention of law is to ensure that everyone has coverage
  - Small tax penalty will be applied who do not prove they have coverage
- **The Health Insurance Marketplace** explains a new option for the public to purchase medical coverage independently through state and federal exchanges. This feature has no connection or impact to the medical coverage you may be offered or have through CharterCARE Health Partners.
- **RI MARKETPLACE**, contact **HealthSourceRI**
- **Webpage:** <http://www.healthsourceri.com> **Phone:** 401-222-5192



# Overview of 2014 Benefits



## 2014 Benefit High Level Overview

- Medical – exclusively through BCBS of RI
  - Standard Plan – all features remain in place
    - Slight increase to employee co-shares
  - Premium Plan – (Union only) – all features remain in place
    - Slight increase to employee co-shares
- Dental – through Delta Dental
  - No increase to co-shares and continuation of two tiers with same plan features
- Life and LTD insurance – through Cigna
  - Same company paid benefits with supplemental options
  - No increase to supplemental products



## 2014 Benefit High Level Overview Continued...

- Vision – through VSP
  - Same two tiers offered and plan features remain unchanged
  - 2% increase in premium related to ACA tax
- Flexible Spending Accounts (FSA) – through London Health Administrators
  - Medical - can contribute from \$100-\$2,500 annually pre-tax
  - Dependent care – can contribute up to \$5,000 annually pre-tax
  - Only available at Open Enrollment
  - Must re-elect each year
  - Have until 3/15/14 to use benefit for 2013
  - New debit cards for FSA medical issued for 2014



# 2014 Medical Overview - BCBS Healthmate Plan

	BCBS Premium Plan	BCBS Standard Plan
Annual Deductible	N/A	\$350 Indiv / \$700 2Per or Fam
PCP/Reg OV	\$15	\$30
Specialist/Chiro	\$15	\$50
Urgi-care	\$15	\$50
Emergency	\$50	\$200
RX Co-Pays	\$5/\$25/\$40/\$40	\$10/\$35/\$60/\$100
Co-pay Notes (Standard Plan)		Pedi ED offset \$100 / PCP offset \$10

## 2014 BI-WEEKLY EMPLOYEE CO-SHARES THROUGH BCBS RI

	SJH Premium Plan (Union only)			SJH Standard Plan		
	Indiv	2Per	Fam	Indiv	2Per	Fam
EE Bi-Weekly Co-Share FT	\$69.85	\$139.35	\$156.05	\$45.43	\$90.52	\$102.37
Bi-Weekly Change from 2013	\$0.74	\$1.48	\$1.45	\$1.10	\$2.23	\$2.52
% Change from 2013	1.1%	1.1%	1%	2.5%	2.5%	2.5%
	Indiv	2Per	Fam	Indiv	2Per	Fam
EE Bi-Weekly Co-Share PT	\$139.70	\$278.71	\$312.10	\$90.87	\$181.05	\$204.75
Bi-Weekly Change from 2013	\$1.48	\$2.96	\$2.89	\$2.21	\$4.46	\$5.05
% Change from 2013	1.1%	1.1%	1%	2.5%	2.5%	2.5%
	<b>UNITED HEALTH TO BCBS-RI</b>					
	RWH / CCHP / EEC Standard Plan			RWH / CCHP / EEC Standard Plan		
	Indiv	2Per	Fam	Indiv	2Per	Fam
EE Bi-Weekly Co-Share FT	\$33.94	\$67.52	\$89.81	\$33.94	\$67.52	\$89.81
Bi-Weekly Change from 2013	\$1.62	\$3.22	\$4.31	-\$3.37	-\$7.26	-\$10.12
% Change from 2013	5.0%	5.0%	5.0%	-9.0%	-9.7%	-10.1%
	Indiv	2Per	Fam	Indiv	2Per	Fam
EE Bi-Weekly Co-Share PT	\$67.88	\$135.01	\$179.55	\$67.88	\$135.01	\$179.55
Bi-Weekly Change from 2013	\$3.23	\$6.43	\$8.55	-\$3.98	-\$8.99	-\$12.90
% Change from 2013	5.0%	5.0%	5.0%	-5.5%	-6.2%	-6.7%



## London Health Administrators and the HRA – No more *little blue card!*

- London Health Administrators will continue to administer the Health Reimbursement Arrangement (HRA) portion of claims processing.
- The HRA is an employer funded account which self-insures higher cost medical claims:
  - Inpatient hospitalizations...Medical Care and Behavioral Health Services
  - Outpatient medical/surgical care...facility based
  - Physical, occupational, and speech therapy
  - Obstetrical care
  - Durable medical equipment; e.g., crutches
  - Hospice care
- Employees are only responsible for their annual portion of the deductible:
  - \$350 for Individual Plan and \$700 for 2 Person and Family Plan
- You will receive a new medical card from BCBS in January – no need to show two cards to providers – same BCBS membership ID (unless changing plans)



## Flexible Spending Accounts (FSA) through London Health Administrators

- Medical FSA
  - Set aside from \$100 to \$2,500 annually pre-tax
  - May use funds as soon as you need them
  - Deductions spread out over the year
  - Easy to use debit card
- Dependent FSA -
  - Set aside from \$100 to \$5,000 annually pre-tax
  - Age limit on dependents is 13
  - May use funds as you contribute
- Important – all FSA's
  - Only available at Open Enrollment
  - **Must re-elect each year**
  - Have until 3/15/14 to use benefit for 2013





## 2014 Credit for Medical Coverage Opt-Out

Level of Coverage	Annual	Bi-Weekly
Individual	\$1,200	\$46.15
Employee Plus 1	\$2,100	\$80.77
Family	\$2,760	\$106.15

- Requirements

- Must be enrolled in a medical plan with the hospital prior to the date you waive coverage for at least one year
- Must provide proof of alternate coverage through another plan (state sponsored plans not eligible)

# CCHP, RWMC, and SJHS 2014 Dental Renewal



**Premium Plan Employee Bi-Weekly Rates**

Level	Full Time			Part Time		
	2013	2014	% Change	2013	2014	% Change
<b>Indiv</b>	\$2.91	\$2.91	0.00%	\$5.09	\$5.09	0.00%
<b>2 Person</b>	\$7.23	\$7.23	0.00%	\$12.65	\$12.65	0.00%
<b>Family</b>	\$11.19	\$11.19	0.00%	\$19.58	\$19.58	0.00%

**Standard Plan Employee Bi-Weekly Rates**

Level	Full Time			Part Time		
	2013	2014	% Change	2013	2014	% Change
<b>Indiv</b>	\$1.74	\$1.74	0.00%	\$3.48	\$3.48	0.00%
<b>2 Person</b>	\$3.91	\$3.91	0.00%	\$7.82	\$7.82	0.00%
<b>Family</b>	\$6.27	\$6.27	0.00%	\$12.55	\$12.55	0.00%

**Plan Features Coverage**

Annual Deductible	\$25/\$75
Annual Maximum Benefit	\$1,500
Preventative	100%
Exam / Cleaning / X-Ray	100%
Minor Restorative	100% after deductible
Tooth Repair / Extractions / Endodontics	100% after deductible
Bridges	50% after deductible
Prosthodontics	50% after deductible
Crowns	80% after deductible
Orthodontics	50% after deductible
<i>For Dependents to age 19</i>	
Lifetime Max	\$1,500
Student Rider	Yes / Age 23

**Plan Features Coverage**

Annual Deductible	\$50/\$150
Annual Maximum Benefit	\$1,200
Preventative	100%
Exam / Cleaning / X-Ray	100%
Minor Restorative	80% after deductible
Tooth Repair / Extractions / Endodontics	80% after deductible
Bridges	50% after deductible
Prosthodontics	50% after deductible
Crowns	50% after deductible
Orthodontics	Not Covered
Student Rider	Yes / Age 23



# VSP 2014

## Bi-Weekly Employee Rates for VSP

Level	Standard Plan		Premium Plan	
	2013	2014	2013	2014
Indiv	\$4.15	\$4.24	\$5.37	\$5.48
2Per	\$8.30	\$8.47	\$10.74	\$10.97
Fam	\$13.37	\$13.64	\$17.30	\$17.65

	Standard	Premium
<b>Wellness Vision Exam</b>	\$10 co-pay	
<b>Dependent Children</b>	End of year turning age 25	
<b>Prescription Glasses</b>	\$25 co-pay	
<b>Lenses</b>	Single vision Lined bifocal lined trifocal Polycarbonate lenses for dependent children	Single vision Lined bifocal lined trifocal Polycarbonate lenses for dependent children Progressive lenses Anti-reflective coatings
<b>Frame</b>	\$130 allowance additional 20% off over \$130 (allowable every other calendar year)	\$150 allowance additional 20% off over \$150 (allowable every other calendar year)
<b>Contact Lens Exam / Fitting</b>	\$60 maximum co-pay	
<b>Contact Lenses (materials)</b>	\$130 allowance	\$150 allowance



## Company Paid Life and LTD Insurance – through CIGNA

Company Paid Life and LTD	Current into 2014
<b>LTD Insurance</b> <b>Benefit of base monthly salary</b> <b>(180 day wait period)</b>	60% Up to \$6,000 per month
<b>Basic Life and AD&amp;D*</b> <b>Benefit of multiple of annual salary</b>	1.5X for hourly paid benefit elig 2x for exempt benefit elig Total annual max: \$600,000

\* Benefit reduced to 65% at age 70 and 50% at age 75

Employees may purchase supplemental life for themselves, their spouse and/or children

- **Additional Value Added Benefits**
  - Will preparation services
  - Identity Theft program
  - Financial, bereavement, and legal counseling
  - CIGNA Secure travel – for trips >100 miles from home



## Supplemental Life Insurance (CIGNA)

Supplemental (voluntary) Life and AD&D*	Current	2014
<p><b>Additional Term Life Insurance for yourself</b></p>	<p>Choice of: \$5k, \$10k or \$20k or 1x, 2x, or 3x basic annual salary with option to purchase Accidental Death &amp; Dismemberment (AD&amp;D)</p>	<p>Choice of: 1x, 1.5x, 2x, 2.5x, or 3x basic annual salary AD&amp;D included automatically</p> <p>Guaranteed issue coverage up to \$200,000 Same rates as 2013 subject to change with age/salary</p>
<p><b>Maximum Benefit</b></p>	<p>up to \$300,000</p> <p>Separate from Basic Life</p>	<p>up to \$300,000</p> <p>Separate from Basic Life</p>

\* You must purchase supplemental life for yourself to qualify to purchase supplemental for spouse/child



## Supplemental Life Insurance- Spouse & Child (CIGNA)

Spouse and Child Life Options	Plan Features
<b>Spouse Life</b>	Choice of: \$10,000, \$25,000, or \$50,000 Max Coverage: \$50,000
<b>Child Life</b>	Choice of: \$5,000 or \$10,000 * Coverage up to age 19 Up to age 25 if FT Student  Max Coverage: \$10,000

\* Limits to benefit amounts for children under 6 months

**IMPORTANT:** You must elect Supplemental Coverage for yourself in order to qualify to purchase Spouse and/or Child coverage



## Other Benefits 2014...

- ARAG- Legal Insurance.
- MetLife- Home, Auto, and Pet insurance
- UNUM -Critical Illness, Short Term Disability, Accident, and Life Products
- Transamerica- Defined Contribution Plan
  - Annual IRS Limit of \$17,500 applies for 2014
  - If age 50 or older catch up contributions of up to \$5,500 for a total of \$23,000 allowed



## Co-pay Reimbursement

- For 2014, the company will reimburse the employees participating in the standard plan for out of pocket expense for co-pays for the following services:
  - \$10 per Primary Care Office Visit
  - \$100 per Pediatric Emergency Room Visit
- Employees will need to submit their provider statement and payment receipt to London Health Administrators for reimbursement:
  - If the payment occurs through an employee's FSA card the FSA account will be reimbursed.



# Medical Discounts For Employees



- **Probationary Period:** Discounts may be applied after satisfying a 90 day probationary period.
- **Benefits Eligible Employees and eligible dependents covered under CCHP medical insurance:** Deductible and co-pays are waived at 100% of cost for services rendered within the CCHP system.
- **Eligible dependents:** Must be considered eligible as defined under the current medical coverage policy and in accordance with the provisions of the Patient Protection and Affordable Care Act (PPACA).
- **Benefits Eligible Employees whose eligible dependents are not covered under CCHP medical insurance:** Deductible and co-pays for the eligible dependents of employees who are covered on an outside insurance plan, will be discounted at the lesser of the alternate plan's deductible and co-pay, or the maximum deductible or co-pay under the CCHP standard medical insurance plan.
- **Benefits Eligible Employees who are not covered under CCHP medical insurance:** Deductible and co-pays will be discounted at the lesser of the alternate plan's deductible and co-pay, or the maximum deductible or co-pay under the CCHP standard medical insurance plan.
- **Non-Benefits Eligible Employees and qualified dependents who do not have outside coverage:** Services will be discounted up to the equivalent of the current deductible on the hospital's standard medical insurance plan. No discount provision will apply for Emergency Room visits. Employees may also have the option to complete a Charity Care Application for higher discounts if financially eligible and service is an essential medical treatment.



## Open Enrollment FAQ's

- From November 30<sup>th</sup> 2013 thru December 14<sup>th</sup> 2013
- Online through bSwift ([www.cchp.bswift.com](http://www.cchp.bswift.com))
  - Passwords reset prior to 11/30/13 to last 4 digits of SSN
- Personal assistance offered in Computer Training Room:  
(See schedule posted for dates/times).
- Please go into bSwift to verify dependents and ensure student information is updated (if applicable.)
- FSA must be re-elected annually (no default provision).
- Medical Opt Out must be re-elected and alternate coverage verified.
- Vacation/ETO swap (non-union only) must be re-elected each year
- January 1, 2014 – Effective date for new benefits and changes.




## Additional Assistance...

- Benefits Hotline: 456-3469
- [benefits@chartercare.org](mailto:benefits@chartercare.org)
  - Monitored every hour during normal business hours
  - 24 hr or less return response

### Benefits Contacts:

- Narvis Price: 752-8207; [narvis.price@chartercare.org](mailto:narvis.price@chartercare.org)
- Susan Desmarais: 456-3230; [susan.desmarais@chartercare.org](mailto:susan.desmarais@chartercare.org)
- Stacy Roberts: 456-3733; [stacy.roberts@chartercare.org](mailto:stacy.roberts@chartercare.org)
- Brenda Ketner: 456-3202; [bketner@chartercare.org](mailto:bketner@chartercare.org)

	<b>HUMAN RESOURCES</b>			
	Chapter		Effective Date	1/1/2012
	Policy	<b>Earned Time Policy</b>	Approved By	Signature on file
			Policy #	HR-300-00041-C

### 1.0 Purpose and Scope

Earned Time is a system of providing to employees time off with a significant amount of flexibility. It also provides employees with ownership in using accrued paid time off for absences due to vacations, personal or family illness or personal time off not to exceed scheduled standard hours.

### 2.0 Policy Statement

To empower employees on decisions regarding use of time off for vacation, cash and coverage for unplanned absences. CharterCARE Health Partners (CCHP) expects to minimize unplanned absences through the incentives within earned time and schedule planned absences to insure sufficient staffing to provide quality patient services.

### 3.0 Procedures


#### I. Eligibility

- a. Regular status employees, with at least 40 or more bi-weekly budgeted control hours are eligible to accrue Earned Time. Accrual begins with the first day of employment; however, newly hired employees must complete a minimum of three (3) months in their Introductory Period before they are eligible to use/be paid Earned Time. Increases to Earned Time accrual will be reflective of additional ‘vacation time’ according to the employee’s positional classification and length of service, as indicated in the following matrix.
- b. Temporary and per diem employees do not accrue Earned Time. Earned Time accruals will be based on the date these employees Convert to regular status employment, regardless of prior service at CCHP. Part-time hourly employees accrue Earned Time on a pro-rata basis.
- c. Earned Time may accrue to a maximum of 1.5 times the maximum accrual. Once that amount is reached, Earned Time will accrue no further until you have reduced your bank below the maximum.

#### II. Earned Time Matrix\*:

Service Breaks	Non-Exempt	Exempt	Directors
0 - 3 years	23	27	30
4 to 10 years	26	28	30
11 to 24 years	30	30	32
25+ years	35	35	35

\* Note: Any depiction of days in this policy refers to eight-hour days. Employees who work schedules with different standard hours should convert these “days” to their own schedule.

	<b>HUMAN RESOURCES</b>			
	Chapter		Effective Date	1/1/2012
	Policy	<b>Earned Time Policy</b>	Approved By	Signature on file
			Policy #	HR-300-00041-C

#### IV. Time Off Options

The Earned Time Program has been designed to provide you with the opportunity of enjoying paid days off when they are needed, whether for vacation, sick or other personal matters. Under the Earned Time Program good attendance minimizes the use of Unplanned Earned Time, enabling you to utilize your accrued time for Planned Absences.

The time off options which follow are available to you after completion of the first three (3) months of your Introductory Period when you have accrued sufficient hours in your Earned Time bank to cover the time requested.

##### 1. Planned Absences:


- a. Employees are encouraged to schedule paid absences on a regular basis to allow an opportunity to rest and relax away from the demands of the workplace.

Planned Earned time off with pay may be scheduled any time during the calendar year and may be varying at length, arranged in advance with supervisory approval. Supervisors will take into consideration individual seniority and preference, as well as the staffing needs of the department to insure adequate coverage.

Vacation requests normally are based on the employee's weekly budgeted/control hours. An exception can be made, however, for a part-time employee who regularly works "straight time" hours above budgeted/control hours for a period of three (3) months or longer. In such situations, the employee is not limited to his/her weekly budgeted/control hours and may request vacation time equal to the number of "straight time" hours regularly worked (non-overtime.) This does not apply to the Cash-In Options (refer to Section IV.)

Vacation selection guidelines are in accordance with specific departments annual vacation selection process. Many departments have an annual or semi-annual procedure for employees to identify preferred vacation time during the year. It is expected that the employee will have sufficient earned time available to pay for the entire requested vacation time.

Vacation selections, where the full amount of earned time necessary to cover a vacation period is not available one (1) month prior to the vacation and the lack of available time is not as a result of earned time utilization through a leave of absence within the last six (6) months, are subject to review and/or, if pre-approved, cancellation. In determining whether the pre-approved period should be cancelled,

	<b>HUMAN RESOURCES</b>			
	Chapter		Effective Date	1/1/2012
	Policy	<b>Earned Time Policy</b>	Approved By	Signature on file
			Policy #	HR-300-00041-C

leadership will review the circumstances that affected the lack of available earned time based on the following criteria:

- the employee's attendance history; patterns and/or trends of planned and unplanned absences,
- the financial commitment for the vacation,
- prior situations when the employee did not have sufficient earned time to cover a vacation,
- departmental operational needs, including the prior use of earned time at CCHP's request,
- vacation requests from other employees.

If their pre-approved vacation is cancelled, the employee may request a review of the decision through the dispute resolution procedure. The dispute resolution process will be accelerated so that a review of the decision occurs within the thirty (30) day review period prior to the requested vacation.


- b. Once planned Earned Time has been approved by your supervisor, should serious illness or injury occur, requiring hospitalization or medical treatment, during the approved time off period, an employee who has a Secondary or Extended Illness Bank may opt to access the Bank after the third day of illness/injury, otherwise payment for the approved time period will continue from the Earned Time Bank.

If your illness/injury extends beyond the approved Earned Time period, you will be eligible to use Unplanned Earned time, as long as notice is given in accordance to policy.

2. Unplanned Earned Time:

Earned Time may be used for days off due to personal illness or unanticipated illness in your family. CCHP relies on employees to minimize unplanned absences to insure sufficient staffing to provide quality patient services. Through the incentives within the Earned Time program, an employee can accumulate Earned Time as "insurance" against loss of income in case of illness. CCHP, therefore, encourages some "bank" of Earned Time be retained by you to protect against loss of income.

- a. Employees must notify their supervisor whenever they are unable to report for work, know they will be late or must leave early.
- b. Notification must be given to your supervisor or department director as far in advance as possible; before or during the first hour of the scheduled shift or according to prescribed departmental procedures. Notify your supervisor or department director each day of the absence unless an extended sick leave absence, hospitalization or prior arrangement with your

	<b>HUMAN RESOURCES</b>			
	Chapter		Effective Date	1/1/2012
	Policy	<b>Earned Time Policy</b>	Approved By	Signature on file
			Policy #	HR-300-00041-C


supervisor/department director has been made. Failure to notify your supervisor or department director will result in Earned Time being denied.

- c. Excessive use of unplanned Earned Time and/or patterns of unplanned absences may result in corrective action, up to and including termination of employment in accordance with the organization's attendance policy.
  - d. Employees who are absent from work for three consecutive days without giving proper notice will be considered as having voluntarily terminated employment.
3. Worker's Compensation:
- a. All employees are protected by the Rhode Island Worker's Compensation Law for any personal injury arising out of and in the course of employment at CCHP. To be eligible for pay and time lost under Worker's Compensation, you must be disabled and unable to work for a period of six (6) or more calendar days.
  - b. If you are disabled for less than six days and are eligible for paid Earned Time, you may use Earned Time for the time lost. Employees who have a Secondary, Extended Illness Bank may choose to withdraw from this bank instead of the Earned Time Bank to cover scheduled work time during the first five (5) calendar days of the Worker's Compensation claim. (refer to Section III, #7, Secondary, Extended Illness Banks.)
  - c. You have the option of drawing hours from your Earned Time Bank, to the extent available, to supplement your income between your regular salary and Worker's Compensation. You may request to withdraw time in increments of eight hours.
  - d. You do not accrue Earned Time hours while on an unpaid leave of absence from an Industrial Accident.
  - e. Once Earned Time has been paid under Sections 3b and/or 3c, such time cannot be re-deposited into the respective bank at a later date.

4. Other Absences:

All absences will be charged to Earned Time, except:

- a. Sick time charged to Secondary/Extended Illness Banks.
- b. Days authorized as absent without pay by the supervisor or department director. (Refer to Section III, #5, Absence without Pay.)
- c. Other leaves – Absences due to designated holidays, bereavement, military and jury duty are not included as part of the Earned Time program. Refer to appropriate policies for further clarification.

	<b>HUMAN RESOURCES</b>			
	Chapter		Effective Date	1/1/2012
	Policy	<b>Earned Time Policy</b>	Approved By	Signature on file
			Policy #	HR-300-00041-C

5. Absence Without Pay:

It is expected that your requests for time off will be taken as paid time. Occasionally, however, you may request your absence to be without pay. Your department director will consider such a request once:

- a. You have used Earned Time (equivalent to 120 hours for a full time employee, pro-rated for part-time employees) as paid time off during the calendar year, exclusive of cash-ins.
- b. All other requests for paid Planned Time Off in the department have been reviewed and approved.
- c. It is determined that your absence without pay will not adversely affect the operational needs of the department.

6. Secondary, Extended Illness Banks

Some employees who were on a previous vacation and ill time plan within CharterCARE Health Partners affiliate entities may have carried over unused sick time which is stored in a separate Secondary, Extended Ill bank. This time may be used in the event of personal illness that lasts more than three (3) consecutive work days. If the personal illness lasts at least four (4) days, the first three (3) days are drawn from Earned Time and the fourth day and each successive day is drawn from the secondary bank until the bank is exhausted. Unused sick time in the secondary bank will be compensated as follows:


If the personal illness lasts at least four (4) days, the first three (3) days are drawn from Earned time and the third day and each successive day is drawn from the secondary bank until the bank is exhausted. Unused sick time in the secondary bank is not eligible for the cash-in option or for compensation upon termination.

IV. Cash-In Option:

One of the significant advantages of Earned time is your ability to cash-in unused accrued hours. Employees are eligible to cash-in portions of their accrued Earned Time under the following procedures:

- a. During November an employee may make a binding election to cash-in accrued Earned Time Payout would be at 100% of base rate in effect on date of payout. Payout would occur the 2nd pay period in January of the next calendar year.
- b. Full time (64 or greater) standard hours per pay period) may cash-in up to a maximum of 80 hours of their available unused accrued Earned Time



	<b>HUMAN RESOURCES</b>			
	Chapter		Effective Date	1/1/2012
	Policy	<b>Earned Time Policy</b>	Approved By	Signature on file
Policy #			HR-300-00041-C	

balance. Employees must leave a minimum of 50% of their annual Earned Time accrual in the bank.


- c. Part Time (40 – 63 standard hours per pay period) may cash-in a maximum of 40 hours of their available unused accrued Earned Time balance. Employees must leave a minimum of 50% of their annual Earned Time accrual in the bank.
- d. Employees will be paid for all unused accrued Earned Time at time of termination or reduction of hours which would make them ineligible for Earned Time. Payment would be at 100% of their base rate at the time of the event.
- e. Appropriate tax payments will be withheld for the cash-in amount.
- f. Voluntary deductions will not be withheld from cash-in amounts, unless requested in writing from the employee.

V. Payroll Process:

- a. All pay for time earned will be computed at your straight time hourly rate currently in effect excluding overtime and other premiums. Shift differentials will be paid if you are regularly assigned to the evening and/or night shift.
- b. Payment for used Earned Time of less than 40 hours will be included in the weekly paycheck issued to cover the pay period during which the absence occurred.
- c. Upon termination, regular status employees who have completed the first three (3) months of the Introductory Period are entitled to receive pay for any Earned time accumulated.
- d. Earned Time is not accrued on the Earned Time paid upon termination.
- e. Any time paid under this policy does not contribute to overtime threshold (i.e. 40 hours in a week.)


VI. New Hire/Rehire:

If an employee is hired after voluntary resignation, prior service will be added to current service to determine the Earned Time Off accrual rate, unless the time away from the organization exceeds the length of prior service. If an employee is rehired after involuntary termination, prior service will not be added to current service to determine the Earned Time Off accrual rate. This action is inclusive of employment at CCHP and/or its affiliates.

	<b>HUMAN RESOURCES</b>			
	Chapter		Effective Date	1/1/2012
	Policy	<b>Earned Time Policy</b>	Approved By	Signature on file
			Policy #	HR-300-00041-C

**4.0 Revision History**

Date	Description of Change

	<b>HUMAN RESOURCES</b>			
	Chapter		Effective Date	6/1/2017
	Policy	<b>Earned Time Policy</b>	Approved By	Signature on file
			Policy #	HR-300-00041-C

### 1.0 Purpose and Scope

Earned Time is a system of providing to employees time off with a significant amount of flexibility. It also provides employees with ownership in using accrued paid time off for absences due to vacations, personal or family illness or personal time off not to exceed scheduled standard hours.

### 2.0 Policy Statement

To empower employees on decisions regarding use of time off for vacation, cash and coverage for unplanned absences. CharterCARE Health Partners (CCHP) expects to minimize unplanned absences through the incentives within earned time and schedule planned absences to insure sufficient staffing to provide quality patient services. Effective July 1, 2018, Per Diem\*, Limited Time, and Temporary employees accrue RI paid sick leave time to ensure that they can meet their health and safety needs as well as the health and safety needs of their family members.

*\* Per Diem RNs are excluded from this policy if they are employed by a health care facility, under no obligation to work a regular schedule, work only when they indicate they are available to work with no obligation to work when they do not indicate availability, and receive higher pay than an employee of the same health care facility performing the same job on a regular schedule.*

### 3.0 Procedures

#### A. Reasons for Using RI Paid Sick Leave Time

ETO or RI paid sick leave time can be used when an employee is sick, or an employee's covered relation needs care.


Employees may use ETO or RI paid sick leave time for:

- Mental or physical illness, injury, or health condition
- Medical diagnosis, care, or treatment of a mental or physical illness, injury, or health condition
- Preventive medical care

Additionally, ETO or RI paid sick leave time can be used if an eligible employee or covered relation is a victim of domestic violence, sexual assault, or stalking.

Eligible employees can also use ETO or RI paid sick leave time for the following reasons:

- Closure of the employee's place of business by order of a public official due to a public health emergency.

	<b>HUMAN RESOURCES</b>			
	Chapter		Effective Date	6/1/2017
	Policy	<b>Earned Time Policy</b>	Approved By	Signature on file
			Policy #	HR-300-00041-C

- Closure of a child’s school or place of care by order of a public official due to a public health emergency.
- Care for the employee or a covered relation when health authorities or a health care provider determines that the employee's or covered relation's presence in the community may jeopardize others’ health because of the employee’s or covered relation’s exposure to a communicable disease, whether or not the employee or covered relation has actually contracted the communicable disease.

A covered relation is a: 1) child or ward; 2) grandchild; 3) grandparent; 4) parent, parent-in-law, or guardian; 5) sibling; 6) spouse, common law spouse, or spouse by civil union/domestic partnership; 7) care recipient; and/or 8) a member of an employee’s household

**B. Eligibility**


1. Regular status employees with at least 40 or more biweekly budgeted control hours are eligible to accrue Earned Time. Accrual begins with the first day of employment. Newly hired employees must complete a minimum of ninety (90) days in their Introductory Period before they are eligible to use/be paid Earned Time. Increases to Earned Time accrual will be reflective of additional ‘vacation time’ according to the employee’s positional classification and length of service, as indicated in the following matrix.
2. Effective July 1, 2018, existing Per Diem\*, Limited Time, and Temporary employees begin to accrue RI paid sick leave time. Per Diem\*, Limited Time, and Temporary employees hired on or after July 1, 2018, begin to accrue RI paid sick leave time with their first paid hour of employment or transfer to RI paid sick leave time eligible status.

*\* Please refer to Per Diem RN exclusions under **Section 2.0** of this Policy.*

3. Earned Time may accrue to a maximum of 1.5 times the maximum accrual. Once that amount is reached, Earned Time will accrue no further until you have reduced your bank below the maximum.

**C. Earned Time Matrix\***

Job Category	Initial Accrual	At 4 Years You Will Accrue	At 11 Years You Will Accrue	At 25 Years You Will Accrue
Nonexempt	23 days	26 days	30 days	35 days
Exempt	27 days	28 days	30 days	35 days

	<b>HUMAN RESOURCES</b>				
	Chapter		Effective Date	6/1/2017	
	Policy	<b>Earned Time Policy</b>		Approved By	Signature on file
				Policy #	HR-300-00041-C

Directors & Above	30 days	30 days	32 days	35 days
-------------------	---------	---------	---------	---------

\* Note: Any depiction of days in this policy refers to eight-hour days. Employees who work schedules with different standard hours should convert these “days” to their own schedule.

**D. RI Paid Sick Leave Time Off Accrual Schedule**

Effective July 1, 2018, Per Diem\*, Limited Time, and Temporary Employees will accrue time to be used for RI Paid Sick Leave Time as defined above in **Section 3.0 A**. They will accrue 0.0286 hours of RI paid sick leave time per hour worked up to the below maximums:

Job Category	Hourly Accrual	2018 Cap (for accrual and annual usage)	2019 Cap (for accrual and annual usage)	2020 & Ongoing Cap (for accrual and annual usage)
Per Diem*, Limited Time, Temporary	0.0286	24 Hours	32 Hours	40 Hours

\* Please refer to Per Diem RN exclusions under **Section 2.0** of this Policy.


Unused time will roll over to the next year, but the total hours will be capped based on that year’s maximum usage.

**E. Time Off Options**

The Earned Time Program has been designed to provide you with the opportunity of enjoying paid days off when they are needed, whether for vacation, sick or other personal matters. Under the Earned Time Program good attendance minimizes the use of Unplanned Earned Time, enabling you to utilize your accrued time for Planned Absences.

The time off options which follow are available to you after completion of the first ninety (90) days of your Introductory Period when you have accrued sufficient hours in your Earned Time bank to cover the time requested.

1. Planned Absences

	<b>HUMAN RESOURCES</b>			
	Chapter		Effective Date	6/1/2017
	Policy	<b>Earned Time Policy</b>	Approved By	Signature on file
			Policy #	HR-300-00041-C

- a. Employees are encouraged to schedule paid absences on a regular basis to allow an opportunity to rest and relax away from the demands of the workplace.

Planned Earned time off with pay may be scheduled any time during the calendar year and may be varying at length, arranged in advance with supervisory approval. Supervisors will take into consideration individual seniority and preference, as well as the staffing needs of the department to insure adequate coverage.


Vacation requests normally are based on the employee’s weekly budgeted/control hours. An exception can be made, however, for a part-time employee who regularly works “straight time” hours above budgeted/control hours for a period of three (3) months or longer. In such situations, the employee is not limited to his/her weekly budgeted/control hours and may request vacation time equal to the number of “straight time” hours regularly worked (non-overtime.)

Vacation selection guidelines are in accordance with specific departments annual vacation selection process. Many departments have an annual or semi-annual procedure for employees to identify preferred vacation time during the year. It is expected that the employee will have sufficient earned time available to pay for the entire requested vacation time.

Vacation selections, where the full amount of earned time necessary to cover a vacation period is not available one (1) month prior to the vacation and the lack of available time is not as a result of earned time utilization through a leave of absence within the last six (6) months, are subject to review and/or, if pre-approved, cancellation. In determining whether the pre-approved period should be cancelled,

leadership will review the circumstances that affected the lack of available earned time based on the following criteria:

- the employee’s attendance history; patterns and/or trends of planned and unplanned absences,
  - o time taken off for purposes of RI paid sick leave as defined in **Section 3.0 A** of this policy are not included in this review
- the financial commitment for the vacation,
- prior situations when the employee did not have sufficient earned time to cover a vacation,
- departmental operational needs, including the prior use of earned time at CCHP’s request,
- vacation requests from other employees.

	<b>HUMAN RESOURCES</b>			
	Chapter		Effective Date	6/1/2017
	Policy	<b>Earned Time Policy</b>	Approved By	Signature on file
			Policy #	HR-300-00041-C

If their pre-approved vacation is cancelled, the employee may request a review of the decision through the dispute resolution procedure. The dispute resolution process will be accelerated so that a review of the decision occurs within the thirty (30) day review period prior to the requested vacation.

- b. Once planned Earned Time has been approved by your supervisor, should serious illness or injury occur, requiring hospitalization or medical treatment, during the approved time off period, an employee who has a Secondary or Extended Illness Bank may opt to access the Bank after the third day of illness/injury, otherwise payment for the approved time period will continue from the Earned Time Bank.

If your illness/injury extends beyond the approved Earned Time period, you will be eligible to use Unplanned Earned time, as long as notice is given in accordance to policy.

- c. A Per Diem\*, Limited Time, or Temporary employee is eligible to be paid RI paid sick leave time for the purposes as defined under **Section 3.0 A** of this policy after successful completion of the ninety (90) day introductory period. Payment for RI paid sick leave scheduled absence will be made in increments of sixty (60) minutes. In order to be eligible to use RI paid sick leave, an employee must have been scheduled to work.


*\* Please refer to Per Diem RN exclusions under **Section 2.0** of this Policy.*

2. Unscheduled Absences

Earned Time may be used for days off due to personal illness or unanticipated illness of a covered relation. CCHP relies on employees to minimize unplanned absences to insure sufficient staffing to provide quality patient services. Through the incentives within the Earned Time program, an employee can accumulate Earned Time as “insurance” against loss of income in case of illness. CCHP, therefore, encourages some “bank” of Earned Time be retained by you to protect against loss of income.

A Per Diem\*, Limited Time, or Temporary employee is paid RI paid sick leave time for the purposes as defined under **Section 3.0 A** of this policy. Unscheduled absences are paid after successful completion of the ninety (90) day introductory period. Payment for RI paid sick leave scheduled absence will be made in increments of sixty (60) minutes. In order to be eligible to use RI paid sick leave, an employee must have been scheduled to work.

*\* Please refer to Per Diem RN exclusions under **Section 2.0** of this Policy.*

	<b>HUMAN RESOURCES</b>			
	Chapter		Effective Date	6/1/2017
	Policy	<b>Earned Time Policy</b>	Approved By	Signature on file
			Policy #	HR-300-00041-C


a. Notification

- i. Employees must notify their supervisor whenever they are unable to report for work, know they will be late or must leave early.
- ii. Notification must be given to your supervisor or department director as far in advance as possible; before or during the first hour of the scheduled shift or according to prescribed departmental procedures. Notify your supervisor or department director each day of the absence unless an extended sick leave absence, hospitalization or prior arrangement with your supervisor/department director has been made. Failure to notify your supervisor or department director may result in discipline, or Earned Time being denied.

b. Documentation

- i. Excessive use of unplanned Earned Time (more than 5 days) and/or patterns of unplanned absences may result in corrective action, up to and including termination of employment in accordance with the organization’s attendance policy. Failure to provide notice or certification required under this Policy, or fraudulent use of sick time may result in the denial of an Earned Time request and/or discipline, up to and including termination. Earned Time cannot be used as an excuse to be late for work without an authorized purpose.
- ii. Unplanned absences of more than three (3) consecutive work days require reasonable documentation to show that the time off has been used for a purpose as defined under **Section 3.0 A** of this policy provided that such verification does not result in an unreasonable burden or expense. Documentation signed by a health care professional indicating that paid sick leave time is necessary shall be considered reasonable documentation. If the leave is taken for because an eligible employee or covered relation is a victim of domestic violence, sexual assault, or stalking, the employee can provide one of the following forms of documentation, of his or her choosing:
  - a. An employee’s written statement that the employee or employee’s family member is a victim of domestic violence, sexual assault, or stalking and that the leave taken was for one of the purposes allowed under the Healthy and Safe Families and Workplaces Act




	<b>HUMAN RESOURCES</b>			
	Chapter		Effective Date	6/1/2017
	Policy	<b>Earned Time Policy</b>	Approved By	Signature on file
			Policy #	HR-300-00041-C

- b. A policy report indicating that the employee or employee’s family member was a victim of domestic violence or assault
- c. A court document indicating that the employee or employee’s family member is involved in legal action related to domestic violence, sexual assault, or stalking
- d. A signed statement from a victim and witness advocate affirming that the employee or employee’s family member is receiving services from a victim services organization or is involved in legal action related to domestic violence, sexual assault, or stalking

iii. Employees who are absent from work for five consecutive days without giving proper notice will be considered as having voluntarily terminated employment.

3. Workers’ Compensation:

- a. All employees are protected by the Rhode Island Workers’ Compensation Law for any personal injury arising out of and in the course of employment at CCHP. To be eligible for pay and time lost under Workers’ Compensation, you must be disabled and unable to work for a period of 3 or more calendar days.
- b. If you are disabled for less than 3 days and are eligible for paid Earned Time, you must use Earned Time for the time lost. Employees who have a Secondary, Extended Illness Bank may choose to withdraw from this bank instead of the Earned Time Bank to cover scheduled work time during the first 3 calendar days of the Workers’ Compensation claim. (refer to **Section E, #6, Secondary, Extended Illness Banks.**) An employee with RI paid sick leave time *who was scheduled to work any time during the 3 day waiting period* must use up to 3 days of RI paid sick leave time to cover the waiting period.
- c. You have the option of drawing hours from your Earned Time Bank, to the extent available, to supplement your income between your regular salary and Workers’ Compensation. You may request to withdraw time in increments of one hour. RI paid sick leave time may be used at the employee’s discretion after the 3 day waiting period provided that the the employee would have been expected to work during that timeframe if the Workers’ Compensation illness or injury had not occurred.
- d. Benefits accrue when an employee is out of work due to a workplace injury only if the employee is using Earned Time or RI paid sick leave time for such absence.

	<b>HUMAN RESOURCES</b>			
	Chapter		Effective Date	6/1/2017
	Policy	<b>Earned Time Policy</b>	Approved By	Signature on file
			Policy #	HR-300-00041-C

- e. Once Earned Time or RI paid sick leave time has been paid under Sections 3b and/or 3c, such time cannot be re-deposited into the respective bank at a later date.

4. Other Absences:

All absences will be charged to Earned Time, except:

- a. Sick time charged to Secondary/Extended Illness Banks.
- b. Days authorized as absent without pay by the supervisor or department director. (Refer to **Section F, #5, Absence without Pay.**)
- c. Other leaves – Absences due to designated holidays, bereavement, military and jury duty are not included as part of the Earned Time program. Refer to appropriate policies for further clarification.
- d. Employees who earn RI paid sick leave time instead of ETO will have time taken as described under **Section 3.0 A** of this policy deducted from their RI paid sick leave time bank.


5. Absence Without Pay

It is expected that your requests for time off will be taken as paid time. Occasionally, however, you may request your absence to be without pay. Your department director will consider such a request once:

- a. You have used Earned Time (equivalent to 120 hours for a full time employee, pro-rated for part-time employees) as paid time off during the calendar year, exclusive of cash-ins.
- b. All other requests for paid Planned Time Off in the department have been reviewed and approved.
- c. It is determined that your absence without pay will not adversely affect the operational needs of the department.

6. Secondary, Extended Illness Banks

Some employees who were on a previous vacation and ill time plan within CharterCARE Health Partners affiliate entities may have carried over unused sick time which is stored in a separate Secondary, Extended Ill bank. This time may be used in the event of personal illness that lasts more than three (3) consecutive work days. If the personal illness lasts at least four (4) days, the first three (3) days are drawn from Earned Time and the fourth day and each

	<b>HUMAN RESOURCES</b>			
	Chapter		Effective Date	6/1/2017
	Policy	<b>Earned Time Policy</b>	Approved By	Signature on file
			Policy #	HR-300-00041-C

successive day is drawn from the secondary bank until the bank is exhausted. Unused sick time in the secondary bank will be compensated as follows:

If the personal illness lasts at least four (4) days, the first three (3) days are drawn from Earned time and the third day and each successive day is drawn from the secondary bank until the bank is exhausted. Unused sick time in the secondary bank is not eligible for compensation upon termination.

**F. Payroll Process**


1. All pay for time earned including RI paid sick leave time will be computed at the same hourly rate you would have earned, if you had worked during the absence. This does not include commissions, bonuses, incentive pay, holiday pay, premium rates or overtime. Shift differentials will be paid if during the missed shift, you would have earned such a differential.
2. Payment for used Earned Time or RI paid sick leave time of less than 40 hours will be included in the weekly paycheck issued to cover the pay period during which the absence occurred.
3. Upon termination, regular status employees who have completed the first ninety (90) days of the Introductory Period are entitled to receive pay for any Earned time accumulated.
4. Earned Time is not accrued on the Earned Time paid upon termination.
5. Any time paid under this policy does not contribute to overtime threshold (i.e. 40 hours in a week.)

**G. Termination or Transfer to an Earned Time Ineligible Status**

Upon transfer to an Earned Time ineligible status or termination from employment, an employee who has successfully completed the ninety (90) day introductory period will receive a one time payment effective on their termination date or date of transfer for all unused time in their Earned Time bank. The payment will be made on the payday following the payday that includes the last hours of work in the Earned Time eligible status.

1. Transferred to Full-Time or Part-Time status at payroll site with Separate Vacation & Ill Banks

Employees who are transferred to a site with separate Vacation and Ill banks will be entitled to take a loan against their new Ill bank for RI paid sick leave time usage as defined in **Section 3.0 A** of this policy up to the lesser of ETO at time of transfer or the permitted RI paid sick leave time accrual cap (i.e. 24 hours in 2018, 32 hours in 2019, 40 hours in 2020 and ongoing). If an employee's employment

	<b>HUMAN RESOURCES</b>			
	Chapter		Effective Date	6/1/2017
	Policy	<b>Earned Time Policy</b>	Approved By	Signature on file
			Policy #	HR-300-00041-C

terminates before he/she has re-accrued the loaned time, the employee will have to repay the value of time used out of his/her last paycheck.

2. Transferred to Per Diem\*, Limited Time, or Temporary Status

Employees who are transferred to Per Diem\*, Limited Time, or Temporary status will be entitled to take a loan against their new RI paid sick leave bank for RI paid sick leave time usage as defined in **Section 3.0 A** of this policy up to the lesser of ETO at time of transfer or the permitted RI paid sick leave accrual cap (i.e. 24 hours in 2018, 32 hours in 2019, 40 hours in 2020 and ongoing). If an employee's employment terminates before he/she has re-accrued the loaned time, the employee will have to repay the value of time used out of his/her last paycheck.

*\* Please refer to Per Diem RN exclusions under **Section 2.0** of this Policy.*

3. Terminated from Employment


Employees who are rehired within 135 days of their termination date will be entitled to take a loan against their prior ETO bank for RI paid sick leave time usage as defined in **Section 3.0 A** of this policy up to the lesser of ETO at time of termination or the permitted RI paid sick leave accrual cap (i.e. 24 hours in 2018, 32 hours in 2019, 40 hours in 2020 and ongoing). If an employee's employment terminates again before he/she has re-accrued the time, the employee will have to repay the value of time used out of his/her last paycheck.

Unused RI paid sick leave time is forfeited at time of termination. Employees who are rehired within 135 days of their termination date will have their prior RI paid sick leave time balance reinstated.

**H. Transfer to another Payroll Site using Earned Time**

Employees who are transferred to another payroll site that also utilizes Earned Time will have the lesser of the amount of Earned Time in their bank at time of transfer or the permitted RI paid sick leave accrual cap (i.e. 24 hours in 2018, 32 hours in 2019, 40 hours in 2020 and ongoing) transferred to their new ETO bank at the new payroll site. They will receive a one time payment for any remaining ETO in their bank. The payment will be made on the payday following the payday that includes the last hours of work under their old payroll site.

Per Diem\*, Limited Time, or Temporary Employees with RI paid sick leave time will have their existing balance transferred over to the new payroll site.

	<b>HUMAN RESOURCES</b>			
	Chapter		Effective Date	6/1/2017
	Policy	<b>Earned Time Policy</b>	Approved By	Signature on file
			Policy #	HR-300-00041-C

\* Please refer to Per Diem RN exclusions under **Section 2.0** of this Policy.

**I. Employee with RI Paid Sick Leave Bank transfers to Part-Time or Full-Time status**

**A. Transfer to PT or FT position with Earned Time Bank**

Per Diem\*, Limited Time, or Temporary Employees with RI paid sick leave time will maintain their existing RI paid sick leave balance for a 135 day period so they do not lose the ability to take time off for purposes of the Healthy and Safe Families and Workplaces Act. As part-time or full-time employees, they will start to accrue ETO. Additional RI paid sick leave time will not accrue. After 135 days, any remaining balance in the RI paid sick leave bank will be forfeited.

\* Please refer to Per Diem RN exclusions under **Section 2.0** of this Policy.

**B. Transfer to PT or FT position with Separate Vacation & Ill banks**

Per Diem\*, Limited Time, or Temporary Employees with RI paid sick leave time will have their balance as of the time of transfer deposited into their new Ill time bank. As part-time or full-time employees, they will start to accrue Vacation and Ill time. Additional RI paid sick leave time will not accrue.

\* Please refer to Per Diem RN exclusions under **Section 2.0** of this Policy.

**4.0 Revision History**

Date	Description of Change
6/1/2017	Reviewed/Revised
6/21/2018	Removed Cash-in provision. Updated to comply with Healthy and Safe Families and Workplaces Act.



Prior 403(b) and 401(a) Plans and SJH Pension Plan:

**Q: What happens to my former plans and what options do I have to move the money into a new plan?**

A: You have several options with your former inactive plans:

1. You may roll over your account into another qualified plan outside of the organization
2. You may roll over your account into the new 401(k) plan after August 4th
3. You may request a distribution of your account. Note: this will cause significant tax consequences

**Q: How can I get forms to roll over my prior plan or apply for a distribution?**

A: All employees with account balances will be receiving a termination packet mailed to their homes. These packets will contain forms and additional information on the three options noted above. You may also obtain the forms through our intra net Benefits page or by stopping by Human Resources. Employees can also contact Transamerica directly online at [my.trsrretire.com](http://my.trsrretire.com) or by calling toll-free at 800-755-5801.

**Q: Have all pending employer contributions been made to the former plans?**

A: Both the RWMC plan and the SJH plan have pending employer contributions that are expected to be made before the end of this year. Residual employer contributions will automatically roll over to the new 401(k) account provided that you initiate a plan roll over. If you roll over your account to an outside plan, you may be required to complete additional paperwork.

**Q: I know my former plans are inactive, but can I make changes to my investment elections while the money is still in the account?**

A: Yes, you still have access to investment decisions on your prior plans. You can access your account online at [my.trsrretire.com](http://my.trsrretire.com) or by calling toll-free at 800-755-5801.

**Q: I have a loan in my prior 403(b) plan. How is this impacted?**

A: Payroll deductions for loans will stop effective check date 08/28/14. To avoid your loan going into default, you will need to establish a repayment plan with Transamerica directly. Transamerica will be sending you a separate letter with information on how to pay directly. Options will be with a loan payment coupon booklet or to have your payment withdrawn directly from your checking or savings account.

**Q: Do I have to set up a new deferral or will my prior deferral start right up in the new 401(k) plan?**

A: Prior deferrals will not automatically start up again. You must re-enroll in the new 401(k) plan beginning on August 4th. Transamerica will be on site for the first two weeks of August to assist with enrollment. However you can also access your account by going online to [my.trsrretire.com](http://my.trsrretire.com) or by calling toll-free at 800-755-5801.

**Q: How long can I keep my money in my old accounts?**

A: We are asking employees to make a decision on their former account(s) by December 10, 2014. That means by this date you will need to either roll over your account to a qualified plan -such as the new 401(k) plan, or complete distribution paperwork. If action has not been taken by this date the funds will automatically be distributed to you with applicable taxes applied.

**Q: My SJH pension benefit was frozen in 2009. Is anything happening to this benefit?**

A: No, your frozen pension benefit remains unchanged.

**Q: Can I roll over my SJH pension benefit into the new 401(k) plan?**

A: No, this is not permissible.

**Q: I was recently an active participant in the SJH Pension Plan. What will happen to my pension benefits?**

A: The SJH Pension Plan is now frozen for all previously active participants. This means that future accruals in the pension, benefit have ceased. Final pension statements for all previously active participants will be mailed to homes by the end of August. Employees are now eligible to participate in the new SJH 401(k) plan. The new plan will be open for deferrals starting August 4th. To set up your deferral, you may access your account online through Transamerica at [my.trsrretire.com](http://my.trsrretire.com) or by calling toll-free at 800-755-5801. You may also meet with a representative from Transamerica during the first two weeks of August and they can assist you with enrolling (please see meeting schedule).

## The new 401(k) Plan:

**Q: Why do we need to have a new plan set up? If the benefit is the same, why couldn't we keep the old plans?**

A: The new Company is a for-profit company and 403(b) plans are not allowed. The new 401(k) plan will have similar features to the prior plans and will still be with Transamerica. That means you have the same access to all of your accounts; the former plans and the new 401(k) plan.

**Q: When will the 401(k) plan be ready for deferrals and how can I set up my new 401(k) deferral?**

A: The new plan will be open for deferrals starting August 4<sup>th</sup>. The first time deferrals will show up is for check date 8/28 or 8/29 depending on your location. To set up your deferral, you may access your account online through Transamerica at [my.trsuretire.com](http://my.trsuretire.com) or by calling toll-free at 800-755-5801. You may also meet with a representative from Transamerica during the first two weeks of August and they can assist you with enrolling (please see meeting schedule).

**Q: Once I set up my new deferral, when will it show up in my check?**

A: The new 401(k) deferrals will show up in your check dated August 28<sup>th</sup> or August 29<sup>th</sup> depending on location.

**Q: What happens while we wait for the new 401(k) plan to start up?**

A: Employees will be kept whole during the short transition period. When it is time to make the first employer match contribution in the new plan, employees' salary for the period of time between the end of the former 403(b) plan and the beginning of the new 401(k) plan will be included for the purpose of the employer match.

**Q: I had deferral percentage that was intended to maximize the allowable IRS limit for the calendar year.**

A: With the prior plan terminating and the gap before the new plan starts, how can I make this up? Even though there will be a transition period before the new 401(k) plan is up and running, you will have the ability to adjust your new 401(k) deferral to ensure you reach your intended maximum. Enrollment specialists from Transamerica will be on hand to assist you with this.

**Q: Will we be able to take out loans in the new 401(k) plan?**

A: Yes, however loans initiated in the 401(k) plan will not be able to be repaid via payroll deductions. Employees will need to coordinate directly with Transamerica for repayment options.

**Q: I am uncertain about when I want to retire but would like more information. Who can I call to set up time to discuss this?**

A: You may contact a member of the benefits department by calling 456-3469 and we will set up time to meet with you individually.

## Additional Resources:

**Benefits: 401-456-3469 Human Resources: 401-456-3200 Transamerica: 800-755-5801 Angell Pension Group: 800-439-2410 x516**

**All plan related forms, additional information, and resources are available on the HR Intranet (Benefits Page)**



---

---

**MEMORANDUM**

---

---

**TO:** ALL DEPARTMENT MANAGERS, SUPERVISORS AND EMPLOYEES  
**FROM:** DARLEEN SOUZA, VICE PRESIDENT, HUMAN RESOURCES  
**SUBJECT: HOLIDAY SCHEDULE - 2014**  
**DATE:** 11/19/2013

CharterCARE Health Partners will officially observe the following holidays during 2014:

<b>Holiday Schedule</b>		
<b>2014</b>		
<b>Holiday</b>	<b>Day</b>	<b>Date</b>
New Year's Day	Wednesday	01/01/14
President's Day	Monday	02/17/14
Memorial Day	Monday	05/26/14
Independence Day	Friday	07/04/14
Victory Day	Monday	08/11/14
Labor Day	Monday	09/01/14
Columbus Day	Monday	10/13/14
Veterans Day	Tuesday	11/11/14
Thanksgiving Day	Thursday	11/27/14
Christmas Day	Thursday	12/25/14

For those departments operating seven (7) days a week, the following holidays will be observed on the actual holiday. For those departments operating five (5) days per week, (Monday – Friday), the holiday will be observed as follows: If the holiday falls on a Sunday, Monday is the holiday. If the holiday falls on a Saturday, Friday is the holiday

**\* Veteran's Day, November 11, 2014** Employees may exchange the Veteran's Day Holiday for the day after Thanksgiving (November 27, 2014) with departments and administrative approval.





**CharterCARE**  
HEALTH PARTNERS

**To: All Department Managers, Supervisors & Employees**  
**From: Adrienne Machado, Director of Human Resources**  
**Date: Monday, December 17, 2018**  
**Subject: 2019 Holiday Schedule**

---

CharterCARE Health Partners will officially observe the following holidays during 2019.

<b>Holiday Schedule 2019</b>		
<b>Holiday</b>	<b>Day</b>	<b>Date</b>
New Year's Day	Tuesday	01/01/2019
Presidents' Day	Monday	02/18/2019
Memorial Day	Monday	05/27/2019
Independence Day	Thursday	07/04/2019
Victory Day	Monday	08/12/2019
Labor Day	Monday	09/02/2019
Columbus Day	Monday	10/14/2019
Veterans Day	Monday	11/11/2019
Thanksgiving Day	Thursday	11/28/2019
Christmas Day	Wednesday	12/25/2019

For those departments operating seven (7) days a week, the holidays will be observed on the actual holiday. Employee would be paid premium pay if they work on the day of the actual holiday.

For those departments operating five (5) days per week, (Monday – Friday), the holiday will be observed as follows:

- If the holiday falls on a Sunday, Monday is the holiday.
- If the holiday falls on a Saturday, Friday is the holiday.

Holiday premium pay will not be paid if a holiday falls on a Saturday or Sunday and the department operating five (5) days per week, (Monday – Friday) is open on the Monday following the Sunday holiday or the Friday before the Saturday holiday.

Plan and Rate Conditions  
Charter CARE Health Partners

Termination/Disability

Benefit Continuation/COBRA

Spouse Voluntary Life

Effective Date: 01/01/2014

Updated 10/17/2013

Updates made to this version:

- Voluntary life plan revised to 1, 1.5, 2, 2.5, or 3 times annual compensation
- Annual enrollment GI amount revised to .15 annual compensation for participating employees
- Added closed class to Voluntary life to grandfather stand alone dependent coverage.

GO YOU



"Cigna," "Cigna Group Insurance" and the "Tree of Life" logo are registered service marks of Cigna Intellectual Property, Inc., licensed for the use by operating subsidiaries of Cigna Corporation. All products and services are provided exclusively by such operating subsidiaries and not by Cigna Corporation. As used in this proposal, these service marks refer to the insurance company which has issued this proposal.

**CharterCARE Health Partners**  
**Long Term Disability Insurance Plan and Rate Confirmation**  
**Policy Number: LK963899**

<b>Eligibility</b>	All active, full-time Exempt & Non-Exempt U.S. Employees of the Employer regularly working a minimum of 30 hours per week.
<b>Monthly Benefit</b>	60% to \$6,000
<b>Benefit Waiting Period</b>	180 days
<b>Definition of Disability</b>	24 Months Own Occupation
<b>Earnings Test</b>	80/80 AND
<b>Taxation of Benefits</b>	Taxable Benefit
<b>Accumulated Sick Leave</b>	Not Included in Benefit Waiting Period
<b>Monthly Minimum Benefit</b>	Greater of \$100 or 10% of benefit
<b>Maximum Benefit Duration</b>	Social Security Normal Retirement Age (SSNRA)
<b>Benefit Reduction Schedule</b>	Social Security Normal Retirement Age
<b>Integration Type</b>	Full Family
<b>Employer Contribution</b>	100%
<b>Survivors Benefits</b>	3 months lump sum
<b>Pre-Existing Condition Limitation</b>	3 months Prior/12 months Insured
<b>Mental Illness Limitation</b>	24 Month Lifetime Limitation
<b>Substance Abuse Limitation</b>	24 Month Lifetime Limitation
<b>Chemical Sensitivity Limitation</b>	No Limitation
<b>Subjective Symptom Limitation</b>	No Limitation
<b>Return to Work Incentive Benefit</b>	Included
<b>Trial Work Days During the Benefit Waiting Period</b>	Unlimited
<b>Rehabilitation Program</b>	Included
<b>Health and Welfare Benefit Deductions</b>	Excluded

**Long Term Disability Rate Summary**

<b>Coverage</b>	<b>Monthly Rate per \$100 of Monthly Covered Payroll</b>
<b>LTD</b>	<b>\$0.526</b>

**Rates are guaranteed for 3 Years**

**CharterCARE Health Partners**  
**Basic Term Life Insurance Plan and Rate Confirmation**  
**Policy number: FLX965636**

<b>Eligibility</b>	Class 1: All active, full-time exempt U.S. Employees of the Employer regularly working a minimum of 20 hours per week. Class 2: All active, full-time & part-time non-exempt U.S. Employees of the Employer regularly working a minimum of 20 hours per week..
<b>Basic Life Benefit</b>	Class 1: The lesser of 2 times annual compensation rounded to the nearest \$1,000 to a maximum of \$600,000 Class 2: The lesser of 1.5 times annual compensation rounded to the nearest \$1,000 to a maximum of \$600,000
<b>Guaranteed Issue Amount</b>	Class 1: The lesser of 2 times annual compensation rounded to the nearest \$1,000 to a maximum of \$600,000 Class 2: The lesser of 1.5 times annual compensation rounded to the nearest \$1,000 to a maximum of \$600,000
<b>Minimum Benefit</b>	Class 1: No minimum benefit Class 2: No minimum benefit
Benefits below apply to the following classes: Class 1, Class 2	
<b>Benefit Reduction Schedule</b> <i>[Percentage of reduction is from original amount]</i>	65% @ age 70, 50% @ age 75
<b>Waiver of Premium with Extended Death Benefit</b>	Must be totally disabled before age 60 9 month waiting period Benefit provided to age 65 Eligibility for Waiver of Premium continues if the group policy is terminated Extended Death Benefit coverage during elimination period, no premiums required during this time
<b>Continuation for Disability Age 60+</b>	Life coverage continued for a disabled employee over the age of 60 on a continuing premium paying basis for up to 12 months
<b>Terminal Illness</b>	The lesser of 75% up to 450,000 for Basic benefits Coverage available for employees and spouses
<b>Conversion</b>	Included
<b>Beneficiary Designation</b>	Insurance company will recognize prior beneficiary designations or pay according to succession schedule (if no beneficiary has been designated)

**BASIC TERM LIFE RATE SUMMARY PER \$1,000**

Coverage	Rate
Basic Employee Life	\$0.108

Rates are guaranteed for 3 Years

**CharterCARE Health Partners**  
**Voluntary Term Life Insurance Plan and Rate Confirmation**  
**Policy number: FLX965636**

<b>Eligibility</b>	Class 1: All active, full-time & part-time U.S. Employees of the Employer regularly working a minimum of 20 hours per week. Class 2: Active full-time or part-time Employees of the Employer who had stand alone dependent coverage with the Prior Carrier as of 12/1/2013, and are on file with the Employer and Insurance Company
<b>Voluntary Life Benefit</b>	1, 1.5, 2, 2.5 or 3 times base annual salary to a maximum of \$300,000
<b>Guaranteed Issue Amount</b>	The lesser of 2 times annual compensation to a maximum of \$200,000
<b>Minimum Benefit</b>	\$5,000
<b>Benefit Reduction Schedule [Percentage of reduction is from original amount]</b>	65% @ age 70, 50% @ age 75
<b>Waiver of Premium with Extended Death Benefit</b>	Must be totally disabled before age 60 9 month waiting period Benefit provided to age 65 Eligibility for Waiver of Premium continues if the group policy is terminated Extended Death Benefit coverage during elimination period, no premiums required during this time
<b>Continuation for Disability Age 60+</b>	Life coverage continued for a disabled employee over the age of 60 on a continuing premium paying basis for up to 12 months
<b>Portability</b>	Employee and covered dependents Coverage ends at age 70 Inforce amounts do not require medical underwriting. Increases in coverage are allowed up to plan max with medical underwriting
<b>Terminal Illness</b>	The lesser of 75% up to 225,000 for Voluntary benefits Coverage available for employees and spouses
<b>Participation Requirement</b>	30% of eligible employees Voluntary coverage will not take effect if enrollment is less than 30% of eligible employees
<b>Initial Enrollment Events</b>	Initial Open Enrollment: Evidence of Insurability is required for amounts in excess of the Guaranteed Issue for all eligible employees as outlined below GI: The lesser of 2 times annual compensation to a maximum of \$200,000
<b>Ongoing Enrollment Events</b>	Re-Enrollment: Evidence of Insurability is required for amounts in excess of the Guaranteed Issue for all participating employees as outlined below Annual Enrollment: option to take an annual increase of 0.5 times annual compensation up to plan GI maximum
<b>Suicide Exclusion</b>	We do not pay death benefits if insured commits suicide during first two years of coverage. This two year suicide exclusion also applies to all later increases in coverage
<b>Conversion</b>	Included
<b>Beneficiary Designation</b>	Insurance company will recognize prior beneficiary designations or pay according to succession schedule (if no beneficiary has been designated)
<b>Employee Contribution</b>	100%

**Voluntary Dependent Term Life  
Policy number:,FLX965636**

<b>Eligibility</b>	Class 1 Only: Employee's Spouse and Child(ren) are eligible for Voluntary Dependent Life coverage <b>only</b> if the Employee is participating in the Voluntary Employee Life plan. Standalone coverage for Employee's Spouse and./or Child is for Class 2 only. Closed class
<b>Spouse Life Benefit</b>	Units of \$10,000, \$25,000 or \$50,000
<b>Child Life Benefit</b>	birth to 14 days: \$500 15 days to 19 years: Units of \$5,000 to \$10,000 25 years (if full time student)
<b>Guaranteed Issue Amount</b>	Spouse: \$50,000 Child: All guaranteed issue

**VOLUNTARY LIFE INSURANCE RATES \$1,000**

<b>Benefit</b>	<b>Premium Rate</b>
Voluntary Term Life Employee	See the following Step-Rate Table
Voluntary Spouse	See the following Step-Rate Table
Voluntary Child	\$0.12

**VOLUNTARY LIFE INSURANCE STEP RATES \$1,000 FOR EMPLOYEE/SPOUSE**

<b>Age</b>	<b>Employee and Spouse</b>
<20	\$0.06
20-24	\$0.06
25-29	\$0.07
30-34	\$0.08
35-39	\$0.10
40-44	\$0.12
45-49	\$0.19
50-54	\$0.43
55-59	\$0.65
60-64	\$0.78
65-69	\$1.27
70-74	\$2.06
75-79	\$2.06
80-84	\$2.06
85-89	\$2.06
90-94	\$2.06
95-99	\$2.06

Rates are guaranteed for 3 Years

**PORTED LIFE INSURANCE STEP RATES PER \$1,000 FOR EMPLOYEE AND SPOUSE**

<b>Age</b>	<b>Rate</b>
<20	\$0.153
20-24	\$0.144
25-29	\$0.153
30-34	\$0.177
35-39	\$0.190
40-44	\$0.243
45-49	\$0.384
50-54	\$0.726
55-59	\$1.347
60-64	\$2.461
65-69	\$4.065
70-74	-
75-79	-
80-84	-
85-89	-
90-94	-
95-99	-

Rates for ported insureds are based on the company's pooled experience for ported certificates and are higher than active employee rates. Rates for ported insureds are renewed annually and are not subject to any rate guarantee proposed for active employees.

**CharterCARE Health Partners**  
**Basic Accident Insurance Plan and Rate Confirmation**  
**Policy number: OK967220**

<b>Eligibility</b>	Class 1: All active, full-time exempt U.S. Employees of the Employer regularly working a minimum of 20 hours per week. Class 2: All active, full-time & part-time non-exempt U.S. Employees of the Employer regularly working a minimum of 20 hours per week.
<b>Basic AD&amp;D</b>	Class 1: 2 times Base Annual Earnings rounded to the next higher \$1,000 subject to a maximum of \$600,000 Class 2: 1.5 times Base Annual Earnings rounded to the next higher \$1,000 subject to a maximum of \$600,000
<b>Coverage</b>	Basic, Employer paid 24 hour accidental death and dismemberment benefits.
<b>Loss of Life</b>	100% of the Principal Sum
<b>Dismemberment</b>	
Loss of Two or More Hands or Feet	100% of the Principal Sum
Loss of Sight of Both Eyes	100% of the Principal Sum
Loss of Speech and Hearing (in both ears)	100% of the Principal Sum
Quadriplegia (Total paralysis of upper and lower limbs)	100% of the Principal Sum
Paraplegia (Total paralysis of both lower limbs)	75% of the Principal Sum
Hemiplegia (Total paralysis of upper and lower limbs on one side of the body)	50% of the Principal Sum
Uniplegia (Total paralysis of one upper or one lower limb)	25% of the Principal Sum
Loss of One Hand or Foot	50% of the Principal Sum
Loss of Sight in One Eye	50% of the Principal Sum
Severance and Reattachment of One Hand or Foot	50% of the Principal Sum
Loss of Speech	50% of the Principal Sum
Loss of Hearing (in both ears)	50% of the Principal Sum
Loss of Thumb and Index Finger of the Same Hand	25% of the Principal Sum
Loss of all Four Fingers of the Same Hand	25% of the Principal Sum
Loss of all Toes of the Same Foot	20% of the Principal Sum
<b>Coma</b>	
Monthly Benefit	1% of the Principal Sum
Number of Monthly Benefits	11
When Payable	At the end of each month during which the Covered Person remains comatose
Lump Sum Benefit	100% of the Principal Sum
When Payable	Beginning of the 12 month
<b>Conversion</b>	Up to age 70
<b>Extension of Benefits</b>	
Coverage expansion for the following circumstances:	
• Exposure & Disappearance - loss occurs due to exposure; disappearance & not found within one year	
<b>Age Reduction Schedule</b>	65% @ age 65, 50% @ age 70
<b>Additional Benefits</b>	
<b>Child Day Care</b>	Reimburse child care expenses if the Employee or covered spouse dies & is survived by a Covered Dependent Child Additional 2.5% of principal sum; maximum \$2,500 per year;



	for 4 years or until age 13, whichever occurs first
<b>Common Carrier</b>	Loss occurs while riding as a passenger in, or being struck by, a common carrier. Additional 100% of principal sum to \$600,000
<b>Felonious Assault/ Violent Crime</b>	Loss occurs while on business for/or on the premises of their employer Additional 25% of principal sum to \$10,000
<b>Seatbelt / Airbag</b>	Covered Person dies directly and independently of all other causes from a Covered Accident while wearing a seatbelt and riding in a private passenger automobile. If seatbelt benefit is payable, an additional benefit is provided if Covered Person was also positioned in a seat protected by a properly –functioning and properly deployed Supplemental Restraint System Airbag. Seatbelt: Additional 10% of the principal sum to a maximum of \$10,000 Airbag: Additional 10% of the principal sum to a maximum of \$10,000
<b>Special Education Benefit I (Child)</b>	We will pay the Benefit below for each qualifying Dependent Child of a Covered Person whose death resulted from a Covered Accident, if the child enrolls as a full-time student at an accredited school of higher learning within 365 days from the date of the Covered Accident, continues his education as a full-time student and incurs expenses for tuition, fees, books, room and board, transportation and any other costs payable directly to, or approved and certified by, such school. Additional 2.5% of Principal Sum, up to a maximum of \$2,500 per year for up to 4 years If no dependent child qualifies we will pay the following default amount: \$1,000
<b>Spouse Training</b>	Reimburse covered Spouse who receives education/training for employment within three years of the covered employee's death as a result of a loss Additional 10% of principal sum to \$3,000
<b>Employee Contribution</b>	Non-contributory

### BASIC ACCIDENT RATE SUMMARY

Coverage	Rate/\$1,000
Class 1	\$0.015
Class 2	\$0.015

Rate is guaranteed for 36 Months

**CharterCARE Health Partners**  
**Voluntary Accident Insurance Plan and Rate Confirmation**  
**Policy number: OK967220**

<b>Eligibility</b>	All active full-time & part-time Employees of the Employer regularly working a minimum of 30 hours per week.
<b>Benefits:</b>	
<b>Employee Benefit Maximum</b>	Amounts chosen on voluntary life policy FLX 965636
<b>Coverage</b>	Voluntary, Employee paid, 24 Hour Accidental Death & Dismemberment Benefits. Other enhancements will be defined in the policy.
<b>Loss of Life</b>	100% of the Principal Sum
<b>Dismemberment</b>	
Loss of Two or More Hands or Feet	100% of the Principal Sum
Loss of Sight of Both Eyes	100% of the Principal Sum
Loss of Speech and Hearing (in both ears)	100% of the Principal Sum
Quadriplegia (Total paralysis of upper and lower limbs)	100% of the Principal Sum
Paraplegia (Total paralysis of both lower limbs)	75% of the Principal Sum
Hemiplegia (Total paralysis of upper and lower limbs on one side of the body)	50% of the Principal Sum
Uniplegia (Total paralysis of one upper or one lower limb)	25% of the Principal Sum
Loss of One Hand or Foot	50% of the Principal Sum
Loss of Sight in One Eye	50% of the Principal Sum
Severance and Reattachment of One Hand or Foot	50% of the Principal Sum
Loss of Speech	50% of the Principal Sum
Loss of Hearing (in both ears)	50% of the Principal Sum
Loss of Thumb and Index Finger of the Same Hand	25% of the Principal Sum
Loss of all Four Fingers of the Same Hand	25% of the Principal Sum
Loss of all Toes of the Same Foot	20% of the Principal Sum
<b>Coma</b>	
Monthly Benefit	1% of the Principal Sum
Number of Monthly Benefits When Payable	11
Lump Sum Benefit When Payable	At the end of each month during which the Covered Person remains comatose 100% of the Principal Sum Beginning of the 12 month
<b>Conversion</b>	Up to age 70
<b>Extension of Benefits</b>	
Coverage expansion for the following circumstances:	
• Exposure & Disappearance - loss occurs due to exposure; disappearance & not found within one year	
<b>Age Reduction Schedule</b>	65% @ age 65, 50% @ age 70
<b>Additional Benefits</b>	
<b>Child Day Care</b>	Reimburse child care expenses if the Employee or covered spouse dies & is survived by a Covered Dependent Child Additional 2.5% of principal sum; maximum \$2,500 per year; for 4 years or until age 13, whichever occurs first
<b>Common Carrier</b>	Loss occurs while riding as a passenger in, or being struck by, a common carrier. Additional 100% of principal sum to \$300,000

<b>Felonious Assault/ Violent Crime</b>	Loss occurs while on business for/or on the premises of their employer Additional 25% of principal sum to \$10,000
<b>Seatbelt / Airbag</b>	Covered Person dies directly and independently of all other causes from a Covered Accident while wearing a seatbelt and riding in a private passenger automobile. If seatbelt benefit is payable, an additional benefit is provided if Covered Person was also positioned in a seat protected by a properly –functioning and properly deployed Supplemental Restraint System Airbag. Seatbelt: Additional 10% of the principal sum to a maximum of \$10,000 Airbag: Additional 10% of the principal sum to a maximum of \$10,000
<b>Special Education Benefit I (Child)</b>	We will pay the Benefit below for each qualifying Dependent Child of a Covered Person whose death resulted from a Covered Accident, if the child enrolls as a full-time student at an accredited school of higher learning within 365 days from the date of the Covered Accident, continues his education as a full-time student and incurs expenses for tuition, fees, books, room and board, transportation and any other costs payable directly to, or approved and certified by, such school. Additional 2.5% of Principal Sum, up to a maximum of \$2,500 per year for up to 4 years Additional 2.5% of Principal Sum, up to a maximum of \$2,500 per year for up to 4 years
<b>Spouse Training</b>	Reimburse covered Spouse who receives education/training for employment within three years of the covered employee's death as a result of a loss Additional 10% of principal sum to \$3,000

**VOLUNTARY ACCIDENT RATE SUMMARY**

<b>Coverage</b>	<b>Rate/\$1,000</b>
Employee Only	\$0.03

**Rates are guaranteed for 36 Months**

CharterCARE Health Partners  
10/17/2013

CIGNA Group Insurance contract language will be used without modification. CIGNA Group Insurance will not duplicate the existing policy language but will attempt to match the intent of disclosed policy provisions at the time of quote. This document is neither an insurance contract nor an agreement for administrative insurance services. You will receive a contract of insurance, plan documents, and/or service agreement that describes the final benefit and service selections agreed by you and CIGNA Group Insurance. This is a working document that is used to finalize and capture plan design details for the purpose of creating the policies/agreement for your coverages. This is not for distribution to Employees.

I confirm receipt of the benefit and rate confirmation from the referenced insurance company and hereby acknowledge the accuracy of the plan, coverage and rate information contained above. Please proceed with the implementation of the selected insurance coverage(s).

Brenda Ketner

Authorized Employer/Producer Representative  
(print)

10/25/13

Date Accepted

Bketner

Authorized Employer/Producer Representative  
(sign)

CharterCARE Health Partners  
 Roger Williams Medical Center and St. Joseph Health Services  
 Match Formula Study

Study Assumptions:

- Employees who defer, but are per diem or on leave were removed
- Match proposed by Prospect Hospital:
  - 50% of deferrals on the first 4% of compensation (No minimum deferral % required)
  - Estimated Cost for those participating is \$1,135,994
- Alternative 1: Roger Williams Medical Center (“RWMC”) and St. Joseph’s Hospital (“SJH”) are all eligible for the following match, if they elect to defer at least 3% of Pay:
  - < 1 Year of Service (“YOS”)      0.00% of Pay
  - 1 – 5 YOS                                      2.00% of Pay
  - 6 – 10 YOS                                    3.00% of Pay
  - 11 – 20 YOS                                4.00% of Pay
  - 21 or more YOS                            5.00% of Pay
- Alternative 2: SJH is eligible for the above formula, but RWMC participants will receive the following match if they defer 2% of Pay:
  - < 5 YOS                                      .50% of Pay
  - 6 – 10 YOS                                    1% of Pay
  - 11 – 15 YOS                                1.5% of Pay
  - 16 or more YOS                            2% of Pay

Results:

- Estimated Cost of match based on Existing participation levels:

	Alternative 1	Alternative 2
RWMC:	\$879,317	\$372,130
SJH (non union)	\$1,121,955	\$1,121,955
SJH (UNAP)	\$23,400*	\$23,400*

\*This amount will increase with the addition of UNAP employees who were previously benefiting under the SJH Defined Benefit Plan.

- Estimated Cost of match based on 2% Budget proposed by Prospect Hospital:

2% Estimate:	\$2,273,168
Alternative 1 Estimate:	\$3,681,058
Alternative 2 Estimate:	\$2,791,218

The final match formula will be subject to coverage testing under Section 410(b) of the Internal Revenue Code (“IRC”) and Nondiscrimination testing under Section 401(m) of the IRC. Additional benefits rights and a feature testing under Section 401(a)(4) of the IRC is required for the tiered match formulas outlined above.

This study is for illustrative purposes only. Changes to the data will impact the results.

# Voluntary Life and AD&D Insurance Overview

Prepared for the employees of CharterCARE Health Partners



## Voluntary Term Life Insurance Coverage – paid by you

**Employee** – If you are an active employee and work at least 20 hours per week for your employer, you are eligible for coverage on or following your date of hire.

- Benefit Amount – 1x, 1.5x, 2x, 2.5x, or 3x Annual Compensation
- Guaranteed Coverage Amount – the lesser of 2x Annual Compensation rounded to the next higher \$1,000 or \$200,000
- Maximum – The lesser of 3x Annual Compensation rounded to the next higher \$1,000 or \$300,000
- Benefit Reduction Schedule – Providing you are still employed, your benefits will reduce to 65% at age 70, 50% at age 75

**Your Spouse\*** — Spouse is eligible provided that the employee applies for and is approved for coverage.

- Benefit Amount – Units of \$10,000, \$25,000, or \$50,000
- Guaranteed Coverage Amount - \$50,000
- Maximum – \$50,000

**Your Unmarried, Dependent Children** — Under age 19 (or under age 25 if they are full-time students), as long as the employee applies for and is approved for coverage:

- Benefit Amount – Units of \$5,000-\$10,000
- Maximum – \$10,000 (All Guaranteed Coverage)

*\*For purposes of this brochure, wherever the term Spouse appears it shall also include Domestic Partner or Civil Union Partner. Your domestic partner is eligible for insurance if he or she meets specific criteria stated in the Group Policy. Additional information is available from your Benefit Services Representative.*

## Guaranteed Coverage for Voluntary Term Life Insurance Coverage

Guaranteed Coverage Amount is the amount of coverage you can elect without answering any medical questions or taking a health exam. Guaranteed Coverage is only available during Initial Enrollment and other times as approved. If you apply for coverage that is above the Guaranteed Coverage Amount, or if you are applying for coverage after 31 days after you become eligible, you must fill out a Medical Evidence of Insurability form. All dependent child benefits are guaranteed issue.

## How Much Your Coverage will Cost per Month

Age	Employee Cost Per \$1,000	Spouse Cost Per \$1,000	Age	Employee Cost Per \$1,000	Spouse Cost Per \$1,000	Benefit	Premium Cost
<24	\$0.09	\$0.06	65-69	\$1.30	\$1.27	Voluntary Child per \$1,000 of Coverage Elected	\$0.12
25-29	\$0.10	\$0.07	70-74	\$2.09	\$2.06		
30-34	\$0.11	\$0.08	75-79	\$2.09	\$2.06		
35-39	\$0.13	\$0.10	80-84	\$2.09	\$2.06		
40-44	\$0.15	\$0.12	85-89	\$2.09	\$2.06		
45-49	\$0.22	\$0.19	90-94	\$2.09	\$2.06		
50-54	\$0.46	\$0.43	95-99	\$2.09	\$2.06		
55-59	\$0.68	\$0.65	-				
60-64	\$0.81	\$0.78	-				

\* Costs are subject to change

\*\* Employee costs include \$0.03 Voluntary AD&D rate

### Cost Calculation Example

	Age	Monthly Cost per \$1,000		Benefit				Monthly Cost	Weekly Cost
<b>Example</b>	<b>33</b>	<b>.11</b>	<b>X</b>	<b>200,000</b>	<b>÷</b>	<b>1,000</b>	<b>=</b>	<b>\$22.00</b>	<b>\$5.50</b>
<i>Yours</i>			X		÷	1,000	=		
<i>Spouse</i>			X		÷	1,000	=		

## Other Coverage Features

### Accelerated Death Benefit — Terminal Illness

If you or your spouse is diagnosed by two unaffiliated physicians as terminally ill with a life expectancy of 12 months or less, the benefit for terminal illness provides for up to 75% of the Term Life Insurance coverage amount in force or \$225,000, whichever is less, to be paid to the insured. This benefit is payable only once in the insured's lifetime, and will reduce the life insurance death benefit.

You are considered disabled if, because of injury or sickness, you are unable to perform all the material duties of your Regular Occupation, or you are receiving disability benefits under your Employer's plan.

### Extended Death Benefit

The extended death benefit ensures that if you become disabled prior to age 60, and die before it is determined if you qualify for Waiver of Premium, we will pay the life insurance benefit if you remain disabled during that period. If you qualify for this benefit and have insured your spouse or children, their coverage is also extended. No additional premium payment is required for the extended coverage.

### Continuation for Disability for Employees Age 60 or over

If your active service ends due to disability, at age 60 or over, your coverage will continue while you are disabled. Benefits will remain in force until the earliest of: the date you are no longer disabled, the date the policy terminates, the date you are Disabled for 12 consecutive months, or the day after the last period for which premiums are paid.

### Waiver of Premium

If you are totally disabled prior to age 60 and can't work for at least 9 months, you won't need to pay premiums for your coverage while you are disabled, provided the insurance company approves you for this benefit. You are

considered totally disabled when you are completely unable to engage in any occupation for wage or profit because of injury or sickness. This benefit will remain in force until age 65, subject to proof of continuing disability each year. If you qualify and have insured your spouse or children, their premium is also waived.

**Conversion**

If group life insurance coverage is reduced or ends for any reason except nonpayment of premiums, you can convert to an individual policy. To convert, you must apply for the conversion policy and pay the first premium payment within 31 days after your group coverage ends. Family members may convert their coverage as well. Converted policies are subject to certain benefits and limits as outlined in the

conversion brochure which may be requested as needed. Premiums may change at this time.

**Portability**

This plan allows you to continue all of your voluntary coverage if you leave your employer. Premiums may change at this time. Just pay your premiums directly to the insurance company. Coverage may be continued for you and your spouse until age 70. Coverage may also be continued for your children.

**Exclusions**

Voluntary life insurance will not be paid if loss of life is the result of suicide that occurs within the first two years of coverage.

## Voluntary AD&D Insurance Coverage

**Voluntary AD&D Insurance Coverage – paid by you; automatically elected if choosing Voluntary Life Employee Only-** If you are an active employee and work at least 20 hours per week for your employer, you are eligible for coverage on or following your date of hire.

- Benefit Amount – 1x, 1.5x, 2x, 2.5x, or 3x Annual Compensation
- Maximum – The lesser of 3x Annual Compensation rounded to the next higher \$1,000 or \$300,000
- Benefit Reduction Schedule – Providing you are still employed, your benefits will reduce to 65% at age 70, 50% at age 75

**A Valuable Combination of Benefits**

To help survivors of severe accidents adjust to new living circumstances, we will pay benefits according to the chart below.

<b>If, within 365 days of a covered accident, bodily injuries result in:</b>	<b>We will pay this % of the benefit amount:</b>
Loss of life	100%
Total paralysis of upper and lower limbs, or Loss of any combination of two: hands, feet or eyesight, or Loss of speech and hearing in both ears	100%
Total paralysis of both lower or upper limbs	75%
Total paralysis of upper and lower limbs on one side of the body, or Loss of hand, foot or sight in one eye, or Loss of speech or loss of hearing in both ears, or Severance and Reattachment of one hand or foot	50%
Total paralysis of one upper or lower limb, or Loss of all four fingers of the same hand, or Loss of thumb and index finger of the same hand	25%
Loss of all toes of the same foot	20%

*Only one benefit (the largest) will be paid for losses from the same accident.*



## Additional Benefits of AD&D Insurance

### For Wearing a Seatbelt & Protection by an Airbag

Additional 10% benefit but not more than \$10,000 if the covered person dies in an automobile accident while wearing a seatbelt or approved child restraint. We will increase the benefit by an additional 10% but not more than \$10,000 if the insured person was also positioned in a seat protected by a properly-functioning and properly deployed Supplemental Restraint System (Airbag).

### For Comas

1% of full benefit amount, for up to 11 months, if you are in a coma for 30 days or more as a result of a covered accident. If the covered person is still in a coma after 11 months, or dies, the full benefit amount will be paid.

### For Exposure & Disappearance

Benefits are payable if you suffer a covered loss due to unavoidable exposure to the elements as a result of a covered accident.

If your body is not found within one year of the disappearance, wrecking or sinking of the conveyance in which you or an insured family member were riding, on a trip otherwise covered, it will be presumed that you sustained loss of life as a result of a covered accident.

### For Furthering Education

We will pay the Benefit below for each qualifying Dependent Child of a Covered Person whose death resulted from a Covered Accident, if the child enrolls as a full-time student at an accredited school of higher learning within 365 days from the date of the Covered Accident, continues his education as a full-time student and incurs expenses for tuition, fees, books, room and board, transportation and any other costs payable directly to, or approved and certified by, such school.

Additional 2.5% of Principal Sum, up to a maximum of \$2,500 per year for up to 4 years.

If no dependent child qualifies we will pay the following default amount: \$1,000.

### For Child Care Expenses

Reimburse child care expenses if the Employee dies & is survived by a Covered Dependent Child.

Additional 2.5% of principal sum; maximum \$2,500 per year; for 4 years or until age 13, whichever occurs first.

### For Training for Your Spouse

If you die from a covered accident, your spouse will receive education/training for employment within three years of the covered employee's death as a result of a loss. Additional 10% of principal sum to \$3,000.

### What is Not Covered

Self-inflicted injuries or suicide while sane or insane; commission or attempt to commit a felony or an assault; any act of war, declared or undeclared; any active participation in a riot, insurrection or terrorist act; bungee jumping; parachuting; skydiving; parasailing; hang-gliding; sickness, disease, physical or mental impairment, or surgical or medical treatment thereof, or bacterial or viral infection; voluntarily using any drug, narcotic, poison, gas or fumes except one prescribed by a licensed physician and taken as prescribed; while operating any type of vehicle while under the influence of alcohol or any drug, narcotic or other intoxicant including any prescribed drug for which the covered person has been provided a written warning against operating a vehicle while taking it; while the covered person is engaged in the activities of active duty service in the military, navy or air force of any country or international organization (this does not include Reserve or National Guard training, unless it extends beyond 31 days); traveling in an aircraft that is owned, leased or controlled by the sponsoring organization or any of its subsidiaries or affiliates; air travel, except as a passenger on a regularly scheduled commercial airline or in an aircraft being used by the Air Mobility Command or its foreign equivalent; being flown by the covered person or in which the covered person is a member of the crew.

### When Your Coverage Begins and

### **Ends**

Coverage becomes effective on the later of the program's effective date, the date you become eligible, the date we receive your completed enrollment form, or the date you authorize any necessary payroll deductions. Your coverage will not begin unless you are actively at work on the effective date. Dependent coverage will not begin for any dependent who on the effective date is hospital or home confined; receiving chemotherapy or radiation treatment; or disabled and under the care of a physician. Coverage will continue while you and your dependents remain eligible, the group policy is in force, and required premiums are paid.

### **Conversion**

If, before you reach age 70, this group coverage is reduced or ends for any reason except non-payment of premium or age, you can convert to an individual policy. No medical certification is needed. To continue coverage, you must apply for the conversion policy and pay the first premium in effect for your age and occupation within 31 days after your group coverage ends. Converted policies are subject to certain benefits and limits as outlined in your certificate, should you become insured under the plan.

This information is a brief description of the important features of the plan. It is not a contract. Terms and conditions of coverage are set forth in Group Policy No. FLX965636 and Group Policy No. OK967220. Please refer to your Certificate of Insurance or Summary Plan Description for more detailed information. Coverage is underwritten by Life Insurance Company of North America, a Cigna company. "Cigna" and the Tree of Life logo are registered service marks of Cigna Intellectual Property, Inc. © Cigna 2013

Case #: QK62893

THIS SPECIMEN PLAN DOCUMENT HAS BEEN PREPARED BY TRANSAMERICA RETIREMENT SOLUTIONS CORPORATION SOLELY AS A GUIDE FOR THE EMPLOYER'S ATTORNEY, SUBJECT TO HIS OR HER LEGAL REVIEW AND ADVICE.

IN ADOPTING THE PLAN, CERTAIN FORMAL STEPS SHOULD BE TAKEN TO CONFIRM THE VALIDITY AND EFFECTIVE DATE OF SUCH ADOPTION. AS A GENERAL RULE, IT IS ADVISABLE TO RECORD IN THE MINUTES OF A MEETING OF THE EMPLOYER'S BOARD OF DIRECTORS A BRIEF SUMMARY OF THE ACTION TAKEN WITH RESPECT TO THE PLAN AS WELL AS A RECITATION OF THE ADOPTION DATE AND THE EFFECTIVE DATE, IF DIFFERENT. OF COURSE, THE ULTIMATE RESPONSIBILITY FOR THE TIMELY AND PROPER ADOPTION OF THE PLAN RESTS WITH THE EMPLOYER AND ITS ATTORNEY.

GENERALLY, PLAN DOCUMENTS MUST BE ADOPTED BY THE END OF THE CURRENT PLAN YEAR IN WHICH THEY ARE EFFECTIVE OR, DEPENDING UPON THE PROVISIONS OF THE PLAN, PRIOR TO THE EFFECTIVE DATE OR THE AMENDED AND RESTATED EFFECTIVE DATE OF THE PLAN. **NOTE THAT FOR YOUR PLAN, IT MUST BE ADOPTED (I.E., DATED AND EXECUTED) BY THE DATE DESIGNATED BELOW.**

*THIS PLAN MUST BE ADOPTED (SIGNED AND DATED) BY DECEMBER 31, 2014.*

**ADOPTION AGREEMENT FOR THE  
TRANSAMERICA RETIREMENT SOLUTIONS CORPORATION  
VOLUME SUBMITTER 401(K) PROFIT SHARING PLAN**

The undersigned Employer (the "Sponsoring Employer") hereby adopts the Transamerica Retirement Solutions Corporation Volume Submitter 401(k) Profit Sharing Plan (the "Plan"), and hereby elects the following provisions:

**I. EMPLOYER INFORMATION**

**A. SPONSORING EMPLOYER INFORMATION**

1. Sponsoring Employer Name: Prospect CharterCare, LLC
2. Sponsoring Employer Address: 825 Chalkstone Avenue  
Providence, RI 02908
3. Sponsoring Employer Phone Number: 401-456-2000
4. Sponsoring Employer Taxpayer Identification Number (EIN): 37-1747940
5. Sponsoring Employer's Tax Year End: December 31st
6. Business Code: 621111

**B. TYPE OF ENTITY**

- |  |  |
|--|--|
| 1. <input type="checkbox"/> Corporation                              | 5. <input type="checkbox"/> S Corporation  |
| 2. <input type="checkbox"/> Partnership                              | 6. <input type="checkbox"/> Professional Service Corporation   |
| 3. <input type="checkbox"/> Sole Proprietor                          | 7. <input type="checkbox"/> Limited Liability Partnership  |
| 4. <input checked="" type="checkbox"/> Limited Liability Corporation | 8. <input type="checkbox"/> Other (must be a legal entity recognized under federal income tax laws): _____ |

**C. CONTROLLED/AFFILIATED GROUP STATUS. Is the Sponsoring Employer a member of a controlled group or an affiliated service group (within the meaning of Code § 414(b), (c), or (o))?**

1.  No.
2.  Yes, the Employer is a member of (select all that apply):
  - a.  A controlled group.
  - b.  An affiliated service group.(If option #2 is selected, complete a Participation Agreement for each Related Participating Employer that is participating under the Plan.)

**D. MULTIPLE EMPLOYER PLAN. Is the Plan a multiple employer plan as defined in Code § 413(c)?**

1.  No.
2.  Yes.  
(If option #2 is selected, complete a Participation Agreement for each Unrelated Participating Employer that is participating under the Plan.)

**E. DAVIS-BACON PLAN. Is the Plan intended to be a Davis-Bacon Plan?**

1.  No.
2.  Yes.  
(If option #2 is selected, also complete Appendix D.)

**II. PLAN INFORMATION**

- A. NAME OF PLAN: Prospect CharterCare, LLC 401(k) Plan**

B. **PLAN NUMBER:** 001

C. **PLAN YEAR**

1. The Plan Year is (indicate a 12-month period - e.g., January 1 – December 31): January 1<sup>st</sup> – December 31<sup>st</sup>

2.  If applicable, the Plan will have a short Plan Year beginning on \_\_\_\_\_ and ending on \_\_\_\_\_ (indicate a period that is less than 12 months - e.g., September 1, 2012 – December 31, 2012). Thereafter, the Plan Year will end on the date specified in 1. above.

D. **LIMITATION YEAR.** Unless otherwise elected below, the Limitation Year will be the Plan Year.

1. The Limitation Year is (indicate a 12-month period - e.g., June 1 – May 31): \_\_\_\_\_

2.  If applicable, the Plan will have a short Limitation Year beginning on \_\_\_\_\_ and ending on \_\_\_\_\_ (indicate a period that is less than 12 months - e.g., September 1, 2012 – December 31, 2012). Thereafter, the Limitation Year will end on the date specified in 1. above.

E. **EFFECTIVE DATE**

1.  This is a new Plan effective \_\_\_\_\_.

2.  This is an amendment and restatement of a plan that was originally effective June 20, 2014. The effective date of this amendment and restatement is January 1, 2015. (**Note:** The Effective Date cannot be earlier than the first day of the Plan Year in which the amendment and restatement is adopted.)

3.  Frozen Plan: This Plan was frozen effective \_\_\_\_\_. (After this date, the Employer and Participants may not contribute to the Plan and otherwise eligible Employees may not become Participants. All existing account balances will become fully vested as of the effective date of the freeze stated above.)

F. **PLAN ADMINISTRATOR**

(If none is named, the Sponsoring Employer will be the Plan Administrator.)

1. Plan Administrator Name: Prospect CharterCare, LLC

2. Plan Administrator Address: 825 Chalkstone Avenue  
Providence, RI 02908

3. Plan Administrator Telephone: 401-456-2000

G. **NAMED FIDUCIARY**

(If none is named, the Sponsoring Employer will be the Named Fiduciary.)

1. Named Fiduciary Name: Prospect CharterCare, LLC

2. Named Fiduciary Address: 825 Chalkstone Avenue  
Providence, RI 02908

3. Named Fiduciary Telephone: 401-456-2000

**Note:** The Named Fiduciary has the authority to control and manage the operation and administration of the Plan, including the power to appoint the Plan Administrator.

H. **CONTRIBUTION TYPES.** The following contribution types are allowed and currently being made under this Plan (select all that apply):

1.  Elective Deferrals.
2.  Roth Elective Deferrals.
3.  Voluntary After-Tax Contributions.

- 4.  Required After-Tax Contributions.
- 5.  Rollover Contributions.
- 6.  Matching Contributions (Match #1).
- 7.  Matching Contributions (Match #2).
- 8.  Nonelective Contributions (Nonelective #1).
- 9.  Nonelective Contributions (Nonelective # 2).
- 10.  Non-QACA Safe Harbor Matching Contributions.
- 11.  Non-QACA Safe Harbor Nonelective Contributions.
- 12.  QACA Safe Harbor Matching Contributions.
- 13.  QACA Safe Harbor Nonelective Contributions.
- 14.  Qualified Matching Contributions (QMACs).
- 15.  Qualified Nonelective Contributions (QNECs).

**Note:** Any frozen contribution types under the Plan should be indicated separately in Appendix B.

**III. ELIGIBILITY AND PARTICIPATION**

A. **EMPLOYEE EXCLUSIONS.** All Employees are eligible to participate in the Plan **EXCEPT** for the following (complete using the employee exclusions specified below for each contribution type):

<b>Contribution Type</b>	<b>Employee Exclusions</b>
1. All Contributions	
2. Elective Deferrals/Roth Elective Deferrals	c, g, j, l(i), l(ii), l(v)
3. Voluntary After-Tax Contributions	
4. Required After-Tax Contributions	
5. Matching Contributions (Match #1)	c, g, j, l(i), l(ii), l(iii), l(v)
6. Matching Contributions (Match #2)	c, g, j, l(i), l(ii), l(iv), l(v)
7. Nonelective Contributions (Nonelective #1)	
8. Nonelective Contributions (Nonelective #2)	
9. Non-QACA Safe Harbor Matching Contributions	
10. Non-QACA Safe Harbor Nonelective Contributions	
11. QACA Safe Harbor Matching Contributions	
12. QACA Safe Harbor Nonelective Contributions	
13. QMACs	
14. QNECs	

**Employee Exclusions:**

- a. No exclusions.
- b. Union Employees (unless participation in this Plan is specifically provided for in the collective bargaining agreement).
- c. Nonresident aliens with no U.S. source income.
- d. Employees compensated on an hourly basis.
- e. Employees compensated on a salaried basis.
- f. Employees compensated on a commission basis.
- g. Leased Employees.
- h. Highly Compensated Employees.
- i. Key Employees.
- j. Employees of any Controlled Group Employer (or affiliated service group Employer) that does not affirmatively adopt this Plan.
- k. Part-Time/Temporary/Seasonal Employees. Such an Employee is one who works less than \_\_\_\_ Hours of Service in the relevant eligibility computation period.
- l. Other: (i) special project Employees; (ii) directors or any person who is compensated by a special retainer of fees pursuant to special contracts; (iii) all Employees of Prospect CharterCare Physicians, LLC and all other Employees except those Employees, including union Employees of United Nurses and Allied Professionals ("UNAP") and Federation of Nurses and Health Professionals ("FNHP"), with Compensation earned under Prospect CharterCare SJHSRI, LLC; (iv) all Employees of Prospect CharterCare Physicians, LLC

and any Employees of Prospect CharterCare SJHSRI, LLC, including Employees of UNAP and FNHP who have no earned Compensation under Prospect CharterCare, LLC, Prospect CharterCare RWMC, LLC, and Prospect CharterCare Elmhurst, LLC; and (v) Code Section 410(b)(6)(C) transaction Employees (as described in Section 1.38 of the Basic Plan Document) will be excluded during the transition period (must be a nondiscriminatory classification of Employees and permissible under the Internal Revenue Code).

**Note:** The exclusion(s) entered in the blanks/fill-ins above cannot result in the group of Non-Highly Compensated Employees participating in the Plan being only those Non-Highly Compensated Employees with the lowest amount of Compensation and/or the shortest periods of service and who may represent the minimum number of these Employees necessary to satisfy coverage under Code § 410(b).

**Note:** Exclusion of certain Employees may adversely affect the Plan's satisfaction of the minimum coverage requirements under Code § 410(b). The eligible group described above must be definitely determinable and cannot be subject to the discretion of the Employer.

**Note:** Employees of any member of the controlled and/or affiliated service group Employer whose Employer does not affirmatively adopt this Plan are excluded from the Plan by the terms of the Basic Plan Document.

**Note:** Any part-time/temporary/seasonal Employee will become an Eligible Employee on the next Entry Date on or next following the date on which he first: (i) attains the minimum age requirement, if any, and (ii) completes at least 1,000 Hours of Service by no later than the last day of a computation period as defined herein or, if not defined herein, commencing on the date on which any such Employee first performs an Hour of Service and ending with the first anniversary date of the Employee's employment commencement date and each subsequent Plan Year thereafter.

B. **ELIGIBILITY REQUIREMENTS.** To become a Participant in the Plan, an Employee must meet the eligibility requirements set forth below (complete the following using the age, Service and Entry Date requirements specified below for each contribution type):

<b>Contribution Type</b>	<b>Age</b>	<b>Service</b>	<b>Entry Date</b>
1. All Contributions	b		i
2. Elective Deferrals/Roth Elective Deferrals		a	
3. Voluntary After-Tax Contributions			
4. Required After-Tax Contributions			
5. Matching Contributions (Match #1)		a	
6. Matching Contributions (Match #2)		b	
7. Nonelective Contributions (Nonelective #1)			
8. Nonelective Contributions (Nonelective #2)			
9. Non-QACA Safe Harbor Matching Contributions			
10. Non-QACA Safe Harbor Nonelective Contributions			
11. QACA Safe Harbor Matching Contributions			
12. QACA Safe Harbor Nonelective Contributions			
13. QMACs			
14. QNECs			

**Note:** If any Nonelective Contribution under this Plan is a Prevailing Wage Contribution under a Davis-Bacon Plan, it cannot be subject to any age and Service requirements.

**Note:** For Matching and/or Nonelective Contributions, if more than one Year/Period of Service is selected, 100% immediate vesting is required.

1. **Age**
  - a. No minimum age required.
  - b. Age 18 (may not exceed 21).
  - c. Age \_\_\_\_\_ (may not exceed 21).
  
2. **Service**
  - a. No minimum Service requirement.
  - b. One Year/Period of Service.
  - c. Two Years/Periods of Service.
  - d. \_\_\_\_\_ Months of Service.
  - e. \_\_\_\_\_ Months of Service.
  - f. \_\_\_\_\_ Days of Service.
  - g. \_\_\_\_\_ Hours of Service.
  - h. \_\_\_\_\_ Hours of Service within the \_\_\_\_\_ month(s) time period following an Employee's commencement of employment.

**Note:** *If the Employer elects any option that results in a Service requirement that is greater than one Year/Period of Service, then contributions subject to such requirement must be 100% vested when made.*

**Note:** *The maximum Service requirement for Elective Deferrals and Roth Elective Deferrals is one Year/Period of Service.*

3. **Entry Date.** *An Employee who has met the Plan's eligibility requirements is eligible to become a Participant in the Plan as of the Entry Date selected below or as soon as administratively feasible thereafter:*
  - a. Date of hire.
  - b. First day of month on or next following date requirements are met.
  - c. First day of payroll period on or next following date requirements are met.
  - d. First day of the calendar quarter on or next following date requirements are met.
  - e. First day of the Plan Year or first day of 7<sup>th</sup> month of Plan Year on or next following date requirements are met.
  - f. First day of the Plan Year nearest date requirements are met (can only apply to Employer Contributions).
  - g. First day of the Plan Year on or next following date requirements are met.
  - h. First day of the Plan Year during which requirements are met (can only apply to Employer Contributions).
  - i. Other: First day of the payroll period or as soon as administratively feasible (must specify a date that is no later than the latest date permitted under Code § 410(a)(4)).

**Note:** *Options f., g. and h. should not be selected if the eligibility service requirement in III.B.2 above is more than six months for the type of contribution or if there is an age requirement in III.B.1 of more than 20½ years for the type of contribution.*

- C. **ELIGIBILITY ON EFFECTIVE DATE** *(only complete for new plans. For amended and restated plans, all Employees who were eligible immediately before the effective date of the amendment and restatement will remain eligible for the Plan.)*

*(Complete as applicable. If option #1 is selected, options #2 and #3 cannot be selected. Options #2 and #3 can be selected together, or separately, as just option #2 or #3.)*

1.  All Employees employed on the Effective Date of the Plan will be required to meet the Plan's age and Service requirements set forth in B. above.
2.  Employees employed on the Effective Date of the Plan do NOT need to meet the age requirements set forth in B. above.
3.  Employees employed on the Effective Date of the Plan do NOT need to meet the Service requirements set forth in B. above.



IV. **SERVICE CREDITING**

A. **METHOD FOR DETERMINING SERVICE**

1.  **Elapsed Time.** The *Elapsed Time Method* will be used for the following purposes (*select all that apply*):
- a.  All purposes.
  - b.  Eligibility to participate in the Plan.
  - c.  Vesting.
  - d.  Employer Contribution allocation purposes (*note that the computation period used to credit a Period of Service for this purpose will be based on the anniversary of the Employee's date of hire (Anniversary Year basis)*).
2.  **Hours of Service.** The *Hours of Service Method* will be used for the following purposes (*select all that apply*):
- a.  *Eligibility to participate* in the Plan. The initial eligibility computation period is based on employment anniversary. The eligibility computation period after the initial eligibility computation period will (*select one*):
    - i.  Shift to the first Plan Year (Plan Year basis) that commences prior to the first anniversary of the Employee's date of hire (and subsequent Plan Years thereafter).
    - ii.  Be based on the anniversary of the Employee's date of hire (Anniversary Year basis).
  - b.  *Vesting.* The vesting computation period will be (*select one*):
    - i.  Based on the Plan Year (Plan Year basis).
    - ii.  Based on the anniversary of an Employee's date of hire (Anniversary Year basis).
  - c.  *Employer Contribution allocation purposes.* For the allocation of Employer Contributions, the computation period used to credit a Year of Service will be the (*select one*):
    - i.  Plan Year
    - ii.  Anniversary Year

AND, the **calculation** of Hours of Service will (*select one of d. or e. if applicable*):

- d.  Be based on *actual hours worked*.
- e.  Use an *equivalency (Equivalency Method)* based on periods of employment that credits Hours of Service at a rate of (*select as applicable*):
  - i.  Days worked (10 hours per day).
  - ii.  Weeks worked (45 hours per week).
  - iii.  Semi-monthly payroll periods worked (95 hours per semi-monthly pay period).
  - iv.  Months worked (190 hours per month).

AND the Equivalency Method will apply to **all** Employees, unless selected below:

- v.  The Equivalency Method only applies to Employees for whom the Employer does not maintain hourly records. For Employees for whom the Employer maintains hourly records, eligibility will be determined based on actual hours worked.

- f.  **Number of Hours of Service Required.** Year of Service means the applicable computation period during which an Employee has completed at least (*complete as applicable*):
- i.  **1,000** (*not to exceed 1,000*) Hours of Service for purposes of **eligibility** to participate in the Plan.
- ii.  **1,000** (*not to exceed 1,000*) Hours of Service for purposes of **vesting**.

**Note:** For purposes of **contribution allocations**, the method for determining Years/Periods of Service for Employer Contribution formulas utilizing Years/Periods of Service in the formula is defined in the applicable sections of the Adoption Agreement.

B. **FORFEITURE OF YEARS/PERIODS OF SERVICE.** All Years/Periods of Service under the Plan for purposes of eligibility and vesting are counted unless (*select one if applicable*):

1.  Forfeited on the date a non-vested Participant incurs 5 consecutive one-year Breaks in Service (*"rule of parity" as defined in Section 2.5(b)(ii) of the Basic Plan Document*).
2.  Forfeited based on the following rule: \_\_\_\_\_ (*cannot be less favorable than the "rule of parity" as defined in Section 2.5(b)(ii) of the Basic Plan Document and must be permissible under the Internal Revenue Code*).

C. **REINSTATEMENT OF YEARS OF SERVICE.** Years/Periods of Service under the Plan for purposes of eligibility and vesting are reinstated as follows (*select one only if B.1 or B.2 is selected above*):

1.  On the date an Employee is reemployed and completes an Hour of Service with a Controlled Group Employer if such Hour of Service is completed prior to the date on which the Employee incurs 5 consecutive one-year Breaks in Service.
2.  Based on the following rule: \_\_\_\_\_ (*cannot be later than the date on which the Participant has completed one (1) Year/Period of Service after returning to employment*).

D. **SERVICE WITH UNRELATED PREDECESSOR EMPLOYERS** (*select one*):

1.  Not recognized under the Plan.
2.  Recognized for all unrelated predecessor employers for all purposes under the Plan.
3.  Recognized, but only as follows (*complete as applicable*):

<b>Name of Predecessor Employer</b>	<b>Eligibility</b>	<b>Vesting</b>	<b>Employer Contribution Allocation</b>
a. All Unrelated Predecessor Employers	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b. Prospect CharterCare RWMC, LLC (including service with predecessor named Roger Williams Medical Center)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
c. Prospect CharterCare SJHSRI, LLC (including service with predecessor named St. Joseph Health Services of Rhode Island)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
d. Prospect CharterCare Elmhurst, LLC (including service with predecessor named Elmhurst Extended Care Facilities, Inc.)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
e. Prospect CharterCare Physicians, LLC (including service with predecessor named Roger Williams Medical Associates, Inc.)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
f. CharterCARE Health Partners	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

**Note:** If the unrelated predecessor Employer(s) maintained this Plan, then Years/Periods of Service with such Employer(s) must be recognized under the Plan regardless of any selection above.

V. **COMPENSATION**

A. **COMPENSATION.** Compensation with respect to any Participant means (select the definition of Compensation and the Compensation Determination Period for each contribution type from the options given below):

<b>Contribution Type</b>	<b>Compensation Definition</b>	<b>Compensation Determination Period</b>
1. All Contributions	a	a
2. Elective Deferrals/Roth Elective Deferrals		
3. Voluntary After-Tax Contributions		
4. Required After-Tax Contributions		
5. Matching Contributions (Match #1)		
6. Matching Contributions (Match #2)		
7. Nonelective Contributions (Nonelective #1)		
8. Nonelective Contributions (Nonelective #2)		
9. Non-QACA Safe Harbor Matching Contributions		
10. Non-QACA Safe Harbor Nonelective Contributions		
11. QACA Safe Harbor Matching Contributions		
12. QACA Safe Harbor Nonelective Contributions		
13. QMACs		
14. QNECs		
15. ADP/ACP Test	a	a

1. **Compensation Definition**

- a. Wages, tips and other compensation on Form W-2 (Code § 6041/6051).
- b. Code § 3401(a) wages (wages for withholding purposes).
- c. 415 safe harbor compensation.

**Note:** All of the above Compensation definitions include all pre-tax contributions unless elected as a Compensation exclusion below.

**Note:** The 415 safe harbor Compensation definition must be used, and will be deemed elected, for the following purposes: Top Heavy and Key Employee determinations, the Highly Compensated Employee determination and Code § 415 limitations. **Note:** All of the Compensation definitions under 1. directly above satisfy the requirements of Code § 415.

2. **Compensation Determination Period.** Compensation will be based on the following Determination Period:

- a. The Plan Year while a Participant.
- b. The Plan Year.
- c. The Employer's fiscal year ending with or within the Plan Year.
- d. The calendar year ending with or within the Plan Year.

B. **COMPENSATION DOLLAR LIMITATION.** Compensation will be limited to the Code § 401(a)(17) limit of \$200,000 (as indexed) for all contributions, **UNLESS** the following box is selected (select if applicable and enter dollar amount and name of applicable contribution types. Enter "All" if limit applies to all contribution types under the Plan):

- Compensation of less than the Code § 401(a)(17) limit of \$200,000 (as indexed) will be used in the following amount: \$\_\_\_\_, and for the following contribution types (enter the applicable contribution types - see Section II.H above for a list of this Plan's contribution types): \_\_\_\_\_.

- C.  **DEEMED SECTION 125 COMPENSATION.** The Employer elects to *include* deemed § 125 Compensation not available to a Participant in cash in lieu of group health coverage in the Plan's definition of Compensation.
- D.  **COMPENSATION EARNED BUT NOT PAID DURING LIMITATION YEAR.** The Employer elects to *include* Compensation for a Limitation Year that is earned but not paid during the current Limitation Year, provided such amounts are paid during the first two weeks of the next Limitation Year and as further provided in the Basic Plan Document.
- E. **COMPENSATION EXCLUSIONS.** Compensation will be reduced by (select any exclusions from Compensation for each contribution type from the options given below):

Contribution Type	Compensation Exclusions
1. All Contributions	g
2. Elective Deferrals/Roth Elective Deferrals	
3. Voluntary After-Tax Contributions	
4. Required After-Tax Contributions	
5. Matching Contributions (Match #1)	
6. Matching Contributions (Match #2)	
7. Nonelective Contributions (Nonelective #1)	
8. Nonelective Contributions (Nonelective #2)	
9. Non-QACA Safe Harbor Matching Contributions	
10. Non-QACA Safe Harbor Nonelective Contributions	
11. QACA Safe Harbor Matching Contributions	
12. QACA Safe Harbor Nonelective Contributions	
13. QMACs	
14. QNECs	

**Compensation Exclusions:**

- a. No exclusions.
- b. Elective deferrals under this Plan and all elective contributions not includible in gross income under Code §§ 125, 132(f)(4), 402(e)(3), 402(h)(1)(B), 403(b), or 457(b).
- c. Overtime.
- d. Bonuses.
- e. Commissions.
- f. Holiday and vacation pay.
- g. Reimbursements or other expense allowances, fringe benefits (cash or noncash), moving expenses, deferred compensation, and welfare benefits.
- h. Post-severance payments under Treas. Reg. § 1.415(c)-2(e)(3)(iii).
- i. Differential Wage Payments.
- j. Exclusion applies only to Participants who are Highly Compensated Employees.
- k. Compensation in excess of \$\_\_\_\_\_ for Highly Compensated Employees.
- l. Other: \_\_\_\_\_ (must be definitely determinable and permissible under the Internal Revenue Code).

**Note:** Any exclusion from Compensation (except options a., b., g., h., j., and k. above) must meet the requirements of Code §§ 401(a)(4) and 414(s) and the Regulations thereunder. These exclusions do not fall under the safe harbor definitions of Compensation and must be tested to determine if the definition of Compensation as modified satisfies Code § 414(s).

**VI. EMPLOYEE CONTRIBUTIONS**

**A. ELECTIVE DEFERRALS**

1. **Deferral Limit.** Participants will be permitted to make Elective Deferrals (select all that apply and complete as applicable):

- a.  Up to \_\_\_\_%.
- b.  From 1% to 90%.
- c.  In any amount up to the maximum amount allowed by law under Code §§ 415 and 402(g).
- d.  In a flat dollar amount from a minimum of \$\_\_\_\_\_ to a maximum of \$\_\_\_\_\_.
- e.  Highly Compensated Employees may defer up to \_\_\_\_% or \$\_\_\_\_\_.
- f.  **Bonus Election:** A Participant may make a separate election to defer up to \_\_\_\_% or \$\_\_\_\_\_ of any bonus or other incentive compensation.

2. **Catch-Up Contributions.** May eligible Participants make Catch-Up Contributions to the Plan (select a. or b. (but not both))?

- a.  No.
- b.  Yes, and Catch-Up Contributions (select one):
  - i.  Will be matched under the same formula(s) as elected in Articles VII and /or VIII herein.
  - ii.  Will not be matched.

**Note:** If the Plan is a safe harbor plan, Catch-Up Contributions **must** be matched if otherwise eligible.

3. **Roth Elective Deferrals.** May eligible Participants make Roth Elective Deferrals to the Plan (select one)?

- a.  No.
- b.  Yes.

**B. AUTOMATIC ELECTIVE DEFERRALS**

1. **Type of Automatic Elective Deferral Feature** (select one of the three bulleted boxes directly below as applicable, and then complete the corresponding subsection a. or b. directly below, or Section VIII.B herein, as applicable):

- **Automatic Contribution Arrangement (ACA)** – complete a. below.
- **Eligible Contribution Arrangement (EACA)** – complete b. below.
- **Qualified Automatic Contribution Arrangement (QACA)** – do not complete this section; instead complete Section VIII.B. herein.

a.  **Automatic Contribution Arrangements (ACAs)** (select appropriate box below, as applicable):

- Addition of an automatic elective deferral feature under the Plan** (select this option if Plan is implementing an ACA for the first time. In such case, complete option regarding excluded groups directly below (if applicable), and subsections i.(A), ii., iii., and iv. below, as applicable.)
- Changes to an existing automatic elective deferral feature under the Plan** (select this option if Plan is making changes to its current ACA or is changing its existing automatic elective deferral feature under the Plan to an ACA (e.g., change from an EACA to an ACA). In either case, complete option regarding excluded groups directly below (if applicable), and subsections i.(B), ii., iii., and iv. below, as applicable.)
- Plan restatement with no changes to the current ACA provisions under the Plan** (complete option regarding excluded groups directly below (if applicable), and subsections i.(B), ii., iii., and iv. below, as applicable.)

The following group(s) of eligible Employees are not covered by the ACA: \_\_\_\_\_ (insert excluded groups, if any).  
 [Complete only if the Employer is excluding any groups from the ACA. Note that this is not intended to be the same as the employee class exclusions in your Plan, as reflected in Section III.A herein.]

i. **Coverage of ACA Feature:**

The Employer elects the applicable coverage provisions for the ACA which shall be applied as follows (check all that apply in (A) or (B) below, as applicable). For changes to existing automatic deferral provisions, select only the provisions that are changing. For plan restatements with no changes to their current ACA, enter current plan provisions in (B) below:

(A)  **Coverage for Plans Implementing an ACA for the First Time:**

- |       | <b><u>Auto-Deferral</u></b> | <b><u>Escalation</u></b> | <i>(if escalation is selected, also complete Section ii. (Escalation) below):</i>   |
|-------|-----------------------------|--------------------------|---|
| (1)   | <input type="checkbox"/>    | <input type="checkbox"/> | <p><b><u>Newly Hired Employees:</u></b> Employees hired on or after the Effective Date entered in Section II.E above.</p> <p><input type="checkbox"/> Automatic Percentage: _____%</p>  |
| (2)   | <input type="checkbox"/>    | <input type="checkbox"/> | <p><b><u>Newly Eligible Employees:</u></b> Employees who have not met the Plan's eligibility requirements as of the date immediately preceding the Effective Date entered in Section II.E above.</p> <p><input type="checkbox"/> Automatic Percentage: _____%</p> |
| (3)   | <input type="checkbox"/>    | <input type="checkbox"/> | <p><b><u>Current Participants</u></b> (other than newly eligible Employees):</p> <p><input type="checkbox"/> Automatic Percentage: _____%</p> <p><i>Applies to the following groups of Employees under the Plan (select all that are applicable):</i></p>         |
| (i)   | <input type="checkbox"/>    | <input type="checkbox"/> | Employees who are eligible to participate but not deferring under the Plan as of the Effective Date entered in Section II.E above.  |
| (ii)  | <input type="checkbox"/>    | <input type="checkbox"/> | Participants who are deferring at a percentage less than the Automatic Percentage as of the Effective Date entered in Section II.E above.   |
| (iii) | <input type="checkbox"/>    | <input type="checkbox"/> | Participants who are deferring at a percentage equal to the Automatic Percentage as of the Effective Date entered in Section II.E above.  |
| (iv)  | <input type="checkbox"/>    | <input type="checkbox"/> | Participants who are deferring at a percentage above the Automatic Percentage as of the Effective Date entered in Section II.E above (applicable to ACAs only, and only for purposes of escalation).  |
| (v)   | <input type="checkbox"/>    | <input type="checkbox"/> | Participants who make any affirmative election on or after the Effective Date entered in Section II.E above (applicable to ACAs only, and only for purposes of escalation).   |

(B)  **Coverage for (i) Plans with Existing ACAs Electing Change(s) to Current Provisions, (ii) Plans with Existing Automatic Elective Deferral Feature Electing to Change to an ACA; or (iii) Plan Restatements with No Changes to Existing ACA Provisions:**

**Note:** If the Automatic Percentage is being changed, select appropriate covered groups. Under the selected groups, indicate any change in Automatic Percentage by checking off the second option ("Change in Automatic Percentage") and indicate new percentage. If no change in the Automatic Percentage for the selected groups, or this is a plan restatement with no changes to the current Automatic Percentage, select the first option ("Current Automatic Percentage") and indicate the current percentage.

	<u>Auto-Deferral</u>	<u>Escalation</u>	
			<i>(if escalation is selected, also complete Section ii. (Escalation) below):</i>
(1)	<input type="checkbox"/>	<input type="checkbox"/>	<p><b>Previously Auto-Deferred Group:</b> Participants who are deferring at an Automatic Percentage with no affirmative election (<i>select one, as applicable</i>).</p> <p><input type="checkbox"/> Current Automatic Percentage: _____%</p> <p><input type="checkbox"/> Change in Automatic Percentage: _____%</p>
(2)	<input type="checkbox"/>	<input type="checkbox"/>	<p><b>Newly Hired Employees:</b> Employees hired on or after the Effective Date entered in Section II.E above (<i>select one, as applicable</i>).</p> <p><input type="checkbox"/> Current Automatic Percentage: _____%</p> <p><input type="checkbox"/> Change in Automatic Percentage: _____%</p>
(3)	<input type="checkbox"/>	<input type="checkbox"/>	<p><b>Newly Eligible Employees:</b> Employees who have not met the Plan's eligibility requirements as of the date immediately preceding the Effective Date entered in Section II.E above (<i>select one, as applicable</i>).</p> <p><input type="checkbox"/> Current Automatic Percentage: _____%</p> <p><input type="checkbox"/> Change in Automatic Percentage: _____%</p>
(4)	<input type="checkbox"/>	<input type="checkbox"/>	<p><b>Current Participants</b> (<i>other than newly Eligible Employees</i>):</p> <p><input type="checkbox"/> Automatic Percentage: _____%. Applies to the following groups of Employees under the Plan (<i>select all that are applicable</i>):</p>
(i)	<input type="checkbox"/>	<input type="checkbox"/>	Employees who are eligible to participate but not deferring under the Plan as of the Effective Date entered in Section II.E above.
(ii)	<input type="checkbox"/>	<input type="checkbox"/>	Participants who are deferring at a percentage less than the Automatic Percentage as of the Effective Date entered in Section II.E above.
(iii)	<input type="checkbox"/>	<input type="checkbox"/>	Participants who are deferring at a percentage equal to the Automatic Percentage as of the

Effective Date entered in Section II.E above.

(iv)

Participants who are deferring at a percentage above the Automatic Percentage as of the Effective Date entered in Section II.E above (*applicable to ACAs only, and only for purposes of escalation*).

(v)

Participants who make any affirmative election on or after the Effective Date entered in Section II.E above (*applicable to ACAs only, and only for purposes of escalation*).

ii.  **Escalation**

(A)  **Annual increase in Automatic Percentage.** If selected, the Automatic Percentage stated above will be increased by \_\_\_\_\_% each year up to a maximum Automatic Percentage of \_\_\_\_\_%.

(B)  **Annual increase applicable to affirmative elections.** An escalation provision will apply to any Plan Participant selected in i.(A)(3) or i.(B)(4) above who has made an affirmative election, until the first time such Participant opts out of this escalation, as follows:

- Such Participant's annual Elective Deferral percentage will be increased by \_\_\_\_\_% each year up to a maximum Elective Deferral percentage of \_\_\_\_\_%.

**Note:** *This option (B) is applicable to ACAs only, and selecting this option requires that the Employer provide an annual Notice to ALL eligible Employees who are subject to the escalation provision, including those who have made an affirmative deferral election.*

**Note:** *The same escalation percentage and maximum Elective Deferral percentage must apply to all Participants who are subject to escalation.*

iii. **Timing of Increase in Automatic Percentage and/or Affirmative Elections**

(A) Increases will occur annually as soon as administratively feasible on or after (*check one box below and insert applicable increase date*):

(1)  **First day of the Plan Year**

- Initial date of increase in Automatic Percentage: \_\_\_\_\_ (mm/dd/yy)
- Initial date of increase in Elective Deferrals: \_\_\_\_\_ (mm/dd/yy) - *applicable to ACAs only*

(2)  **Anniversary of the Participant's automatic enrollment**

- Initial date of increase in Automatic Percentage: \_\_\_\_\_ (mm/dd/yy)

(3)  **Specific increase date** (*notice to Participants must be provided at least 30 days in advance*)

- Initial date of increase in Automatic Percentage: \_\_\_\_\_ (mm/dd/yy)



- Initial date of increase in Elective Deferrals: \_\_\_\_\_ (mm/dd/yy)  
- applicable to ACAs only

(B) **Wait period for Plan's initial auto-enrollment Automatic Percentage or Elective Deferral Percentage escalation** (select one box and complete as applicable. Note that for plans selecting "Anniversary of the Participant's automatic enrollment" as the increase date (option (A)(2) above), there should be no wait period indicated in (2) below and option (1) should be selected):

- (1)  No wait period.
- (2)  The Automatic Percentage or Elective Deferral Percentage will remain in effect for a \_\_\_\_\_ month period before the first annual increase occurs (wait period is the period prior to initial date of increase).

iv.  **Annual Expiration of Prior Affirmative Elections**

*{Annual Expiration of Prior Elections Comments:*

- Any Participant who is deferring at or above the Plan's maximum Automatic Percentage for the current Plan Year will continue to defer at such rate, unless the Participant makes some other affirmative election.
- Option (C) below is ONLY available for ACAs.

As soon as administratively feasible on or after \_\_\_\_\_ ((mm/dd) -- insert date elected by the Employer) of each year, existing affirmative elections will expire, and the eligible Employees selected below will be automatically enrolled, unless they affirmatively elect not to participate or to participate at a different deferral percentage:

- (A)  Current Employees who are eligible to participate but not deferring shall have their Elective Deferrals withheld in the amount of the Plan's Automatic Percentage.
- (B)  Current Participants who are deferring less than or equal to the Plan's Automatic Percentage shall have their Elective Deferrals withheld in the amount of the Plan's Automatic Percentage.
- (C)  Current Participants who are deferring at a percentage equal to or above the Plan's Automatic Percentage and below the Plan's maximum Automatic Percentage shall have their Elective Deferrals increase by \_\_\_\_\_ %.

b. **Eligible Automatic Contribution Arrangements (EACAs)** (select appropriate box below, if applicable):

- Addition of an automatic elective deferral feature under the Plan** (select this option if Plan is implementing an EACA for the first time. In such case, complete subsection i. below, and either ii.(A) or ii.(B)(1) as applicable. If applicable, also complete iii. and iv. below.)
- Changes to an existing automatic elective deferral feature under the Plan** (select this option if Plan is making changes to its current EACA or is changing its existing automatic deferral feature under the Plan to an EACA (e.g., change from an ACA to an EACA.) In either case, complete subsection i. below, and either ii.(A) or ii.(B)(2) as applicable. If applicable, also complete iii. and iv. below.)
- Plan restatement with no changes to the current EACA provisions under the Plan** (complete subsection i. below for all such cases, and either ii.(A) or ii.(B)(2) as applicable. If applicable, also complete iii. and iv. below.)

**Note:** If the Plan has a Qualified Automatic Contribution Arrangement (QACA), do not complete this section; complete Section VIII.B instead.

*{EACA Comments:*

- Select an EACA only if you want to take advantage of the 6 months testing extension (see section ii.(A) below) and/or permissible withdrawals (see i. directly below).
- A "permissible withdrawal" is any refund of all Elective Deferrals requested by the Employee within 90 days of the first Elective Deferral being contributed to the EACA on behalf of the Employee.
- An EACA must be added at the beginning of a Plan Year (unless added only for new hires).
- An EACA can allow only limited changes to the covered group during the Plan Year.
- An EACA must have one Automatic Percentage under the Plan.
- Any escalation provision must apply to all Participants who are deferring at the Automatic Percentage with no affirmative election.
- Do not select an EACA if you wish to apply an escalation provision to everyone in the Plan, and not just to Participants deferring at the Automatic Percentage as defined in ii. below.

i. **Permissible Withdrawals Under an EACA** (select one):

- (A)  Permissible withdrawals **are** permitted -- Employees may withdraw Elective Deferrals with attributable earnings from the Plan no later than 90 days after the date the first Automatic Percentage is deducted from the Employee's paycheck.
- (B)  Permissible withdrawals are *not* permitted.

ii. **Coverage of EACA Feature** (select box (A) or (B) and complete as applicable):

- (A)  **EACA nondiscrimination testing extension election** (to select this option, all eligible Employees must be covered by the EACA. If the Automatic Percentage is being changed, indicate change in Automatic Percentage by checking off option 2. below and insert the new percentage. If no change in the Automatic Percentage, select option 1. below and indicate the current percentage):

1.  **Current** Automatic Percentage: \_\_\_\_\_%
2.  **Change** in Automatic Percentage: \_\_\_\_\_%

{EACA Testing Extension Election Comments:

- This option must be added at the beginning of the Plan Year.
- Selecting this option will allow Plan to be eligible for the six (6) month extension that applies to the timing requirement of a distribution of Excess Contributions or Excess Aggregate Contributions.
- Selecting this option requires that ALL eligible Employees make an affirmative election or be automatically enrolled in the Plan.
- Selecting this option requires that the Employer provide an annual EACA notice to ALL eligible Employees, including those who have made an affirmative deferral election.

- (B)  **Coverage:** The Employer elects the applicable coverage provisions for the EACA which shall be applied as follows (check all that apply in (1) or (2) below, as applicable. For changes to existing automatic deferral provisions, select only the provisions that are changing. For plan restatements with no changes to their current EACA, enter current plan provisions in (2) below):

(1)  **Coverage for Plans Implementing an EACA for the First Time:**

**Auto-Deferral    Escalation**

(if escalation is selected, also complete Section iii. (Escalation) below):

- (i)

**Newly Hired Employees:** Employees hired on or after the Effective Date entered in Section II.E above.

Automatic Percentage: \_\_\_\_\_%

- (ii)

**Newly Eligible Employees:** Employees who have not met the Plan's eligibility requirements as of the date immediately

preceding the Effective Date entered in Section II.E above.

Automatic Percentage: \_\_\_\_\_%

(iii)

**Current Participants** (other than newly Eligible Employees) :

Automatic Percentage: \_\_\_\_\_%.  
Applies to the following groups of Employees under the Plan (select all that are applicable):

(aa)

Employees who are eligible to participate but not deferring under the Plan as of the Effective Date entered in Section II.E above.

(bb)

Participants who are deferring at a percentage less than the Automatic Percentage as of the Effective Date entered in Section II.E above.

(cc)

Participants who are deferring at a percentage equal to the Automatic Percentage as of the Effective Date entered in Section II.E above.

(2)  **Coverage for (i) Plans with Existing EACAs Electing Change(s) to Current Provisions, (ii) Plans with Existing Automatic Elective Deferral Feature Electing to Change to an EACA, and (iii) Plan Restatements with No Changes to Existing EACA Provisions:**

**Note:** If the Automatic Percentage is being changed, select appropriate covered groups. Under the selected groups, indicate any change in Automatic Percentage by checking off the second option ("Change in Automatic Percentage") and indicate new percentage. If no change in the Automatic Percentage for the selected groups, or this is a plan restatement with no changes to the current Automatic Percentage, select the first option ("Current Automatic Percentage") and indicate the current percentage.

**Auto-Deferral    Escalation**

(if escalation is selected, also complete Section iii. (Escalation) below):

(1)

**Previously Auto-Deferred Group:** Participants who are deferring at an Automatic Percentage with no affirmative election (select one, as applicable).

Current Automatic Percentage: \_\_\_\_\_%

Change in Automatic Percentage: \_\_\_\_\_%

(2)

**Newly Hired Employees:** Employees hired on or after the Effective Date entered in Section II.E above (select one, as applicable).

Current Automatic Percentage: \_\_\_\_\_%

Change in Automatic Percentage: \_\_\_\_\_%

(3)

**Newly Eligible Employees:** Employees who have not met the Plan's eligibility requirements as of the date immediately preceding the Effective Date entered in Section II.E above (*select one, as applicable*).

Current Automatic Percentage: \_\_\_\_\_%

Change in Automatic Percentage: \_\_\_\_\_%

(4)

**Current Participants** (*other than newly Eligible Employees*):

Automatic Percentage: \_\_\_\_\_%.  
*Applies to the following groups of Employees under the Plan (select all that are applicable):*

(i)

Employees who are eligible to participate but not deferring under the Plan as of the Effective Date entered in Section II.E above.

(ii)

Participants who are deferring at a percentage less than the Automatic Percentage as of the Effective Date entered in Section II.E above.

(iii)

Participants who are deferring at a percentage equal to the Automatic Percentage as of the Effective Date entered in Section II.E above.

iii.  **Escalation**

(A)  **Annual increase in Automatic Percentage.** If selected, the Automatic Percentage stated above will be increased by \_\_\_\_\_% each year up to a maximum Automatic Percentage of \_\_\_\_\_%.

**Note:** Any escalation applicable to an EACA must apply to all Participants who are deferring at an Automatic Percentage with no affirmative election.

(B) **Timing of increase in Automatic Percentage.** Increases will occur annually as soon as administratively feasible on or after (*check one box below and insert applicable increase date*):

(1)  **First day of the Plan Year**

• Initial date of increase in Automatic Percentage: \_\_\_\_\_ (mm/dd/yy)

(2)  **Anniversary of the Participant's automatic enrollment**

• Initial date of increase in Automatic Percentage: \_\_\_\_\_ (mm/dd/yy)

(3)  **Specific increase date** (*notice to Participants must be provided at least 30 days in advance*)

• Initial date of increase in Automatic Percentage: \_\_\_\_\_ (mm/dd/yy)

(C) **Wait period for Plan's initial auto-enrollment Automatic Percentage escalation** (*select one box and complete as applicable. Note that for plans selecting "Anniversary of the Participant's automatic enrollment" as the increase date (option*

(B)(2) above), there should be no wait period indicated in (2) below and option (1) should be selected):

- (1)  No wait period
- (2)  The Automatic Percentage will remain in effect for a \_\_\_\_\_ month period before the first annual increase occurs (wait period is the period prior to initial date of increase).

iv.  **Annual Expiration of Prior Affirmative Elections**

*{Annual Expiration of Prior Elections Comments:*

- Any Participant who is deferring at or above the Plan's maximum Automatic Percentage for the current Plan Year will continue to defer at such rate, unless the Participant makes some other affirmative election.
- If adding expiration during the middle of a Plan Year, it can only affect the same covered groups.
- Annual expiration can only be effective as of the beginning of the Plan Year.}

As soon as administratively feasible on or after \_\_\_\_\_ ((mm/dd) -- insert date elected by the Employer) of each year, existing affirmative elections will expire, and the eligible Employees selected below will be automatically enrolled, unless they affirmatively elect not to participate or to participate at a different deferral percentage:

- (A)  Current Employees who are eligible to participate but not deferring shall have their Elective Deferrals withheld in the amount of the Plan's Automatic Percentage.
- (B)  Current Participants who are deferring less than or equal to the Plan's Automatic Percentage shall have their Elective Deferrals withheld in the amount of the Plan's Automatic Percentage.

C. ***VOLUNTARY AFTER-TAX CONTRIBUTIONS.*** The Plan does not allow Voluntary After-Tax Contributions unless otherwise selected below (*select and complete as applicable*):

1.  Participants may make Voluntary After-Tax Contributions in an amount from \_\_\_\_\_% to \_\_\_\_\_% of Compensation.
2.  Participants may make Voluntary After-Tax Contributions of \$\_\_\_\_\_ to \$\_\_\_\_\_.
3.  Participants may make Voluntary After-Tax Contributions up to the maximum permitted by law.
4.  The maximum combined limit of Elective Deferrals, Roth Elective Deferrals, and Voluntary After-Tax Contributions will not exceed \_\_\_\_\_% or \$\_\_\_\_\_.

D. ***REQUIRED AFTER-TAX CONTRIBUTIONS.*** The Plan does not allow Required After-Tax Contributions unless otherwise selected below (*select and complete as applicable*):

1.  Participants are required to make Required After-Tax Contributions in an amount of \_\_\_\_\_% of Compensation.
2.  Participants are required to make Required After-Tax Contributions of a flat dollar amount of \$\_\_\_\_\_.
3.  The maximum combined limit of Elective Deferrals, Roth Elective Deferrals, and Required After-Tax Contributions will not exceed \_\_\_\_\_% or \$\_\_\_\_\_.

E. ***EMPLOYEE CONTRIBUTION MODIFICATIONS***

1. A Participant may modify the rate of Elective Deferrals as of (*select one*):
- a.  The beginning of each payroll period.
- b.  The first day of each month.
- c.  The first day of each quarter.
- d.  The first day of each semi-annual period.

- e.  The first day of each Plan Year.
- f.  Other: \_\_\_\_\_(must be other than above and at least once per Plan Year).

2. The option selected in E.1 above will apply to *all applicable* Employee Contributions unless otherwise elected below.

A Participant may modify the rate of Voluntary After-Tax Contributions as of (select one if applicable):

- a.  The beginning of each payroll period.
- b.  The first day of each month.
- c.  The first day of each quarter.
- d.  The first day of each semi-annual period.
- e.  The first day of each Plan Year.
- f.  Other: \_\_\_\_\_(must be other than above and at least once per Plan Year).

3. A Participant may reinstate Elective Deferrals as of (select one):

- a.  The beginning of each payroll period.
- b.  The first day of each month.
- c.  The first day of each quarter.
- d.  The first day of each semi-annual period.
- e.  The first day of each Plan Year.
- f.  Other: \_\_\_\_\_(must be other than above and at least once per Plan Year).

4. The option selected in E.3 above will apply to *all applicable* Employee Contributions unless otherwise elected below.

A Participant may reinstate Voluntary After-Tax Contributions as of (select one if applicable):

- a.  The beginning of each payroll period.
- b.  The first day of each month.
- c.  The first day of each quarter.
- d.  The first day of each semi-annual period.
- e.  The first day of each Plan Year.
- f.  Other: \_\_\_\_\_(must be other than above and at least once per Plan Year).

F. **ROLLOVER CONTRIBUTIONS** (select 1. or 2. (but not both), and if applicable, 3., 4., and/or 5.):

- 1.  The Plan will **not** accept Rollover Contributions.
- 2.  The Plan **will** accept Rollover Contributions, which may be made (select one):
  - a.  Prior to meeting the eligibility requirements for Plan participation.
  - b.  After meeting the eligibility requirements for Plan participation.
- 3.  The Plan will accept a **direct rollover** of an Eligible Rollover Distribution from the following types of Eligible Retirement Plans (select each that applies or none):
  - a.  A qualified plan described in Code § 401(a) or 403(a), excluding Voluntary After-Tax Contributions.
  - b.  A qualified plan described in Code § 401(a) or 403(a), including Voluntary After-Tax Contributions.
  - c.  A plan described in Code § 403(b), excluding Voluntary After-Tax Contributions.
  - d.  A plan described in Code § 403(b), including Voluntary After-Tax Contributions.
  - e.  An eligible plan under Code § 457(b) that is maintained by a state, political subdivision of a state, or an agency or instrumentality of a state or political subdivision of a state.
  - f.  If the Plan allows Roth Elective Deferrals, a Roth elective deferral account described in Code § 402A.
- 4.  The Plan will accept a **Participant rollover contribution** of an Eligible Rollover Distribution from the following types of Eligible Retirement Plans (select each that applies or none):

- a.  A qualified plan described in Code § 401(a) or 403(a).
  - b.  A plan described in Code § 403(b).
  - c.  An eligible plan under Code § 457(b) that is maintained by a state, political subdivision of a state, or an agency or instrumentality of a state or political subdivision of a state.
  - d.  An individual retirement account or annuity described in Code § 408(a) or 408(b) that is eligible to be rolled over and would otherwise be includable in gross income.
5.  **In-Plan Roth Conversion Contributions** (*can only be selected if Plan allows for Roth Elective Deferrals*): The Plan will, as soon as administratively feasible following a Roth conversion election made under the Plan and subject to any limitation under the Plan's administrative guidelines, accept an In-Plan Roth Conversion Contribution to a designated Roth account under the Plan. Unless any option below is selected, only amounts that are distributable under the Plan may be included in an In-Plan Roth Conversion Contribution.
- a.  An In-Plan Roth Conversion Contribution may include amounts that are otherwise distributable under the Code (even if such amounts are not distributable under the Plan).
  - b.  An In-Plan Roth Conversion Contribution may include any amounts permissible under the Code, including amounts that are otherwise non-distributable under the Code (if made by a direct rollover).

## VII. EMPLOYER CONTRIBUTIONS

- A. **DISCRETIONARY MATCHING CONTRIBUTIONS.** The Employer will have the right to make discretionary Matching Contributions under the Plan, as further described and defined in Section A.1 and/or A.2 below (*select and complete 1. and/or 2. below as applicable*):
1.  **Matching Contribution #1**
- a. **Matching Contribution #1 will match the following contribution types** (*complete if applicable and select all that apply*):
    - i.  Elective Deferrals (including Roth Elective Deferrals, if applicable).
    - ii.  Catch-Up Contributions (*note: if the Plan is a safe harbor plan, Catch-Up Contributions **must** be matched if otherwise eligible*).
    - iii.  Voluntary After-Tax Contributions.
    - iv.  Required After-Tax Contributions.
    - v.  403(b) Deferrals (*made to an existing 403(b) plan sponsored by the Employer, the name of which is: \_\_\_\_\_*).
    - vi.  457(b) Deferrals (*made to an existing 457(b) plan sponsored by the Employer, the name of which is: \_\_\_\_\_*).
  - b. **Formula for Matching Contribution #1** (*select one, and complete as applicable*):
    - i.  **Discretionary Match:** The Employer will have the right to make a discretionary Matching Contribution, which will be determined by the Employer with respect to each Plan Year's eligible Participants.
    - ii.  **Percentage of Deferral Match:** The Employer may contribute to each eligible Participant an amount equal to \_\_\_\_\_% of the first \_\_\_\_\_% of the Participant's contributed elective deferrals or After-Tax Contributions, as applicable, up to a maximum of \_\_\_\_\_% of Compensation or \$\_\_\_\_\_.
    - iii.  **Percentage of Compensation Match:** The Employer may contribute to each eligible Participant an amount equal to \_\_\_\_\_% of Compensation if the eligible Participant contributes at least \_\_\_\_\_% (*not to exceed 100%*) of Compensation.
    - iv.  **Uniform Dollar Match:** The Employer may contribute to each eligible Participant an amount equal to \$\_\_\_\_\_ if the Participant contributes at least \_\_\_\_\_% (*not to*

exceed 100%) of Compensation or \$\_\_\_\_. The Matching Contribution will be made up to a maximum of \_\_\_\_% of Compensation or \$\_\_\_\_\_.

- v.  **Tiered Match:** The Employer may contribute to each eligible Participant an amount equal to *(add additional tiers if necessary)*:

\_\_\_\_% of the first \_\_\_\_% of the Participant's Compensation contributed; and  
\_\_\_\_% of the next \_\_\_\_% of the Participant's Compensation contributed; and  
\_\_\_\_% of the next \_\_\_\_% of the Participant's Compensation contributed.

**Note:** *The rate of Matching Contribution specified above cannot increase as the deferral/contribution rate increases.*

- vi.  **Years of Service Match:** The Employer may contribute to each eligible Participant an amount equal to a uniform percentage of such Participant's elective deferrals or After-Tax Contributions, as applicable, based on the Participant's Years of Service (Periods of Service if the Elapsed Time method of crediting service is selected), as follows *(add additional tiers if necessary)*:

<u>Years/Periods of Service</u>	<u>Matching Percentage</u>
_____	_____%
_____	_____%
_____	_____%

A Year/Period of Service for purposes of this subsection means *(see subsection IV.A. herein and select (A) or (B) below)*:

(A)  Years/Periods of Service for eligibility purposes.

(B)  Years/Periods of Service for vesting purposes.

- vii.  **Proportionate Compensation Match:** The Employer may contribute to each eligible Participant who defers/contributes at least \_\_\_\_% of Compensation an amount equal to the product of multiplying such Matching Contribution by a fraction, the numerator of which is the Participant's Compensation and the denominator of which is the Compensation of all Participants eligible to receive such an allocation.

- c. **Matching Contribution #1 Computation Period.** Matching Contribution #1 will be calculated on the following basis *(select one)*:

- i.  Payroll-based                      v.  Monthly  
ii.  Weekly                                vi.  Quarterly  
iii.  Bi-weekly                              vii.  Semi-annually  
iv.  Semi-monthly                        viii.  Annually

- d. **Limits on Matching Contribution #1** *(select all that apply and complete as applicable)*:

- i.  **Annualization (true-up) of Matching Contribution #1** *(do not select if c.viii. above is selected)*: The Employer elects to annualize (true-up) Matching Contribution #1.



ii.  *Maximum Limit for Matching Contribution #1:* In no event will Matching Contribution #1 exceed \_\_\_\_% of Compensation, or \$\_\_\_\_\_.

If elected, this limit applies to the total of all Elective Deferrals, Roth Elective Deferrals, Catch-Up Contributions, Voluntary After-Tax Contributions, and Required After-Tax Contributions made to the Plan for the Plan Year.

e. **Allocation Requirements for Matching Contribution #1** (*select all that apply and complete as applicable*):

i.  Not applicable. There are no allocation requirements for Participants to receive Matching Contribution #1.

ii.  No contributions will be made for a Plan Year for any Participant who is not credited with 1,000 Hours of Service during the Plan Year.

**Exception for**  death,  retirement (Normal Retirement Age),  retirement (Early Retirement Age), or  Disability

iii.  No contributions will be made for a Plan Year for any Participant who is not credited with at least \_\_\_\_\_ (*not to exceed 1,000 hours*) Hours of Service during the Plan Year.

**Exception for**  death,  retirement (Normal Retirement Age),  retirement (Early Retirement Age), or  Disability

iv.  No contributions will be made for a Plan Year for any Participant who is not an Employee on the last day of the Plan Year.

**Exception for**  death,  retirement (Normal Retirement Age),  retirement (Early Retirement Age), or  Disability

v.  No contributions will be made for a Plan Year quarter for any Participant who is not an Employee on the last day of the Plan Year quarter.

**Exception for**  death,  retirement (Normal Retirement Age),  retirement (Early Retirement Age), or  Disability

vi.  For plans using the Elapsed Time Method, no contributions will be made for any Participant who has not completed \_\_\_\_\_ (*not more than 12*) Months of Service, regardless of the hours credited.

vii.  Other: \_\_\_\_\_ (*any allocation requirement selected must satisfy amounts testing under Code § 401(a)(4)*).

2.  **Matching Contribution #2**

a. **Matching Contribution #2 will match the following contribution types** (*complete if applicable, and select all that apply*):

i.  Elective Deferrals (including Roth Elective Deferrals, if applicable).

ii.  Catch-Up Contributions (*note: if the Plan is a safe harbor plan, Catch-Up Contributions **must** be matched if otherwise eligible*).

iii.  Voluntary After-Tax Contributions.

iv.  Required After-Tax Contributions.

v.  403(b) Deferrals (*made to an existing 403(b) plan sponsored by the Employer, the name of which is: \_\_\_\_\_*).

vi.  457(b) Deferrals (made to an existing 457(b) plan sponsored by the Employer, the name of which is: \_\_\_\_\_).

b. **Formula for Matching Contribution #2** (select one, and complete as applicable):

i.  **Discretionary Match:** The Employer will have the right to make a discretionary Matching Contribution, which will be determined by the Employer with respect to each Plan Year's eligible Participants.

ii.  **Percentage of Deferral Match:** The Employer may contribute to each eligible Participant an amount equal to \_\_\_\_\_% of the first \_\_\_\_\_% of the Participant's contributed elective deferrals or After-Tax Contributions, as applicable, up to a maximum of \_\_\_\_\_% of Compensation or \$\_\_\_\_\_.

iii.  **Percentage of Compensation Match:** The Employer may contribute to each eligible Participant an amount equal to \_\_\_\_\_% of Compensation if the eligible Participant contributes at least \_\_\_\_\_% (not to exceed 100%) of Compensation.

iv.  **Uniform Dollar Match:** The Employer may contribute to each eligible Participant an amount equal to \$\_\_\_\_\_ if the Participant contributes at least \_\_\_\_\_% (not to exceed 100%) of Compensation or \$\_\_\_\_\_. The Employer's contribution will be made up to a maximum of \_\_\_\_\_% of Compensation or \$\_\_\_\_\_.

v.  **Tiered Match:** The Employer may contribute to each eligible Participant an amount equal to (add additional tiers if necessary):

\_\_\_\_\_ % of the first \_\_\_\_\_ % of the Participant's Compensation contributed; and  
\_\_\_\_\_ % of the next \_\_\_\_\_ % of the Participant's Compensation contributed; and  
\_\_\_\_\_ % of the next \_\_\_\_\_ % of the Participant's Compensation contributed.

**Note:** The rate of Matching Contribution specified above cannot increase as the deferral/contribution rate increases.

vi.  **Years of Service Match:** The Employer may contribute to each eligible Participant an amount equal to a uniform percentage of such Participant's elective deferrals or After-Tax Contributions, as applicable, based on the Participant's Years of Service (Periods of Service if the Elapsed Time method of crediting service is selected), as follows (add additional tiers if necessary):

<u>Years/Periods of Service</u>	<u>Matching Percentage</u>
_____	_____ %
_____	_____ %
_____	_____ %

A Year/Period of Service for purposes of this subsection means (see subsection IV.A. herein and select (A) or (B) below):

(A)  Years/Periods of Service for eligibility purposes.

(B)  Years/Periods of Service for vesting purposes.

vii.  **Proportionate Compensation Match:** The Employer may contribute to each eligible Participant who defers/contributes at least \_\_\_\_\_% of Compensation an amount equal to the product of multiplying such Matching Contribution by a fraction, the numerator of which is the Participant's Compensation and the denominator of which is the Compensation of all Participants eligible to receive such an allocation.

- c. **Matching Contribution #2 Computation Period.** Matching Contribution #2 will be calculated on the following basis (select one):
- |   |  |
|---|--|
| i. <input type="checkbox"/> Payroll-based | v. <input type="checkbox"/> Monthly                |
| ii. <input type="checkbox"/> Weekly       | vi. <input type="checkbox"/> Quarterly             |
| iii. <input type="checkbox"/> Bi-weekly   | vii. <input type="checkbox"/> Semi-annually        |
| iv. <input type="checkbox"/> Semi-monthly | viii. <input checked="" type="checkbox"/> Annually |
- d. **Limits on Matching Contribution #2** (select all that apply and complete as applicable):
- i.  Annualization (true-up) of Matching Contribution #2 (do not select if c.viii. above is selected): The Employer elects to annualize (true-up) Matching Contribution #2.
- ii.  Maximum Limit for Matching Contribution #2: In no event will Matching Contribution #2 exceed \_\_\_\_% of Compensation, or \$\_\_\_\_.
- If elected, this limit applies to the total of all Elective Deferrals, Roth Elective Deferrals, Catch-Up Contributions, Voluntary After-Tax Contributions, and Required After-Tax Contributions made to the Plan for the Plan Year.
- e. **Allocation Requirements for Matching Contribution #2** (select all that apply and complete as applicable):
- i.  Not applicable. There are no allocation requirements for Participants to receive Matching Contribution #2.
- ii.  No contributions will be made for a Plan Year for any Participant who is not credited with 1,000 Hours of Service during the Plan Year.
- Exception for**  death,  retirement (Normal Retirement Age),  retirement (Early Retirement Age), or  Disability
- iii.  No contributions will be made for a Plan Year for any Participant who is not credited with at least \_\_\_\_ (not to exceed 1,000 hours) Hours of Service during the Plan Year.
- Exception for**  death,  retirement (Normal Retirement Age),  retirement (Early Retirement Age), or  Disability
- iv.  No contributions will be made for a Plan Year for any Participant who is not an Employee on the last day of the Plan Year.
- Exception for**  death,  retirement (Normal Retirement Age),  retirement (Early Retirement Age), or  Disability
- v.  No contributions will be made for a Plan Year quarter for any Participant who is not an Employee on the last day of the Plan Year quarter.
- Exception for**  death,  retirement (Normal Retirement Age),  retirement (Early Retirement Age), or  Disability

- vi.  For plans using the Elapsed Time Method, no contributions will be made for any Participant who has not completed \_\_\_\_\_ (not more than 12) Months of Service, regardless of the hours credited.
- vii.  Other: \_\_\_\_\_ (any allocation requirement selected must satisfy amounts testing under Code § 401(a)(4)).

B. **NONELECTIVE CONTRIBUTIONS.** The Employer may make a discretionary Nonelective Contribution(s) each Plan Year, as further described and defined in Section B.1 and/or B.2 below (select and complete 1. and/or 2. below as applicable):

1.  **Nonelective Contribution #1**

- a. **Allocation Method for Nonelective Contribution #1.** The Employer may make a discretionary Nonelective Contribution(s) each Plan Year. If made, it will be allocated to the Accounts of eligible Participants as follows (select one and complete as applicable):
  - i.  *Pro-rata.* In the same ratio that each Participant's Compensation bears to the total Compensation of all Participants.
  - ii.  *Per Capita.* In the same dollar amount to all Participants.
  - iii.  *Hours of Service.* In the same dollar amount to each eligible Participant based on each Hour of Service performed or each day that the Participant is entitled to Compensation.
  - iv.  *Percentage of Compensation.* \_\_\_\_\_% of each Participant's Compensation allocated in the same ratio that such Participant's Compensation bears to the total Compensation for all Participants.
  - v.  *Uniform Percentage.* As a uniform percentage of the Employer's Net Profit to each eligible Participant.
  - vi.  *Integrated.* As an amount taking into account amounts contributed to Social Security using the Integration Level as elected below .

The Integration Level is (select one):

- (A)  The Taxable Wage Base.
- (B)  \_\_\_\_\_% (not to exceed 100%) of the Taxable Wage Base.
- (C)  \$\_\_\_\_\_ (less than and not greater than the Taxable Wage Base).
- (D)  80% of the Taxable Wage Base, plus \$1.00.

**Note:** The integration percentage of 5.7% shall be reduced to:

- 4.3% if (B) or (C) above is more than 20% and less than or equal to 80% of the Taxable Wage Base.
- 5.4% if (A) above is selected or if (B) or (C) above is more than 80% of the Taxable Wage Base.

- vii.  *Uniform Points.* In the same proportion that each Participant's points bears to the total of such points of all Participants. Each eligible Participant will receive \_\_\_\_\_ points for each of the following (select any that apply of (A), (B), and (C) and complete the applicable blanks):

(A)  Years of Service (Periods of Service for Elapsed Time plans) for purposes of this subsection vii. means (see subsection IV.A. herein and select (I) or (II) (but not both), and if applicable, complete (III) below):

(I)  Years/Periods of Service for eligibility purposes.

(II)  Years/Periods of Service for vesting purposes.

(III)  Points will not be allocated with respect to Years/Periods of Service in excess of \_\_\_\_\_.

(B)  \_\_\_\_\_ years of age.

(C)  \$\_\_\_\_\_ (not to exceed \$200) of Compensation.

viii.  *New Comparability Formula (see Appendix C for New Comparability formulas).*

ix.  *Prevailing Wage Contribution Formula (see Appendix D for Davis-Bacon Plan formulas).*

x.  *Other: \_\_\_\_\_ (any allocation method selected must meet one of the design-based safe harbors under Code § 401(a)(4) or result in the satisfaction of the general test under Code § 401(a)(4)).*

b. **Allocation Requirements for Nonelective Contribution #1** (select all that apply and complete as applicable):

i.  Not applicable. There are no allocation requirements for Participants to receive Nonelective Contribution #1.

ii.  No contributions will be made for a Plan Year for any Participant who is not credited with 1,000 Hours of Service during the Plan Year.

**Exception for**  death,  retirement (Normal Retirement Age),  retirement (Early Retirement Age), or  Disability

iii.  No contributions will be made for a Plan Year for any Participant who is not credited with at least \_\_\_\_\_ (not to exceed 1,000 hours) Hours of Service during the Plan Year.

**Exception for**  death,  retirement (Normal Retirement Age),  retirement (Early Retirement Age), or  Disability

iv.  No contributions will be made for a Plan Year for any Participant who is not an Employee on the last day of the Plan Year.

**Exception for**  death,  retirement (Normal Retirement Age),  retirement (Early Retirement Age), or  Disability

v.  No contributions will be made for a Plan Year quarter for any Participant who is not an Employee on the last day of the Plan Year quarter.

**Exception for**  death,  retirement (Normal Retirement Age),  retirement (Early Retirement Age), or  Disability

- vi.  For plans using the Elapsed Time Method, no contributions will be made for any Participant who has not completed \_\_\_\_\_ (not more than 12) Months of Service, regardless of the hours credited.
- vii.  Other: \_\_\_\_\_ (any allocation requirement selected must meet one of the design-based safe harbors under Code § 401(a)(4) or result in satisfaction of the general test under Code § 401(a)(4)).

2.  **Nonelective Contribution #2**

a. **Allocation Method for Nonelective Contribution #2.** The Employer may make a discretionary Nonelective Contribution(s) each Plan Year. If made, it will be allocated to the Accounts of eligible Participants as follows (select one and complete as applicable):

- i.  *Pro-rata.* In the same ratio that each Participant's Compensation bears to the total Compensation of all Participants.
- ii.  *Per Capita.* In the same dollar amount to all Participants.
- iii.  *Hours of Service.* In the same dollar amount to each eligible Participant based on each Hour of Service performed or each day that the Participant is entitled to Compensation.
- iv.  *Percentage of Compensation.* \_\_\_\_\_% of each Participant's Compensation allocated in the same ratio that such Participant's Compensation bears to the total Compensation for all Participants.
- v.  *Uniform Percentage.* As a uniform percentage of the Employer's Net Profit to each eligible Participant.
- vi.  *Integrated.* As an amount taking into account amounts contributed to Social Security using the Integration Level as elected below.

The Integration Level is (select one):

- (A)  The Taxable Wage Base.
- (B)  \_\_\_\_\_% (not to exceed 100%) of the Taxable Wage Base.
- (C)  \$\_\_\_\_\_ (less than and not greater than the Taxable Wage Base).
- (D)  80% of the Taxable Wage Base, plus \$1.00.

**Note:** The integration percentage of 5.7% shall be reduced to:

- 4.3% if (B) or (C) above is more than 20% and less than or equal to 80% of the Taxable Wage Base.
- 5.4% if (A) is selected or if (B) or (C) above is more than 80% of the Taxable Wage Base.

- vii.  *Uniform Points.* In the same proportion that each Participant's points bears to the total of such points of all Participants. Each eligible Participant will receive \_\_\_\_\_ points for each of the following (select any that apply of (A), (B), and (C) and complete the applicable blanks):
  - (A)  Years of Service (Periods of Service for Elapsed Time plans) for purposes of this subsection vii. means (see subsection IV.A. herein and select (I) or (II) (but not both), and if applicable, complete (III) below):

- (I)  Years/Periods of Service for eligibility purposes.
  - (II)  Years/Periods of Service for vesting purposes.
  - (III)  Points will not be allocated with respect to Years/Periods of Service in excess of \_\_\_\_\_.
- (B)  \_\_\_\_\_ years of age.
  - (C)  \$\_\_\_\_\_ (not to exceed \$200) of Compensation.
- viii.  *New Comparability Formula (see Appendix C for New Comparability formulas).*
  - ix.  *Prevailing Wage Contribution Formula (see Appendix D for Davis-Bacon Plan formulas).*
  - x.  *Other: \_\_\_\_\_ (any allocation method selected must meet one of the design-based safe harbors under Code § 401(a)(4) or result in satisfaction of the general test under Code § 401(a)(4)).*
- b. Allocation Requirements for Nonelective Contribution #2 (select all that apply and complete as applicable):**
- i.  Not applicable. There are no allocation requirements for Participants to receive Nonelective Contribution #2.
  - ii.  No contributions will be made for a Plan Year for any Participant who is not credited with 1,000 Hours of Service during the Plan Year.  
**Exception for**  death,  retirement (Normal Retirement Age),  retirement (Early Retirement Age), or  Disability
  - iii.  No contributions will be made for a Plan Year for any Participant who is not credited with at least \_\_\_\_\_ (not to exceed 1,000 hours) Hours of Service during the Plan Year.  
**Exception for**  death,  retirement (Normal Retirement Age),  retirement (Early Retirement Age), or  Disability
  - iv.  No contributions will be made for a Plan Year for any Participant who is not an Employee on the last day of the Plan Year.  
**Exception for**  death,  retirement (Normal Retirement Age),  retirement (Early Retirement Age), or  Disability
  - v.  No contributions will be made for a Plan Year quarter for any Participant who is not an Employee on the last day of the Plan Year quarter.  
**Exception for**  death,  retirement (Normal Retirement Age),  retirement (Early Retirement Age), or  Disability
  - vi.  For plans using the Elapsed Time Method, no contributions will be made for any Participant who has not completed \_\_\_\_\_ (not more than 12) Months of Service, regardless of the hours credited.
  - vii.  *Other: \_\_\_\_\_ (any allocation requirement selected must meet one of the design-based safe harbors under Code § 401(a)(4) or result in satisfaction of the general test under Code § 401(a)(4)).*

C. **QUALIFIED MATCHING CONTRIBUTIONS.** The Employer may make a discretionary Qualified Matching Contribution to each eligible Participant each Plan Year, as further described and defined in Sections C.1 through C.5 below (select 1. below if applicable and complete 2. through 5.):

1.  **Qualified Matching Contributions may be made** and, if made, will match the following contribution types (select and complete as applicable):

- i.  Elective Deferrals (including Roth Elective Deferrals, if applicable).
- ii.  Catch-Up Contributions (*note: if the Plan is a safe harbor plan, Catch-Up Contributions **must** be matched if otherwise eligible*).
- iii.  Voluntary After-Tax Contributions.
- iv.  Required After-Tax Contributions.
- v.  403(b) Deferrals (made to an existing 403(b) plan sponsored by the Employer, the name of which is: \_\_\_\_\_).
- vi.  457(b) Deferrals (made to an existing 457(b) plan sponsored by the Employer, the name of which is: \_\_\_\_\_).

2. **Formula for Qualified Matching Contributions** (select one and complete as applicable):

- i.  **Discretionary Match:** The Employer will have the right to make a discretionary Qualified Matching Contribution, which will be determined by the Employer with respect to each Plan Year's eligible Participants.
- ii.  **Percentage of Deferral Match:** The Employer may contribute to each eligible Participant an amount equal to \_\_\_\_\_% of the first \_\_\_\_\_% of the Participant's contributed elective deferrals or After-Tax Contributions, as applicable, up to a maximum of \_\_\_\_\_% of Compensation or \$\_\_\_\_\_.
- iii.  **Percentage of Compensation Match:** The Employer may contribute to each eligible Participant an amount equal to \_\_\_\_\_% of Compensation if the eligible Participant contributes at least \_\_\_\_\_% (*not to exceed 100%*) of Compensation.
- iv.  **Uniform Dollar Match:** The Employer may contribute to each eligible Participant an amount equal to \$\_\_\_\_\_ if the Participant contributes at least \_\_\_\_\_% (*not to exceed 100%*) of Compensation or \$\_\_\_\_\_. The Employer's contribution will be made up to a maximum of \_\_\_\_\_% of Compensation or \$\_\_\_\_\_.
- v.  **Tiered Match:** The Employer may contribute to each eligible Participant an amount equal to (*add additional tiers if necessary*):  
 \_\_\_\_\_% of the first \_\_\_\_\_% of the Participant's Compensation contributed; and  
 \_\_\_\_\_% of the next \_\_\_\_\_% of the Participant's Compensation contributed; and  
 \_\_\_\_\_% of the next \_\_\_\_\_% of the Participant's Compensation contributed.

**Note:** The rate of Qualified Matching Contribution specified above cannot increase as the deferral/contribution rate increases.

- vi.  **Years of Service Match:** The Employer may contribute to each eligible Participant an amount equal to a uniform percentage of such Participant's elective deferrals or After-Tax Contributions, as applicable, based on the Participant's Years of Service (Periods of Service if the Elapsed Time method of crediting service is selected), as follows (*add additional tiers if necessary*):

<u>Years/Periods of Service</u>	<u>Matching Percentage</u>
_____	_____%
_____	_____%
_____	_____%



A Year/Period of Service for purposes of this subsection means (see subsection IV.A. herein and select (A) or (B) below):

(A)  Years/Periods of Service for eligibility purposes.

(B)  Years/Periods of Service for vesting purposes.

vii.  *Proportionate Compensation Match*: The Employer may contribute to each eligible Participant who defers/contributes at least \_\_\_\_\_% of Compensation an amount equal to the product of multiplying such Qualified Matching Contribution by a fraction, the numerator of which is the Participant's Compensation and the denominator of which is the Compensation of all Participants eligible to receive such an allocation.

3. **Qualified Matching Contribution Computation Period.** Qualified Matching Contributions will be calculated on the following basis (select one):

i.  Payroll-based

v.  Monthly

ii.  Weekly

vi.  Quarterly

iii.  Bi-weekly

vii.  Semi-annually

iv.  Semi-monthly

viii.  Annually

4. **Limits on Qualified Matching Contributions** (select all that apply):

i.  *Annualization (true-up) of Qualified Matching Contributions (do not select if 3.viii. above is selected)*: The Employer elects to annualize (true-up) Qualified Matching Contributions.

ii.  *Maximum Limit for Qualified Matching Contributions*: In no event will Qualified Matching Contributions exceed \_\_\_\_\_% of Compensation, or \$\_\_\_\_\_.

If elected, this limit applies to the total of all Elective Deferrals, Roth Elective Deferrals, Catch-Up Contributions, Voluntary After-Tax Contributions, and Required After-Tax Contributions made to the Plan for the Plan Year.

5. **Allocation Requirements for Qualified Matching Contributions** (select all that apply):

i.  Not applicable. There are no allocation requirements for Participants to receive Qualified Matching Contributions.

ii.  No contributions will be made for a Plan Year for any Participant who is not credited with 1,000 Hours of Service during the Plan Year.

**Exception for**  death,  retirement (Normal Retirement Age),  retirement (Early Retirement Age), or  Disability

iii.  No contributions will be made for a Plan Year for any Participant who is not credited with at least \_\_\_\_\_ (not to exceed 1,000 hours) Hours of Service during the Plan Year.

**Exception for**  death,  retirement (Normal Retirement Age),  retirement (Early Retirement Age), or  Disability

- iv.  No contributions will be made for a Plan Year for any Participant who is not an Employee on the last day of the Plan Year.

**Exception for**  death,  retirement (Normal Retirement Age),  retirement (Early Retirement Age), or  Disability

- v.  No contributions will be made for a Plan Year quarter for any Participant who is not an Employee on the last day of the Plan Year quarter.

**Exception for**  death,  retirement (Normal Retirement Age),  retirement (Early Retirement Age), or  Disability

- vi.  For plans using the Elapsed Time Method, no contributions will be made for any Participant who has not completed \_\_\_\_\_ (not more than 12) Months of Service, regardless of the hours credited.

- vii.  Other: \_\_\_\_\_ (any allocation requirement selected must satisfy amounts testing under Code § 401(a)(4)).

D. **QUALIFIED NONELECTIVE CONTRIBUTIONS** (select 1. below if applicable, and complete 2. and 3. Note that 4. applies in all cases):

- 1.  The Employer may make a discretionary Qualified Nonelective Contribution to each eligible Participant each Plan Year.

2. **Allocation Method for Qualified Nonelective Contributions.** If made, the discretionary Qualified Nonelective Contribution will be allocated to the Accounts of eligible Participants as follows (select one and complete as applicable):

- i.  *Pro-rata.* In the same ratio that each Participant's Compensation bears to the total Compensation of all Participants.
- ii.  *Per Capita.* In the same dollar amount to all Participants.
- iii.  *Percentage of Compensation.* \_\_\_\_\_% of each Participant's Compensation allocated in the same ratio that such Participant's Compensation bears to the total Compensation for all Participants.
- iv.  *Prevailing Wage Contribution Formula* (see Appendix D for Davis-Bacon Plan formulas).
- v.  *Other:* \_\_\_\_\_ (any allocation method selected must meet one of the design-based safe harbors under Code § 401(a)(4) or result in satisfaction of the general test under Code § 401(a)(4)).

3. **Allocation Requirements for Qualified Nonelective Contributions** (select all that apply):

- i.  Not applicable. There are no allocation requirements for Participants to receive Qualified Nonelective Contributions.
- ii.  No contributions will be made for a Plan Year for any Participant who is not credited with 1,000 Hours of Service during the Plan Year.

**Exception for**  death,  retirement (Normal Retirement Age),  retirement (Early Retirement Age), or  Disability

- iii.  No contributions will be made for a Plan Year for any Participant who is not credited with at least \_\_\_\_\_ (not to exceed 1,000 hours) Hours of Service during the Plan Year.

**Exception for**  death,  retirement (Normal Retirement Age),  retirement (Early Retirement Age), or  Disability

- iv.  No contributions will be made for a Plan Year for any Participant who is not an Employee on the last day of the Plan Year.

**Exception for**  death,  retirement (Normal Retirement Age),  retirement (Early Retirement Age), or  Disability

- v.  No contributions will be made for a Plan Year quarter for any Participant who is not an Employee on the last day of the Plan Year quarter.

**Exception for**  death,  retirement (Normal Retirement Age),  retirement (Early Retirement Age), or  Disability

- vi.  For plans using the Elapsed Time Method, no contributions will be made for any Participant who has not completed \_\_\_\_\_ (not more than 12) Months of Service, regardless of the hours credited.

- vii.  Other: \_\_\_\_\_ (any allocation method selected must meet one of the design-based safe harbors under Code § 401(a)(4) or result in satisfaction of the general test under Code § 401(a)(4)).

4. **Corrective QNEC for Test Correction Purposes:** The Employer has the right to make a QNEC in the lesser of the amount required to pass the ADP/ACP Test or the maximum amount permitted under Code § 415. This contribution will be allocated to some or all of the Non-Highly Compensated Participants as designated by the Plan Administrator, and will be fully vested when made. This option may only be used if the Employer elects herein to use the Current Year Testing method for ADP/ACP testing.

**E. NET PROFITS OF THE EMPLOYER**

Employer Contributions will **not** be limited to the Net Profits of the Employer unless otherwise selected below:

1.  Employer Contributions *will* be limited to the Net Profits of the Employer, and are required for the following (select as applicable):
- a.  Matching Contribution #1
  - b.  Matching Contribution #2
  - c.  Nonelective Contribution #1
  - d.  Nonelective Contribution #2
  - e.  QMACs
  - f.  QNECs
2. Net Profits (if applicable) are defined as follows (select one if applicable):
- a.  As defined in the Basic Plan Document.

- b.  As defined by the Plan Administrator in a uniform, nondiscretionary, and nondiscriminatory manner.

F. **ALLOCATION OF EMPLOYER CONTRIBUTIONS BY PARTICIPATING EMPLOYERS.** Employer Contributions and Forfeitures will be allocated to eligible Participants by Participating Employers as follows (*select one, if applicable*):

1.  All Participating Employer Contributions and Forfeitures (if applicable), attributable to each contribution type made by such Participating Employer, will be pooled together and allocated uniformly among all eligible Participants.
2.  Each Participating Employer's Contributions and Forfeitures (if applicable), attributable to each specific contribution type made by such Participating Employer, will be allocated *only* to eligible Participants of the Participating Employer.

**Note:** *If Employer Contributions and Forfeitures are allocated to eligible Participants by Participating Employers, each such Employer must demonstrate that the allocations by group satisfy the nondiscrimination rules under Code § 401(a)(4).*

G.  **MATCHING CONTRIBUTIONS TO PARTICIPANTS IN THE CASE OF DISABILITY OR DEATH AS A RESULT OF ACTIVE MILITARY SERVICE**

The Employer will make Matching Contributions on behalf of a Participant who dies or incurs a Disability while performing Qualified Military Service. These contributions will be determined on the basis of the Participant's average actual Elective Deferrals and Employee Contributions to the Plan for the 12-month period of Service with the Employer immediately prior to Qualified Military Service, or if Service with the Employer is less than such 12-month period, the actual length of continuous Service with the Employer.

H.  **EMPLOYER CONTRIBUTIONS TO DISABLED PARTICIPANTS**

The Employer will make contributions on behalf of a Disabled Participant who is not a Highly Compensated Employee. These contributions will be based on the Compensation each such Participant would have received for the Limitation Year if the Participant had been paid at the rate of Compensation paid immediately before becoming Disabled. Such contributions will be for a fixed or determinable period as determined by the Employer. These contributions will be 100% vested when made. The rule of final Treasury Regulation § 1.415(c)-2(g)(4) applies with respect to such Participant.

## VIII. EMPLOYER SAFE HARBOR PLAN PROVISIONS

*If this is a safe harbor plan, and the Plan is intended to satisfy the ADP and/or ACP safe harbor nondiscrimination testing requirements by use of one of the safe harbors under § 401(k)(2) or § 401(k)(13) of the Code, complete A. or B. below as applicable. Leave blank and skip to Section IX if this is not a safe harbor plan.*

**Note:** *The Plan is generally exempt from top-heavy requirements if it contains only Safe Harbor Contributions (either matching or nonelective) or non-Safe Harbor Matching Contributions that meet the safe harbor ACP requirements.*

A.  **NON-QACA SAFE HARBOR.** To qualify as a Non-QACA Safe Harbor Plan, the Employer must make a Non-QACA Safe Harbor Matching Contribution (*complete 1. below*) or a Non-QACA Safe Harbor Nonelective Contribution (*complete 2. below*). This contribution will be in addition to any Matching Contribution or Nonelective Contribution elected in VII.A. or B. above.

1.  **Non-QACA Safe Harbor Matching Contribution** (*complete a., b., and/or c. below as applicable*):

**Note:** Non-QACA Safe Harbor Matching Contributions must match any Roth Elective Deferrals and/or Catch-Up Contributions.

a. **Safe Harbor Matching Formula** (select one and complete as applicable):

- i.  **Basic Match:** 100% of Elective Deferrals up to the first 3% of Compensation, plus 50% of Elective Deferrals up to the next 2% of Compensation.
- ii.  **Enhanced Match:** \_\_\_\_\_% of Elective Deferrals up to \_\_\_\_\_% (not more than 6%) of Compensation.
- iii.  **Tiered Match:** \_\_\_\_\_% of Elective Deferrals up to the first \_\_\_\_\_% of Compensation, plus \_\_\_\_\_% of Elective Deferrals up to the next \_\_\_\_\_% of Compensation, plus \_\_\_\_\_% of Elective Deferrals up to the next \_\_\_\_\_% of Compensation.

**Note:** The tiered match in iii. above may not provide for a greater level of match at higher levels of Elective Deferrals and the total amount of Elective Deferrals eligible for a match may not exceed 6% of Compensation. The tiered match must provide a Matching Contribution that is at least equivalent at all deferral levels to the basic match in i. above.

b. **Computation Period for Non-QACA Safe Harbor Matching Contributions.** Non-QACA Safe Harbor Matching Contributions will be calculated on the following basis (select one):

- i.  Payroll-based
- ii.  Weekly
- iii.  Bi-weekly
- iv.  Semi-monthly
- v.  Monthly
- vi.  Quarterly
- vii.  Semi-annually
- viii.  Annually

c.  **Annualization (true-up) of Non-QACA Safe Harbor Matching Contributions** (do not select if b.viii. above is selected): The Employer elects to annualize (true-up) Non-QACA Safe Harbor Matching Contributions made to the Plan.

2.  **Non-QACA Safe Harbor Nonelective Contribution** (select one, if applicable):

- a.  **Fixed formula:** \_\_\_\_\_% (not less than 3%) of Compensation.
- b.  **Discretionary flexible formula:** The Employer may elect to make a Safe Harbor Nonelective Contribution (not less than 3% of Compensation) after a Plan Year has commenced and all applicable notice requirements are met. If this option is selected, the contribution will be required only for a Plan Year for which (i) the Plan is amended to provide for such contribution by indicating on Appendix E that the Non-QACA Safe Harbor Nonelective Contribution (not less than 3%) will be made for the specified Plan Year, and (ii) the appropriate supplemental notice is provided to Participants.

B. **QACA SAFE HARBOR** (select appropriate box below, if applicable):

- Addition of a QACA under the Plan**
- Changes to the provisions of the existing QACA under the Plan**
- Plan restatement with no changes to the current QACA provisions under the Plan**

{QACA Comments:

- Select a QACA *only* if you are planning to take advantage of the Safe Harbor provisions of B.6. below.
- A QACA must be added at the beginning of a Plan Year.
- Under a QACA, there are only a limited number of plan provisions that may be changed during the Plan Year.}

1. **QACA Coverage:** The Employer must elect to apply the QACA provisions to all Eligible Employees who have not had an affirmative election to defer in effect immediately before the QACA became effective, as follows (select one box below, as applicable):

- a.  All Eligible Employees who have not made an affirmative election to defer as of the date immediately before the effective date of the QACA.
- b.  All Eligible Employees who have not made an affirmative election to defer at a percentage equal to or greater than the Qualified Automatic Percentage indicated directly below.

2. **QACA Default Elective Deferral Percentage ("Qualified Automatic Percentage"):** The Qualified Automatic Percentage to be contributed, unless the Participant elects otherwise, will be \_\_\_\_% (must be a minimum of 3% but not more than 10%).

3. **QACA Increase in Qualified Automatic Percentage (Escalation)** (complete as applicable for any escalation provisions):

- a.  **Annual Increase in Qualified Automatic Percentage**  
The Qualified Automatic Percentage stated above will be increased by \_\_\_\_% (must be a minimum of 1% each year but not more than 7%) each year up to a maximum Qualified Automatic Percentage of \_\_\_\_% (must be a minimum of 6% but not more than 10%).

- b.  **Timing of Increase in Qualified Automatic Percentage** (check one box below and insert applicable increase date)

Such increase will occur annually as soon as administratively feasible on or after:

- i.  First day of the Plan Year
  - Initial date of increase in Qualified Automatic Percentage: \_\_\_\_ (mm/dd/yy)
- ii.  Anniversary of the Participant's automatic enrollment
  - Initial date of increase in Qualified Automatic Percentage: \_\_\_\_ (mm/dd/yy)
- iii.  Specific increase date (notice to Participants must be provided at least 30 days in advance)
  - Initial date of increase in Qualified Automatic Percentage: \_\_\_\_ (mm/dd/yy)

- c.  **Wait period for Plan's Initial Auto-Enrollment Qualified Automatic Percentage Escalation** (select one box and complete as applicable. Note that for plans selecting "Anniversary of the Participant's automatic enrollment" as the increase date (option b.ii. above), there should be no wait period indicated in (ii) below and option (i) should be selected):

- (i)  No wait period.
- (ii)  The Qualified Automatic Percentage will remain in effect for a \_\_\_\_ month period before the first annual increase occurs (wait period is the period prior to initial date of increase).

4. **Permissible Withdrawals Under a QACA** (select one):

- a.  Permissible withdrawals **are** permitted -- Employees may withdraw Elective Deferrals with attributable earnings from the Plan no later than 90 days after the date the first Qualified Automatic Percentage is deducted from the Employee's paycheck.
- b.  Permissible withdrawals are **not** permitted.

5. **Annual Expiration of Prior Affirmative Elections**

*{Annual Expiration of Prior Elections Comments:*

- Any Participant who is deferring above the Plan's maximum Qualified Automatic Percentage for the current Plan Year will continue to defer at such rate, unless the Participant makes some other affirmative election.
- For QACAs, annual expiration can only be effective as of the beginning of the Plan Year.}

- As soon as administratively feasible on or after \_\_\_\_\_ ((mm/dd) -- insert date elected by the Employer) of each year, existing affirmative elections will expire, and the eligible Employees selected below will be automatically enrolled, unless they affirmatively elect not to participate or to participate at a different deferral percentage (choose one, if applicable):
  - a.  Current Employees who are eligible to participate but not deferring shall have Elective Deferrals withheld in the amount of the Plan's Qualified Automatic Percentage.
  - b.  Current Participants who are deferring at a percentage less than or equal to the Plan's Qualified Automatic Percentage shall have Elective Deferrals withheld in the amount of the Plan's Qualified Automatic Percentage.

6. **Safe Harbor Contribution Under a QACA:** The Employer elects to provide a Safe Harbor Contribution as described below (choose a., b., or c., and complete as applicable):

- a.  **Basic Matching Contribution Formula:** The Employer shall make a Basic Matching Contribution on behalf of (choose one, if applicable):
  - i.  each eligible Employee
  - ii.  each eligible Employee who is NOT a Highly Compensated Employee

in an amount equal to 100% of the Elective Deferrals of the eligible Employee to the extent that such contributions do not exceed 1% of Compensation, plus 50% of such Elective Deferrals that exceed 1% of Compensation but do not exceed 6% of Compensation.

- b.  **Enhanced Matching Contribution Formula:** The Employer shall make an Enhanced Matching Contribution under a formula set forth below that provides that (i) the rate of Matching Contributions does not increase as an Employee's rate of Elective Deferrals increases, (ii) the aggregate amount of Matching Contributions at any rate of Elective Deferrals is at least equal to the aggregate amount of Matching Contributions which would be made under the Basic Matching Contribution formula described above, and (iii) the Enhanced Matching Contribution is made to at least all Non-Highly Compensated Employees, as follows:  
\_\_\_\_\_ (insert formula).

- c.  **QACA Non-Elective Contribution Formula:** The Employer shall make a QACA Non-Elective Contribution to the Plan on behalf of (choose one of i. or ii. AND one of iii. or iv):
  - i.  each eligible Employee
  - ii.  each eligible Employee who is NOT a Highly Compensated Employee and who is eligible to participate in the Plan, in an amount equal to (choose one):

iii.  3%; or

iv.  \_\_\_\_\_ % (must be more than 3%)

of the Employee's Compensation, without regard to whether the Employee makes any Employee contributions.

7. **QACA Vesting Schedule:** The vesting schedule for the Safe Harbor Contributions described in 6. above shall be (check one and complete as necessary):

a.  100% immediate vesting

b.  2 year cliff vesting schedule  
Less than 2 Years/Periods of Service = 0%  
2 Years/Periods of Service or more = 100%

c.  2 year graded vesting schedule  
Less than 1 Year/Period of Service = 0%  
1 Year/Period of Service = \_\_\_\_\_%  
2 Years/Periods of Service or more = 100%

8. **Designation of Alternate Plan to Receive Safe Harbor Contributions:** If the Safe Harbor Contribution elected in 6. above is not being made to this Plan, the name of the other plan that will receive the Safe Harbor Contribution is: \_\_\_\_\_ (enter name of other plan).

9. **Limitations on Safe Harbor Matching Contributions:** (if a Safe Harbor Matching Contribution is made to the Plan, check option a. or b., and if b. is selected, check c., if applicable).

(**Caution:** all Catch-Up Contributions under any plan with a Safe Harbor Matching Contribution **MUST** be matched by the Employer.)

a.  The Employer elects to make Safe Harbor Matching Contributions on an annual basis (if elected, skip to 10. below).

b.  The Employer elects to match Elective Deferrals made:

i.  on a payroll basis [Plan defaults to this].

ii.  on a monthly basis.

iii.  on a Plan Year quarterly basis.

c.  The Employer elects to true up Safe Harbor Matching Contributions made to the Plan on the basis selected in b. above.

10. **QACA Nondiscrimination Testing** (choose one):

a.  The Plan is not subject to ADP and ACP testing. The Plan does not offer Voluntary After-Tax or Required After-Tax Contributions, and the ACP Test Safe Harbor limits on Matching Contributions are met.

b.  The Plan is using the ACP Testing election under Section XIII.C herein (note that this only applies if there is a contribution subject to ACP testing).

**Note:** A plan is deemed to satisfy the top-heavy requirements if the only contributions made to the Plan are Safe Harbor Contributions.

## IX. **VESTING AND FORFEITURES**



- A. **VESTING SCHEDULES.** Participants are always 100% fully vested in their Employee Contributions (including Elective Deferrals, Catch-Up Contributions, Roth Elective Deferrals, Voluntary After-Tax Contributions and Required After-Tax Contributions), QMACs and QNECs, and Safe Harbor Contributions, and any of their investment earnings. Participants will be subject to the vesting schedule indicated below with respect to that part of their Account balance attributable to Employer Contributions (select the applicable vesting schedule option for each Employer Contribution type and enter the option number where indicated below):

Option	Years/Periods of Service					
	One	Two	Three	Four	Five	Six
1	100% immediate	100%	100%	100%	100%	100%
2	%	100%	100%	100%	100%	100%
3	%	%	100%	100%	100%	100%
4	%	20%	40%	60%	80%	100%
5	0%	25%	50%	75%	100%	100%
6	25%	50%	75%	100%	100%	100%

**Employer Contribution**

**Vesting Schedule Option**

- a. All Employer Contributions \_\_\_\_\_
- b. Matching Contribution #1 5
- c. Matching Contribution #2 6
- d. Nonelective Contribution #1 \_\_\_\_\_
- e. Nonelective Contribution #2 \_\_\_\_\_
- f. QACA Safe Harbor Contribution\* \_\_\_\_\_
- g. Top Heavy Minimum Contribution 5

\*QACA Safe Harbor Contributions must be 100% vested after two Years/Periods of Service.

**Note:** For any Plan Year the Plan is Top Heavy, the Top Heavy vesting schedule elected in g. above applies. For purposes of the Top Heavy Minimum Contribution, the vesting schedule option chosen in g. must be at least as favorable as a three-year cliff vesting schedule (option #3 above) or a six-year graded vesting schedule (option #4 above). For options #5 and #6, the vested percentage for every Year of Service must satisfy the vesting requirements under the six-year graded schedule (unless 100% vesting occurs after no more than three Years of Service). Any switch to a Top Heavy vesting schedule will remain in effect even if the Plan later falls out of Top Heavy status, unless the Employer executes an Amendment to this Adoption Agreement. If no vesting schedule option is selected in g. above, the default Top Heavy vesting schedule for plans using a graded vesting schedule will be a six-year graded vesting schedule (option #4 above), and for plans using a cliff vesting schedule, it will be a three-year cliff vesting schedule (option #3 above).

B. **VESTING SERVICE EXCLUDED.** In applying the vesting schedule(s) elected above, the following service with the Employer is excluded (if option #1 is selected, do not select option #2 or #3. Options #2 and #3 may be selected together, or just option #2 or #3):

1.  None. All service with the Employer counts for vesting purposes.
2.  Service before the original Effective Date of this Plan or a predecessor plan is excluded.
3.  Service completed before the Employee's 18<sup>th</sup> birthday is excluded.

C. **VESTING UPON DEATH, DISABILITY OR EARLY RETIREMENT AGE WHILE EMPLOYED.** A Participant becomes 100% immediately vested if, while employed by the Employer, the Participant dies, terminates employment due to Disability, or reaches Early Retirement Age (if applicable). Alternatively, the Employer may choose to apply the vesting schedule indicated in A. above upon any of these events as selected below (select all that apply):

1.  Vesting schedule applies to Participants who die.
2.  Vesting schedule applies to Participants who terminate employment due to Disability.
3.  Vesting schedule applies to Participants who reach Early Retirement Age.

D. **ALLOCATION OF FORFEITURES.** Forfeitures will first be used to restore previously forfeited amounts to Participant's Accounts. Any remaining Forfeitures will be (select all that apply):

<u>Nonelective</u>	<u>Match</u>	
<input type="checkbox"/>	<input checked="" type="checkbox"/>	Used to offset Plan expenses.
<input type="checkbox"/>	<input checked="" type="checkbox"/>	Used to reduce future Matching Contributions.
<input type="checkbox"/>	<input type="checkbox"/>	Used to reduce future Nonelective Contributions.
<input type="checkbox"/>	<input type="checkbox"/>	Reallocated to other Participants in proportion to Compensation, as additional Matching Contributions.
<input type="checkbox"/>	<input type="checkbox"/>	Reallocated to other Participants in proportion to Compensation, as additional Nonelective Contributions.
<input type="checkbox"/>	<input type="checkbox"/>	Added to Matching Contributions.
<input type="checkbox"/>	<input type="checkbox"/>	Added to Nonelective Contributions.
N/A	<input type="checkbox"/>	Reallocated to all Participants in proportion to Elective Deferrals as Matching Contributions.

**Note:** If the Plan is intended to be a Safe Harbor Plan, Forfeitures cannot be reallocated to Participants' Accounts as Employer Safe Harbor Contributions.

E. **TIMING OF ALLOCATION OF FORFEITURES.** If a former Participant has received the full value of his vested Account balance or has incurred five consecutive one-year Breaks in Service, the nonvested portion of the Account will be forfeited and the forfeited amounts will be disposed of or reallocated as follows (select one if applicable):

1.  As of any Valuation or Allocation Date during the Plan Year, or as soon as administratively feasible following the end of the Plan Year, in which the former Participant receives full payment of his vested benefit.

2.  During the Plan Year following the Plan Year in which the Forfeiture arose.
3.  As of the end of the Plan Year during which the former Participant receives full payment of his vested benefit.
4.  As of the next Valuation or Allocation Date following the date on which the former Participant receives full payment of his vested benefit.

**X. RETIREMENT DATE/DISABILITY**

A. **NORMAL RETIREMENT AGE** means the *(select one and complete as applicable)*:

1.  Date a Participant attains age 65 *(not to exceed 65)*.
2.  Later of the date a Participant attains age \_\_\_\_\_ *(not to exceed 65)* or the \_\_\_\_\_ *(not to exceed 5<sup>th</sup>)* anniversary of the first day of the Plan Year in which Plan participation commenced.

B. **NORMAL RETIREMENT DATE** means the *(select one)*:

1.  Participant's Normal Retirement Age under the Plan.
2.  First day of the month next following the Participant's Normal Retirement Age.
3.  First day of the month on or next following the Participant's Normal Retirement Age.

C. **EARLY RETIREMENT AGE** means the *(select one of 1., 2., or 3. below and complete as applicable)*:

1.  N/A. No Early Retirement Age under the Plan.
2.  Date a Participant attains age \_\_\_\_\_ *(not less than 55)*.
3.  Date a Participant attains age \_\_\_\_\_ *(not less than 55)* and completes \_\_\_\_\_ Years/Periods of Service.

For Early Retirement Age purposes, Years/Periods of Service means *(see subsection IV.A. herein and select a. or b. below)*:

- a.  Years/Periods of Service for eligibility purposes.
- b.  Years/Periods of Service for vesting purposes.

D. **EARLY RETIREMENT DATE** means the *(select one, if applicable)*:

1.  Participant's Early Retirement Age under the Plan.
2.  First day of the month next following the Participant's Early Retirement Age.
3.  First day of the month on or next following the Participant's Early Retirement Age.

E. **DISABILITY.** A Participant is considered Disabled under the Plan as defined under the Basic Plan Document unless otherwise selected below *(select and complete as applicable)*:

1.  The Participant meets the eligibility requirements for receiving Social Security disability benefits.
2.  An illness or injury of a potentially permanent nature, expected to last for a continuous period of not less than twelve (12) months or can be expected to result in death, as certified by a physician satisfactory to the Employer, which prevents the Participant from engaging in any occupation for wage or profit for which the Employee is reasonably fitted by training, education or experience.

3.  The Participant meets the eligibility requirements for receiving benefits under the Employer's long term disability plan.
4.  Other: \_\_\_\_\_ (must be an objective definition and cannot be discriminatory under the Internal Revenue Code).

**XI. IN-SERVICE WITHDRAWALS, LOANS AND REQUIRED MINIMUM DISTRIBUTIONS**

A. **IN-SERVICE WITHDRAWALS** (select 1. or 2. (but not both), and if applicable, 3. and/or 4.):

**Note:** Spousal Consent will be required for in-service withdrawals unless the Plan meets the conditions for the Profit Sharing Plan Exception in the Basic Plan Document.

**Note:** Distributions from a Participant's Elective Deferral Account, Roth Elective Deferral Account, Safe Harbor Contribution Accounts (any type), Qualified Matching Contribution Account, and Qualified Nonelective Contribution Account are subject to restrictions and generally may not be distributed prior to age 59½.

1.  In-service withdrawals are **not** permitted under the Plan.
2.  In-service withdrawals **are** permitted under the Plan from the contribution types indicated below (select applicable contribution types and associated in-service withdrawal restrictions and complete as applicable. If a particular contribution type is not offered under the Plan, leave blank and do not select):

a.  **Elective Deferrals/Roth Elective Deferrals**

- i.  Not available for in-service withdrawal.
- ii.  Available if the Participant has attained age 59½ (not less than 59½).
- iii.  Available if the Participant has attained Normal Retirement Age (not less than 59½).

b.  **Voluntary After-Tax Contributions**

- i.  Not available for in-service withdrawal.
- ii.  Available for in-service withdrawals without restrictions.
- iii.  Available if the Participant has attained age \_\_\_\_\_.
- iv.  Available if the Participant has attained Normal Retirement Age.
- v.  The Participant may withdraw any portion of the Vested Interest of his Account balance after five years of Plan participation.

c.  **Required After-Tax Contributions**

- i.  Not available for in-service withdrawal.
- ii.  Available for in-service withdrawals without restrictions.
- iii.  Available if the Participant has attained age \_\_\_\_\_.
- iv.  Available if the Participant has attained Normal Retirement Age.

- v.  The Participant may withdraw any portion of the Vested Interest of his Account balance after five years of Plan participation.

d.  **Rollover Contributions**

- i.  Not available for in-service withdrawal.
- ii.  Available for in-service withdrawals without restrictions.
- iii.  Available if the Participant has attained age \_\_\_\_\_.
- iv.  Available if the Participant has attained Normal Retirement Age.
- v.  The Participant may withdraw any portion of the Vested Interest of his Account balance after five years of Plan participation.

e.  **Matching Contributions (Match #1)**

- i.  Not available for in-service withdrawal.
- ii.  The Participant may withdraw any portion of the Vested Interest of his Account balance after attainment of age 59½.
- iii.  The Participant may withdraw any portion of his/her Account balance after attainment of Normal Retirement Age.
- iv.  The Participant may withdraw any portion of the Vested Interest of his Account balance after attainment of five years of Plan participation.
- v.  The Participant may withdraw any portion of the vested portion that has been credited to his or her Account for a period of at least two years.

**Note:** If both options iv. and v. above are selected, note that for any applicable withdrawal, this means the **earlier** of the two dates.

f.  **Matching Contributions (Match #2)**

- i.  Not available for in-service withdrawal.
- ii.  The Participant may withdraw any portion of the Vested Interest of his Account balance after attainment of age 59½.
- iii.  The Participant may withdraw any portion of his Account balance after attainment of Normal Retirement Age.
- iv.  The Participant may withdraw any portion of the Vested Interest of his Account balance after attainment of five years of Plan participation.
- v.  The Participant may withdraw any portion of the vested portion that has been credited to his Account for a period of at least two years.

**Note:** If both options iv. and v. above are selected, note that for any applicable withdrawal, this means the **earlier** of the two dates.

g.  **Nonelective Contributions (Nonelective #1)**

- i.  Not available for in-service withdrawal.

- ii.  The Participant may withdraw any portion of the Vested Interest of his Account balance after attainment of age \_\_\_\_\_.
- iii.  The Participant may withdraw any portion of his Account balance after attainment of Normal Retirement Age.
- iv.  The Participant may withdraw any portion of the Vested Interest of his Account balance after attainment of five years of Plan participation.
- v.  The Participant may withdraw any portion of the vested portion that has been credited to his Account for a period of at least two years.

**Note:** *If both options iv. and v. above are selected, note that for any applicable withdrawal, this means the **earlier** of the two dates.*

h.  **Nonelective Contributions (Nonelective #2)**

- i.  Not available for in-service withdrawal.
- ii.  The Participant may withdraw any portion of the Vested Interest of his Account balance after attainment of age \_\_\_\_\_.
- iii.  The Participant may withdraw any portion of his Account balance after attainment of Normal Retirement Age.
- iv.  The Participant may withdraw any portion of the Vested Interest of his Account balance after attainment of five years of Plan participation.
- v.  The Participant may withdraw any portion of the vested portion that has been credited to his Account for a period of at least two years.

**Note:** *If both options iv. and v. above are selected, note that for any applicable withdrawal, this means the **earlier** of the two dates.*

i.  **Non-QACA Safe Harbor Matching Contributions**

- i.  Not available for in-service withdrawal.
- ii.  Available if the Participant has attained age \_\_\_\_\_ (not less than 59½).
- iii.  Available if the Participant has attained Normal Retirement Age (not less than 59½).

j.  **Non-QACA Safe Harbor Nonelective Contributions**

- i.  Not available for in-service withdrawal.
- ii.  Available if the Participant has attained age \_\_\_\_\_ (not less than 59½).
- iii.  Available if the Participant has attained Normal Retirement Age (not less than 59½).

k.  **QACA Safe Harbor Matching Contributions**

- i.  Not available for in-service withdrawal.
- ii.  Available if the Participant has attained age \_\_\_\_\_ (not less than 59½).

- iii  Available if the Participant has attained Normal Retirement Age (not less than 59½).

l.  **QACA Safe Harbor Nonelective Contributions**

- i.  Not available for in-service withdrawal.
- ii.  Available if the Participant has attained age \_\_\_\_\_ (not less than 59½).
- iii.  Available if the Participant has attained Normal Retirement Age (not less than 59½).

m.  **QMACs**

- i.  Not available for in-service withdrawal.
- ii.  Available if the Participant has attained age \_\_\_\_\_ (not less than 59½).
- iii.  Available if the Participant has attained Normal Retirement Age (not less than 59½).

n.  **QNECs**

- i.  Not available for in-service withdrawal.
- ii.  Available if the Participant has attained age \_\_\_\_\_ (not less than 59½).
- iii.  Available if the Participant has attained Normal Retirement Age (not less than 59½).

3.  **Age 70½ Withdrawals.** In-service withdrawals *may* be made by Participants who have attained age 70½.

4. **Qualified Reservist Distributions** (as defined in Code § 72(t)(2)(G)(iii)) are available for withdrawal under the Plan, unless otherwise selected below:

Qualified Reservist Distributions are not available for withdrawal under the Plan.

B. **SAFE HARBOR HARDSHIP WITHDRAWALS** (select 1. or 2. (but not both), and if applicable, 3.):

**Note:** Spousal Consent will be required for Safe Harbor Hardship Withdrawals unless the Plan meets the conditions for the Profit Sharing Plan Exception in the Basic Plan Document.

**Note:** As a condition of receiving a Safe Harbor Hardship Withdrawal from the Plan, a Participant must first take all nontaxable loans and other in-service withdrawals available under all plans maintained by the Employer.

- 1.  Safe Harbor Hardship Withdrawals are **not** permitted under the Plan.
- 2.  Safe Harbor Hardship Withdrawals **are** permitted under the Plan, from the following contribution types (select all that apply):
  - a.  Elective Deferrals (excluding earnings).
  - b.  Elective Deferrals plus any earnings credited as of December 31, 1988 (or, if later, the end of the last Plan Year ending before July 1, 1989).

- c.  Roth Elective Deferrals (excluding earnings).
- d.  Voluntary After-Tax Contributions plus earnings.
- e.  Required After-Tax Contributions plus earnings.
- f.  Rollover Contributions plus earnings.
- g.  Vested Matching Contribution #1 plus earnings.
- h.  Vested Matching Contribution #2 plus earnings.
- i.  Vested Nonelective Contribution #1 plus earnings.
- j.  Vested Nonelective Contribution #2 plus earnings.
- k.  Qualified Matching Contributions (plus earnings) credited as of December 31, 1988 (or, if later, the end of the last Plan Year ending before July 1, 1989).
- l.  Qualified Nonelective Contributions (plus earnings) credited as of December 31, 1988 (or, if later, the end of the last Plan Year ending before July 1, 1989).

**Note:** *Safe Harbor Hardship Withdrawals are not allowed from Safe Harbor Contributions of any type.*

- 3.  **Safe Harbor Hardship Withdrawals Not Permitted on Behalf of Primary Non-Spouse Beneficiaries.** Safe Harbor Hardship Withdrawals will **not** be permitted to be taken on behalf of primary non-Spouse Beneficiaries.

C. **NON-SAFE HARBOR HARDSHIP WITHDRAWALS** (select 1. or 2. (but not both), and if applicable, 3.):

**Note:** *Cannot be selected if Safe Harbor Hardship Withdrawals are allowed under the Plan.*

**Note:** *Spousal Consent will be required for Non-Safe Harbor Hardship Withdrawals unless the Plan meets the conditions for the Profit Sharing Plan Exception in the Basic Plan Document.*

**Note:** *If Non-Safe Harbor Hardship Withdrawals are permitted, complete Appendix B to reflect (i) the additional immediate and heavy financial needs, if any, beyond the safe harbor financial needs specified in the Basic Plan Document, and (ii) any contribution suspension provisions that may apply.*

- 1.  Non-Safe Harbor Hardship Withdrawals are **not** permitted under the Plan.
- 2.  Non-Safe Harbor Hardship Withdrawals **are** permitted under the Plan, from the following contribution types (cannot be selected if B.2. above is selected; otherwise, select all that apply):
  - a.  Elective Deferrals (excluding earnings).
  - b.  Elective Deferrals plus any earnings credited as of December 31, 1988 (or, if later, the end of the last Plan Year ending before July 1, 1989).
  - c.  Roth Elective Deferrals (excluding earnings).
  - d.  Voluntary After-Tax Contributions plus earnings.
  - e.  Required After-Tax Contributions plus earnings.



- f.  Rollover Contributions plus earnings.
- g.  Vested Matching Contribution #1 plus earnings.
- h.  Vested Matching Contribution #2 plus earnings.
- i.  Vested Nonelective Contribution #1 plus earnings.
- j.  Vested Nonelective Contribution #2 plus earnings.
- k.  Qualified Matching Contributions (plus earnings) credited as of December 31, 1988 (or, if later, the end of the last Plan Year ending before July 1, 1989).
- l.  Qualified Nonelective Contributions (plus earnings) credited as of December 31, 1988 (or, if later, the end of the last Plan Year ending before July 1, 1989).

**Note:** *Non-Safe Harbor Hardship Withdrawals are not allowed from Safe Harbor Contributions of any type.*

- 3.  **Non-Safe Harbor Hardship Withdrawals Not Permitted on Behalf of Primary Non-Spouse Beneficiaries.** Non-Safe Harbor Hardship Withdrawals will **not** be permitted to be taken on behalf of primary non-Spouse Beneficiaries.

D. **LOANS TO PARTICIPANTS** (select one):

**Note:** *Spousal Consent will be required for loans unless the Plan meets the conditions for the Profit Sharing Plan Exception in the Basic Plan Document.*

- 1.  Participant loans are **not** permitted under the Plan.
- 2.  Participant loans **are** permitted under the Plan, in accordance with the Employer's separate Loan Policy Document and established procedures. (*Note: The Plan requires the adoption of a separate written Loan Policy Document setting forth the requirements of the loan program.*)

E. **REQUIRED MINIMUM DISTRIBUTION RULES** (select all that apply):

- 1. A Participant's *Required Beginning Date* (for non-5% owners of the Employer) is (select one):
  - a.  April 1 of the calendar year following the later of the calendar year in which the Participant attains age 70½ or retires.
  - b.  April 1 of the calendar year following the calendar year in which the Participant attains age 70½.
- 2.  *Election to Apply 5-Year Rule to Distributions to Designated Beneficiaries.* If the Participant dies before distributions begin and there is a Designated Beneficiary, distribution to the Designated Beneficiary is not required to begin by the date provided under the Basic Plan Document, but the Participant's entire interest will be distributed to the Designated Beneficiary by the December 31 of the calendar year containing the fifth anniversary of the Participant's death.
- 3.  *Election to Allow Participants or Beneficiaries to Elect 5-Year Rule.* Participants or Beneficiaries may elect on an individual basis whether the 5-year rule or the life expectancy rule described in the Basic Plan Document applies to distributions after the death of a Participant who has a Designated Beneficiary.

**XII. DISTRIBUTION PROVISIONS – TERMINATION OF EMPLOYMENT**

A. **NORMAL FORM OF BENEFIT.** The normal (default) form of benefit is a (select one):

1.  **Lump sum.** No annuities are offered under the Plan. The Plan is not subject to the Qualified Joint and Survivor Annuity rules and the Profit Sharing Plan Exception in the Basic Plan Document applies.
2.  **Lump sum with annuities as optional form of benefit.** Unless a Participant elects to receive his distribution in the form of an annuity, the Plan will not be subject to the Qualified Joint and Survivor Annuity rules and the Profit Sharing Plan Exception in the Basic Plan Document will apply.
3.  **Qualified Joint and Survivor Annuity (if married) or Straight Life Annuity (if single).**

The Qualified Joint and Survivor Annuity is a (select one):

- a.  100% QJSA (must also elect 50% J&S optional form in C.6. below).
- b.  75% QJSA (must also elect 50% J&S optional form in C.6. below).
- c.  66⅔% QJSA (must also elect 75% J&S optional form in C.8. below).
- d.  50% QJSA (must also elect 75% J&S optional form in C.8. below).

B. **QUALIFIED PRERETIREMENT SURVIVOR ANNUITY** (do not complete if A.1. is selected above. Otherwise, select one):

1.  A **100%** Qualified Preretirement Survivor Annuity equal to 100% of the Participant's vested Account balance as of the date of the Participant's death.
2.  A **50%** Qualified Preretirement Survivor Annuity equal to 50% of the Participant's vested Account balance as of the date of the Participant's death. The remainder of the Participant's vested Account balance will be distributed in an optional form elected by the applicable Beneficiary.

C. **OPTIONAL FORMS OF BENEFIT.** The Plan provides for the following optional forms of distribution (select all that apply and complete as applicable):

1.  Lump sum.
2.  Installment payments.
3.  Partial payments. If applicable, minimum amount of \$\_\_\_\_\_.
4.  Straight Life Annuity.
5.  Term certain annuity with payments guaranteed for \_\_\_\_\_ years (not in excess of 20).
6.  50% joint and survivor annuity. (Note: If the QJSA selected in A.3. above is 75% or 100%, then this optional form of benefit will be allowed regardless of whether or not this option is selected.)
7.  66⅔% joint and survivor annuity.
8.  75% joint and survivor annuity. (Note: If the QJSA selected in A.3. above is 50% or 66⅔%, then this optional form of benefit will be allowed regardless of whether or not this option is selected.)

- 9.  100% joint and survivor annuity.
- 10.  Contingent annuity.

D. **TYPE OF PAYMENT** (select all that apply and complete as applicable):

- 1.  Cash.
- 2.  Employer securities.
- 3.  Other (specify type of payment allowed under the Plan): \_\_\_\_\_.

E. **TIMING OF DISTRIBUTIONS UPON SEVERANCE FROM EMPLOYMENT.** Distributions payable due to Severance from Employment will be paid as soon as administratively feasible (select one and complete as applicable):

- 1.  Following the date on which a distribution is requested or otherwise payable.
- 2.  On or after the Valuation Date following the date a distribution is requested or otherwise payable.
- 3.  Following the end of the Plan Year during which a distribution is requested or otherwise payable.
- 4.  Following the close of the Plan Year during which the Participant incurs \_\_\_\_\_ (no more than 5) consecutive one-year Breaks in Service.
- 5.  After the Participant has attained Normal Retirement Age or Early Retirement Age (if applicable), under the Plan.
- 6.  Other: \_\_\_\_\_ (must be permissible under the Internal Revenue Code and apply uniformly to all Participants under the Plan).

F. **INVOLUNTARY CASH OUT AND AUTOMATIC ROLLOVER PROVISIONS** (select 1. or 2. (but not both), and if applicable, 3.):

- 1.  The Plan will not make any involuntary cash outs to terminated vested Participants nor will any Participant's Account balance be subject to the automatic rollover requirements of Code § 401(a)(31) and Section 12.11 of the Basic Plan Document. Terminated vested Participants must consent to any distribution from the Plan.
- 2.  The Plan will make involuntary cash outs of Account balances of terminated vested Participants and/or apply the automatic rollover requirements of Code § 401(a)(31) and Section 12.11 of the Basic Plan Document as follows (select one):
  - a.  The Plan will make involuntary cash outs of Account balances of terminated vested Participants of \$1,000 or less. Distribution of Account balances greater than \$1,000 will only be made at the request of the Participant.
  - b.  The Plan will make involuntary cash outs of Account balances of terminated vested Participants of \$1,000 or less. In addition, Eligible Rollover Distributions of Account balances greater than \$1,000 but not greater than \$5,000 will be subject to the automatic rollover requirements.

- c.  Eligible Rollover Distributions of Account balances not greater than \$5,000 will be subject to the automatic rollover requirements.

3. **Inclusion/Exclusion of Rollovers for Involuntary Cash Out and Automatic Rollover Thresholds.** In determining the cash out and automatic rollover thresholds, Rollover Contributions will be (select one if 2.a., 2.b. or 2.c. above is selected):

- a.  Included.  
b.  Excluded.

**XIII. NONDISCRIMINATION TESTING PROVISIONS**

A. **DEFINITION OF HIGHLY COMPENSATED EMPLOYEE.** In determining which Employees are Highly Compensated Employees, the following apply (select all that apply):

1. **Top-Paid Group Election.** The Top-Paid Group Election is **not** made by the Employer unless selected below:

The **Top-Paid Group Election** is made by the Employer.

2.  The **Calendar Year Data election** is made by the Employer, and the Look-Back Year will be the calendar year beginning within the preceding Plan Year. (**Note:** This option may only be chosen if the Plan Year is not the calendar year. If this option is not selected, the determination of Highly Compensated Employees will be based on the Plan Year.)

B. **ADP TESTING ELECTIONS.** The Plan is using the following testing method for purposes of the ADP Test (select as applicable):

1.  N/A. The Plan is not subject to ADP testing.

2.  **Current Year Testing method.**

3.  **Prior Year Testing method.**

4. **Testing Election for First Plan Year.** If option B.3 above is chosen for the first year the Code § 401(k) feature is added to the Plan (unless this Plan is a successor plan), then for the first Plan Year only, the amount taken into account as the ADP of Non-Highly Compensated Employees for the preceding Plan Year will be (select one if applicable):

a.  3%.

b.  The actual deferral percentage for the initial Plan Year.

C. **ACP TESTING ELECTIONS.** The Plan is using the following testing method for purposes of the ACP Test (select as applicable):

1.  N/A. The Plan is not subject to ACP testing.

2.  **Current Year Testing method.**

3.  **Prior Year Testing method.**

4. **Testing Election for First Plan Year.** If option C.3 above is chosen for the first year the Code § 401(m) feature is added to the Plan (unless this Plan is a successor plan), then for the first Plan Year only, the amount taken into account as the ACP of Non-Highly Compensated Employees for the preceding Plan Year will be (select one if applicable):

- a.  3%.
- b.  The actual contribution percentage for the initial Plan Year.

D. **TOP HEAVY PROVISIONS**

1. **Top Heavy Minimum Allocation.** The minimum allocation requirements for any Top Heavy Plan Year will be applied to (*select one*):
  - a.  All eligible Participants.
  - b.  Only eligible non-Key Employees who are Participants.
2. **Minimum Contribution Rules for More Than One Plan Maintained by the Employer.** If the Plan is or becomes Top Heavy, the minimum contribution or benefit required under Code § 416 will be met as elected below (*select one and complete as applicable*):
  - a.  The applicable minimum contribution will be met by this Plan.
  - b.  The minimum contribution will be met by (*insert name of other qualified defined contribution plan*): \_\_\_\_\_.
  - c.  The minimum benefit will be met by (*insert name of other qualified defined benefit plan*): \_\_\_\_\_ and will be in the amount of \_\_\_\_\_ (*include interest rate and mortality table, if applicable*).
3. Matching Contributions **will** be included for purposes of meeting Top Heavy minimum contributions unless otherwise selected below:
  - Matching Contributions will **not** be included for purposes of meeting Top Heavy minimum contributions.

XIV. **MISCELLANEOUS PROVISIONS**

- A. **PARTICIPANT-DIRECTED INVESTMENTS** (*select 1. or 2. (but not both)*):
1.  Participant-directed investments are **not** permitted for any Accounts under the Plan.
  2.  Participant-directed investments **are** permitted for (*select all applicable Accounts*):
    - a.  All Accounts under the Plan.
    - b.  Elective Deferral/Roth Elective Deferral Account.
    - c.  Voluntary After-Tax Contribution Account.
    - d.  Required After-Tax Contribution Account.
    - e.  Rollover Contribution Account.
    - f.  Matching Contribution (Match #1) Account.
    - g.  Matching Contribution (Match #2) Account.
    - h.  Nonelective Contribution (Nonelective #1) Account.
    - i.  Nonelective Contribution (Nonelective #2) Account.

- j.  Non-QACA Safe Harbor Contribution Account.
  - k.  QACA Safe Harbor Contribution Account.
  - l.  QMAC Account.
  - m.  QNEC Account.
  - n.  Other: \_\_\_\_\_ (specify Account(s)).
- B.  **ERISA § 404(C).** With respect to the Accounts subject to Participant investment direction, the Employer intends to be covered by the fiduciary liability exemption provisions under ERISA § 404(c).
- C. **QDRO PAYMENT DATE.** For purposes of making distribution to an alternate payee under a QDRO, the QDRO payment date will be (select one):
- 1.  The date the QDRO is determined to be qualified.
  - 2.  The Participant's "earliest retirement age", as defined under Code § 414(p)(4)(B).
- D. **VALUATION DATES.** Except for those assets, if any, identified below, the assets of the Plan will be valued on a daily basis at the close of regular trading on the New York Stock Exchange (normally 4:00 pm Eastern Time) on any business day that Transamerica is open for business:
- Other (enter property or asset and valuation date(s)): \_\_\_\_\_

**XV. VOLUME SUBMITTER INFORMATION AND ACCEPTANCE**

A. **VOLUME SUBMITTER PLAN PRACTITIONER INFORMATION**

Name of Practitioner: Transamerica Retirement Solutions Corporation

Address of Practitioner: 440 Mamaroneck Avenue, Harrison, NY 10528

- B. **ACCEPTANCE.** This Plan may not be used, and shall not be deemed to be a Volume Submitter Plan, unless an authorized representative of Transamerica Retirement Solutions Corporation has acknowledged the use of the Plan. Such acknowledgement is for administrative purposes only. It acknowledges that the Employer is using the Plan but does not represent that this Plan, including the choices selected on the Adoption Agreement, has been reviewed by a representative of the practitioner or constitutes a qualified retirement plan.

**Transamerica Retirement Solutions Corporation**

By: 

Title: Vice President, Client Compliance Services

Date: April 1, 2014

Questions concerning the language contained herein and the qualification of the Volume Submitter Plan should be addressed to: Transamerica Retirement Solutions Corporation

Title: Manager

Phone Number: (914) 627-3000

- C. **RELIANCE ON ADVISORY LETTER.** A Sponsoring Employer may rely on an advisory letter issued by the Internal Revenue Service as evidence that this Plan is qualified under Code § 401(a) only to the extent provided under Revenue Procedure 2011-49. The Employer may not rely on the advisory letter in certain other circumstances or with respect to certain qualification requirements, as specified in the Plan's advisory letter and in Revenue Procedure 2011-49. In order to have reliance in these circumstances, or with respect to such qualification requirements, application for a determination letter must be made to Employee Plans Determinations of the Internal Revenue Service.

Failure to operate the Plan in accordance with the terms of the Plan document may result in disqualification of the Plan.

This Adoption Agreement may only be used in conjunction with the Transamerica Retirement Solutions Corporation Basic Plan Document No. 01. As the Volume Submitter Practitioner of the Volume Submitter Plan, Transamerica Retirement Solutions Corporation shall inform the Sponsoring Employer of any amendments made to the Plan or of the discontinuance or abandonment of the Volume Submitter Plan document.

**XVI. SIGNATURES**

The Employer, by executing this Adoption Agreement, adopts the Transamerica Retirement Solutions Corporation Volume Submitter 401(k) Profit Sharing Plan, pursuant to the provisions selected in this Adoption Agreement. The Plan and any applicable Trust are intended to meet the requirements of §§ 401(a) and 401(k), as applicable, and 501(a) of the Internal Revenue Code of 1986, as amended, including Regulations issued thereunder. The Employer, by executing this Adoption Agreement, acknowledges that it is a legal document with significant legal and tax ramifications, and agrees to the terms and provisions of this Volume Submitter Plan. The Employer further understands that its failure to properly or timely complete or amend this Adoption Agreement may result in disqualification of the Plan. Transamerica assumes no responsibility for the completion and operation of the Plan established under this Adoption Agreement and the Basic Plan Document. It is recommended that the Employer consult with legal counsel before executing this Adoption Agreement.

The Sponsoring Employer hereby authorizes Transamerica Retirement Solutions Corporation as the Volume Submitter Practitioner of the Volume Submitter Plan, to amend the Plan on the Employer's behalf and in accordance with Section 18.1 of the Basic Plan Document, for changes in the Code, regulations, revenue rulings, and other statements issued by the Internal Revenue Service, including model, sample, or good faith amendments, provided such amendments will not cause the Plan to become an individually designed plan. The Sponsoring Employer understands that it may need to sign certain optional amendments.

A. **SPONSORING EMPLOYER**

1. Name of Sponsoring Employer: Prospect CharterCare, LLC
2. Executed on behalf of the Sponsoring Employer by: \_\_\_\_\_
3. Title: SVP
4. Signature: Sam Lee
5. Date of execution: 12/31/14

B. **TRUST AGREEMENT** (select 1. or 2. below):

1.  Plan assets are held in group annuity contracts. There is no Trustee and the terms of the contract(s) apply.

2.  Plan assets are held in a tax-qualified Trust, as set forth in the separate executed Trust Agreement between the Employer and the Trustee attached hereto.

**Note:** *To qualify as a Volume Submitter Plan, any separate trust document used in conjunction with this Plan must be approved by the Internal Revenue Service. Any such approved Trust Agreement is hereby incorporated as part of this Plan and must be attached hereto. The responsibilities, rights and powers of the Trustee are those specified in the separate Trust Agreement. The approved Trust Agreement is a proprietary document and, prior to its execution, may not be modified or altered in any way except for such minor administrative modifications or optional language permitted within the approved Trust Agreement itself.*

C. **TRUSTEE** (if applicable, select 1. or 2. below):

1.  The appointed Trustee acts in the capacity of a **non-discretionary** directed Trustee.
2.  The appointed Trustee acts in the capacity of a **discretionary** Trustee.



**APPENDIX A**

**PROTECTED BENEFITS**

**Protected Benefits:** In general, an employer cannot reduce, eliminate or make subject to employer discretion any Code § 411(d)(6) protected benefits, except to the extent allowed under Code § 411(d)(6) and the Regulations thereunder. In situations in which this Plan is being adopted to amend another plan containing a protected benefit not provided for under this Plan, the Sponsoring Employer may complete this Schedule describing such protected benefit and such Schedule will become part of this Plan.

*List protected benefits under the prior plan not provided for under this Volume Submitter Plan:*

1. **Prior plan provision:** Prior Employer nonelective contributions are 100% vested and are available for in-service withdrawal upon attainment of age 59 ½.

**Effective date:** January 1, 2015

2. **Prior plan provision:** Participants hired prior to January 1, 2015, are 100% vested in all existing and future Matching Contributions #2. Participants hired on or after January 1, 2015, will be subject to the 4-year graded vesting schedule under the Plan (1 Year of Service = 25%, 2 Years of Service = 50%, 3 Years of Service = 75%, and 4 Years of Service = 100%).

**Effective date:** January 1, 2015

3. **Prior plan provision:** \_\_\_\_\_

**Effective date:** \_\_\_\_\_

4. **Prior plan provision:** \_\_\_\_\_

**Effective date:** \_\_\_\_\_

*(Add additional prior plan protected benefits as needed.)*

## APPENDIX B

### HISTORICAL PLAN PROVISIONS & CURRENT ADMINISTRATIVE PROCEDURES

A. **Historical Plan Provisions:** List provisions of the prior plan not found in this Volume Submitter Plan or use this Appendix to document transactions or historical provisions of the Plan.

1. **Plan provision:** Prior to January 1, 2015, the Compensation computation period was based on calendar year.  
**Effective date:** January 1, 2015
2. **Plan provision:** Prior to January 1, 2015, Matching Contribution #1 was determined on an annual basis and a participant had to be employed on the last day of the Plan Year in order to receive an allocation.  
**Effective date:** January 1, 2015
3. **Plan provision:** Prior to January 1, 2015, employees of Prospect CharterCare Physicians, LLC, Prospect CharterCare, RWMC, LLC and Prospect CharterCare Elmhurst, LLC were excluded from Matching Contribution #1.  
**Effective date:** January 1, 2015
4. **Plan provision:** Prior to January 1, 2015, employees of Prospect CharterCare, LLC, Prospect CharterCare SJHSRI, LLC and Prospect CharterCare Physicians, LLC, were excluded from Matching Contribution #2.  
**Effective date:** January 1, 2015

B. **Current Administrative Procedures:** List administrative procedures related to plan administration not found in this Volume Submitter Plan.

1. **Administrative procedure:** Matching Contribution #1 and Matching Contribution #2 shall be determined by the Retirement Committee.  
**Effective Date:** January 1, 2015
2. **Administrative procedure:** Prior Employer nonelective contributions are available for hardship withdrawals.  
**Effective date:** \_\_\_\_\_
3. **Administrative procedure:** \_\_\_\_\_  
**Effective date:** \_\_\_\_\_
4. **Administrative procedure:** \_\_\_\_\_  
**Effective date:** \_\_\_\_\_

*(Add additional Current Administrative Procedures as needed.)*

APPENDIX C

NEW COMPARABILITY PLAN PROVISIONS

If the new comparability allocation formula is elected by the Sponsoring Employer in Section B of Article VII hereof, the Employer will have the right to make a discretionary Nonelective Contribution each Plan Year. If one is made, the Employer will determine the total amount of contributions for each Plan Year and either (1) allocate such total amount to participant groups, or (2) allocate such total amount using age weighted allocation rates.

In the case of Self-employed Individuals (i.e., sole proprietorships or partnerships), the requirements of Treas. Reg. § 1.401(k)-1(a)(6) continue to apply, and the allocation method should not be such that a cash or deferred election is created for a self-employed individual as a result of the application of the allocation method.

A. **ALLOCATION FORMULAS.** Such discretionary Nonelective Contribution will be allocated to each eligible Employee, using the following allocation formula (*select one*):

1.  **Participant Group Allocation Method.** Such discretionary contribution will be made to the following allocation groups (*define each allocation group; each of which must be clearly defined in a manner that will not violate the definitely determinable allocation requirement of Treas. Reg. § 1.401-1(b)(1) (ii). The design of the groups cannot be such that the only NHCEs benefiting under the Plan are those with the lowest amount of Compensation and /or the shortest periods of Service and who may represent the minimum number of these Employees necessary to satisfy minimum coverage under Code § 410(b)*):

(a)  Allocation Group A: \_\_\_\_\_

(b)  Allocation Group B: \_\_\_\_\_

(c)  Allocation Group C: \_\_\_\_\_

(d)  Allocation Group D: \_\_\_\_\_

(e)  Allocation Group E: \_\_\_\_\_

*Additional allocation groups (and any changes thereto) may be added as needed as an addendum to this Appendix.*

2.  **Age Weighted Allocation Method.** The total discretionary Nonelective Contribution will be allocated to each eligible Employee such that the equivalent benefit accrual rate for each Participant is identical. The following assumptions will be used to calculate the equivalent benefit accrual rate:

Pre-retirement Mortality: \_\_\_\_\_

Post-retirement Mortality: \_\_\_\_\_

Pre-retirement Interest: \_\_\_\_\_

Post-retirement Interest: \_\_\_\_\_

3.  **Age-Only Band Formula.** Enter the starting allocation rate in the blank in (a) below, and the age and allocation rates for each age-only band in the blanks in (b) through (j) below. The schedule of allocation rates must have regular intervals such that each band, other

than the band associated with the lowest and highest ages, is the same length. The allocation rate for each band must be greater than the allocation rate for the immediately preceding band (i.e., the band with the next lower number of years of age but by no more than five (5) percentage points). However, the ratio of the allocation rate for any band to the rate for the immediately preceding band must not exceed 2.0 and also must not exceed the ratio of allocation rates between the two (2) immediately preceding bands.

- (a) *First age band:* The first allocation rate band is less than age twenty-five (25), with an allocation rate of \_\_\_%.

*Subsequent allocation rate bands are as follows:*

- (b) At least age \_\_\_ but less than \_\_\_ with an allocation rate of \_\_\_%,
- (c) At least age \_\_\_ but less than \_\_\_ with an allocation rate of \_\_\_%,
- (d) At least age \_\_\_ but less than \_\_\_ with an allocation rate of \_\_\_%,
- (e) At least age \_\_\_ but less than \_\_\_ with an allocation rate of \_\_\_%,
- (f) At least age \_\_\_ but less than \_\_\_ with an allocation rate of \_\_\_%,
- (g) At least age \_\_\_ but less than \_\_\_ with an allocation rate of \_\_\_%,
- (h) At least age \_\_\_ but less than \_\_\_ with an allocation rate of \_\_\_%,
- (i) At least age \_\_\_ but less than \_\_\_ with an allocation rate of \_\_\_%,
- (j) At least age \_\_\_ with an allocation rate of \_\_\_%.

4.  **Years/Periods of Service Only Band Formula.** Enter the starting allocation rate in the blank in (a) below, and the number of Years/Periods of Service and the allocation rates for each Year of Service-only band in the blanks in (b) through (h) below. The schedule of allocation rates must have regular intervals such that each band, other than the first band and the band associated with the highest Years/Periods of Service, is the same length. The allocation rate for each band must be greater than the allocation rate for the immediately preceding band (i.e., the band with the next lower number of Years/Periods of Service but by no more than five (5) percentage points). However, the ratio of the allocation rate for any band to the rate for the immediately preceding band must not exceed 2.0 and also must not exceed the ratio of allocation rates between the two (2) immediately preceding bands.

- (a) *First Year/Period of Service band:* The first allocation rate band is less than one (1) Year/Period of Service, with an allocation rate of \_\_\_%.

*Subsequent allocation rate bands are as follows:*

- (b) At least \_\_\_ but less than \_\_\_ Years/Periods of Service with an allocation rate of \_\_\_%,
- (c) At least \_\_\_ but less than \_\_\_ Years/Periods of Service with an allocation rate of \_\_\_%,
- (d) At least \_\_\_ but less than \_\_\_ Years/Periods of Service with an allocation rate of \_\_\_%,
- (e) At least \_\_\_ but less than \_\_\_ Years/Periods of Service with an allocation rate of \_\_\_%

\_\_\_%,

- (f) At least \_\_\_ but less than \_\_\_ Years/Periods of Service with an allocation rate of \_\_\_%,
- (g) At least \_\_\_ but less than \_\_\_ Years/Periods of Service with an allocation rate of \_\_\_%,
- (h) At least \_\_\_ Years/Periods of Service with an allocation rate of \_\_\_%.

For purposes of this formula, Years/Periods of Service means (see subsection IV.A. herein and select (i) or (ii) below):

- (i)  Years/Periods of Service for eligibility purposes.
- (ii)  Years/Periods of Service for vesting purposes.

5.  **Age and Service Point Band Formula.** Enter the starting allocation rate in the blank in (a) below, and the sum of age and service points and the allocation rates for each age and service point band in the blanks in (b) through (n) below. The schedule of allocation rates must have regular intervals such that each band, other than the first band and the band associated with the highest sum of age and Years/Periods of Service, is the same length. The allocation rate for each band must be greater than the allocation rate for the immediately preceding band (i.e., the band with the next lower sum of age and Years/Periods of Service but by no more than five (5) percentage points). However, the ratio of the allocation rate for any band to the rate for the immediately preceding band must not exceed 2.0 and also must not exceed the ratio of allocation rates between the two (2) immediately preceding bands.

- (a) *First age and service point band:* The first allocation rate band is the sum of age and Years/Periods of Service of less than twenty-five (25), with an allocation rate of \_\_\_%.

*Subsequent allocation rate bands are as follows:*

- (b) At least \_\_\_ but less than \_\_\_ with an allocation rate of \_\_\_%,
- (c) At least \_\_\_ but less than \_\_\_ with an allocation rate of \_\_\_%,
- (d) At least \_\_\_ but less than \_\_\_ with an allocation rate of \_\_\_%,
- (e) At least \_\_\_ but less than \_\_\_ with an allocation rate of \_\_\_%,
- (f) At least \_\_\_ but less than \_\_\_ with an allocation rate of \_\_\_%,
- (g) At least \_\_\_ but less than \_\_\_ with an allocation rate of \_\_\_%,
- (h) At least \_\_\_ but less than \_\_\_ with an allocation rate of \_\_\_%,
- (i) At least \_\_\_ but less than \_\_\_ with an allocation rate of \_\_\_%,
- (j) At least \_\_\_ but less than \_\_\_ with an allocation rate of \_\_\_%,
- (k) At least \_\_\_ but less than \_\_\_ with an allocation rate of \_\_\_%,
- (l) At least \_\_\_ but less than \_\_\_ with an allocation rate of \_\_\_%,
- (m) At least \_\_\_ but less than \_\_\_ with an allocation rate of \_\_\_%,

(n) At least \_\_\_ with an allocation rate of \_\_\_%.

For purposes of this formula, Years/Periods of Service means (see subsection IV.A. herein and select (i) or (ii) below):

(i)  Years/Periods of Service for eligibility purposes.

(ii)  Years/Periods of Service for vesting purposes.

B. **MINIMUM REQUIREMENTS.** The new comparability allocation formula elected above will satisfy Treas. Reg. § 1.401(a)(4)-2(c) by means of one of the following three conditions as applicable and as set forth in the Basic Plan Document:

1. Broadly Available Allocation Rates; or
2. Gradual Age or Years/Periods of Service Schedule; or
3. Minimum Allocation Gateway.

**APPENDIX D**

**DAVIS-BACON PLAN PROVISIONS**

1.  The Plan is intended to be a Davis-Bacon Plan, and the Employer will make a Prevailing Wage Contribution on behalf of each Participant who performs services subject to the Davis-Bacon Act, Service Contract Act, or other similar Federal, State or Municipal Prevailing Wage statutes, and only with respect to Compensation paid under such statutes.
2. The Prevailing Wage Contribution will be an amount equal to (*select one*):
  - a.  The balance of the fringe benefit payment for health and welfare for each Participant (after deducting the cost of cash differential payments for the Participant) based on the hourly contribution rate for the Participant's employment classification, as provided by the Employer.
  - b.  \_\_\_\_\_ per hour will be made each Plan Year on behalf of any Participant whose eligibility is regulated by the Davis-Bacon Act or other prevailing wage law.

*The Prevailing Wage Contribution cannot be subject to any age or Service requirements, or Service or employment conditions, and is always 100% vested.*

3. Is the Prevailing Wage Contribution considered a Qualified Nonelective Contribution as defined in Section 1.87 of the Basic Plan Document?
  - a.  Yes.
  - b.  No.
4. Will the Prevailing Wage Contribution made on behalf of a Participant for a Plan Year offset or reduce other Employer Contributions allocated or contributed on behalf of such Participant for the Plan Year?
  - a.  No, it will be in addition to other Employer Contributions.
  - b.  Yes, it will offset any other Employer Contributions under the Plan (other than any Non-QACA Safe Harbor Contributions).
5. Will Highly Compensated Employees be excluded from receiving the Prevailing Wage Contributions?
  - a.  Yes, Highly Compensated Employees will be excluded.
  - b.  No, Highly Compensated Employees will receive them.

**APPENDIX E**

**ELECTION FOR NON-QACA SAFE HARBOR DISCRETIONARY FLEXIBLE NONELECTIVE CONTRIBUTIONS**

The following elections are made with regard to the Plan's Safe Harbor status pursuant to Section VIII.A.2.b herein. For the Plan Years indicated below, the Plan hereby invokes a Safe Harbor status in accordance with Code §§ 401(k)(12) and 401(m)(11).

For all Plan Years in which this Safe Harbor election is being made, the limitations and restrictions found in Section VIII.A.2.b herein apply.

1. For the Plan Year beginning \_\_\_\_\_ and ending \_\_\_\_\_, the Employer hereby invokes a Safe Harbor status as provided in Code §§ 401(k)(12) and 401(m)(11). The Safe Harbor Contribution will be an amount equal to \_\_\_\_\_% (not less than 3%) of Compensation. This election is made on this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_ (date may not be later than 30 days prior to the end of the Plan Year in which such election is being made).
2. For the Plan Year beginning \_\_\_\_\_ and ending \_\_\_\_\_, the Employer hereby invokes a Safe Harbor status as provided in Code §§ 401(k)(12) and 401(m)(11). The Safe Harbor Contribution will be an amount equal to \_\_\_\_\_% (not less than 3%) of Compensation. This election is made on this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_ (date may not be later than 30 days prior to the end of the Plan Year in which such election is being made).
3. For the Plan Year beginning \_\_\_\_\_ and ending \_\_\_\_\_, the Employer hereby invokes a Safe Harbor status as provided in Code §§ 401(k)(12) and 401(m)(11). The Safe Harbor Contribution will be an amount equal to \_\_\_\_\_% (not less than 3%) of Compensation. This election is made on this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_ (date may not be later than 30 days prior to the end of the Plan Year in which such election is being made).
4. For the Plan Year beginning \_\_\_\_\_ and ending \_\_\_\_\_, the Employer hereby invokes a Safe Harbor status as provided in Code §§ 401(k)(12) and 401(m)(11). The Safe Harbor Contribution will be an amount equal to \_\_\_\_\_% (not less than 3%) of Compensation. This election is made on this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_ (date may not be later than 30 days prior to the end of the Plan Year in which such election is being made).
5. For the Plan Year beginning \_\_\_\_\_ and ending \_\_\_\_\_, the Employer hereby invokes a Safe Harbor status as provided in Code §§ 401(k)(12) and 401(m)(11). The Safe Harbor Contribution will be an amount equal to \_\_\_\_\_% (not less than 3%) of Compensation. This election is made on this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_ (date may not be later than 30 days prior to the end of the Plan Year in which such election is being made).

*(Add additional Plan Year elections as needed.)*



**APPENDIX F**  
**PLAN MERGERS**

The purpose of this Appendix is to document all plan mergers into this Plan and to set forth any related protected benefits under Code § 411(d)(6). In accordance with this intent, note the following for each plan merger:

- The assets and liabilities of the Merging Plan will be transferred to, and merged with this Plan on the Merger Effective Date or as soon thereafter as practicable.
- Immediately after each plan merger, each Participant in the plans as merged shall have an Account balance equal to the sum of the Account balances the Participant had in the plans immediately prior to the mergers.

**Plan Merger #1**

1. **Name of Merging Plan:** \_\_\_\_\_
2. **Merger Effective Date:** \_\_\_\_\_
3. **Protected Benefits due to Plan Merger:**  
*Protected Benefit #1:* \_\_\_\_\_  
*Protected Benefit #2:* \_\_\_\_\_  
*Protected Benefit #3:* \_\_\_\_\_  
*Protected Benefit #4:* \_\_\_\_\_

**Plan Merger #2**

1. **Name of Merging Plan:** \_\_\_\_\_
2. **Merger Effective Date:** \_\_\_\_\_
3. **Protected Benefits due to Plan Merger:**  
*Protected Benefit #1:* \_\_\_\_\_  
*Protected Benefit #2:* \_\_\_\_\_  
*Protected Benefit #3:* \_\_\_\_\_  
*Protected Benefit #4:* \_\_\_\_\_

*(Add any additional Protected Benefits if needed to each Plan Merger.)*

*(Repeat as necessary for additional Plan mergers.)*

## PARTICIPATION AGREEMENT FOR RELATED PARTICIPATING EMPLOYERS

**Each Related Participating Employer must execute a separate Participation Agreement. If not applicable, do *not* complete this Participation Agreement.**

By executing this Participation Agreement, the undersigned Employer elects to become a Related Participating Employer in the Plan, and the Employer hereby consents to such adoption of, and participation under, the Plan upon the following terms:

- (1) Whenever a right or obligation is imposed upon the Employer by the terms of the Plan, the same shall extend to the Related Participating Employer as the "Employer" under the Plan and shall be separate and distinct from that imposed upon the Employer. It is the intention of the parties that the Related Participating Employer shall be a party to the Plan and treated in all respects as the Employer thereunder, with its employees to be considered as the Employees or Participants as the case may be, thereunder. However, the participation of the Related Participating Employer in the Plan shall in no way diminish, augment, modify or in any way affect the rights and duties of the Employer, its Employees or Participants, under the Plan.
- (2) The execution of this Agreement by this Related Participating Employer shall be construed as the adoption of the Plan in every respect as if said Plan had this date been executed between the Related Participating Employer, except as otherwise expressly provided herein or in any amendment that may subsequently be adopted hereto.
- (3) Further, the Related Participating Employer hereby appoints the signatory sponsoring Employer as its attorney in fact for the purpose of adopting on its behalf all future amendments, whether required or voluntary, and any applicable corresponding documents (e.g., Loan Policy, QDRO Procedures, Trust Agreement). Any reference to the "Employer" in this Adoption Agreement is also a reference to the Related Participating Employer, unless otherwise noted.

**A. RELATED PARTICIPATING EMPLOYER INFORMATION:**

Name: Prospect CharterCare RWMC, LLC

Address: 825 Chalkstone Avenue, Providence, RI 02908

Phone Number: 401-456-2000

Tax ID Number: 46-4648465

**B. EFFECTIVE DATE(S):**

- NEW PLAN:** The Related Participating Employer's adoption of this Plan constitutes the adoption of a new plan by the Related Participating Employer effective as of: \_\_\_\_\_ (*insert Effective Date of Plan for the Related Participating Employer*).
- RESTATEMENT:** The Related Participating Employer is currently a Related Participating Employer in the Plan and is adopting this amended and restated Plan effective as of: January 1, 2015 (*insert Effective Date of the adoption of the amended and restated Plan*), with the Related Participating Employer having originally commenced participation in the Plan effective as of: June 20, 2014 (*insert original Effective Date of Plan for the Related Participating Employer*).
- RESTATEMENT AND MERGER:** The Related Participating Employer's adoption of this Plan constitutes the amendment and restatement of the Related Participating Employer's plan known as: \_\_\_\_\_ (*insert name of merging plan*), which plan is being merged into this Plan effective as of: \_\_\_\_\_ (*insert Effective Date of merger*).

C. **SIGNATURES:**

Name of **Related Participating Employer:** Prospect CharterCare RWMC, LLC

Name of authorized representative: Ewan Shun

Title: Corporate Secretary


Date: 12/31/14

Signature: 

Executed on behalf of the **Signatory Sponsoring Employer** by: Sam Lee

Title: SVP

Date: 12/31/14

Signature: 

②

## PARTICIPATION AGREEMENT FOR RELATED PARTICIPATING EMPLOYERS

**Each Related Participating Employer must execute a separate Participation Agreement. If not applicable, do *not* complete this Participation Agreement.**

By executing this Participation Agreement, the undersigned Employer elects to become a Related Participating Employer in the Plan, and the Employer hereby consents to such adoption of, and participation under, the Plan upon the following terms:

- (1) Whenever a right or obligation is imposed upon the Employer by the terms of the Plan, the same shall extend to the Related Participating Employer as the "Employer" under the Plan and shall be separate and distinct from that imposed upon the Employer. It is the intention of the parties that the Related Participating Employer shall be a party to the Plan and treated in all respects as the Employer thereunder, with its employees to be considered as the Employees or Participants as the case may be, thereunder. However, the participation of the Related Participating Employer in the Plan shall in no way diminish, augment, modify or in any way affect the rights and duties of the Employer, its Employees or Participants, under the Plan.
- (2) The execution of this Agreement by this Related Participating Employer shall be construed as the adoption of the Plan in every respect as if said Plan had this date been executed between the Related Participating Employer, except as otherwise expressly provided herein or in any amendment that may subsequently be adopted hereto.
- (3) Further, the Related Participating Employer hereby appoints the signatory sponsoring Employer as its attorney in fact for the purpose of adopting on its behalf all future amendments, whether required or voluntary, and any applicable corresponding documents (e.g., Loan Policy, QDRO Procedures, Trust Agreement). Any reference to the "Employer" in this Adoption Agreement is also a reference to the Related Participating Employer, unless otherwise noted.

**A. RELATED PARTICIPATING EMPLOYER INFORMATION:**

Name: Prospect CharterCare SJHSRI, LLC

Address: 200 High Service, North Providence, RI 02904

Phone Number: 401-456-3000

Tax ID Number: 46-4661337

**B. EFFECTIVE DATE(S):**

- NEW PLAN:** The Related Participating Employer's adoption of this Plan constitutes the adoption of a new plan by the Related Participating Employer effective as of: \_\_\_\_\_ (*insert Effective Date of Plan for the Related Participating Employer*).
- RESTATEMENT:** The Related Participating Employer is currently a Related Participating Employer in the Plan and is adopting this amended and restated Plan effective as of: January 1, 2015 (*insert Effective Date of the adoption of the amended and restated Plan*), with the Related Participating Employer having originally commenced participation in the Plan effective as of: June 20, 2014 (*insert original Effective Date of Plan for the Related Participating Employer*).
- RESTATEMENT AND MERGER:** The Related Participating Employer's adoption of this Plan constitutes the amendment and restatement of the Related Participating Employer's plan known as: \_\_\_\_\_ (*insert name of merging plan*), which plan is being merged into this Plan effective as of: \_\_\_\_\_ (*insert Effective Date of merger*).

C. **SIGNATURES:**

Name of **Related Participating Employer:** Prospect CharterCare SJHSRI, LLC

Name of authorized representative: Evan Shen

Title: Corporate Secretary

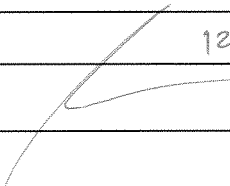
Date: 12/31/14

Signature: 

Executed on behalf of the **Signatory Sponsoring Employer** by: Sam Lee

Title: SVP

Date: 12/31/14

Signature: 

**PARTICIPATION AGREEMENT FOR RELATED PARTICIPATING EMPLOYERS**

**Each Related Participating Employer must execute a separate Participation Agreement. If not applicable, do not complete this Participation Agreement.**

By executing this Participation Agreement, the undersigned Employer elects to become a Related Participating Employer in the Plan, and the Employer hereby consents to such adoption of, and participation under, the Plan upon the following terms:

- (1) Whenever a right or obligation is imposed upon the Employer by the terms of the Plan, the same shall extend to the Related Participating Employer as the "Employer" under the Plan and shall be separate and distinct from that imposed upon the Employer. It is the intention of the parties that the Related Participating Employer shall be a party to the Plan and treated in all respects as the Employer thereunder, with its employees to be considered as the Employees or Participants as the case may be, thereunder. However, the participation of the Related Participating Employer in the Plan shall in no way diminish, augment, modify or in any way affect the rights and duties of the Employer, its Employees or Participants, under the Plan.
- (2) The execution of this Agreement by this Related Participating Employer shall be construed as the adoption of the Plan in every respect as if said Plan had this date been executed between the Related Participating Employer, except as otherwise expressly provided herein or in any amendment that may subsequently be adopted hereto.
- (3) Further, the Related Participating Employer hereby appoints the signatory sponsoring Employer as its attorney in fact for the purpose of adopting on its behalf all future amendments, whether required or voluntary, and any applicable corresponding documents (e.g., Loan Policy, QDRO Procedures, Trust Agreement). Any reference to the "Employer" in this Adoption Agreement is also a reference to the Related Participating Employer, unless otherwise noted.

**A. RELATED PARTICIPATING EMPLOYER INFORMATION:**

Name: Prospect CharterCare Elmhurst, LLC

Address: 50 Maude Street, Providence, RI 02908

Phone Number: 401-456-2600

Tax ID Number: 46-4672442

**B. EFFECTIVE DATE(S):**

- NEW PLAN:** The Related Participating Employer's adoption of this Plan constitutes the adoption of a new plan by the Related Participating Employer effective as of: \_\_\_\_\_ (insert Effective Date of Plan for the Related Participating Employer).
- RESTATEMENT:** The Related Participating Employer is currently a Related Participating Employer in the Plan and is adopting this amended and restated Plan effective as of: January 1, 2015 (insert Effective Date of the adoption of the amended and restated Plan), with the Related Participating Employer having originally commenced participation in the Plan effective as of: June 20, 2014 (insert original Effective Date of Plan for the Related Participating Employer).
- RESTATEMENT AND MERGER:** The Related Participating Employer's adoption of this Plan constitutes the amendment and restatement of the Related Participating Employer's plan known as: \_\_\_\_\_ (insert name of merging plan), which plan is being merged into this Plan effective as of: \_\_\_\_\_ (insert Effective Date of merger).

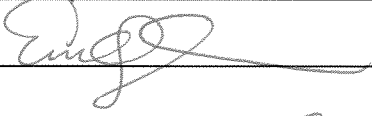
C. **SIGNATURES:**

Name of **Related Participating Employer:** Prospect CharterCare Elmhurst, LLC

Name of authorized representative: Quen Shin

Title: Corporate Secretary

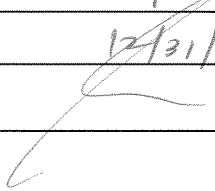
Date: 12/31/14

Signature: 

Executed on behalf of the **Signatory Sponsoring Employer** by: Sam Lee

Title: SVP

Date: 12/31/14

Signature: 

(3)

**PARTICIPATION AGREEMENT FOR RELATED PARTICIPATING EMPLOYERS**

**Each Related Participating Employer must execute a separate Participation Agreement. If not applicable, do not complete this Participation Agreement.**

By executing this Participation Agreement, the undersigned Employer elects to become a Related Participating Employer in the Plan, and the Employer hereby consents to such adoption of, and participation under, the Plan upon the following terms:

- (1) Whenever a right or obligation is imposed upon the Employer by the terms of the Plan, the same shall extend to the Related Participating Employer as the "Employer" under the Plan and shall be separate and distinct from that imposed upon the Employer. It is the intention of the parties that the Related Participating Employer shall be a party to the Plan and treated in all respects as the Employer thereunder, with its employees to be considered as the Employees or Participants as the case may be, thereunder. However, the participation of the Related Participating Employer in the Plan shall in no way diminish, augment, modify or in any way affect the rights and duties of the Employer, its Employees or Participants, under the Plan.
- (2) The execution of this Agreement by this Related Participating Employer shall be construed as the adoption of the Plan in every respect as if said Plan had this date been executed between the Related Participating Employer, except as otherwise expressly provided herein or in any amendment that may subsequently be adopted hereto.
- (3) Further, the Related Participating Employer hereby appoints the signatory sponsoring Employer as its attorney in fact for the purpose of adopting on its behalf all future amendments, whether required or voluntary, and any applicable corresponding documents (e.g., Loan Policy, QDRO Procedures, Trust Agreement). Any reference to the "Employer" in this Adoption Agreement is also a reference to the Related Participating Employer, unless otherwise noted.

**A. RELATED PARTICIPATING EMPLOYER INFORMATION:**

Name: Prospect CharterCare Physicians, LLC

Address: 10780 Santa Monica Blvd, Suite 400, Los Angeles, CA 90025

Phone Number: 401-456-3202

Tax ID Number: 46-4690219

**B. EFFECTIVE DATE(S):**

- NEW PLAN:** The Related Participating Employer's adoption of this Plan constitutes the adoption of a new plan by the Related Participating Employer effective as of: \_\_\_\_\_ (*insert Effective Date of Plan for the Related Participating Employer*).
- RESTATEMENT:** The Related Participating Employer is currently a Related Participating Employer in the Plan and is adopting this amended and restated Plan effective as of: January 1, 2015 (*insert Effective Date of the adoption of the amended and restated Plan*), with the Related Participating Employer having originally commenced participation in the Plan effective as of: June 20, 2014 (*insert original Effective Date of Plan for the Related Participating Employer*).
- RESTATEMENT AND MERGER:** The Related Participating Employer's adoption of this Plan constitutes the amendment and restatement of the Related Participating Employer's plan known as: \_\_\_\_\_ (*insert name of merging plan*), which plan is being merged into this Plan effective as of: \_\_\_\_\_ (*insert Effective Date of merger*).




C. **SIGNATURES:**

Name of **Related Participating Employer:** Prospect CharterCare Physicians, LLC

Name of authorized representative: Ewan Shin

Title: Corporate Secretary

Date: 12/31/14

Signature: 

Executed on behalf of the **Signatory Sponsoring Employer** by: Sam Lee

Title: SVP

Date: 12/31/14

Signature: 

(28)

**PARTICIPATION AGREEMENT FOR UNRELATED PARTICIPATING EMPLOYERS**

**Each Unrelated Participating Employer must execute a separate Participation Agreement. If not applicable, do *not* complete this Participation Agreement.**

By executing this Participation Agreement, the undersigned Employer elects to become an Unrelated Participating Employer in the Plan and the Employer hereby consents to such adoption of, and participation under, the Plan upon the following terms:

- (1) Whenever a right or obligation is imposed upon the Employer by the terms of the Plan, the same shall extend to the Unrelated Participating Employer as the "Employer" under the Plan and shall be separate and distinct from that imposed upon the Employer. It is the intention of the parties that the Unrelated Participating Employer shall be a party to the Plan and treated in all respects as the Employer thereunder, with its employees to be considered as the Employees or Participants as the case may be, thereunder. However, the participation of the Unrelated Participating Employer in the Plan shall in no way diminish, augment, modify or in any way affect the rights and duties of the Employer, its Employees or Participants, under the Plan.
- (2) The execution of this Agreement by this Unrelated Participating Employer shall be construed as the adoption of the Plan in every respect as if said Plan had this date been executed between the Unrelated Participating Employer, except as otherwise expressly provided herein or in any amendment that may subsequently be adopted hereto.
- (3) Further, the Unrelated Participating Employer hereby appoints the signatory sponsoring Employer as its attorney in fact for the purpose of adopting on its behalf all future amendments, whether required or voluntary, and any applicable corresponding documents (e.g., Loan Policy, QDRO Procedures, Trust Agreement). Any reference to the "Employer" in this Adoption Agreement is also a reference to the Unrelated Participating Employer, unless otherwise noted.

**A. UNRELATED PARTICIPATING EMPLOYER INFORMATION:**

Name: \_\_\_\_\_

Address: \_\_\_\_\_

Phone Number: \_\_\_\_\_

Tax ID Number: \_\_\_\_\_

**B. EFFECTIVE DATE(S):**

**NEW PLAN:** The Unrelated Participating Employer's adoption of this Plan constitutes the adoption of a new plan by the Unrelated Participating Employer effective as of: \_\_\_\_\_ (*insert Effective Date of Plan for the Unrelated Participating Employer*).

**RESTATEMENT:** The Unrelated Participating Employer is currently an Unrelated Participating Employer in the Plan and is adopting this amended and restated Plan effective as of: \_\_\_\_\_ (*insert Effective Date of the adoption of the amended and restated Plan*), with the Unrelated Participating Employer having originally commenced participation in the Plan effective as of: \_\_\_\_\_ (*insert original Effective Date of Plan for the Unrelated Participating Employer*).

**RESTATEMENT AND MERGER:** The Unrelated Participating Employer's adoption of this Plan

constitutes the amendment and restatement of the Unrelated Participating Employer's plan known as: \_\_\_\_\_ (insert name of merging plan), which plan is being merged into this Plan effective as of: \_\_\_\_\_ (insert Effective Date of merger).

**C. SIGNATURES:**

Name of **Unrelated Participating Employer**: \_\_\_\_\_

Name of authorized representative: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Signature: \_\_\_\_\_

Executed on behalf of the **Signatory Sponsoring Employer** by: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Signature: \_\_\_\_\_



TAX EXEMPT AND  
GOVERNMENT ENTITIES  
DIVISION

DEPARTMENT OF THE TREASURY  
INTERNAL REVENUE SERVICE  
WASHINGTON, D.C. 20224

Plan Description: Volume Submitter Profit Sharing Plan With CODA  
FFN: 31538280001-001 Case: 201200156 EIN: 13-3689044  
Letter Serial No: J593745a  
Date of Submission: 03/22/2012

TRANSAMERICA RETIREMENT SOLUTIONS  
CORPORATION  
440 MAMARONECK AVENUE  
HARRISON, NY 10528

Contact Person:  
Janeli Hayes  
Telephone Number:  
513-253-3602  
In Reference To: TEGE:EP:7521  
Date: 03/31/2014

Dear Applicant:

In our opinion, the form of the plan identified above is acceptable under section 401 of the Internal Revenue Code for use by employers for the benefit of their employees. This opinion relates only to the acceptability of the form of the plan under the Internal Revenue Code. It is not an opinion of the effect of other Federal or local statutes.

You must furnish a copy of this letter, a copy of the approved plan, and copies of any subsequent amendments to adopting employers if the practitioner is authorized to amend the plan on their behalf, to each employer who adopts this plan. Effective on or after 10/31/2011, interim amendments adopted by the practitioner on behalf of employers must provide the date of adoption by the practitioner.

This letter considers the changes in qualification requirements contained in the 2010 Cumulative List of Notice 2010-90, 2010-52 I.R.B. 909.

Our opinion on the acceptability of the form of the plan is not a ruling or determination as to whether an employer's plan qualifies under Code section 401(a). However, an employer that adopts this plan may rely on this letter with respect to the qualification of its plan under Code section 401(a), as provided for in Rev. Proc. 2011-49, 2011-44 I.R.B. 608, and outlined below. The terms of the plan must be followed in operation.

Except as provided below, our opinion does not apply with respect to the requirements of Code sections 401(a)(4), 401(j), 410(b), and 414(s). Our opinion does not apply for purposes of Code section 401(a)(10)(B) and section 401(a)(16) if an employer ever maintained another qualified plan for one or more employees who are covered by this plan. For this purpose, the employer will not be considered to have maintained another plan merely because the employer has maintained another defined contribution plan(s), provided such other plan(s) has been terminated prior to the effective date of this plan and no annual additions have been credited to the account of any participant under such other plan(s) as of any date within the limitation year of this plan. Also, for this purpose, an employer is considered as maintaining another plan, to the extent that the employer maintains a welfare benefit fund defined in Code section 419(e), which provides postretirement medical benefits allocated to separate accounts for key employees as defined in Code section 419A(d)(3), or an individual medical account as defined in Code section 415(l)(2), which is part of a pension or annuity plan maintained by the employer, or a simplified employee pension plan.

Our opinion does not apply for purposes of the requirement of section 1.401(a)-1(b)(2) of the regulations applicable to a money purchase plan or target benefit plan where the normal retirement age under the employer's plan is lower than age 62.

Letter 4333

TRANSAMERICA RETIREMENT SOLUTIONS CORPORATION  
FFN: 31538280001-001  
Page: 2

This is not a ruling or determination with respect to any language in the plan that reflects Section 3 of the Defense of Marriage Act, Pub. L. 104-199, 110 Stat. 2419 (DOMA) or U.S. v. Windsor, 133 S. Ct. 2675 (2013), which invalidated that section.

This letter is not a ruling with respect to the tax treatment to be accorded contributions which are picked up by the governmental employing unit within the meaning of section 414(h)(2) of the Internal Revenue Code.

Our opinion applies with respect to the requirements of Code section 410(b) if 100 percent of all nonexcludable employees benefit under the plan. Employers that elect a safe harbor allocation formula and a safe harbor compensation definition can also rely on an advisory letter with respect to the nondiscriminatory amounts requirement under section 401(a)(4). If this plan includes a CODA or otherwise provides for contributions subject to sections 401(k) and/or 401(m), the advisory letter can be relied on with respect to the form of the nondiscrimination tests of 401(k)(3) and 401(m)(2) if the employer uses a safe harbor compensation definition. In the case of plans described in section 401(k)(12) or (13) and/or 401(m)(11) or (12), employers may also rely on the advisory letter with respect to whether the form of the plan satisfies the requirements of those sections unless the plan provides for the safe harbor contribution to be made under another plan.

The employer may request a determination (1) as to whether the plan, considered with all related qualified plans and, if appropriate, welfare benefit funds, individual medical benefit accounts, and simplified employee pension plans, satisfies the requirements of Code section 401(a)(16) as to limitations on benefits and contributions in Code section 415 and the requirements of Code section 401(a)(10)(B) as to the top-heavy plan requirements in Code section 416; (2) with respect to whether a money purchase or target benefit plan's normal retirement age which is earlier than age 62 satisfies the requirements of section 401(a)-1(b)(2) of the Income Tax Regulations; (3) that the plan is a multiple employer plan; (4) whether there has been a partial termination; and (5) to comply with published procedures of the Service (e.g. minimum funding waiver request). The employer may request a determination letter by filing an application with Employee Plans Determinations on Form 5307, with regard to item (1) above, and Form 5300, for items (2), (3), (4) and (5), without restating for the Cumulative List in effect when the application is filed.

If you, the volume submitter practitioner, have any questions concerning the IRS processing of this case, please call the above telephone number. This number is only for use of the practitioner. Individual participants and/or adopting employers with questions concerning the plan should contact the volume submitter practitioner. The plan's adoption agreement, if applicable, must include the practitioner's address and telephone number for inquiries by adopting employers.

If you write to the IRS regarding this plan, please provide your telephone number and the most convenient time for us to call in case we need more information. Whether you call or write, please refer to the Letter Serial Number and File Folder Number shown in the heading of this letter.

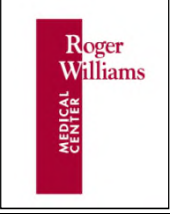
You should keep this letter as a permanent record. Please notify us if you modify or discontinue sponsorship of this plan.

Sincerely Yours,



Andrew E. Zuckerman  
Director, Employee Plans Rulings and Agreements

Letter 4333

	<b>HUMAN RESOURCES</b>			
	Chapter		Effective Date	4/01/2014
	Policy	<b>Absence With Pay</b>	Approved By	Signature on file
			Policy #	HR-500-00016-R

### 1.0 Purpose and Scope

The organization will grant time off with pay under certain circumstances as described below when requested by the employee and approved by the department manager. Such time off with pay will not be counted as paid vacation, ill time or paid earned time off.

### 2.0 Policy Statement

The organization shall allow for an employee to receive pay for time not worked attending to matters pertaining to a death in the family, a call for jury duty, or short term (two week) military reserve training. Such paid time as outlined in this policy will not be deducted from the employee's vacation, ill time, or earned time off bank. Additionally, such paid time off is considered to be "in pay status" during which all benefits continue to accrue.

This policy applies to all benefit eligible employees (scheduled hours of 20 or more), with the exception of short term military leave, for which all regular status employees are eligible upon hire.

### 3.0 Absence Due to Death in Family

Upon approval of the Department Manager, an absence with pay for time lost of up to three (3) days may be granted upon the death of a member of the immediate family. "Immediate Family" is defined as follows per entity: Husband, wife, children, parent or person occupying the place of a parent in the employee's home, grandparent, grandchild, sibling, and significant other or spousal equivalent.

The organization further agrees to grant employees one day off, upon approval of the Department Manager, in the case of the death of any current in-law.

### 4.0 Jury Duty

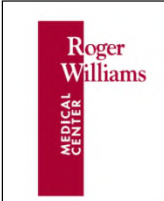
Upon approval of the Department Manager, any employee called for Jury Duty shall be paid the difference between Jury Duty pay received and the amount paid for his/her regularly scheduled work week. The employee shall be required to work on the regularly scheduled work days and on the regularly scheduled shift when he or she does not have to report for Jury Duty. A maximum of thirty (30) days of Jury Duty pay is available in any twelve (12) month period.

### 5.0 Military Leave – Short Term

Employees who have short-term (no longer than two weeks) military reserve training obligations are paid the difference between their military pay and the regular pay rate for their positions. Otherwise, an employee's status and benefits are not affected by short-term military leave.

### 6.0 Revision History

Date	Description of Change
04/01/14	Reviewed/Revised

	<b>HUMAN RESOURCES</b>			
	Chapter		Effective Date	7/1/2014
	Policy	<b>Earned Time Policy</b>	Approved By	Signature on file
			Policy #	HR 300-00041-R

## 1.0 Purpose and Scope

To provide employees with ownership and flexibility in using accrued paid time off for absences due to vacations, personal or family illness or personal time off which cannot exceed scheduled standard hours.

## 2.0 Policy Statement

Earned Time is a system of providing to employees time off with a significant amount of flexibility. It also provides employees with ownership in using accrued paid time off for absences due to vacations, personal or family illness or personal time off not to exceed scheduled standard hours.

## 3.0 Definition

### A. Applicability


Benefit eligible employees with standard hours of 40 or more per pay period who have successfully completed the 3 month introductory period and grandfathered employees with standard hours of less than 40 per pay period who were covered under the Vacation, METP, or Personal Time policies on December 31, 2000. Eligibility status is lost if the grandfathered employee reduces standard hours after the 1/1/01 date.

## 4.0 Procedures

### A. Conversion

Eligible employees covered under the Vacation, Personal Time, Birthday, METP and Management Absence policies on December 31, 2000 will have unused hours converted as follows:

- Vacation: 100% to Earned Time Bank
- METP: 100% up to current maximum accrual of 2 times standard hours to Extended Sick Bank
- Reserve Bank: 100% to Extended Sick Bank (may exceed maximum of 2 times standard hours)
- Management Absence: 6 days for every year of employment (pro-rated for part-time employees and partial years of employment) up to 2 times standard hours to Extended Sick Bank

	<b>HUMAN RESOURCES</b>			
	Chapter		Effective Date	7/1/2014
	Policy	<b>Earned Time Policy</b>	Approved By	Signature on file
			Policy #	HR 300-00041-R

B. Accruals

Eligible employees begin to accrue Earned Time with their first paid hour of employment or transfer to an Earned Time eligible status. The amount of Earned Time, which an employee is eligible to accrue, is dependent on job category and length of service. Employees are advised of the accrual rate for their job category during the recruitment process.

C. Part Time Employees


Part time employees accrue Earned Time based on hours paid up to eighty hours per pay period.

Part time employees who were active prior to or on December 31, 2000 and were normally scheduled to work an eight (8) hour shift will not lose any paid time off associated with the Personal Time and Birthday policies in effect on December 31, 2000. A comparison will be made for part time employees who normally are scheduled to work an eight- (8) hour shift, and were scheduled to do so no later than December 31, 2000. This comparison will be made between the actual annual earned time accrued during the current calendar year and the paid time off they would have received due to combined hours of the Vacation, Personal Time and Birthday policies in effect on December 31, 2000. The calculation used in the comparison is as follows:

Total annual earned time accrual for current year	Minus (-)	<p>Employee specific accrual of combined paid time off policies in effect as of December 31, 2000</p> <p><i>This accrual is calculated by the following: vacation accrual based on years of service and pro-rated based on standard hours + hours equal to 6 days of sick time pro-rated based on standard hours + 16 hours representing personal days + 8 hours representing birthday (for employees with 10 or more years of service as of December 31, 2000).</i></p>
---	-----------	--

If the resulting number is negative the difference will be credited to the employee's earned time bank at the beginning of the next calendar year. If the resulting number is zero (0) or positive no additional amount will be credited to the employee's Earned Time Bank.



	<b>HUMAN RESOURCES</b>		
	Chapter		Effective Date 7/1/2014
	Policy	<b>Earned Time Policy</b>	Approved By Signature on file
			Policy # HR 300-00041-R

D. Accrual Schedule

Job Category	Initial Accrual	At 1 Year You Will Accrue	At 5 Years You Will Accrue	At 10 Years You Will Accrue
Nonexempt	18 days	N/A	23 days	29 days
RN	18 days	23 days	N/A	29 days
Exempt	23 days	N/A	28 days	29 days
Director	28 days	N/A	N/A	29 days

E. Accruals During Non-worked Hours

Employees will receive Earned Time accruals for hours associated with unpaid non-worked hours that are substituted with Earned Time, Extended Sick Time, Military Duty Pay, Jury Duty Pay or any other non-worked pay for which a Roger Williams Medical Center paycheck is generated. Employees will not receive Earned Time accruals for unpaid, non-worked hours.

F. Maximum Accruals

Earned Time accrues for each hour paid up to 1.5 times the annual accrual. Once that amount is reached, Earned Time will accrue no further until you have reduced the bank below the maximum. The maximum accruals are shown below:

MAXIMUM ACCRUAL


<u>NUMBER OF DAYS</u>	<u>DAYS</u>	<u>HOURS</u>
18	27	216
23	34.5	276
28	42	336
29	43.5	348

Earned Time begins to accrue for eligible employees with the first paid hour and continues to accrue each pay period unless the maximum accrual is reached.

Employees are responsible for monitoring their Earned Time bank on a regular basis and for planning time off accordingly or requesting a cash-in according to the procedures outlined.

G. Minimum Use of Accrual Earned Time

All full time and part time employees must use one third (1/3) their Earned Time accrual per year.

	<b>HUMAN RESOURCES</b>			
	Chapter		Effective Date	7/1/2014
	Policy	<b>Earned Time Policy</b>	Approved By	Signature on file
			Policy #	HR 300-00041-R

#### H. Cash-In

Employees are eligible to cash-in portions of their accrued Earned Time under the following procedures:


1. Full time (60 – 80 standard hours per pay period) may cash-in a minimum of 24 hours to a maximum of 80 hours of accrued Earned Time. Employees must leave a minimum of 66% of their annual Earned Time accrual in the bank.
2. Part Time (40 – 59 standard hours per pay period) may cash-in a minimum of 12 hours to a maximum of 40 hours of accrued Earned Time. Employees must leave a minimum of 66% of their annual Earned Time accrual in the bank.
3. At year end (typically in November or December) an employee may make a binding election to cash-in accrued Earned Time (in accordance with #'s 1 and 2 above). Payout would be at 100% of base rate in effect on date of payout. Payout generally occurs prior to year end or in January of the next calendar year.
4. Mid-year, an employee may make a binding election to cash-in accrued Earned Time (in accordance with #'s 1 and 2 above). Payout would occur in July of that calendar year and be paid out at 75% of the base rate in effect on the date of payout.
5. Employees will be paid for all unused accrued Earned Time at time of termination or reduction of hours which would make them ineligible for Earned Time. Payment would be at 100% of their base rate at the time of the event.
6. Appropriate tax payments will be withheld for the cash-in amount.
7. Voluntary deductions will not be withheld from cash-in amounts, unless requested in writing from the employee.

#### I. Termination or Transfer to an Earned Time Ineligible Status

Upon termination or transfer to an Earned Time ineligible status, an employee who has successfully completed the 3 month introductory period will receive a one time payment effective on their termination date or date of transfer, for all unused time in their Earned Time bank. The payment will be made on the payday following the payday that includes the last hours of work in the Earned Time eligible status.

#### J. Other Leaves

Absences due to designated holidays, death in the family, military reserve duty and jury duty are not included as part of the Earned Time program. Refer to appropriate policies for further clarification.

	<b>HUMAN RESOURCES</b>			
	Chapter		Effective Date	7/1/2014
	Policy	<b>Earned Time Policy</b>	Approved By	Signature on file
			Policy #	HR 300-00041-R

**K. Worker's Compensation**

An employee who is absent due to Workers' Compensation illness/injury must use up to three days of Earned Time. Benefits due not accrue while on workers' compensation.

**L. Scheduled Absence**

Employees who have successfully completed their introductory period may request use of Earned Time up to the total amount accrued for absences due to vacation, illness or for personal reasons, subject to the approval of the supervisor and based on the operational needs of the department.

When conflicts arise over Earned Time requests: i.e., two or more employees request the same time off, hospital-wide seniority, hours worked, previous earned time off for the same period and date of request will be the determining factors the department manager will base his/her decision on. It is the employee's responsibility to be aware of request deadlines. Payment for Earned Time scheduled absence will be made in increments of thirty (30) minutes.

**M. Unscheduled Absence**

An employee is paid for unscheduled absence (time off which cannot be scheduled or anticipated) only in the case of personal or family illness or other personal emergency, the timing of which is beyond the control of the employee. Unscheduled absences are paid after successful completion of the 3-month introductory period. Payment for Earned Time unscheduled absence will be made in increments of thirty (30) minutes.

**1. Notification:**

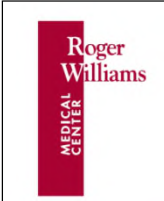
Employees must notify the supervisor of the intended absence and the reason for it no later than the scheduled beginning of their shift. Employees are responsible for knowing the specific requirements of their departments.

**2. Tardiness:**

A non-exempt employee who reports late to work will automatically have the time deducted from his/her pay for that day unless the tardiness is excused, by the department manager, and the employee requests that the time be paid out of the Earned Time Bank

**5.0 Revision History**

Date	Description of Change
7/1/2014	Replaces Absence with Pay Policy # HR 500-00016-R

	<b>HUMAN RESOURCES</b>			
	Chapter		Effective Date	7/1/2014
	Policy	<b>Earned Time Policy</b>	Approved By	Signature on file
			Policy #	HR 300-00041-R

## 1.0 Purpose and Scope

To provide employees with ownership and flexibility in using accrued time off for absences due to vacations, personal or family illness or personal time off which cannot exceed scheduled standard hours.

## 2.0 Policy Statement

Earned Time is a system of providing to benefit eligible employees time off with a significant amount of flexibility. It also provides employees with ownership in using accrued paid time off for absences due to vacations, personal or family illness or personal time off not to exceed scheduled standard hours. Effective July 1, 2018, Per Diem\*, Limited Time, and Temporary employees accrue RI paid sick leave time to ensure that they can meet their health and safety needs as well as the health and safety needs of their family members.

*\* Per Diem RNs are excluded from this policy if they are employed by a health care facility, under no obligation to work a regular schedule, work only when they indicate they are available to work with no obligation to work when they do not indicate availability, and receive higher pay than an employee of the same health care facility performing the same job on a regular schedule.*

## 3.0 Definition

### A. Applicability

Benefit eligible employees with standard hours of 40 or more per pay period who have successfully completed the 90 day introductory period and grandfathered employees with standard hours of less than 40 per pay period who were covered under the Vacation, METP, or Personal Time policies on December 31, 2000 will accrue ETO. Eligibility status is lost if the grandfathered employee reduces standard hours after the 1/1/01 date.


Effective July 1, 2018, Per Diem\*, Limited Time, and Temporary employees accrue RI paid sick leave time.

*\* Please refer to Per Diem RN exclusions under **Section 2.0** of this Policy.*

### B. Reasons for Using RI Paid Sick Leave Time

ETO or RI paid sick leave time can be used when an employee is sick, or when an employee's covered relation requires care, *and the employee was scheduled to work for that time*. Employees may use ETO or RI paid sick leave time for:

- Mental or physical illness, injury, or health condition

	<b>HUMAN RESOURCES</b>			
	Chapter		Effective Date	7/1/2014
	Policy	<b>Earned Time Policy</b>	Approved By	Signature on file
			Policy #	HR 300-00041-R

- Medical diagnosis, care, or treatment of a mental or physical illness, injury, or health condition
- Preventive medical care

Additionally, ETO or RI paid sick leave time can be used if an eligible employee or covered relation is a victim of domestic violence, sexual assault, or stalking.

Eligible employees can also use ETO or RI paid sick leave time for the following reasons:

- Closure of the employee's place of business by order of a public official due to a public health emergency.
- Closure of a child's school or place of care by order of a public official due to a public health emergency.
- Care for the employee or a covered relation when health authorities or a health care provider determines that the employee's or covered relation's presence in the community may jeopardize others' health because of the employee's or covered relation's exposure to a communicable disease, whether or not the employee or covered relation has actually contracted the communicable disease.

A covered relation is a: 1) child or ward; 2) grandchild; 3) grandparent; 4) parent, parent-in-law, or guardian; 5) sibling; 6) spouse, common law spouse, or spouse by civil union/domestic partnership; 7) care recipient; and/or 8) a member of an employee's household.


#### 4.0 Procedures

##### A. Conversion

Eligible employees covered under the Vacation, Personal Time, Birthday, METP and Management Absence policies on December 31, 2000 will have unused hours converted as follows:

- Vacation: 100% to Earned Time Bank
- METP: 100% up to current maximum accrual of 2 times standard hours to Extended Sick Bank
- Reserve Bank: 100% to Extended Sick Bank (may exceed maximum of 2 times standard hours)
- Management Absence: 6 days for every year of employment (pro-rated for part-time employees and partial years of employment) up to 2 times standard hours to Extended Sick Bank

##### B. Accruals

	<b>HUMAN RESOURCES</b>			
	Chapter		Effective Date	7/1/2014
	Policy	<b>Earned Time Policy</b>	Approved By	Signature on file
			Policy #	HR 300-00041-R

Benefit eligible employees begin to accrue Earned Time with their first paid hour of employment or transfer to an Earned Time eligible status. The amount of Earned Time, which an employee is eligible to accrue, is dependent on job category and length of service. Employees are advised of the accrual rate for their job category during the recruitment process.

Effective July 1, 2018, existing Per Diem\*, Limited Time, and Temporary employees begin to accrue RI paid sick leave time. Per Diem\*, Limited Time, and Temporary employees hired on or after July 1, 2018, begin to accrue RI paid sick leave time with their first paid hour of employment or transfer to RI paid sick leave time eligible status.

In no case will an employee have more than 80 hours per pay period counted as hours worked for purposes of accrual.


\* Please refer to Per Diem RN exclusions under **Section 2.0** of this Policy.

C. Part Time Employees

Part time employees accrue Earned Time on a pro-rate basis, determined based on hours paid up to eighty hours per pay period.

Part time employees who were active prior to or on December 31, 2000 and were normally scheduled to work an eight (8) hour shift will not lose any paid time off associated with the Personal Time and Birthday policies in effect on December 31, 2000. A comparison will be made for part time employees who normally are scheduled to work an eight- (8) hour shift, and were scheduled to do so no later than December 31, 2000. This comparison will be made between the actual annual earned time accrued during the current calendar year and the paid time off they would have received due to combined hours of the Vacation, Personal Time and Birthday policies in effect on December 31, 2000. The calculation used in the comparison is as follows:

Total annual earned time accrual for current year	Minus (-)	Employee specific accrual of combined paid time off policies in effect as of December 31, 2000  <i>This accrual is calculated by the following: vacation accrual based on years of service and pro-rated based on standard hours + hours equal to 6 days of sick time pro-rated based on standard hours + 16 hours representing personal days + 8 hours representing birthday (for employees with 10 or more years of service as of December 31, 2000).</i>
---	-----------	---

	<b>HUMAN RESOURCES</b>			
	Chapter		Effective Date	7/1/2014
	Policy	<b>Earned Time Policy</b>	Approved By	Signature on file
			Policy #	HR 300-00041-R

If the resulting number is negative the difference will be credited to the employee's earned time bank at the beginning of the next calendar year. If the resulting number is zero (0) or positive no additional amount will be credited to the employee's Earned Time Bank

D. Earned Time Off Accrual Schedule (based on working 40 hours per week)

Job Category	Initial Accrual	At 2 Years You Will Accrue	At 6 Years You Will Accrue	At 11 Years You Will Accrue
Nonexempt	18 days	18 days	23 days	29 days
RN	18 days	23 days	23 days	29 days
Exempt	23 days	23 days	28 days	29 days
Director, Physician	28 days	28 days	28 days	29 days

E. RI Paid Sick Leave Time Off Accrual Schedule


Effective July 1, 2018, Per Diem\*, Limited Time, and Temporary Employees will accrue time to be used for RI Paid Sick Leave Time as defined above in **Section 3.0 B**. They will accrue 0.0286 hours of RI paid sick leave time per hour worked up to the below maximums:

Job Category	Hourly Accrual	2018 Cap (for accrual and annual usage)	2019 Cap (for accrual and annual usage)	2020 & Ongoing Cap (for accrual and annual usage)
Per Diem*, Limited Time, Temporary	0.0286	24 Hours	32 Hours	40 Hours

Unused time will roll over to the next year, but the total hours will be capped based on that year's maximum usage.

In no case will an employee have more than 80 hours per pay period counted as hours worked for purposes of accrual.

\* Please refer to Per Diem RN exclusions under **Section 2.0** of this Policy.

	<b>HUMAN RESOURCES</b>			
	Chapter		Effective Date	7/1/2014
	Policy	<b>Earned Time Policy</b>	Approved By	Signature on file
			Policy #	HR 300-00041-R

F. Accruals During Non-worked Hours

Employees will receive Earned Time accruals or RI paid sick leave time for hours associated with unpaid non-worked hours that are substituted with Earned Time, Extended Sick Time, Military Duty Pay, or any other non-worked pay for which a Roger Williams Medical Center paycheck is generated. Employees will not receive Earned Time or RI paid sick leave bank accruals for unpaid, non-worked hours.

G. Maximum Accruals

1. Earned Time

Earned Time accrues for each hour paid up to 1.5 times the annual accrual. Once that amount is reached, Earned Time will accrue no further until you have reduced the bank below the maximum. The maximum ETO accruals are shown below:

MAXIMUM ACCRUAL

ANNUAL ACCRUAL (DAYS)	BANK CAPPED AT (DAYS)	BANK CAPPED AT (HOURS)
18	27	216
23	34.5	276
28	42	336
29	43.5	348


Earned Time begins to accrue for eligible employees with the first paid hour and continues to accrue each pay period unless the maximum accrual is reached.

Employees are responsible for monitoring their Earned Time bank on a regular basis and for planning time off accordingly.

2. RI Paid Sick Leave Bank

Job Category	Hourly Accrual	2018 Cap (for accrual and annual usage)	2019 Cap (for accrual and annual usage)	2020 & Ongoing Cap (for accrual and annual usage)
Per Diem*, Limited Time, Temporary	0.0286	24 Hours	32 Hours	40 Hours



	<b>HUMAN RESOURCES</b>			
	Chapter		Effective Date	7/1/2014
	Policy	<b>Earned Time Policy</b>	Approved By	Signature on file
			Policy #	HR 300-00041-R

In no case will an employee have more than 80 hours per pay period counted as hours worked for purposes of accrual.

Unused time will roll over to the next year, but the total hours will be capped based on that year's maximum usage.

*\* Please refer to Per Diem RN exclusions under **Section 2.0** of this Policy.*

H. Termination or Transfer to an Earned Time Ineligible Status

Upon transfer to an Earned Time ineligible status or termination from employment, an employee who has successfully completed the ninety (90) day introductory period will receive a one-time payment effective on their termination date or date of transfer for all unused time in their Earned Time bank. The payment will be made on the payday following the payday that includes the last hours of work in the Earned Time eligible status.

1. Transferred to Full-Time or Part-Time status at payroll site with Separate Vacation & Ill Banks


Employees who are transferred to a site with separate Vacation and Ill banks will be entitled to take a loan against their new Ill bank for RI paid sick leave time usage as defined in **Section 3.0 B** of this policy up to the lesser of ETO at time of transfer or the permitted RI paid sick leave time accrual cap (i.e. 24 hours in 2018, 32 hours in 2019, 40 hours in 2020 and ongoing). If an employee's employment terminates before he/she has re-accrued the loaned time, the employee will have to repay the value of time used out of his/her last paycheck.

2. Transferred to Per Diem\*, Limited Time, or Temporary Status

Employees who are transferred to Per Diem\*, Limited Time, or Temporary status will be entitled to take a loan against their new RI paid sick leave bank for RI paid sick leave time usage as defined in **Section 3.0 B** of this policy up to the lesser of ETO at time of transfer or the permitted RI paid sick leave accrual cap (i.e. 24 hours in 2018, 32 hours in 2019, 40 hours in 2020 and ongoing). If an employee's employment terminates before he/she has re-accrued the loaned time, the employee will have to repay the value of time used out of his/her last paycheck.

*\* Please refer to Per Diem RN exclusions under **Section 2.0** of this Policy.*

3. Terminated from Employment

	<b>HUMAN RESOURCES</b>			
	Chapter		Effective Date	7/1/2014
	Policy	<b>Earned Time Policy</b>	Approved By	Signature on file
			Policy #	HR 300-00041-R

Employees who are rehired within 135 days of their termination date will be entitled to take a loan against their prior ETO bank for RI paid sick leave time usage as defined in **Section 3.0 B** of this policy up to the lesser of ETO at time of termination or the permitted RI paid sick leave accrual cap (i.e. 24 hours in 2018, 32 hours in 2019, 40 hours in 2020 and ongoing). If an employee's employment terminates again before he/she has re-accrued the time, the employee will have to repay the value of time used out of his/her last paycheck.

I. Transfer to another Payroll Site using Earned Time

Employees who are transferred to another payroll site that also utilizes Earned Time will have the lesser of the amount of Earned Time in their bank at time of transfer or the permitted RI paid sick leave accrual cap (i.e. 24 hours in 2018, 32 hours in 2019, 40 hours in 2020 and ongoing) transferred to their new ETO bank at the new payroll site. They will receive a one-time payment for any remaining ETO in their bank. The payment will be made on the payday following the payday that includes the last hours of work under their old payroll site.

J. Employee with RI Paid Sick Leave Bank transfers to Part-Time or Full-Time status

1. Transfer to PT or FT position with Earned Time bank


Per Diem\*, Limited Time, or Temporary Employees with RI paid sick leave time will not have their existing RI paid sick leave balance converted to ETO. As part-time or full-time employees, they will start to accrue ETO upon their transfer date. They will be able to take a loan against their new ETO bank up to the lesser of the amount of time in their RI paid sick leave bank at time of transfer or the permitted RI paid sick leave time accrual cap (i.e. 24 hours in 2018, 32 hours in 2019, 40 hours in 2020 and ongoing). Loans can only be used to take time off for purposes of the Healthy and Safe Families and Workplaces Act. If an employee's employment terminates before he/she has re-accrued any loaned time, the employee will have to repay the value of time used out of his/her last paycheck.

*\* Please refer to Per Diem RN exclusions under **Section 2.0** of this Policy.*

2. Transfer to PT or FT position with Separate Vacation & Ill banks

Per Diem\*, Limited Time, or Temporary Employees with RI paid sick leave time will have their balance as of the time of transfer deposited into their new Ill time bank. As part-time or full-time employees, they will start to accrue Vacation and Ill time. Additional RI paid sick leave time will not accrue.

*\* Please refer to Per Diem RN exclusions under **Section 2.0** of this Policy.*

	<b>HUMAN RESOURCES</b>			
	Chapter		Effective Date	7/1/2014
	Policy	<b>Earned Time Policy</b>	Approved By	Signature on file
			Policy #	HR 300-00041-R

K. Other Leaves

Absences due to designated holidays, death in the family, military reserve duty and jury duty are not included as part of the Earned Time or RI paid sick leave program. Refer to appropriate policies for further clarification.

L. Workers' Compensation

An employee who is absent due to Workers' Compensation illness/injury must use up to 3 days of Earned Time to cover the waiting period. An employee with RI paid sick leave time *who was scheduled to work any time during the 3 day waiting period* must use up to 3 days of RI paid sick leave time to cover the waiting period. Benefits accrue when an employee is out of work due to a workplace injury only if the employee is using Earned Time or RI paid sick leave time for such absence. Earned Time or RI paid sick leave time may be used at the employee's discretion after the 3 day waiting period provided that the employee would have been expected to work during that timeframe if the Workers' Compensation illness or injury had not occurred.


M. Scheduled Absence

Employees who have successfully completed their introductory period may request use of Earned Time up to the total amount accrued for absences due to vacation, illness or for personal reasons, subject to the approval of the supervisor and based on the operational needs of the department.

When conflicts arise over Earned Time vacation or personal day requests: i.e., two or more employees request the same time off, hospital-wide seniority, hours worked, previous earned time off for the same period and date of request will be the determining factors the department manager will base his/her decision on. It is the employee's responsibility to be aware of request deadlines. Payment for Earned Time scheduled absence will be made in increments of sixty (60) minutes.

Employees who have successfully completed their introductory period may request use of RI paid sick leave time up to the total amount accrued for the purposes as defined under **Section 3.0 B** of this policy. When the use of RI paid sick leave time is foreseeable, the employee shall provide advance notice and shall make a reasonable effort to schedule the use of RI paid sick leave time in a manner that does not unduly disrupt operations. Payment for RI paid sick leave scheduled absence will be made in increments of sixty (60) minutes.

N. Unscheduled Absence

	<b>HUMAN RESOURCES</b>			
	Chapter		Effective Date	7/1/2014
	Policy	<b>Earned Time Policy</b>	Approved By	Signature on file
			Policy #	HR 300-00041-R

An employee is paid Earned Time for unscheduled absence (time off which cannot be scheduled or anticipated) only in the case of sick time for themselves, a covered relation, or other personal emergency, the timing of which is beyond the control of the employee. Unscheduled absences are paid after successful completion of the ninety (90) day introductory period. Payment for Earned Time unscheduled absence will be made in increments of sixty (60) minutes.

A Per Diem\*, Limited Time, or Temporary employee is paid RI paid sick leave time for the purposes as defined under **Section 3.0 B** of this policy. Unscheduled absences are paid after successful completion of the ninety (90) day introductory period. Payment for RI paid sick leave scheduled absence will be made in increments of sixty (60) minutes.

\* Please refer to Per Diem RN exclusions under **Section 2.0** of this Policy.


1. Notification

Employees must notify the supervisor of the intended absence and the reason for it no later than the scheduled beginning of their shift. Employees are responsible for knowing the specific requirements of their departments.

2. Documentation of Unplanned Absences

Unplanned absences of more than three (3) consecutive work days require reasonable documentation to show that the time off has been used for a purpose as defined under **Section 3.0 B** of this policy provided that such verification does not result in an unreasonable burden or expense. Documentation signed by a health care professional indicating that paid sick leave time is necessary shall be considered reasonable documentation. If the leave is taken for because an eligible employee or covered relation is a victim of domestic violence, sexual assault, or stalking, the employee can provide one of the following forms of documentation, of his or her choosing:

- a. An employee's written statement that the employee or employee's family member is a victim of domestic violence, sexual assault, or stalking and that the leave taken was for one of the purposes allowed under the Healthy and Safe Families and Workplaces Act
- b. A policy report indicating that the employee or employee's family member was a victim of domestic violence or assault

	<b>HUMAN RESOURCES</b>			
	Chapter		Effective Date	7/1/2014
	Policy	<b>Earned Time Policy</b>	Approved By	Signature on file
			Policy #	HR 300-00041-R

- c. A court document indicating that the employee or employee's family member is involved in legal action related to domestic violence, sexual assault, or stalking
- d. A signed statement from a victim and witness advocate affirming that the employee or employee's family member is receiving services from a victim services organization or is involved in legal action related to domestic violence, sexual assault, or stalking

## 5.0 Revision History

Date	Description of Change
7/1/2014	Replaces Absence with Pay Policy # HR 500-00016-R
6/21/2018	Removed ETO Cash-In provision. Updated to comply with Healthy and Safe Families and Workplaces Act.
7/12/2018	Updated treatment of RI Sick time for transfers

# Maximize Your Plan

- ❑ Enroll today and maximize the employer match. Sign in online at **my.trsretire.com** or call **888-676-5512**.
- ❑ Designate your beneficiary. Complete the Beneficiary Designation form, and follow the instructions on the form for mailing.
- ❑ Reduce your clutter. Sign up for e-documents today.
- ❑ Rebalance your account automatically by using Auto-Rebalance.
- ❑ Use available online retirement planning tools and resources to be better prepared.
- ❑ For retirement counseling, just call **800-755-5801** or visit us online.

As an active participant, you can access your retirement account 24/7 by signing in to **my.trsretire.com** or calling us toll-free at **800-755-5801**.

You may also speak with a customer service representative for enrollment assistance, investment guidance, and retirement planning support.

#### First-time online users

**my.trsretire.com**

#### First-time callers

**1-888-676-5512**

Questions? Visit [my.trsretire.com](http://my.trsretire.com)

# Plan Highlights

Roger Williams Medical Center Defined Contribution Plan is a valuable employee benefit and one of the most powerful ways to build your retirement savings.

Keep in mind this is simply a quick overview of your benefits. For complete details or plan updates, please refer to your Summary Plan Description (SPD).

## Roger Williams Medical Center Defined Contribution Plan

### Eligibility

Eligibility provisions vary by contribution(s) and/or group(s) as outlined below:

#### Target Contribution

You are eligible to participate in the plan for purposes of this contribution(s):

- Upon attaining age 20
- Upon completing 1 year of service, as defined in the plan document

You may join the plan for purposes of this contribution(s) on the next January 1 or July 1.

You are not eligible for the contribution type(s) shown directly above if you are in one of the following groups:

- Per-diem employees
- Roger Williams Medical Associates

#### Employer Match

You are eligible to participate in the plan for purposes of this contribution(s):

- Upon attaining age 20
- Upon completing 1 year of service, as defined in the plan document

You may join the plan for purposes of this contribution(s) on the next January 1 or July 1.

You are not eligible for the contribution type(s) shown directly above if you are in one of the following groups:

- Roger Williams Medical Associates

However, if you are in one of the following group(s), you are not eligible to participate in the plan:

- Any person who is compensated by special retainer or fees pursuant to special contracts
- Independent Contractors
- Employees of a controlled group employer whose employer does not adopt the Plan
- Any director of the employer
- Employees covered under a collective bargaining agreement that does not provide for participation in the plan
- Non-resident aliens

Questions? Visit [my.trsuretire.com](http://my.trsuretire.com)

- Leased employees

Per diem employees can be eligible to receive a matching contribution but are not eligible for a Target Contribution.

### Employer Contributions

Roger Williams Medical Center may provide a Discretionary Matching contribution on your behalf. The amount of the match is determined each year and is provided to employees who contribute at least 2% of their compensation to the 403(b) Tax Sheltered Annuity Program. The matching contribution is based on your years of service as follows:

- 0-5 yrs-0.5%
- 6-10 yrs-1%
- 11-15 yrs-1.5%
- 16 or more yrs-2%.

Roger Williams Medical Center may provide a Discretionary Non-elective Target Contribution on your behalf. If made, this contribution shall be allocated to each participant based on the proportion that such participants compensation bears to the total compensation of all participants.

### Vesting

Vesting refers to your "ownership" of your account. You are always 100% vested in your employer contributions.

### Withdrawals

You may withdraw vested funds from your plan account in these events (conditions and restrictions may apply as defined in the plan):

- Retirement at plan's normal retirement age of 65
- Termination of employment
- Attainment of age 59.5
- In-service withdrawal of certain contributions at any time
- Financial hardship as defined in the plan
- Disability
- Death

### Investment Direction

You decide how your account will be invested among the available investment options. You may change your investment allocation at any time.

Unless you elect otherwise, contributions will be directed to the T. Rowe Price Target Date Funds. Please see the Automatic Investment Notice for more information.

Transfers among investment options may be made at any time and may be subject to certain restrictions.



## Beneficiary Designation

It is very important that you designate at least one beneficiary for your retirement account, so that your assets can be distributed according to your wishes upon your death. Please complete the Beneficiary Designation form, and follow the instructions on the form for mailing.

## Summary Plan Description

For more information about any of the plan provisions including any conditions or restrictions that may apply, please refer to the Summary Plan Description or call 888-676-5512. These plan highlights represent only an overview of plan provisions and do not constitute a legally binding document.

## 404(c) Notice

Roger Williams Medical Center Defined Contribution Plan is intended to be a 404(c) plan as described in detail in Section 404(c) (ERISA) and final regulation 2550.404c-1. This means that you have the flexibility (and responsibility) to choose among the options provided under the plan in a way that best meets your objectives. In general, by providing you with this ability and a variety of investments, your employer and plan administrator are not liable for any losses that occur as a direct result of investment in the available options as directed by you or your beneficiary.

In addition to the information contained in this booklet, the following information can be obtained upon request:

- Prospectuses, summary prospectuses or similar documents relating to each investment option.
- Financial statements or reports or similar materials relating to each investment option.
- Information regarding the value of shares or units in the investment options as well as the date of valuation. (Please see your account statement.)
- A list of the assets comprising the portfolio of each investment option which will constitute "plan assets" under Reg. 2510.3-101, and the value of each such asset.

To obtain any of the above information, please contact:

Attn: Brenda Ketner  
Mgr. Comp., Benefits  
Roger Williams Medical Center  
200 High Service Avenue  
North Providence, RI 02904  
Phone: 401-456-3202  
Fax: 401-456-3824

# Investment Solutions

Your *Retirement Plan* makes it easy to choose an investment strategy—and easy to maintain or adjust your strategy over time.

## Choose a one-step solution

### Choose a fund that corresponds to your retirement date or time horizon

Select a target date fund that corresponds to your expected retirement year. Target Date Funds automatically move to a more conservative investment mix as they approach a target year. By investing in a combination of asset classes, these funds are designed to be automatically diversified.

- T. Rowe Price Retirement Income Adv
- T. Rowe Price Retirement 2005 Adv
- T. Rowe Price Retirement 2010 Adv
- T. Rowe Price Retirement 2015 Adv
- T. Rowe Price Retirement 2020 Adv
- T. Rowe Price Retirement 2025 Adv
- T. Rowe Price Retirement 2030 Adv
- T. Rowe Price Retirement 2035 Adv
- T. Rowe Price Retirement 2040 Adv
- T. Rowe Price Retirement 2045 Adv
- T. Rowe Price Retirement 2050 Adv
- T. Rowe Price Retirement 2055 Adv

*Target date funds are subject to the same risks as the underlying assets in which they invest. Each fund's asset allocation becomes more conservative over time. The percentage of assets allocated to stocks will decrease, while the percentage allocated to bonds will increase, as you approach the target date. The higher the fund's allocation is to stocks, the greater the risk. The target year represents approximately when the fund's managers assume the typical investor plans to start withdrawing their money. The fund's principal value is never guaranteed, including at and after the target. You can lose money by investing in a target date fund, including near and following retirement. There is no guarantee that the fund will provide adequate retirement income.*

## Do it yourself

### Create your own investing strategy

Questions? Visit [my.trsretire.com](http://my.trsretire.com)

You can also create your own investment mix using the funds available in your plan. These funds offer flexibility for both new and experienced investors. With this approach, you can develop an investing strategy that is tailored just for you.

[Put your retirement on the right track](#)

You may also use our online modeling tool designed to help you analyze your investment allocation and alternative strategies. Log onto your account at [my.trsrretire.com](http://my.trsrretire.com), go to the "Resource Center" tab, and select the online tool or review other calculators.

## IMPORTANT INFORMATION ABOUT YOUR PLAN!

Roger Williams Medical Center  
Roger Williams Medical Center Defined Contribution Plan (the "Plan")

### INITIAL NOTICE OF AUTOMATIC INVESTMENT OF CONTRIBUTIONS UNDER THE PLAN

**NOTE TO ELIGIBLE EMPLOYEE:** UNLESS YOU MAKE AN INVESTMENT ELECTION NO LATER THAN THE DATE CONTRIBUTIONS ARE MADE TO THE PLAN ON YOUR BEHALF ("PLAN CONTRIBUTIONS"), THE PLAN CONTRIBUTIONS WILL BE AUTOMATICALLY INVESTED IN THE DEFAULT INVESTMENT ALTERNATIVE DESCRIBED BELOW.

**PURPOSE OF THIS NOTICE:** This Notice explains your rights and obligations with respect to the following:

**Automatic Investment:** The automatic investment of your Plan Contributions in an investment alternative (the "Default Alternative") that has been designated by your employer for such investment in the event that you fail to provide an affirmative investment election regarding the investment allocation of your Plan Contributions (and earnings thereon).

**ERISA Plan Document:** For more details about this arrangement or plan updates, please refer to your Summary Plan Description ("SPD") and any Summary of Material Modifications ("SMM") to the SPD. An additional copy of either document can be obtained from your Plan Administrator by calling 401-456-3202.

#### AUTOMATIC INVESTMENT

**Your Right to Direct Investments:** As a participant under the Plan, you have the right to direct the investment of your individual account balance(s) and contributions under the Plan into one or more of the investment alternatives available under the Plan. In order to exercise your right to direct your Plan investments, you must affirmatively make an investment or transfer election.

**How to Make an Affirmative investment or Transfer Election:** You can make an affirmative investment or transfer election by visiting [my.trsrretire.com](http://my.trsrretire.com) or calling customer service at 800-755-5801.

If, after your contributions are initially invested in the Default Alternative, but before you make an investment election, you affirmatively make an investment transfer under the Plan or you take out an in-service withdrawal from the Plan, you will be deemed to have affirmatively made an investment election to allocate your future contributions under the Plan to the Default Alternative. You will also be deemed to have investment control over your Plan assets remaining in the Default Alternative.

Please note that the above options are the only options available for making an affirmative investment or transfer election. The Plan may not recognize any other form of investment direction or instruction that you might provide.

**Circumstances Under Which Assets May be Invested if You Fail to Make an Investment Election:** If you fail to affirmatively make an investment election, your Plan Contributions will be invested in the Default Alternative.

**Qualified Default Investment Alternative (QDIA):** Your employer has chosen to qualify the Default Alternative as a QDIA established in accordance with the legal requirements under section 404(c)(5) of ERISA and regulations thereunder. This means that a plan fiduciary should not be liable for any investment losses that result notwithstanding that you did not affirmatively elect to invest in the Default Alternative. This relief from liability applies whether or not the Plan is intended to be a 404(c) plan.

**Description of the Default Alternative:** The Default Alternative in which your Plan savings and contributions will be invested if you fail to make an affirmative investment election is identified below:

**T. Rowe Price Target Date Funds**

This is a "target retirement date" Default Alternative designed to provide varying degrees of long-term appreciation and capital preservation through a mix of equity and fixed income exposures based on your age and the target retirement year designated by the fiduciary overseeing the portfolios. This Default Alternative changes its asset allocation and associated risk levels over time with the objective of becoming more conservative (i.e., decreasing risk of losses) with increasing age or as you approach your designated target retirement year. Your designated target retirement year is the year in which you turn age 65. If, based on your particular circumstances, you have in mind a different target retirement year and you are satisfied with using this type of fund as your affirmative investment election, you can elect a different target retirement year by: visiting [my.trsrretire.com](http://my.trsrretire.com) or calling customer service at 800-755-5801 to choose a different retirement date fund. Target date funds are subject to the same risks as the underlying asset classes in which they invest. The fund's asset allocation becomes more conservative over time, meaning that the percentage of assets allocated to stocks will decrease while the percentage of assets allocated to bonds will increase as you approach the target date. The higher the fund's allocation is to stocks, the greater the risk. The significance of the fund's target date is that it is the date at or around which the fund assumes you plan to start withdrawing your money. The principal value of the fund is not guaranteed at any time, including at and after the target date. You may lose money by investing in this fund, including losses near and following retirement. There is no guarantee that the fund will provide adequate retirement income.

**Additional Information about the Fund:** For additional information about the fund, including risk and return characteristics and fees and expenses attendant to the Default Alternative, please review the enclosed Fund Profile for the fund, as well as the chart below.

Fund Name	Year in Which You Turn 65
T. Rowe Price Retirement Income Adv	2002 and earlier
T. Rowe Price Retirement 2005 Adv	2003 to 2007
T. Rowe Price Retirement 2010 Adv	2008 to 2012
T. Rowe Price Retirement 2015 Adv	2013 to 2017
T. Rowe Price Retirement 2020 Adv	2018 to 2022
T. Rowe Price Retirement 2025 Adv	2023 to 2027
T. Rowe Price Retirement 2030 Adv	2028 to 2032
T. Rowe Price Retirement 2035 Adv	2033 to 2037
T. Rowe Price Retirement 2040 Adv	2038 to 2042
T. Rowe Price Retirement 2045 Adv	2043 to 2047
T. Rowe Price Retirement 2050 Adv	2048 to 2052
T. Rowe Price Retirement 2055 Adv	2053 and later

**Your Right to Transfer Out of the Default Alternative Without Penalty:** As a participant under the Plan, you have the right to direct that any or all of your assets invested in the Default Alternative be transferred to one or more of the diversified alternative investments available under the Plan. Until you make an affirmative election to transfer any of your assets from the Default Alternative or otherwise make an affirmative investment election as herein provided, you will receive an annual notice to remind you of the Default Alternative arrangement and of your right to direct that any or all of your assets invested in the Default Alternative be transferred to one or more of the other diversified alternative investments under the Plan, without financial penalty.

**Where You Can Obtain Investment Information Concerning the Other Investment Alternatives Available Under the Plan:** The other investment alternatives available under the Plan are listed in the investment section of your plan materials, including a fund profile containing additional information, investment objectives, risk and return characteristics, as well as fees and other expenses, for each such other investment alternative. For additional information concerning the other investment alternatives available under the Plan, please visit [my.trsrretire.com](http://my.trsrretire.com) or call customer service at 800-755-5801.

**HOW TO OBTAIN ADDITIONAL INFORMATION:** This Notice is intended to provide a brief explanation of certain aspects of the Plan. If there are any discrepancies between the contents of this Notice and the provisions of the Plan document, the terms of the Plan document shall govern. For more information on the Plan aspects covered by this Notice, please contact your Plan Administrator by calling 401-456-3202.

**PROSPECTUS AVAILABILITY**

**For more information on any registered fund, please call 800-755-5801 for a free summary prospectus (if available) and/or prospectus. You should consider the objectives, risks, charges, and expenses of an investment carefully before investing. The summary prospectus and prospectus contain this and other information. Read them carefully before you invest.**

Transamerica Investors Securities Corporation (TISC), 440 Mamaroneck Avenue, Harrison, NY, 10528, distributes securities products. Any mutual fund offered under the plan is distributed by that particular fund's associated fund family and its affiliated broker-dealer or other broker-dealers with effective selling agreements such as TISC. Bank collective trusts funds, if offered under the plan, are not insured by the FDIC, the Federal Reserve Bank or any other government agency and are not registered with the Securities and Exchange Commission. Group annuity contracts, if offered under the plan, are made available through the applicable insurance company. Any guarantee of principal and/or interest under a group annuity contract is subject to the claims-paying ability of the applicable insurer. Certain investment options made available under the plan may be offered through affiliates of Transamerica Retirement Solutions Corporation (Transamerica) and TISC. These may include: (1) the Transamerica Funds (registered mutual funds distributed by Transamerica Capital, Inc. (TCI) and advised by Transamerica Asset Management, Inc. (TAM)); (2) the Diversified Investment Advisors Collective Trust, a collective trust fund of Massachusetts Fidelity Trust Company (MFTC) (includes the Stable Pooled Fund); (3) group annuity contracts issued by Transamerica Financial Life Insurance Company (TFLIC), 440 Mamaroneck Avenue, Harrison, NY 10528 (includes the Stable Fund, the Fixed Fund, the Guaranteed Pooled Fund, and SecurePath for Life); and (4) group annuity contracts issued by Transamerica Life Insurance Company (TLIC), 4333 Edgewood Road NE, Cedar Rapids, IA 52499 (includes SecurePath for Life). Your employer has selected Transamerica as your retirement plan provider, but there are no other affiliations between your employer and Transamerica, TISC, TCI, TAM, MFTC, TFLIC, or TLIC.

PT 9212 (4/13)

This page intentionally left blank.

## Plan Investment Options: Glossary of Risk Terms

For more information on any registered fund, please call 800-755-5801 for a free summary prospectus (if available) and/or prospectus. You should consider the objectives, risks, charges, and expenses of an investment carefully before investing. The summary prospectus and prospectus contain this and other information. Read them carefully before you invest.

**How to Use this Glossary:** The fund profiles that follow outline more information on the investment style, objective, strategy, and risk characteristics of each fund. The particular investment risks applicable to a fund are identified in its fund profile under "Risks." Each of the terms used under "Risks" to identify a risk is explained below in this glossary. Of course, an investment in a fund may be subject to other types of risk, and it is possible that you could lose money by investing in a fund.

**Asset Allocation Fund Risk:** Asset allocation funds are subject to the risks of the underlying funds in which they invest. To the extent the fund invests more of its assets in stock investments, it will be subject to greater risk than a fund investing more of its assets in bond funds.

**Bond Risk:** The values of bonds change in response to changes in economic conditions, interest rates, and the creditworthiness of individual issuers. The value of bonds and bond funds generally falls when interest rates rise, causing an investor to lose money upon sale or redemption. **Government Bond Risk:** Any U.S. government guarantees of the securities held in a fund only pertain to those securities and not the fund or its yield. **High-Yield Risk:** Lower-rated, high-yield corporate debt securities represent a much greater risk of default and tend to be more volatile than higher-rated or investment grade bonds. **Inflation-Protected Securities Risk:** Market values of inflation-protected securities can be affected by changes in the market's inflation expectations or changes in real rates of interest. **Effective Duration:** A measure of a bond portfolio's sensitivity to changes in interest rates.

**Commodities Risk:** Commodities may be speculative and more volatile than investments in more traditional equity and debt securities, and may be subject to counterparty risk, volatility risk, and leverage.

**Convertible Risk:** Convertible securities are generally debt obligations which may be converted into shares of common stock. The market value of convertible securities tends to decline as interest rates increase. In addition, the market value of convertible securities tends to vary with fluctuations in the market value of the underlying common stock. Convertible securities are subject to the risk that the issuer may default on its obligations.

**Derivatives Risk:** Investments in derivatives may subject the fund to greater volatility than investments in traditional securities.

**Equity Risk:** Equity funds invest in equity securities, which include common stock, preferred stock, and convertible securities. Because such securities represent ownership in a corporation, they tend to be more volatile than fixed income or debt securities, which do not represent ownership.

**Foreign Risk:** Foreign securities and markets pose special risks in addition to those customarily associated with domestic securities. These risks include, but are not limited to, currency risk, political risk, and risk associated with varying accounting standards. Investing in emerging markets may accentuate these risks.

**Growth Risk:** Growth stocks may be especially volatile because their prices are largely based on the market's expectation of future earnings.

**Leveraged Company Risk:** Investments in the stocks of leveraged companies may be subject to additional risk, as leverage can magnify the impact of adverse issuer, political, regulatory, market, or economic developments on a company.

**Money Market Risk:** An investment in the money market fund, if available under the plan, is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Although the fund seeks to preserve the value of your investment at \$1.00 per share, it is possible to lose money by investing in the fund.

**Mortgage Securities Risk:** Mortgage-backed securities are subject to prepayment risk and may be sensitive to changes in prevailing interest rates.

**Non-Diversified Risk:** A fund that is classified as a non-diversified investment company may be subject to greater market fluctuation.

**Real Estate Risk:** Real estate investing is very sensitive to changes in interest rates, and volatility may increase in a changing rate environment. The fund's strategy of concentrating in the real estate sector means that its performance will be closely tied to the



performance of that sector. As a result, the fund may be more susceptible to factors affecting this sector and more volatile than funds that invest in many different sectors.

**Portfolio Price/Earnings Ratio:** Relates to the price of the stock to the prior 12-month per-share earnings of the company.

**Sector Risk:** The strategy of concentrating in one sector means that its performance will be closely tied to the performance of that sector. As a result, the fund may be more susceptible to factors affecting this sector and more volatile than funds that invest in many different sectors.

**Short Sales Risk:** This fund uses short selling, which incurs significant additional risk.

**Small/Mid Cap Risk:** The securities of small and medium-sized companies, because of the issuers' lower market capitalization, may be more volatile than those of large-sized companies.

**Target/Retirement Date Fund Risk:** Target date funds are subject to the same risks as the underlying assets in which they invest. Each fund's asset allocation becomes more conservative over time: The percentage of assets allocated to stocks will decrease, while the percentage allocated to bonds will increase, as you approach the target date. The higher the fund's allocation is to stocks, the greater the risk. The target year represents approximately when the fund's managers assume the typical investor plans to start withdrawing their money. The fund's principal value is never guaranteed, including at and after the target. You can lose money by investing in a target date fund, including near and following retirement. There is no guarantee that the fund will provide adequate retirement income.

**Value Risk:** Value-based investments are subject to the risk that the broad market may not recognize their intrinsic values.

*Information relating to non-proprietary funds is being provided as a service by Transamerica to plans whose participants may invest in these funds, and may differ from information provided by other sources. The information contained herein: (1) is proprietary to Morningstar and/or other content providers furnishing the information; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete or timely. Neither Morningstar nor any other applicable content provider is responsible for any damages or losses arising from any use of this information.*

Transamerica Investors Securities Corporation (TISC), 440 Mamaroneck Avenue, Harrison, NY, 10528, distributes securities products. Any mutual fund offered under the plan is distributed by that particular fund's associated fund family and its affiliated broker-dealer or other broker-dealers with effective selling agreements such as TISC. Bank collective trusts funds, if offered under the plan, are not insured by the FDIC, the Federal Reserve Bank or any other government agency and are not registered with the Securities and Exchange Commission. Group annuity contracts, if offered under the plan, are made available through the applicable insurance company. Any guarantee of principal and/or interest under a group annuity contract is subject to the claims-paying ability of the applicable insurer. Certain investment options made available under the plan may be offered through affiliates of Transamerica Retirement Solutions Corporation (Transamerica) and TISC. These may include: (1) the Transamerica Funds (registered mutual funds distributed by Transamerica Capital, Inc. (TCI) and advised by Transamerica Asset Management, Inc. (TAM)); (2) the Diversified Investment Advisors Collective Trust, a collective trust fund of Massachusetts Fidelity Trust Company (MFTC) (includes the Stable Pooled Fund); (3) group annuity contracts issued by Transamerica Financial Life Insurance Company (TFLIC), 440 Mamaroneck Avenue, Harrison, NY 10528 (includes the Stable Fund, the Fixed Fund, the Guaranteed Pooled Fund, and SecurePath for Life); and (4) group annuity contracts issued by Transamerica Life Insurance Company (TLIC), 4333 Edgewood Road NE, Cedar Rapids, IA 52499 (includes SecurePath for Life). Your employer has selected Transamerica as your retirement plan provider, but there are no other affiliations between your employer and Transamerica, TISC, TCI, TAM, MFTC, TFLIC, or TLIC.

PT 9212 (4/13)

Questions? Visit [my.trsuretire.com](http://my.trsuretire.com)

# Roger Williams Medical Center Defined Contribution Plan

## IMPORTANT INFORMATION REGARDING YOUR PLAN

TT080319 00001

We want you to enjoy the many features and benefits of your retirement plan. We also want to make sure you understand your plan and investment fees. The enclosed report details the types and amounts of fees that may apply to your account, depending on which features and investments you choose.

The report is organized into multiple sections:

- **General Plan Information** offers an overview of your plan.
- **Potential General Administrative Fees and Expenses** may be charged against everyone's account in the plan to cover the day-to-day costs of operating the plan.
- **Potential Individual Administrative Fees and Expenses** are associated with certain plan features or services and apply only to participants who use the particular features or services.
- **Investment Information** details each of the options available in your plan. This section features up to three tables, depending on what your plan offers. This may include investments with variable rates of return, such as mutual funds or those with fixed or stated rates of return, such as some stable value funds. Details include:
  - **Historical performance** for each variable option and its "benchmark," typically a broad market index used for comparison.
  - **Expenses**, including fund operating costs which are automatically deducted from your investment returns. (The specific expenses that apply to you will depend on how your account is invested.)

You may receive this information electronically by signing up for e-documents at [my.trsuretire.com](http://my.trsuretire.com).

Visit [my.trsuretire.com](http://my.trsuretire.com) to access the report and other related materials, including a glossary of terms and an interactive tutorial. To access the participant fee disclosure document, visit [my.trsuretire.com](http://my.trsuretire.com), and select "investments and associated fees" from the Funds and Fee Information heading. If you are not enrolled in the plan, enter the account number from the upper right-hand corner of this document and click "Submit." If you are already enrolled, enter your customer ID and password and click "Sign in."

In addition, your quarterly statement will show the specific fees that have been applied to your account (except any fund expenses netted directly from your investment returns) during the statement period.

If you have any questions, please sign in to your account at [my.trsuretire.com](http://my.trsuretire.com) and click on Help, or call us at **800-755-5801**.

Si necesita aclaraciones en español, llame al número gratuito de Transamerica 1-800-755-5801 y diga "Español" para continuar en su idioma. Después de suministrar su información, inmediatamente diga "Servicio al cliente" y con mucho gusto uno de nuestros representantes contestará sus preguntas.

PCC-000541

# Roger Williams Medical Center Defined Contribution Plan

## IMPORTANT INFORMATION REGARDING YOUR PLAN

Disclosure Chart as of March 28, 2014

TT080319 00001

Your plan offers a convenient way to save for retirement, and provides unique features and benefits not available elsewhere. You have the opportunity to make the plan work harder for you by committing early to disciplined savings, taking full advantage of the tools and services available, maintaining a long-term investment strategy, and understanding the plan, including investment options and fees. This document is required to be sent to you to help you understand your retirement plan and will be updated annually and when certain types of changes are made. Although you should review this important information, no action is required on your part.

General Plan Information	
How to Direct Your Investments	You decide how your account will be invested among the available investment options by calling 800-755-5801 or going to <a href="http://my.trsrretire.com">my.trsrretire.com</a> .
Transfer and/or Investment Allocation Restrictions	There are no transfer restrictions imposed by the Plan. Please see Table 1 for transfer restrictions that may be imposed by the investment options.  You may change your investment allocation at any time. No plan level allocation restrictions apply.
Voting, tender and similar rights and restrictions on such rights	<u>Mutual Funds</u> —The Plan Sponsor shall have the right to exercise voting and tender rights attributable to mutual funds offered under the Plan. <u>Self Directed Brokerage Accounts</u> —Plan participants shall have the right to exercise voting and tender rights attributable to securities held in an outside brokerage window offered under the Plan.
List of Designated Investment Alternatives	For the listing of the Plan's designated investment alternatives, please see the Investment Information section.
Potential General Administrative Fees and Expenses	
Administrative Fee — Per Account	When applicable, other general administrative fees for plan services (e.g., legal, accounting, auditing, recordkeeping) may from time to time be deducted as a fixed dollar amount from your account.  The actual amount deducted from your account, as well as a description of the services to which the fees relate will be reported on your quarterly benefit statements.
Administrative Fee — Pro Rata	The plan incurs general administrative fees for ongoing plan administrative services (e.g., recordkeeping) of up to 0.45% annually of assets held in the plan investment options. These fees may be paid, in whole or in part, from revenue (e.g., 12b-1 fees, administrative fees) that Transamerica or its affiliates receive from plan's investment options. If this revenue is not adequate to cover the fees, the shortfall will be deducted on a pro rata basis across some or all investment options held in your account, unless paid from other sources. In addition, a plan service fee of 0.01% on all funds will be deducted from participant accounts on a monthly basis.

PCC-000542

Plan Service Credit	Plan service credit represents an expense refund for one or more of the investment funds offered by your plan. When applicable, a Plan Service Credit is added to your account and lowers the effective annual expense ratios of the investment fund(s) for which a plan service credit applies. Any plan service credit will be reported on your quarterly benefit statements.
<b>Potential Individual Administrative Fees and Expenses — applicable only to those using specific features or services</b>	
Returned Check — Insufficient Funds	A fee of up to \$50 will be deducted from your account in the event a check is returned for insufficient funds.
Shareholder Type Fees	For applicable redemption fees, please see the Investment Information section. Changes in these fees are announced separately.

## Investment Information

This information is provided to help you compare the investment options under your plan. You may obtain, free of charge, a paper copy of your fee disclosure notice and other investment information posted at [my.trsrretire.com](http://my.trsrretire.com), by contacting Transamerica at 800-755-5801 or by writing to 4333 Edgewood Road NE, Mail Drop 0001, Cedar Rapids, IA, 52499, Attention: Fee Disclosure. The information available includes each investment option's issuer, objectives, goals, principal strategies, principal risks, holdings, turnover rate, value and updated performance and expense information; as well as a glossary of terms, information about calculating benefits, available distribution options and (where appropriate) prospectuses and annual reports.

The following table focuses on investment options that have variable rates of return, and shows fee and expense information, as well as investment performance for each investment option and that of the appropriate benchmark, or index. If your plan offers balanced, asset allocation or target retirement funds, which are comprised of a mix of stock and bond investments, you will see two broad-based benchmarks, a stock index and a bond index. Because they are made through a retirement plan, your investments in these funds are not subject to front-end or back-end loads, which are a form of sales commission charged at the time of purchase or sale. Please note:

- The investment performance of each investment option is shown net of (or after) fees, while the benchmark or index investment performance is reported on a gross (before fees) basis. If the option has less than a 10 year history, the investment performance of both the investment option and the index are shown since inception, with the inception date shown after the investment option name. Returns of less than one year are not annualized.
- Total Annual Operating Expenses of an investment option are the expenses you pay each year, which reduce the rate of return you earn. In some cases, a fund may waive or reimburse certain expenses. If a fund has waived expenses in the past year, you will see a different gross (G) (before waivers) and net (N) (after waivers) expense ratio. So while an investor could have been charged as much as the gross expense rate in the past year, they will only have paid the net expense rate because of the waivers. Fund specific operating expense details are available at [my.trsrretire.com](http://my.trsrretire.com).
- Shareholder-type fees, if any, are in addition to Total Annual Operating Expenses. Fees and expenses are only one of many factors to consider when you decide to invest in an investment option.
- You may also want to think about whether an investment in a particular option, along with your other investments, will help you achieve your financial goals.
- Past performance does not guarantee how the investment option will perform in the future. Your investment in these options could lose money.
- The cumulative effect of fees and expenses can substantially reduce the growth of your retirement savings. Visit the Department of Labor's website for an example showing the long-term effect of fees and expenses at [www.dol.gov/ebsa/publications/401k\\_employee.html](http://www.dol.gov/ebsa/publications/401k_employee.html).

**Table 1 - Variable Options**

Name of Option (Inception Mo/Yr) Index(es)	Type of Option	Total Annual Operating Expenses G: Gross; N: Net		Average Annual Total Return as of 12/31/2013			Shareholder-Type Fees / Comments
		As %	Per \$1000	1Yr.	5Yr.	10yr. or Since Inception	
<b>Bonds</b>							
Loomis Sayles Investment Grade Bond A (01/02)	Intermediate-Term Bonds	0.84% G 0.84% N	\$8.40 G \$8.40 N	1.02%	10.86%	6.92%	If you have made a round trip trade in and out of the fund within 28 calendar days, you will be restricted from making additional transfers into the fund for the next 28 days.
<i>Index: Barclays Aggregate Bond Index</i>				-2.02%	4.44%	4.55%	
Loomis Sayles Strategic Income A (05/95)	Intermediate-Term Bonds	0.96% G 0.96% N	\$9.60 G \$9.60 N	10.87%	15.53%	8.32%	
<i>Index: Barclays Aggregate Bond Index</i>				-2.02%	4.44%	4.55%	
Vanguard Total Bond Market Index (12/86)	Intermediate-Term Bonds	0.20% G 0.20% N	\$2.00 G \$2.00 N	-2.26%	4.28%	4.42%	If you exchange out of this fund, you will not be permitted to exchange back into the same fund within 60 calendar days.
<i>Index: Barclays Aggregate Bond Index</i>				-2.02%	4.44%	4.55%	
<b>Stocks</b>							
BlackRock Equity Dividend A (10/94)	Large-Cap Value Stocks	1.00% G 1.00% N	\$10.00 G \$10.00 N	24.35%	15.13%	9.10%	
<i>Index: Russell® 1000 Value Index</i>				32.53%	16.67%	7.58%	
Fidelity Spartan 500 Index Inv (02/88)	Large-Cap Blend Stocks	0.10% G 0.09% N	\$1.00 G \$0.90 N	32.25%	17.87%	7.33%	
<i>Index: S&amp;P 500 Index</i>				32.39%	17.94%	7.41%	
MFS Research R2 (10/03)	Large-Cap Growth Stocks	1.10% G 1.10% N	\$11.00 G \$11.00 N	31.80%	17.97%	8.28%	
<i>Index: S&amp;P 500 Index</i>				32.39%	17.94%	7.41%	

PCC-00054

Table 1 - Variable Options (continued)

Name of Option (Inception Mo/Yr) Index(es)	Type of Option	Total Annual Operating Expenses G: Gross; N: Net		Average Annual Total Return as of 12/31/2013			Shareholder-Type Fees / Comments
		As %	Per \$1000	1Yr.	5Yr.	10yr. or Since Inception	
<b>Stocks</b>							
T. Rowe Price Blue Chip Growth Adv (06/93)	Large-Cap Growth Stocks	1.01% G 1.01% N	\$10.10 G \$10.10 N	41.20%	22.79%	8.60%	If you exchange out of this fund, you will not be permitted to exchange back into the same fund within 30 calendar days.
<i>Index: Russell® 1000 Growth Index</i>				33.48%	20.39%	7.83%	
RidgeWorth Mid Cap Value Equity I (11/01)	Mid-Cap Value Stocks	1.09% G 1.09% N	\$10.90 G \$10.90 N	31.21%	22.68%	11.86%	
<i>Index: Russell® Mid Cap Value Index</i>				33.46%	21.16%	10.25%	
Vanguard Extended Market Idx (12/87)	Mid-Cap Blend Stocks	0.28% G 0.28% N	\$2.80 G \$2.80 N	38.19%	22.47%	10.17%	If you exchange out of this fund, you will not be permitted to exchange back into the same fund within 60 calendar days.
<i>Index: Russell Small-Cap Completeness Index</i>				38.50%	22.33%	10.04%	
Columbia Acorn Z (06/70)	Mid-Cap Growth Stocks	0.82% G 0.82% N	\$8.20 G \$8.20 N	30.90%	20.98%	10.43%	If you have made a round trip trade in and out of the fund within 28 calendar days, you will be restricted from making additional transfers into the fund for the next 28 days.
<i>Index: Russell® Mid Cap Growth Index</i>				35.74%	23.37%	9.77%	
RidgeWorth Small Cap Value Equity I (01/97)	Small-Cap Blend Stocks	1.24% G 1.24% N	\$12.40 G \$12.40 N	35.05%	21.62%	11.71%	
<i>Index: Russell® 2000 Index</i>				38.82%	20.08%	9.07%	
Prudential Jennison Small Company Z (11/80)	Small-Cap Growth Stocks	0.85% G 0.85% N	\$8.50 G \$8.50 N	34.60%	20.95%	10.81%	

PCC-000545

Table 1 - Variable Options (continued)

Name of Option (Inception Mo/Yr) Index(es)	Type of Option	Total Annual Operating Expenses G: Gross; N: Net		Average Annual Total Return as of 12/31/2013			Shareholder-Type Fees / Comments
		As %	Per \$1000	1Yr.	5Yr.	10yr. or Since Inception	
<i>Index: Russell® 2000 Growth Index</i>				43.30%	22.58%	9.41%	
<b>Stocks</b>							
Cohen & Steers Realty Shares (07/91)	Real Estate	1.00% G 1.00% N	\$10.00 G \$10.00 N	3.09%	16.37%	9.46%	
<i>Index: MSCI REIT Index</i>				2.47%	16.73%	8.40%	
Thornburg International Value R5 (02/05)	World/Foreign Stocks	1.06% G 0.99% N	\$10.60 G \$9.90 N	15.63%	11.85%	7.98%	
<i>Index: MSCI All-Country World Ex-US Index</i>				15.78%	13.32%	6.96%	
Vanguard Total Intl Stock Index Inv (04/96)	World/Foreign Stocks	0.22% G 0.22% N	\$2.20 G \$2.20 N	15.05%	12.02%	7.26%	If you exchange out of this fund, you will not be permitted to exchange back into the same fund within 60 calendar days.
<i>Index: MSCI All-Country World Ex-US Index</i>				15.78%	13.32%	8.04%	
Oppenheimer Developing Markets A (11/96)	Emerging Market Stocks	1.31% G 1.30% N	\$13.10 G \$13.00 N	8.65%	19.94%	15.04%	
<i>Index: MSCI Emerging Markets Index</i>				-2.27%	15.15%	11.52%	
<b>Multi-Asset/Other</b>							
Van Eck Global Hard Assets A (11/94)	Sector	1.45% G 1.38% N	\$14.50 G \$13.80 N	10.74%	13.13%	12.62%	
<i>Index: S&amp;P 500 Index</i>				32.39%	17.94%	7.41%	
Rowe Price Retirement Income Adv (10/03)	Target Date	0.82% G 0.82% N	\$8.20 G \$8.20 N	8.59%	10.03%	5.54%	If you exchange out of this fund, you will not be permitted to exchange back into the same fund within 30 calendar days.

FOOC-000546

**Table 1 - Variable Options (continued)**

Name of Option (Inception Mo/Yr) Index(es)	Type of Option	Total Annual Operating Expenses G: Gross; N: Net		Average Annual Total Return as of 12/31/2013			Shareholder-Type Fees / Comments
		As %	Per \$1000	1Yr.	5Yr.	10yr. or Since Inception	
<i>Index: Barclays Aggregate Bond Index</i>				-2.02%	4.44%	4.55%	
<i>Index: S&amp;P 500 Index</i>				32.39%	17.94%	7.41%	
<b>Multi-Asset/Other</b>							
T. Rowe Price Retirement 2005 Adv (05/07)	Target Date	0.84% G 0.84% N	\$8.40 G \$8.40 N	9.60%	11.22%	4.36%	If you exchange out of this fund, you will not be permitted to exchange back into the same fund within 30 calendar days.
<i>Index: Barclays Aggregate Bond Index</i>				-2.02%	4.44%	5.03%	
<i>Index: S&amp;P 500 Index</i>				32.39%	17.94%	5.18%	
T. Rowe Price Retirement 2010 Adv (10/03)	Target Date	0.85% G 0.85% N	\$8.50 G \$8.50 N	11.61%	12.49%	6.36%	If you exchange out of this fund, you will not be permitted to exchange back into the same fund within 30 calendar days.
<i>Index: Barclays Aggregate Bond Index</i>				-2.02%	4.44%	4.55%	
<i>Index: S&amp;P 500 Index</i>				32.39%	17.94%	7.41%	
T. Rowe Price Retirement 2015 Adv (05/07)	Target Date	0.90% G 0.90% N	\$9.00 G \$9.00 N	14.82%	14.01%	4.40%	If you exchange out of this fund, you will not be permitted to exchange back into the same fund within 30 calendar days.
<i>Index: Barclays Aggregate Bond Index</i>				-2.02%	4.44%	5.03%	
<i>Index: S&amp;P 500 Index</i>				32.39%	17.94%	5.18%	

PCC-000547



Table 1 - Variable Options (continued)

Name of Option (Inception Mo/Yr) Index(es)	Type of Option	Total Annual Operating Expenses G: Gross; N: Net		Average Annual Total Return as of 12/31/2013			Shareholder-Type Fees / Comments
		As %	Per \$1000	1Yr.	5Yr.	10yr. or Since Inception	
<b>Multi-Asset/Other</b>							
T. Rowe Price Retirement 2020 Adv (10/03)	Target Date	0.94% G 0.94% N	\$9.40 G \$9.40 N	17.75%	15.32%	7.10%	If you exchange out of this fund, you will not be permitted to exchange back into the same fund within 30 calendar days.
<i>Index: Barclays Aggregate Bond Index</i>				-2.02%	4.44%	4.55%	
<i>Index: S&amp;P 500 Index</i>				32.39%	17.94%	7.41%	
T. Rowe Price Retirement 2025 Adv (05/07)	Target Date	0.97% G 0.97% N	\$9.70 G \$9.70 N	20.39%	16.33%	4.47%	If you exchange out of this fund, you will not be permitted to exchange back into the same fund within 30 calendar days.
<i>Index: Barclays Aggregate Bond Index</i>				-2.02%	4.44%	5.03%	
<i>Index: S&amp;P 500 Index</i>				32.39%	17.94%	5.18%	
T. Rowe Price Retirement 2030 Adv (10/03)	Target Date	1.00% G 1.00% N	\$10.00 G \$10.00 N	22.69%	17.22%	7.60%	If you exchange out of this fund, you will not be permitted to exchange back into the same fund within 30 calendar days.
<i>Index: Barclays Aggregate Bond Index</i>				-2.02%	4.44%	4.55%	
<i>Index: S&amp;P 500 Index</i>				32.39%	17.94%	7.41%	
T. Rowe Price Retirement 2035 Adv (05/07)	Target Date	1.02% G 1.02% N	\$10.20 G \$10.20 N	24.54%	17.75%	4.60%	If you exchange out of this fund, you will not be permitted to exchange back into the same fund within 30 calendar days.

PCC-000548

Table 1 - Variable Options (continued)

Name of Option (Inception Mo/Yr) Index(es)	Type of Option	Total Annual Operating Expenses G: Gross; N: Net		Average Annual Total Return as of 12/31/2013			Shareholder-Type Fees / Comments
		As %	Per \$1000	1Yr.	5Yr.	10yr. or Since Inception	
<i>Index: Barclays Aggregate Bond Index</i>				-2.02%	4.44%	5.03%	
<i>Index: S&amp;P 500 Index</i>				32.39%	17.94%	5.18%	
<b>Multi-Asset/Other</b>							
T. Rowe Price Retirement 2040 Adv (10/03)	Target Date	1.03% G 1.03% N	\$10.30 G \$10.30 N	25.61%	17.99%	7.78%	If you exchange out of this fund, you will not be permitted to exchange back into the same fund within 30 calendar days.
<i>Index: Barclays Aggregate Bond Index</i>				-2.02%	4.44%	4.55%	
<i>Index: S&amp;P 500 Index</i>				32.39%	17.94%	7.41%	
T. Rowe Price Retirement 2045 Adv (05/07)	Target Date	1.03% G 1.03% N	\$10.30 G \$10.30 N	25.64%	17.97%	4.76%	If you exchange out of this fund, you will not be permitted to exchange back into the same fund within 30 calendar days.
<i>Index: Barclays Aggregate Bond Index</i>				-2.02%	4.44%	5.03%	
<i>Index: S&amp;P 500 Index</i>				32.39%	17.94%	5.18%	
T. Rowe Price Retirement 2050 Adv (12/06)	Target Date	1.03% G 1.03% N	\$10.30 G \$10.30 N	25.59%	17.96%	5.80%	If you exchange out of this fund, you will not be permitted to exchange back into the same fund within 30 calendar days.
<i>Index: Barclays Aggregate Bond Index</i>				-2.02%	4.44%	4.91%	
<i>Index: S&amp;P 500 Index</i>				32.39%	17.94%	6.13%	

PCC-000549

**Table 1 - Variable Options (continued)**

Name of Option (Inception Mo/Yr) Index(es)	Type of Option	Total Annual Operating Expenses G: Gross; N: Net		Average Annual Total Return as of 12/31/2013			Shareholder-Type Fees / Comments
		As %	Per \$1000	1Yr.	5Yr.	10yr. or Since Inception	
<b>Multi-Asset/Other</b>							
T. Rowe Price Retirement 2055 Adv (05/07)	Target Date	1.03% G 1.03% N	\$10.30 G \$10.30 N	25.57%	17.97%	4.74%	If you exchange out of this fund, you will not be permitted to exchange back into the same fund within 30 calendar days.
<i>Index: Barclays Aggregate Bond Index</i>				-2.02%	4.44%	5.03%	
<i>Index: S&amp;P 500 Index</i>				32.39%	17.94%	5.18%	

The following table focuses on investment options that have a fixed or stated rate of return, and shows the annual rate of return, the term or length of time that you will earn this rate of return, and other information relevant to performance. (If you are already an investor in such option, please note that personalized rates of return for certain investments are shown on your benefit statements.) The fixed interest rate is net of any expenses, and an annual operating expense ratio is not separately shown.

**Table 2 - Fixed Options**

Fund Name/ Type of Option	Return / Credited Rate	Term	Other	Shareholder Type Fees
TFLIC Guaranteed Pooled Fund Stable Value	1.00%	01/01/2014 - 12/31/2014	The rate applies to new deposits/transfers received during the stated term, and the rate does not change during the term. The rate will never fall below a guaranteed minimum rate of 1.00%. Interest rate information is available at <a href="http://my.trsrretire.com">my.trsrretire.com</a> and on your quarterly statement.	Amounts may not be transferred directly to competing options. Amounts transferred out may not subsequently be transferred to a competing option for 90 days. Amounts transferred out can be transferred back to this fund at any time. Withdrawals due to Employer actions may be subject to a 5% charge.

**Instructions**

To designate a beneficiary or to change your existing beneficiary designation on a non-annuity plan, complete all applicable sections of this form, obtain any required signatures, and return it to your Plan Administrator. To confirm if your plan is a non-annuity plan, or for a further explanation of pre-retirement survivor benefit requirements, please see your Plan Administrator or call Transamerica at 800-755-5801.

Initial Designation     Change of Designation

**Section A. Employer Information**

Company/Employer Name

Contract/Account No.     Affiliate No.     Division No.

**Section B. Personal Information**

Social Security No.     Date of Birth  (mm/dd/yyyy)

First Name/Middle Initial     Last Name

Mailing Address

City     State     Zip Code

Phone No.     Ext.

E-mail Address

Marital Status:  Married     Single/Divorced

**Section C. Primary Beneficiary Designation - Will receive benefits in the event of your death**

This designation will apply to the account number above. You must designate a specific percentage for each beneficiary. Shares must be whole percentages and total 100%. If you do not indicate shares, benefits will be split equally among surviving beneficiaries. If the named beneficiary is a trust, please specify the name and date of the trust, and the name of the trustee.

*Note: Share of benefits must total 100% for primary beneficiaries. If additional space is needed to designate multiple beneficiaries, complete the Supplemental Beneficiary Designation page.*

Share of Benefits:  % (whole percentages only)    Relationship

Last Name     Date of Birth (mm/dd/yyyy)

First Name/Middle Initial     Social Security No.

Mailing Address

City     State     Zip Code

**Primary Beneficiary Designation (continued)**

---

Share of Benefits:  % (whole percentages only) Relationship

Last Name  Date of Birth (mm/dd/yyyy)

First Name/Middle Initial  Social Security No.

Mailing Address

City  State  Zip Code

**Section D. Contingent Beneficiary(ies) - Will receive benefits if no primary beneficiary is living at the time of your death**

---

*Note: Share of benefits must total 100% for contingent beneficiaries. If additional space is needed to designate multiple beneficiaries, complete the Supplemental Beneficiary Designation page.*

Share of Benefits:  % (whole percentages only) Relationship

Last Name  Date of Birth (mm/dd/yyyy)

First Name/Middle Initial  Social Security No.

Mailing Address

City  State  Zip Code

Share of Benefits:  % (whole percentages only) Relationship

Last Name  Date of Birth (mm/dd/yyyy)

First Name/Middle Initial  Social Security No.

Mailing Address

City  State  Zip Code

**Section E. Notice and Waiver of Pre-Retirement Survivor Benefit  
(for married participants if spouse is not primary beneficiary for 100% of account balance):**

---

*As a plan participant, the law requires that you be informed as to the disposition of your account. In the case of your death before retirement, the plan will pay your full vested account balance to your surviving spouse. However, you may elect to waive the requirement that your death benefit be paid to your surviving spouse. Your spouse must consent in writing to any such waiver. You may revoke any waiver at any time before your death, and, if you desire, make a new election, provided your spouse consents to this new election. If you elect that your spouse is not to be your beneficiary for your full vested account balance (and your spouse has consented), then you may designate a beneficiary of your choosing. If you are not married at the time of your death, the death benefit will be paid to your designated beneficiary.*

I have been informed that if I should die prior to my retirement, I have the right to have the full vested account balance in the plan paid to my spouse; that I have the right to waive the designation of my spouse as the beneficiary of all or a portion of my death benefit only if my spouse consents to such waiver; and that I have the right to revoke such waiver at any time without my spouse's consent. I hereby waive the right to have my spouse be the beneficiary of all or a portion of my pre-retirement death benefit. Instead I designate the beneficiary(ies) indicated in Section C.

X \_\_\_\_\_ X \_\_\_\_\_  
Participant Signature Date

**Section F. Spousal Consent (if spouse is not primary beneficiary for 100% of account balance)**

---

I consent to my spouse's designation of the beneficiary indicated in Section C. I understand that this means all or a portion of my spouse's death benefit will be paid to a beneficiary other than me, that this beneficiary designation is not valid without my consent, and that my consent is irrevocable unless my spouse revokes the beneficiary designation.

X \_\_\_\_\_ X \_\_\_\_\_  
Spouse Signature Date

**WITNESSED**

X \_\_\_\_\_ X \_\_\_\_\_  
Plan Administrator or Notary Public Signature and Stamp/Seal Date

**Section G. Participant Signature**

---

I certify that the information provided on this form is correct and complete.

X \_\_\_\_\_ X \_\_\_\_\_  
Participant Signature Date

X \_\_\_\_\_ X \_\_\_\_\_  
Print Name Social Security Number

**Section H. Plan Administrator Signature**

---

I certify that the information provided on this form is correct and complete, and that any required consents and waivers have been obtained.

X \_\_\_\_\_ X \_\_\_\_\_  
Plan Administrator Signature Date

## Supplemental Beneficiary Designations

Social Security No.

First Name/Middle Initial

Last Name

*Note: Share of benefits must total 100% for primary beneficiaries (will receive benefits in the event of your death) AND 100% for contingent beneficiaries (will receive benefits if no primary beneficiary is living at the time of your death).*

Primary Beneficiary     Contingent Beneficiary

Share of Benefits:  % (whole percentages only)

Relationship

Last Name

Date of Birth (mm/dd/yyyy)

First Name/Middle Initial

Social Security No.

Mailing Address

City

State

Zip Code

Primary Beneficiary     Contingent Beneficiary

Share of Benefits:  % (whole percentages only)

Relationship

Last Name

Date of Birth (mm/dd/yyyy)

First Name/Middle Initial

Social Security No.

Mailing Address

City

State

Zip Code

# Imagine Your Future, Plan Today

Enroll today and  
brighten your  
financial future.



Roger Williams Medical Center  
Defined Contribution Plan



Brighten your outlook.





# Welcome to Your Plan

Whether your retirement is five or fifty years away, Roger Williams Medical Center Defined Contribution Plan offers a powerful way to enhance your long-term financial well-being. We encourage you to invest in yourself and your future by participating in this plan through Transamerica.

Transamerica is a full-service retirement plan provider who has focused on one thing for more than 75 years: helping millions of people like you save and invest wisely for and throughout their retirement. Whether you're joining a retirement plan for the first time, already participating in the plan, soon approaching retirement, or already in retirement, Transamerica will be with you every step of the way.

Please read through this kit so you can better understand this valuable program. And be sure to enroll as soon as possible so you can begin maximizing this benefit!

Sincerely,




Pete Kunkel  
President and CEO  
Transamerica Retirement Solutions



Brighten **your** outlook.



	<b>HUMAN RESOURCES</b>			
	Chapter		Effective Date	01/01/2014
	Policy	<b>Sick-Time Policy</b>	Approved By	Signature on file
			Policy #	HR-500-00019-0

## 1.0 Purpose and Scope


St. Joseph Health Services of Rhode Island recognizes that there are occasions in which employees may not be able to report to work as scheduled due to personal illness. The Hospital provides paid sick-time to employees based on hours worked and benefit status at the Hospital.

## 2.0 Policy Statement

All full and part-time employees are eligible for sick-time benefits after six (6) months of continuous employment. Sick-time benefits are awarded for hours worked during any given pay-period. There is no award for accumulation of these benefits while an employee is on a Leave-of-Absence.

### A. Accrual of Sick-time

1. Regular full-time (scheduled hours = 80 bi-weekly) and part-time (scheduled hours = 40 to 78 hours bi-weekly) status employees become eligible to utilize accrued sick-time after six months of continuous service/employment.
2. Sick-time is accrued bi-weekly at maximum accrual rate of 3.0769 hours per pay period, 80 hours per year, for full-time employees. Part-time employees accrual is pro-rated based on hours worked. Benefits accrued under this policy for part-time employees cannot exceed the sick-time accrual of a comparable full-time employee.
3. Employees may accrue and carryover sick-time, however, they cannot exceed the 160 hour maximum accrual set-forth by this policy. After reaching the 160 hour maximum, all accruals will stop and carry-over of time will be prohibited.
4. Limited-time employees are not eligible for sick-time as defined in this policy. However, all time worked as a limited-time employee will count as qualifying time for the purpose of sick-time eligibility if the employee assumes a part-time or full-time position.
5. Full-time employees who transfer to part-time status immediately begin accruing sick-time on a prorated basis on the effective date of the transfer. However:
  - a) Sick-time previously earned as a full-time employee will remain as part of the employees accrual balance.
  - b) Time worked in a full-time status will be credited toward the six-month continuous service criteria for part-time sick accrual eligibility.
6. Part-time employees who transfer to full time status will become eligible for full-time sick-time accrual on the effective date of transfer as detailed below.
  - a) Sick-time previously earned as a part-time employee will be retained and the employee will begin accruing at the full-time rate on the transfer date.

	<b>HUMAN RESOURCES</b>			
	Chapter		Effective Date	01/01/2014
	Policy	<b>Sick-Time Policy</b>	Approved By	Signature on file
			Policy #	HR-500-00019-0

b) Time worked in a part-time status will be credited toward the six-month continuous service criteria for full-time sick-time accrual eligibility.

7. Full-time or part-time employees who transfer to a limited-time status will retain all sick-time hours earned, but will cease accruing any further sick-time as of the transfer date.
7. Full-time employees who are regularly scheduled to work less than 80 hours biweekly will have their sick-time accrual allocated pro-rata, based on their scheduled hours.
8. Employees on a leave-of-absence will not accrue sick-time.
9. If a major personal illness or injury (defined as over three days) occurs when an employee is on vacation, the actual days may be switched from vacation time to sick-time upon approval by the immediate supervisor/department head.

#### **B. Payment of Sick-time**

1. An employee will be paid sick-time if he/she is scheduled to work and reports his/her inability to work to his/her supervisor one hour prior to the start of the shift. The employee will be paid sick-time if the time has been accrued and is available to be paid.
2. A full-time employee may use up to two (2) days from accrued sick-time as pre-scheduled personal days. Part-time employees who are scheduled at least 20 hours a week may use one (1) day from accrued sick-time as pre-scheduled personal days. The use of accrued sick-time for personal days must be approved in advance by the immediate supervisor/department head.
3. Accrued and unused sick-time will not be paid upon termination of employment.


#### **C. Sick-time Usage**

When possible, employees are expected to schedule planned medical appointments in a manner that minimizes disruption of work. Employees must use sick-time for its intended purpose. Supervisors/Department Heads will monitor employee's use of sick-time for patterns of abuse. Abuse of paid sick-time will result in disciplinary action as dictated in the Human Resource Attendance Policy #03-951-147.

This policy does not cover employees who are under a collective bargaining agreement. Please see the contract for specific policies.

#### **5.0 Revision History**

Date	Description of Change
1/1/2014	Reviewed/revised

	<b>HUMAN RESOURCES</b>			
	Chapter		Effective Date	10/01/2017
	Policy	<b>Sick-Time Policy</b>	Approved By	Signature on file
			Policy #	HR-500-00019-0

## 1.0 Purpose and Scope

St. Joseph Health Services of Rhode Island recognizes that there are occasions in which employees may not be able to report to work as scheduled due to personal illness. The Hospital provides paid sick-time to employees based on hours worked and benefit status at the Hospital.

## 2.0 Policy Statement

Full-time, part-time, limited time, per diem\*, and temporary employees are eligible for sick-time benefits after ninety (90) days of continuous employment. Sick-time benefits are awarded for hours worked during any given pay-period. In no case will an employee have more than 80 hours per pay period counted as hours worked for purposes of accrual.

*\* Per Diem RNs are excluded from this policy if they are employed by a health care facility, under no obligation to work a regular schedule, work only when they indicate they are available to work with no obligation to work when they do not indicate availability, and receive higher pay than an employee of the same health care facility performing the same job on a regular schedule.*

### A. Reasons for Using Sick Time

Earned time can be used when an employee is sick, or when an employee's covered relation requires care. Employees may use sick time for:


- Mental or physical illness, injury, or health condition
- Medical diagnosis, care, or treatment of a mental or physical illness, injury, or health condition
- Preventive medical care

Additionally, accrued sick time can be used if an eligible employee or covered relation is a victim of domestic violence, sexual assault, or stalking.

Eligible employees can also use sick time for the following reasons:

- Closure of the employee's place of business by order of a public official due to a public health emergency.
- Closure of a child's school or place of care by order of a public official due to a public health emergency.
- Care for the employee or a covered relation when health authorities or a health care provider determines that the employee's or covered relation's presence in the community may jeopardize others' health because of the employee's or covered relation's exposure to a communicable disease, whether or not the employee or covered relation has actually contracted the communicable disease.

Employees can use accrued sick time for themselves or to care for or assist a covered relation, which includes a: 1) child or ward; 2) grandchild; 3) grandparent; 4) parent, parent-in-law, or guardian; 5) sibling; 6) spouse, common law spouse, or spouse by civil union/domestic partnership; 7) care recipient; and/or 8) a member of an employee's household

	<b>HUMAN RESOURCES</b>			
	Chapter		Effective Date	10/01/2017
	Policy	<b>Sick-Time Policy</b>	Approved By	Signature on file
			Policy #	HR-500-00019-0


**B. Accrual of Sick-time**

1. Employees become eligible to utilize accrued sick-time after ninety (90) days of continuous service/employment.
2. Sick-time is accrued bi-weekly at maximum accrual rate of 3.0769 hours per pay period, 80 hours per year, for full-time employees. Part-time employees accrual is pro-rated based on hours worked. Benefits accrued under this policy for part-time employees cannot exceed the sick-time accrual of a comparable full-time employee.
3. Limited Time, Per Diem\*, and Temporary employees accrue sick time at an accrual rate of 0.0286 hours per hour worked up to a maximum cap of 24 hours in 2018, 32 hours in 2019, and 40 hours in 2020 and ongoing. The maximum cap is for accrual and usage. Unused time will roll over to the following year, but the total hours will be capped based on that year's maximum usage.

In no case will an employee have more than 80 hours per pay period counted as hours worked for purposes of accrual.

*\* Please refer to Per Diem RN exclusions under **Section 2.0** of this Policy.*

4. Part-Time and Full-Time Employees may accrue and carryover sick-time, however, they cannot exceed the 160 hour maximum accrual set-forth by this policy. After reaching the 160 hour maximum, all accruals will stop.
5. Full-time employees who transfer to part-time status immediately begin accruing sick-time on a prorated basis on the effective date of the transfer. However:
  - a) Sick-time previously earned as a full-time employee will remain as part of the employees accrual balance.
  - b) Time worked in a full-time status will be credited toward the ninety days continuous service criteria for part-time sick accrual eligibility.
6. Part-time employees who transfer to full time status will become eligible for full-time sick-time accrual on the effective date of transfer as detailed below.
  - a) Sick-time previously earned as a part-time employee will be retained and the employee will begin accruing at the full-time rate on the transfer date.
  - b) Time worked in a part-time status will be credited toward the ninety day continuous service criteria for full-time sick-time accrual eligibility.

	<b>HUMAN RESOURCES</b>			
	Chapter		Effective Date	10/01/2017
	Policy	<b>Sick-Time Policy</b>	Approved By	Signature on file
			Policy #	HR-500-00019-0

7. Full-time or part-time employees who transfer to a Per Diem\*, Limited Time, or Temporary status will have the lesser of their current Ill balance or RI paid sick leave permitted cap transferred into their new RI paid sick leave bank. They will start accruing at the 0.0286 hour accrual rate up to the permitted RI paid sick leave cap.

*\* Please refer to Per Diem RN exclusions under **Section 2.0** of this Policy.*

8. Full-time employees who are regularly scheduled to work less than 80 hours biweekly will have their sick-time accrual allocated pro-rata, based on their scheduled hours.

9. If a major personal illness or injury (defined as over three days) occurs when an employee is on vacation, the actual days may be switched from vacation time to sick-time upon approval by the immediate supervisor/department head. RI paid sick leave bank time can only be used for time the employee was scheduled to work.

10. If a full-time or part-time employee transfers to another payroll site that has an ETO bank, their existing Sick balance will not be converted to ETO. They will be able to take a loan against their new ETO bank up to the lesser of the amount of time in their Sick bank at time of transfer or the permitted RI paid sick leave time accrual cap (i.e. 24 hours in 2018, 32 hours in 2019, and 40 hours in 2020 and ongoing). Loans can only be used to take time off for purposes of the Healthy and Safe Families and Workplaces Act (see **Section 2.0 A** of this policy). Part-time or full-time employees will start to accrue ETO. If an employee's employment terminates before he/she has re-accrued any loaned time, the employee will have to repay the value of time used out of his/her last paycheck.

11. If a Per Diem\*, Limited Time, or Temporary employee transfers to Part-Time or Full-Time status, their existing RI paid sick leave bank will transfer to their new Sick bank. They will start accruing Sick time at the rate of 0.038 hours per hour worked up to the 160 hour accrual maximum.

*\* Please refer to Per Diem RN exclusions under **Section 2.0** of this Policy.*


12. If a Per Diem\*, Limited Time, or Temporary employee transfer to another payroll site, their existing RI paid sick leave bank will transfer to the new site as RI paid sick leave.

*\* Please refer to Per Diem RN exclusions under **Section 2.0** of this Policy.*

### C. Payment of Sick-time

1. For unforeseeable sick time use, an employee will be paid sick-time if he/she is scheduled to work and reports his/her inability to work to his/her supervisor one hour prior to the start of the shift. The employee will be paid sick-time if the time has been accrued and is available to be paid.

2. A full-time employee may use up to two (2) days from accrued sick-time as pre-scheduled personal days. Part-time employees who are scheduled at least 20 hours a week may use

	<b>HUMAN RESOURCES</b>			
	Chapter		Effective Date	10/01/2017
	Policy	<b>Sick-Time Policy</b>	Approved By	Signature on file
			Policy #	HR-500-00019-0

one (1) day from accrued sick-time as pre-scheduled personal days. The use of accrued sick-time for personal days must be approved in advance by the immediate supervisor/department head. If an employee chooses to use all his or her accrued sick time for a purpose other than sick of safe leave, and subsequently requires sick leave but has no accrued sick time left in his or her bank, he or she will not receive additional sick time to cover that absence.

3. Accrued and unused sick-time will not be paid upon termination of employment.

#### D. Sick-time Usage

When possible, employees are expected to schedule planned medical appointments in a manner that minimizes disruption of work. Employees must use sick-time for its intended purpose. Supervisors/Department Heads will monitor employee’s use of sick-time for patterns of abuse. Fraudulent use of paid sick time, or paid sick time used for purposes not allowed under this policy, may result in disciplinary action as dictated in the Human Resource Attendance Policy HR 200 0007 0.


1. Notification

Employees must notify the supervisor of the intended absence and the reason for it no later than the scheduled beginning of their shift. Employees are responsible for knowing the specific requirements of their departments.

2. Documentation of Unplanned Absences

Unplanned absences of more than three (3) consecutive work days require reasonable documentation to show that the time off has been used for a purpose as defined under **Section 2.0 A** of this policy provided that such verification does not result in an unreasonable burden or expense. Documentation signed by a health care professional indicating that paid sick leave time is necessary shall be considered reasonable documentation. If the leave is taken for because an eligible employee or covered relation is a victim of domestic violence, sexual assault, or stalking, the employee can provide one of the following forms of documentation, of his or her choosing:

- a. An employee’s written statement that the employee or employee’s family member is a victim of domestic violence, sexual assault, or stalking and that the leave taken was for one of the purposes allowed under the Healthy and Safe Families and Workplaces Act
- b. A policy report indicating that the employee or employee’s family member was a victim of domestic violence or assault

	<b>HUMAN RESOURCES</b>			
	Chapter		Effective Date	10/01/2017
	Policy	<b>Sick-Time Policy</b>	Approved By	Signature on file
			Policy #	HR-500-00019-0


- c. A court document indicating that the employee or employee’s family member is involved in legal action related to domestic violence, sexual assault, or stalking
- d. A signed statement from a victim and witness advocate affirming that the employee or employee’s family member is receiving services from a victim services organization or is involved in legal action related to domestic violence, sexual assault, or stalking

Not all provisions of this policy apply to employees who are under a collective bargaining agreement. The Healthy and Safe Families and Workplaces Act does supersede the contract where applicable. Please see the contract for specific policies.

### 5.0 Revision History

Date	Description of Change
1/1/2014	Reviewed/revised
10/1/2017	Reviewed
6/21/2018	Updated to comply with Healthy and Safe Families and Workplaces Act.
7/12/2018	Updated treatment of RI Sick time for transfers



	<b>HUMAN RESOURCES</b>			
	<b>Vacation Policy</b>	Policy:	Effective Date	6/1/2017
		Last Review / Revision Date	1/10/2020	
		Approved By	Signature on File	
		Policy #	03-951-134	
<i>This Policy supersedes all prior oral/written policies concerning the subject matter as of the effective date.  This Policy governs all Prospect CharterCARE entities unless otherwise noted below.  *CCHP Earned Time Policy HR-300-00041-C  *RWH Earned Time Policy HR-300-00041-R</i>				

**Purpose and Scope**


All full-time and part-time employees (20 hours weekly) are eligible for vacation benefits as defined in this policy. SJHSRI provides paid vacation for eligible employees to take time for rest and relaxation. SJHSRI encourages employees to use available vacation time. This policy sets forth the parameters of St. Joseph Health Services of Rhode Island’s provision for that time.

**Procedures**

**Accrual**

Full-time and part-time employees are granted vacation based on hours worked, and length of time continuously employed by the Hospital. Employees begin to accrue vacation time from the first day of employment. Employees may use accrued vacation time after completing their initial probationary period (three (3) months). Temporary employees and per diem employees do not accrue vacation time. Vacation accrual will be based on the date these employees convert to regular status employment, regardless of prior service with SJHSRI. The vacation benefits are as follows:

Classification	Length of Continuous Employment	Maximum* Weekly Accrual	Maximum* Annual Accrual	Vacation Cap**
All hourly employees	0-3 years	1.54 hours	80 hours	140 hours
All hourly employees	4-10 years	2.308 hours	120 hours	210 hours
Exempt employees and certain hourly staff***	1-10 years	2.308 hours	120 hours	210 hours
All employees	11-25 years	3.076 hours	160 hours	280 hours
Department Directors, Admin. Dir., Senior Staff, Physicians	1-25 years	3.076 hours	160 hours	280 hours
All employees	Over 25 years	3.849 hours	200 hours	350 hours

	<b>HUMAN RESOURCES</b>			
	<b>Vacation Policy</b>	Policy:	Effective Date	6/1/2017
		Last Review / Revision Date	1/10/2020	
		Approved By	Signature on File	
		Policy #	03-951-134	
<i>This Policy supersedes all prior oral/written policies concerning the subject matter as of the effective date.  This Policy governs all Prospect CharterCARE entities unless otherwise noted below.  *CCHP Earned Time Policy HR-300-00041-C  *RWH Earned Time Policy HR-300-00041-R</i>				

\* Part-time employee's maximum accrual will be pro-rated based on actual hours worked not to exceed the maximum listed above.

\*\* Vacation cap refers to the amount of vacation time allowed in employees' vacation bank

\*\*\* See addendum for certain hourly staff at this accrual level.

**Longevity**

The weekly vacation accrual rate will increase at the beginning of the 3rd, 10th, and 25th anniversary date when all other qualifications of employment status is met. The accrual rate is based on the employee's work status in effect at the time of the anniversary date.

**Holidays/Vacation**

A recognized paid holiday, which occurs when a full-time employee is on vacation, will be considered holiday time not vacation time. The employee will not be charged for a vacation day and a holiday on the same date.

Part-time employees will receive holiday benefits during their vacation only when a holiday falls on a day they would have normally been scheduled to work if they were not on vacation.

**Sick pay/Vacation**

If a major illness or injury occurs (defined as over three consecutive days) while an employee is on vacation, the actual days may be switched from vacation time to sick leave if requested by the employee and approved by the immediate supervisor.


**Payment**

Vacation pay shall be computed at the employee's base rate of pay plus any applicable shift differential if the employee is assigned to work a permanent evening or night shift. No weekend differential is paid.

Part-time employees who have accrued extra vacation time over their usual annual allotment by previously working full-time or by working above their usual part-time schedule will be scheduled for vacation time based upon their current hourly schedule.

Employees may request to use available vacation as part of a Medical, Family or Workers Compensation Leave of Absence but are not required to do so.

Employees may receive, prior to leaving for vacation, all checks due for the paydays, which will occur during the vacation period provided that the employee has so requested at least three (3) weeks in advance.

	<b>HUMAN RESOURCES</b>			
	<b>Vacation Policy</b>	Policy:	Effective Date	6/1/2017
		Last Review / Revision Date	1/10/2020	
		Approved By	Signature on File	
		Policy #	03-951-134	
<i>This Policy supersedes all prior oral/written policies concerning the subject matter as of the effective date.  This Policy governs all Prospect CharterCARE entities unless otherwise noted below.  *CCHP Earned Time Policy HR-300-00041-C  *RWH Earned Time Policy HR-300-00041-R</i>				

**Maximum accumulation**

Employees may accumulate unused vacation time to a maximum of not more than one and three quarter’s times (1.75) the employee’s annualized vacation accrual. Once employees reach the maximum vacation accrual, they will no longer accrue vacation time until their balance falls below the maximum.

It is the employee’s responsibility to monitor their vacation accrual on a regular basis and plan time off accordingly so that they do not lose any vacation accrual.


**Scheduling**

Employees may use accrued vacation after completing their initial probationary period of three months. However, should a new employee have vacation accumulated and be called off of work, that employee will be able to use vacation time if they so chose.

Each department head will determine the maximum number of employees who may be scheduled off at any time based on the department head’s determination of staffing needs. The actual number of employees scheduled off may fluctuate during peak anticipated patient or work volume, and vacation times.

Vacation request must be received by the deadline established by the individual department in accordance with its practice, which shall not be later than April 1. Such request will be answered by April 15 and will cover 12-month period beginning May 1 (the “vacation year”). Vacation requests received after the departmental deadline for submission of requests will be considered on first come, first served basis after those, which were submitted by the deadline. In the event of conflicting requests within a particular work area, unit or department, preference shall be given with the greatest seniority. Senior employees are encouraged to consider the requests of less senior employees in reserving vacation time in order to maintain harmony amongst co-workers by not dominating prime vacation time every year. Department Directors may limit the amount of consecutive weeks of time off during “peak vacation times” (summer months) to no more than two if this would allow other members of the department to obtain at least one week of vacation time during peak periods.

Vacation requests - When the full amount of vacation time necessary to cover a vacation period is not available one (1) month prior to the vacation and the lack of available time is not a result of vacation time utilized for a leave of absence within the last six (6) months, the vacation requests are subject to review and/or if pre-approved, cancellation. In determining whether the pre-approved period should be cancelled, leadership will review the circumstances that affected that lack of vacation time available based on the following criteria; employee’s attendance history, financial commitment for the vacation, prior situation in which vacation time was not available, departmental operational needs, and vacation requests from other employees.

	<b>HUMAN RESOURCES</b>			
	<b>Vacation Policy</b>	Policy:	Effective Date	6/1/2017
		Last Review / Revision Date	1/10/2020	
		Approved By	Signature on File	
		Policy #	03-951-134	
<i>This Policy supersedes all prior oral/written policies concerning the subject matter as of the effective date.  This Policy governs all Prospect CharterCARE entities unless otherwise noted below.  *CCHP Earned Time Policy HR-300-00041-C  *RWH Earned Time Policy HR-300-00041-R</i>				

**Overtime**

Hours paid for vacation will not be considered “worked hours” for the purpose of overtime eligibility and calculation, unless otherwise specified in collective bargaining agreements.

The maximum hours allowed to be taken for vacation are the normal scheduled hours for that day (8, 10 or 12 hours). Employees are not allowed to use a vacation day on a day they are working in a secondary position.

Pre-paid vacation - Hours paid for vacation in advance will not be considered in overtime calculation, unless otherwise specified in the collective bargaining agreement. The hours paid will be recorded as of the date the hours were being used, not on the date the hours were actually paid.

**Terminal Vacation Pay**

Any employee with more than 1 year of service will be eligible to receive vacation time as a terminal benefit. Employees with more than 1 year of service are encouraged to provide notice equal to their actual vacation accrual. Vacation time cannot be used during this notice period without the approval of the manager.

**Exceptions to the hourly staff accrual**


Classification	Length of Continuous Employment	Maximum* Weekly Accrual	Maximum* Annual Accrual	Vacation** Cap
Registered Nurses	0-10 years	2.308 hours	120 hours	210 hours
Pharmacist, Staff	0-10 years	2.308 hours	120 hours	210 hours
Priests	0-25 years Plus 1 week retreat.	3.076 hours	160 hours	280 hours

\* Part-time employee’s maximum accrual will be pro-rated based on actual hours worked not to exceed the maximum listed above.

\*\* Vacation cap refers amount of vacation time allowed in employees’ vacation bank

**REVISION HISTORY:**

Date	Description of Change
10/01/2017	Reviewed

	<b>HUMAN RESOURCES</b>			
	Chapter		Effective Date	7/01/2012
	Policy	<b>Vacation Policy</b>	Approved By	Signature on File
			Policy #	03-951-134

## 1.0 Purpose and Scope

All full-time and part-time employees (20 hours weekly) are eligible for vacation benefits as defined in this policy. SJHSRI provides paid vacation for eligible employees to take time for rest and relaxation. SJHSRI encourages employees to use available vacation time. This policy sets forth the parameters of St. Joseph Health Services of Rhode Island's provision for that time.

## 2.0 Procedures

- A. **Accrual** - Full-time and part-time employees are granted vacation based on hours worked, and length of time continuously employed by the Hospital. Employees begin to accrue vacation time from the first day of employment. Employees may use accrued vacation time after completing their initial probationary period (three (3) months). Temporary employees and per diem employees do not accrue vacation time. Vacation accrual will be based on the date these employees convert to regular status employment, regardless of prior service with SJHSRI. The vacation benefits are as follows:

<u>Classification</u>	<u>Length of Continuous Employment</u>	<u>Maximum* Weekly Accrual</u>	<u>Maximum* Annual Accrual</u>	<u>Vacation Cap**</u>
All hourly employees	0-3 years	1.54 hours	80 hours	140 hours
All hourly employees	4-10 years	2.308 hours	120 hours	210 hours
Exempt employees and certain hourly staff***	1-10 years	2.308 hours	120 hours	210 hours
All employees	11-25 years	3.076 hours	160 hours	280 hours
Department Directors, Admin. Dir., Senior Staff	1- 25 years	3.076 hours	160 hours	280 hours
All employees	Over 25 years	3.849 hours	200 hours	350 hours

\* Part-time employee's maximum accrual will be pro-rated based on actual hours worked not to exceed the maximum listed above.


\*\* Vacation cap refers to the amount of vacation time allowed in employees' vacation bank

\*\*\* See addendum for certain hourly staff at this accrual level.

- B. **Longevity** - The weekly vacation accrual rate will increase at the beginning of the 3rd, 10th, and 25th anniversary date when all other qualifications of employment status is met. The accrual rate is based on the employee's work status in effect at the time of the anniversary date.

### HOLIDAYS/VACATION:

- A. A recognized paid holiday, which occurs when a full-time employee is on vacation, will be considered holiday time not vacation time. The employee will not be charged for a vacation day and a holiday on the same date.

	<b>HUMAN RESOURCES</b>			
	Chapter		Effective Date	7/01/2012
	Policy	<b>Vacation Policy</b>	Approved By	Signature on File
			Policy #	03-951-134

- B. Part-time employees will receive holiday benefits during their vacation only when a holiday falls on a day they would have normally been scheduled to work if they were not on vacation.

**SICK PAY/VACATION:**

- A. If a major illness or injury occurs (defined as over three consecutive days) while an employee is on vacation, the actual days may be switched from vacation time to sick leave if requested by the employee and approved by the immediate supervisor.

**PAYMENT:**


- A. Vacation pay shall be computed at the employee's base rate of pay plus any applicable shift differential if the employee is assigned to work a permanent evening or night shift. No weekend differential is paid.
- B. Part-time employees who have accrued extra vacation time over their usual annual allotment by previously working full-time or by working above their usual part-time schedule will be scheduled for vacation time based upon their current hourly schedule.
- C. Employees may request to use available vacation as part of a Medical, Family or Workers Compensation Leave of Absence but are not required to do so.
- D. Employees may receive, prior to leaving for vacation, all checks due for the paydays, which will occur during the vacation period provided that the employee has so requested at least three (3) weeks in advance.

**MAXIMUM ACCUMULATION:**

- A. Employees may accumulate unused vacation time to a maximum of not more than one and three quarter's times (1.75) the employee's annualized vacation accrual. Once employees reach the maximum vacation accrual, they will no longer accrue vacation time until their balance falls below the maximum.
- B. It is the employee's responsibility to monitor their vacation accrual on a regular basis and plan time off accordingly so that they do not lose any vacation accrual.

**SCHEDULING:**

- A. Employees may use accrued vacation after completing their initial probationary period of three months. However, should a new employee have vacation accumulated and be called off of work, that employee will be able to use vacation time if they so chose.
- B. Each department head will determine the maximum number of employees who may be scheduled off at any time based on the department head's determination of staffing needs. The actual number of employees scheduled off may fluctuate during peak anticipated patient or work volume, and vacation times.

	<b>HUMAN RESOURCES</b>			
	Chapter		Effective Date	7/01/2012
	Policy	<b>Vacation Policy</b>	Approved By	Signature on File
			Policy #	03-951-134


- C. Vacation request must be received by the deadline established by the individual department in accordance with its practice, which shall not be later than April 1. Such request will be answered by April 15 and will cover 12-month period beginning May 1 (the “vacation year”). Vacation requests received after the departmental deadline for submission of requests will be considered on first come, first served basis after those, which were submitted by the deadline. In the event of conflicting requests within a particular work area, unit or department, preference shall be given with the greatest seniority. Senior employees are encouraged to consider the requests of less senior employees in reserving vacation time in order to maintain harmony amongst co-workers by not dominating prime vacation time every year. Department Directors may limit the amount of consecutive weeks of time off during “peak vacation times” (summer months) to no more than two if this would allow other members of the department to obtain at least one week of vacation time during peak periods.
- D. Vacation requests - When the full amount of vacation time necessary to cover a vacation period is not available one (1) month prior to the vacation and the lack of available time is not a result of vacation time utilized for a leave of absence within the last six (6) months, the vacation requests are subject to review and/or if pre-approved, cancellation. In determining whether the pre-approved period should be cancelled, leadership will review the circumstances that affected that lack of vacation time available based on the following criteria; employee’s attendance history, financial commitment for the vacation, prior situation in which vacation time was not available, departmental operational needs, and vacation requests from other employees.

**OVERTIME:**

- A. Hours paid for vacation will not be considered “worked hours” for the purpose of overtime eligibility and calculation, unless otherwise specified in collective bargaining agreements.
- B. The maximum hours allowed to be taken for vacation are the normal scheduled hours for that day (8, 10 or 12 hours). Employees are not allowed to use a vacation day on a day they are working in a secondary position.
- C. Pre-paid vacation - Hours paid for vacation in advance will not be considered in overtime calculation, unless otherwise specified in the collective bargaining agreement. The hours paid will be recorded as of the date the hours were being used, not on the date the hours were actually paid.

**TERMINAL VACATION PAY:**

Any employee with more than 1 year of service will be eligible to receive vacation time as a terminal benefit. Employees with more than 1 year of service are encouraged to provide notice equal to their actual vacation accrual. Vacation time cannot be used during this notice period without the approval of the manager.

	<b>HUMAN RESOURCES</b>			
	Chapter		Effective Date	7/01/2012
	Policy	<b>Vacation Policy</b>	Approved By	Signature on File
			Policy #	03-951-134

**EXCEPTIONS TO THE HOURLY STAFF ACCRUAL**

<i>Classification</i>	<u>Length of Continuous Employment</u>	<u>Maximum* Weekly Accrual</u>	<u>Maximum* Annual Accrual</u>	<u>Vacation** Cap</u>
REGISTERED NURSES	0-10 years	2.308 hours	120 hours	210 hours
PHARMACIST, STAFF	0-10 years	2.308 hours	120 hours	210 hours
PRIESTS	0-25 years Plus 1 week retreat.	3.076 hours	160 hours	280 hours

\* Part-time employee's maximum accrual will be pro-rated based on actual hours worked not to exceed the maximum listed above.

\*\* Vacation cap refers amount of vacation time allowed in employees' vacation bank

**4.0 Revision History**

Date	Description of Change



# Maximize Your Plan

- ❑ Enroll today and maximize the employer match. Sign in online at **my.trsretire.com** or call **888-676-5512**.
- ❑ Catch up on your contributions (must be age 50 or older).
- ❑ Designate your beneficiary. Complete the Beneficiary Designation form, and follow the instructions on the form for mailing.
- ❑ Reduce your clutter. Sign up for e-documents today.
- ❑ Schedule automatic annual increases through our free auto-increase service.
- ❑ Rebalance your account automatically by using Auto-Rebalance.
- ❑ Use available online retirement planning tools and resources to be better prepared.
- ❑ For retirement counseling, just call **800-755-5801** or visit us online.

As an active participant, you can access your retirement account 24/7 by signing in to **my.trsretire.com** or calling us toll-free at **800-755-5801**.

You may also speak with a customer service representative for enrollment assistance, investment guidance, and retirement planning support.

**First-time online users**  
**my.trsretire.com**

**First-time callers**  
**1-888-676-5512**

Questions? Visit [my.trsretire.com](https://my.trsretire.com)

# Plan Highlights

St. Joseph Health Services of Rhode Island 403(b) Savings Plan is a valuable employee benefit and one of the most powerful ways to build your retirement savings.

Take a few minutes now to read through these plan highlights and learn more about all the features and benefits your plan includes. You'll find more about when you can join, how much you can contribute, when you can make changes, and how you can access your savings.

Keep in mind this is simply a quick overview of your benefits. For complete details or plan updates, please refer to your Summary Plan Description (SPD).

## St. Joseph Health Services of Rhode Island 403(b) Savings Plan

### Eligibility

Eligibility provisions vary by contribution(s) and/or group(s) as outlined below:

#### Voluntary Deduct

You are immediately eligible to participate in the plan for purposes of this contribution(s). You may join the plan for purposes of this contribution(s) on the first day of the next payroll period.

#### Employer Match

You are eligible to participate in the plan for purposes of this contribution(s):

- Upon attaining age 18

You may join the plan for purposes of this contribution(s) on the first day of the next payroll period.

However, if you are in one of the following group(s), you are not eligible to participate in the plan:

- Deferrals to be stopped when employee transfers
- Independent contractors
- Employees covered under a collective bargaining agreement that does not provide for participation in the plan
- Leased employees

### Your Contributions

You may choose to make pre-tax contributions up to the maximum allowed by law.

- You may increase, decrease or stop your contributions at any time.

Questions? Visit [my.trsuretire.com](http://my.trsuretire.com)

## Your Contributions (continued)

Your plan offers an auto-increase service, a feature that allows you to elect to have your savings amount automatically increased each year. You can sign up for the auto-increase service online at [my.trsrretire.com](http://my.trsrretire.com).

An annual IRS dollar limit of \$17,500 applies for 2014. This limit is indexed annually by the IRS.

If you are age 50 or older (or you reach age 50 during the current calendar year), you can make additional catch-up contributions up to \$5,500 in 2014. This limit is indexed annually by the IRS.

If you have an existing retirement plan account with a prior employer, you may roll over that account into this plan at any time. To initiate a rollover of a retirement account with a prior employer, complete the Incoming Rollover form.

Do you have other retirement accounts with your current and/or former employer? Managing your retirement planning strategy could be much easier with one consolidated account. Call a Transamerica Transfer Specialist at **800-275-8714** or e-mail [consolidate@transamerica.com](mailto:consolidate@transamerica.com) for answers to your questions or help completing the paperwork.

## Employer Contributions

St Joseph Health Services of Rhode Island provides an employer matching contribution based on your years of vesting service as long as you contribute at least 3%. The employer contribution is made annually.

- If you have between 1-5 years of vesting service, the Employer Match is 2%
- If you have between 6-10 years of vesting service, the Employer Match is 3%
- If you have between 11-20 years of vesting service, the Employer Match is 4%
- If you have 21 or more years of vesting service, the Employer Match is 5%

## Vesting

Vesting refers to your "ownership" of your account. You are always 100% vested in your contributions to this plan, including any rollover or transfer contributions you have made, plus any earnings on those contributions.

Employer contributions are subject to a vesting schedule:

<u>Years of Service</u>	<u>Vesting %</u>
1	0%
2	25%
3	50%
4	75%
5	100%

Questions? Visit [my.trsrretire.com](http://my.trsrretire.com)

## Loans

You may borrow from your plan according to the provisions listed below (conditions and restrictions may apply).

### **Minimum loan amount**

\$1,000

### **Maximum loan amount**

50% of your vested account balance, up to \$50,000

### **General loan interest rate**

Prime interest rate (as stated in the Wall Street Journal) plus 1%

### **Home loan interest rate**

Prime interest rate (as stated in the Wall Street Journal) plus 1%

### **Maximum general loan term**

5 years

### **Maximum home loan term**

15 years

### **General loan fee**

A one-time set-up fee of \$75 per loan will be deducted from your account

### **Home loan fee**

A one-time set-up fee of \$75 per loan will be deducted from your account

### **Maximum number of outstanding loans**

1

## Withdrawals

You may withdraw vested funds from your plan account in these events (conditions and restrictions may apply as defined in the plan):

- Retirement at plan's normal retirement age of 65
- Termination of employment
- Attainment of age 59.5
- Financial hardship as defined in the plan
- Disability
- Death

## Investment Direction

You decide how your account will be invested among the available investment options. You may change your investment allocation at any time.

Unless you elect otherwise, contributions will be directed to the T. Rowe Price Target Date Funds. Please see the Automatic Investment Notice for more information.

Questions? Visit [my.trsretire.com](http://my.trsretire.com)

Transfers among investment options may be made at any time and may be subject to certain restrictions. The available investment options are presented below in groups to illustrate the applicable transfer restrictions.

- Investment Group A:** Guaranteed Pooled (TFLIC Guaranteed Pooled Fund)
- Investment Group B:** PCRA (Schwab Personal Choice Retirement Account)
- Investment Group C:** All other funds

Monies in a Group A investment option cannot be transferred to a Group B investment option. Monies transferred out of a Group A to a Group C fund can be transferred back at any time by calling 800-755-5801.

Additional transfer conditions and restrictions may apply. Certain investment options may impose trading restrictions and/or redemption fees as a result of frequent trading activity. Please contact us for more information.

## Expenses

A plan service fee will be deducted from your account based on your account balance in the investment options as shown below. These are annual percentages, however debiting frequency may differ.

<b>Fund Name</b>	<b>Plan Service Fee</b>
TFLIC Guaranteed Pooled Fund	0.070%
Loomis Sayles Investment Grade Bond A	0.070%
Loomis Sayles Strategic Income A	0.070%
Vanguard Total Bond Market Index	0.070%
BlackRock Equity Dividend A	0.070%
Fidelity Spartan 500 Index Inv	0.070%
MFS Research R2	0.070%
T. Rowe Price Blue Chip Growth Adv	0.070%
RidgeWorth Mid Cap Value Equity I	0.070%
Vanguard Extended Market Idx	0.070%
Columbia Acorn Z	0.070%
RidgeWorth Small Cap Value Equity I	0.070%
Prudential Jennison Small Company Z	0.070%
Cohen & Steers Realty Shares	0.070%
Thornburg International Value R5	0.070%
Vanguard Total Intl Stock Index Inv	0.070%
Oppenheimer Developing Markets A	0.070%
Van Eck Global Hard Assets A	0.070%
T. Rowe Price Retirement Income Adv	0.070%
T. Rowe Price Retirement 2005 Adv	0.070%
T. Rowe Price Retirement 2010 Adv	0.070%
T. Rowe Price Retirement 2015 Adv	0.070%
T. Rowe Price Retirement 2020 Adv	0.070%

Questions? Visit [my.trretire.com](http://my.trretire.com)

## Expenses (continued)

Fund Name	Plan Service Fee
T. Rowe Price Retirement 2025 Adv	0.070%
T. Rowe Price Retirement 2030 Adv	0.070%
T. Rowe Price Retirement 2035 Adv	0.070%
T. Rowe Price Retirement 2040 Adv	0.070%
T. Rowe Price Retirement 2045 Adv	0.070%
T. Rowe Price Retirement 2050 Adv	0.070%
T. Rowe Price Retirement 2055 Adv	0.070%

## Beneficiary Designation

It is very important that you designate at least one beneficiary for your retirement account, so that your assets can be distributed according to your wishes upon your death. Please complete the Beneficiary Designation form, and follow the instructions on the form for mailing.

## Summary Plan Description

For more information about any of the plan provisions including any conditions or restrictions that may apply, please refer to the Summary Plan Description or call 888-676-5512. These plan highlights represent only an overview of plan provisions and do not constitute a legally binding document.

## 404(c) Notice

St. Joseph Health Services of Rhode Island 403(b) Savings Plan is intended to be a 404(c) plan as described in detail in Section 404(c) (ERISA) and final regulation 2550.404c-1. This means that you have the flexibility (and responsibility) to choose among the options provided under the plan in a way that best meets your objectives. In general, by providing you with this ability and a variety of investments, your employer and plan administrator are not liable for any losses that occur as a direct result of investment in the available options as directed by you or your beneficiary.

In addition to the information contained in this booklet, the following information can be obtained upon request:

- Prospectuses, summary prospectuses or similar documents relating to each investment option.
- Financial statements or reports or similar materials relating to each investment option.
- Information regarding the value of shares or units in the investment options as well as the date of valuation. (Please see your account statement.)
- A list of the assets comprising the portfolio of each investment option which will constitute "plan assets" under Reg. 2510.3-101, and the value of each such asset.

To obtain any of the above information, please contact:

Attn: Brenda Ketner  
Manager of Comp. & Benefits  
St. Joseph Health Services of Rhode Island  
200 High Service Avenue  
North Providence, RI 02904  
Phone: 401-456-3202  
Fax: 401-456-3824

# Determine Your Savings Goal

## How much income can you expect from Social Security?

Request your estimate at [ssa.gov](http://ssa.gov) or 800-772-1213.

### You may need more income than you think.

The income you'll need in retirement depends greatly on your circumstances, including your age, health, income, investments, and savings. Based on today's average life expectancy, you may need your nest egg to last for 20 years or more. And don't forget about rising health care costs. In fact, a leading study estimates that you may need 77% to over 94% of your final preretirement income to maintain your lifestyle after your regular paychecks stop.(1)

### Most of your income will come from you.

Social Security covers only about 37%\* of the average retiree's income, and fewer employers offer traditional pension plans. In reality, most of your retirement income will likely come from your own savings, part-time employment in retirement, or both. If your goal is to live comfortably and work less in retirement, you need to start saving today.



\*Fast Facts & Figures About Social Security, 2011.  
Total does not necessarily equal 100% due to rounding.

### Aim for a perfect 10.

Try to save at *least* 10% of your pay for retirement. If that seems like too much now, start smaller by putting away at least enough to earn your full company match. Then raise your rate gradually by, say, 1% a year on your birthday. In fact, our auto-increase service can make saving more a piece of cake! That's a gift that keeps on growing!

*You should evaluate your ability to continue the auto-increase service in the event of a prolonged market decline, unexpected expenses, or an unforeseeable emergency.*

(1) Aon Consulting, 2008 Replacement Ratio Study.™



# Investment Solutions

Your *Retirement Plan* makes it easy to choose an investment strategy—and easy to maintain or adjust your strategy over time.

## Choose a one-step solution

### Choose a fund that corresponds to your retirement date or time horizon

Select a target date fund that corresponds to your expected retirement year. Target Date Funds automatically move to a more conservative investment mix as they approach a target year. By investing in a combination of asset classes, these funds are designed to be automatically diversified.

- T. Rowe Price Retirement Income Adv
- T. Rowe Price Retirement 2005 Adv
- T. Rowe Price Retirement 2010 Adv
- T. Rowe Price Retirement 2015 Adv
- T. Rowe Price Retirement 2020 Adv
- T. Rowe Price Retirement 2025 Adv
- T. Rowe Price Retirement 2030 Adv
- T. Rowe Price Retirement 2035 Adv
- T. Rowe Price Retirement 2040 Adv
- T. Rowe Price Retirement 2045 Adv
- T. Rowe Price Retirement 2050 Adv
- T. Rowe Price Retirement 2055 Adv

*Target date funds are subject to the same risks as the underlying assets in which they invest. Each fund's asset allocation becomes more conservative over time. The percentage of assets allocated to stocks will decrease, while the percentage allocated to bonds will increase, as you approach the target date. The higher the fund's allocation is to stocks, the greater the risk. The target year represents approximately when the fund's managers assume the typical investor plans to start withdrawing their money. The fund's principal value is never guaranteed, including at and after the target. You can lose money by investing in a target date fund, including near and following retirement. There is no guarantee that the fund will provide adequate retirement income.*

## Do it yourself

### Create your own investing strategy

Questions? Visit [my.trsretire.com](http://my.trsretire.com)

You can also create your own investment mix using the funds available in your plan. These funds offer flexibility for both new and experienced investors. With this approach, you can develop an investing strategy that is tailored just for you.

To supplement the investment funds offered under your plan, you may choose to open a Schwab Personal Choice Retirement Account® (PCRA). PCRA is a self-directed investment option that allows you to direct purchases and sales within your account to investment options other than those offered under the plan. By establishing a PCRA, you assume responsibility for controlling your investments. For more information on establishing and maintaining a PCRA, please call us at 800-755-5801.

*You must individually apply for PCRA and are solely responsible for your fund selections made under the PCRA. Commissions and transaction fees may apply to fund trades placed outside of the Schwab Mutual Fund OneSource® program or trades on other investment vehicles available through Schwab. An annual fee of \$50 will be applied by Transamerica if you invest in the Schwab PCRA. Securities purchased through the PCRA are available through Charles Schwab & Co. Inc., (Member SIPC). Charles Schwab & Co., Inc. is not affiliated with Transamerica.*

**Put your retirement on the right track**

You may also use our online modeling tool designed to help you analyze your investment allocation and alternative strategies. Log onto your account at [my.trsrretire.com](http://my.trsrretire.com), go to the "Resource Center" tab, and select the online tool or review other calculators.

## IMPORTANT INFORMATION ABOUT YOUR PLAN!

St. Joseph Health Services of Rhode Island  
St. Joseph Health Services of Rhode Island 403(b) Savings Plan (the "Plan")

### INITIAL NOTICE OF AUTOMATIC INVESTMENT OF CONTRIBUTIONS UNDER THE PLAN

**NOTE TO ELIGIBLE EMPLOYEE:** UNLESS YOU MAKE AN INVESTMENT ELECTION NO LATER THAN THE DATE CONTRIBUTIONS ARE MADE TO THE PLAN ON YOUR BEHALF ("PLAN CONTRIBUTIONS"), THE PLAN CONTRIBUTIONS WILL BE AUTOMATICALLY INVESTED IN THE DEFAULT INVESTMENT ALTERNATIVE DESCRIBED BELOW.

**PURPOSE OF THIS NOTICE:** This Notice explains your rights and obligations with respect to the following:

**Automatic Investment:** The automatic investment of your Plan Contributions in an investment alternative (the "Default Alternative") that has been designated by your employer for such investment in the event that you fail to provide an affirmative investment election regarding the investment allocation of your Plan Contributions (and earnings thereon).

**ERISA Plan Document:** For more details about this arrangement or plan updates, please refer to your Summary Plan Description ("SPD") and any Summary of Material Modifications ("SMM") to the SPD. An additional copy of either document can be obtained from your Plan Administrator by calling 401-456-3202.

#### AUTOMATIC INVESTMENT

**Your Right to Direct Investments:** As a participant under the Plan, you have the right to direct the investment of your individual account balance(s) and contributions under the Plan into one or more of the investment alternatives available under the Plan. In order to exercise your right to direct your Plan investments, you must affirmatively make an investment or transfer election.

**How to Make an Affirmative Investment or Transfer Election:** You can make an affirmative investment or transfer election by visiting [my.trsuretire.com](http://my.trsuretire.com) or calling customer service at 800-755-5801.

If, after your contributions are initially invested in the Default Alternative, but before you make an investment election, you affirmatively make an investment transfer under the Plan or you take out a loan or an in-service withdrawal from the Plan, you will be deemed to have affirmatively made an investment election to allocate your future contributions under the Plan to the Default Alternative. You will also be deemed to have investment control over your Plan assets remaining in the Default Alternative.

Please note that the above options are the only options available for making an affirmative investment or transfer election. The Plan may not recognize any other form of investment direction or instruction that you might provide.

**Circumstances Under Which Assets May be Invested if You Fail to Make an Investment Election:** If you fail to affirmatively make an investment election, your Plan Contributions will be invested in the Default Alternative.

**Qualified Default Investment Alternative (QDIA):** Your employer has chosen to qualify the Default Alternative as a QDIA established in accordance with the legal requirements under section 404(c)(5) of ERISA and regulations thereunder. This means that a plan fiduciary should not be liable for any investment losses that result notwithstanding that you did not affirmatively elect to invest in the Default Alternative. This relief from liability applies whether or not the Plan is intended to be a 404(c) plan.

**Description of the Default Alternative:** The Default Alternative in which your Plan savings and contributions will be invested if you fail to make an affirmative investment election is identified below:

## T. Rowe Price Target Date Funds

This is a "target retirement date" Default Alternative designed to provide varying degrees of long-term appreciation and capital preservation through a mix of equity and fixed income exposures based on your age and the target retirement year designated by the fiduciary overseeing the portfolios. This Default Alternative changes its asset allocation and associated risk levels over time with the objective of becoming more conservative (i.e., decreasing risk of losses) with increasing age or as you approach your designated target retirement year. Your designated target retirement year is the year in which you turn age 65. If, based on your particular circumstances, you have in mind a different target retirement year and you are satisfied with using this type of fund as your affirmative investment election, you can elect a different target retirement year by: visiting [my.trsrretire.com](http://my.trsrretire.com) or calling customer service at 800-755-5801 to choose a different retirement date fund. Target date funds are subject to the same risks as the underlying asset classes in which they invest. The fund's asset allocation becomes more conservative over time, meaning that the percentage of assets allocated to stocks will decrease while the percentage of assets allocated to bonds will increase as you approach the target date. The higher the fund's allocation is to stocks, the greater the risk. The significance of the fund's target date is that it is the date at or around which the fund assumes you plan to start withdrawing your money. The principal value of the fund is not guaranteed at any time, including at and after the target date. You may lose money by investing in this fund, including losses near and following retirement. There is no guarantee that the fund will provide adequate retirement income.

**Additional Information about the Fund:** For additional information about the fund, including risk and return characteristics and fees and expenses attendant to the Default Alternative, please review the enclosed Fund Profile for the fund, as well as the chart below.

Fund Name	Year in Which You Turn 65
T. Rowe Price Retirement Income Adv	2002 and earlier
T. Rowe Price Retirement 2005 Adv	2003 to 2007
T. Rowe Price Retirement 2010 Adv	2008 to 2012
T. Rowe Price Retirement 2015 Adv	2013 to 2017
T. Rowe Price Retirement 2020 Adv	2018 to 2022
T. Rowe Price Retirement 2025 Adv	2023 to 2027
T. Rowe Price Retirement 2030 Adv	2028 to 2032
T. Rowe Price Retirement 2035 Adv	2033 to 2037
T. Rowe Price Retirement 2040 Adv	2038 to 2042
T. Rowe Price Retirement 2045 Adv	2043 to 2047
T. Rowe Price Retirement 2050 Adv	2048 to 2052
T. Rowe Price Retirement 2055 Adv	2053 and later

**Your Right to Transfer Out of the Default Alternative Without Penalty:** As a participant under the Plan, you have the right to direct that any or all of your assets invested in the Default Alternative be transferred to one or more of the diversified alternative investments available under the Plan. Until you make an affirmative election to transfer any of your assets from the Default Alternative or otherwise make an affirmative investment election as herein provided, you will receive an annual notice to remind you of the Default Alternative arrangement and of your right to direct that any or all of your assets invested in the Default Alternative be transferred to one or more of the other diversified alternative investments under the Plan, without financial penalty.

**Where You Can Obtain Investment Information Concerning the Other Investment Alternatives Available Under the Plan:** The other investment alternatives available under the Plan are listed in the investment section of your plan materials, including a fund profile containing additional information, investment objectives, risk and return characteristics, as well as fees and other expenses, for each such other investment alternative. For additional information concerning the other investment alternatives available under the Plan, please visit [my.trsrretire.com](http://my.trsrretire.com) or call customer service at 800-755-5801.

**HOW TO OBTAIN ADDITIONAL INFORMATION:** This Notice is intended to provide a brief explanation of certain aspects of the Plan. If there are any discrepancies between the contents of this Notice and the provisions of the Plan document, the terms of the Plan document shall govern. For more information on the Plan aspects covered by this Notice, please contact your Plan Administrator by calling 401-456-3202.

**PROSPECTUS AVAILABILITY**

**For more information on any registered fund, please call 800-755-5801 for a free summary prospectus (if available) and/or prospectus. You should consider the objectives, risks, charges, and expenses of an investment carefully before investing. The summary prospectus and prospectus contain this and other information. Read them carefully before you invest.**

Transamerica Investors Securities Corporation (TISC), 440 Mamaroneck Avenue, Harrison, NY, 10528, distributes securities products. Any mutual fund offered under the plan is distributed by that particular fund's associated fund family and its affiliated broker-dealer or other broker-dealers with effective selling agreements such as TISC. Bank collective trusts funds, if offered under the plan, are not insured by the FDIC, the Federal Reserve Bank or any other government agency and are not registered with the Securities and Exchange Commission. Group annuity contracts, if offered under the plan, are made available through the applicable insurance company. Any guarantee of principal and/or interest under a group annuity contract is subject to the claims-paying ability of the applicable insurer. Certain investment options made available under the plan may be offered through affiliates of Transamerica Retirement Solutions Corporation (Transamerica) and TISC. These may include: (1) the Transamerica Funds (registered mutual funds distributed by Transamerica Capital, Inc. (TCI) and advised by Transamerica Asset Management, Inc. (TAM)); (2) the Diversified Investment Advisors Collective Trust, a collective trust fund of Massachusetts Fidelity Trust Company (MFTC) (includes the Stable Pooled Fund); (3) group annuity contracts issued by Transamerica Financial Life Insurance Company (TFLIC), 440 Mamaroneck Avenue, Harrison, NY 10528 (includes the Stable Fund, the Fixed Fund, the Guaranteed Pooled Fund, and SecurePath for Life); and (4) group annuity contracts issued by Transamerica Life Insurance Company (TLIC), 4333 Edgewood Road NE, Cedar Rapids, IA 52499 (includes SecurePath for Life). Your employer has selected Transamerica as your retirement plan provider, but there are no other affiliations between your employer and Transamerica, TISC, TCI, TAM, MFTC, TFLIC, or TLIC.

PT 9212 (4/13)

## Plan Investment Options: Glossary of Risk Terms

For more information on any registered fund, please call 800-755-5801 for a free summary prospectus (if available) and/or prospectus. You should consider the objectives, risks, charges, and expenses of an investment carefully before investing. The summary prospectus and prospectus contain this and other information. Read them carefully before you invest.

**How to Use this Glossary:** The fund profiles that follow outline more information on the investment style, objective, strategy, and risk characteristics of each fund. The particular investment risks applicable to a fund are identified in its fund profile under "Risks." Each of the terms used under "Risks" to identify a risk is explained below in this glossary. Of course, an investment in a fund may be subject to other types of risk, and it is possible that you could lose money by investing in a fund.

**Asset Allocation Fund Risk:** Asset allocation funds are subject to the risks of the underlying funds in which they invest. To the extent the fund invests more of its assets in stock investments, it will be subject to greater risk than a fund investing more of its assets in bond funds.

**Bond Risk:** The values of bonds change in response to changes in economic conditions, interest rates, and the creditworthiness of individual issuers. The value of bonds and bond funds generally falls when interest rates rise, causing an investor to lose money upon sale or redemption. **Government Bond Risk:** Any U.S. government guarantees of the securities held in a fund only pertain to those securities and not the fund or its yield. **High-Yield Risk:** Lower-rated, high-yield corporate debt securities represent a much greater risk of default and tend to be more volatile than higher-rated or investment grade bonds. **Inflation-Protected Securities Risk:** Market values of inflation-protected securities can be affected by changes in the market's inflation expectations or changes in real rates of interest. **Effective Duration:** A measure of a bond portfolio's sensitivity to changes in interest rates.

**Commodities Risk:** Commodities may be speculative and more volatile than investments in more traditional equity and debt securities, and may be subject to counterparty risk, volatility risk, and leverage.

**Convertible Risk:** Convertible securities are generally debt obligations which may be converted into shares of common stock. The market value of convertible securities tends to decline as interest rates increase. In addition, the market value of convertible securities tends to vary with fluctuations in the market value of the underlying common stock. Convertible securities are subject to the risk that the issuer may default on its obligations.

**Derivatives Risk:** Investments in derivatives may subject the fund to greater volatility than investments in traditional securities.

**Equity Risk:** Equity funds invest in equity securities, which include common stock, preferred stock, and convertible securities. Because such securities represent ownership in a corporation, they tend to be more volatile than fixed income or debt securities, which do not represent ownership.

**Foreign Risk:** Foreign securities and markets pose special risks in addition to those customarily associated with domestic securities. These risks include, but are not limited to, currency risk, political risk, and risk associated with varying accounting standards. Investing in emerging markets may accentuate these risks.

**Growth Risk:** Growth stocks may be especially volatile because their prices are largely based on the market's expectation of future earnings.

**Leveraged Company Risk:** Investments in the stocks of leveraged companies may be subject to additional risk, as leverage can magnify the impact of adverse issuer, political, regulatory, market, or economic developments on a company.

**Money Market Risk:** An investment in the money market fund, if available under the plan, is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Although the fund seeks to preserve the value of your investment at \$1.00 per share, it is possible to lose money by investing in the fund.

**Mortgage Securities Risk:** Mortgage-backed securities are subject to prepayment risk and may be sensitive to changes in prevailing interest rates.

**Non-Diversified Risk:** A fund that is classified as a non-diversified investment company may be subject to greater market fluctuation.

**Real Estate Risk:** Real estate investing is very sensitive to changes in interest rates, and volatility may increase in a changing rate environment. The fund's strategy of concentrating in the real estate sector means that its performance will be closely tied to the

Questions? Visit [my.trsuretire.com](http://my.trsuretire.com)

performance of that sector. As a result, the fund may be more susceptible to factors affecting this sector and more volatile than funds that invest in many different sectors.

**Portfolio Price/Earnings Ratio:** Relates to the price of the stock to the prior 12-month per-share earnings of the company.

**Sector Risk:** The strategy of concentrating in one sector means that its performance will be closely tied to the performance of that sector. As a result, the fund may be more susceptible to factors affecting this sector and more volatile than funds that invest in many different sectors.

**Short Sales Risk:** This fund uses short selling, which incurs significant additional risk.

**Small/Mid Cap Risk:** The securities of small and medium-sized companies, because of the issuers' lower market capitalization, may be more volatile than those of large-sized companies.

**Target/Retirement Date Fund Risk:** Target date funds are subject to the same risks as the underlying assets in which they invest. Each fund's asset allocation becomes more conservative over time: The percentage of assets allocated to stocks will decrease, while the percentage allocated to bonds will increase, as you approach the target date. The higher the fund's allocation is to stocks, the greater the risk. The target year represents approximately when the fund's managers assume the typical investor plans to start withdrawing their money. The fund's principal value is never guaranteed, including at and after the target. You can lose money by investing in a target date fund, including near and following retirement. There is no guarantee that the fund will provide adequate retirement income.

**Value Risk:** Value-based investments are subject to the risk that the broad market may not recognize their intrinsic values.

*Information relating to non-proprietary funds is being provided as a service by Transamerica to plans whose participants may invest in these funds, and may differ from information provided by other sources. The information contained herein: (1) is proprietary to Morningstar and/or other content providers furnishing the information; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete or timely. Neither Morningstar nor any other applicable content provider is responsible for any damages or losses arising from any use of this information.*

Transamerica Investors Securities Corporation (TISC), 440 Mamaroneck Avenue, Harrison, NY, 10528, distributes securities products. Any mutual fund offered under the plan is distributed by that particular fund's associated fund family and its affiliated broker-dealer or other broker-dealers with effective selling agreements such as TISC. Bank collective trusts funds, if offered under the plan, are not insured by the FDIC, the Federal Reserve Bank or any other government agency and are not registered with the Securities and Exchange Commission. Group annuity contracts, if offered under the plan, are made available through the applicable insurance company. Any guarantee of principal and/or interest under a group annuity contract is subject to the claims-paying ability of the applicable insurer. Certain investment options made available under the plan may be offered through affiliates of Transamerica Retirement Solutions Corporation (Transamerica) and TISC. These may include: (1) the Transamerica Funds (registered mutual funds distributed by Transamerica Capital, Inc. (TCI) and advised by Transamerica Asset Management, Inc. (TAM)); (2) the Diversified Investment Advisors Collective Trust, a collective trust fund of Massachusetts Fidelity Trust Company (MFTC) (includes the Stable Pooled Fund); (3) group annuity contracts issued by Transamerica Financial Life Insurance Company (TFLIC), 440 Mamaroneck Avenue, Harrison, NY 10528 (includes the Stable Fund, the Fixed Fund, the Guaranteed Pooled Fund, and SecurePath for Life); and (4) group annuity contracts issued by Transamerica Life Insurance Company (TLIC), 4333 Edgewood Road NE, Cedar Rapids, IA 52499 (includes SecurePath for Life). Your employer has selected Transamerica as your retirement plan provider, but there are no other affiliations between your employer and Transamerica, TISC, TCI, TAM, MFTC, TFLIC, or TLIC.

PT 9212 (4/13)

# Guaranteed Pooled Fund-Transamerica Financial Life Insurance Co. ("TFLIC")

## Investment Information

**Style:** Stable Value

**Objective:** Stable guaranteed rate of return

**Strategy:** The underlying asset portfolio invests in investment grade securities with a minimum credit rating of BBB or Baa3. Securities may include asset backed securities; corporate notes, bonds and debentures; federal agency securities; money market instruments; mortgage backed securities; private placements, guaranteed interest contracts and funding agreements; and treasury notes, bonds and bills and fixed income instruments.

**Inception Date:** 4/1/1999

**Advisor(s):** Galliard Capital Management (a subsidiary of Wells Fargo & Company)

AEGON USA Investment Management, LLC

*The Guaranteed Pooled Fund is a guaranteed pooled separate account offered through Transamerica Financial Life Insurance Company, 440 Mamaroneck Avenue, Harrison, NY 10528, which provides the guarantee of principal and interest. AM Best Company's ratings and Moody's Investors Service ratings reflect their current opinion of the relative financial strength and operating performance of insurance companies in comparison to the norms of the life/health insurance industry. Moody's A1 rating is the fifth highest rating out of 21 possible ratings. Standard & Poor's Insurance Rating Services and Fitch provide ratings which measure the claims-paying ability of an insurer. These ratings are opinions of an operating insurance company's financial capacity to meet the obligations of its insurance policies in accordance with their terms. Standard & Poor's AA- rating is the fourth highest rating out of 21 possible ratings. Fitch's AA- rating is the fourth highest rating out of 19 possible ratings. Ratings do not imply approval of the group annuity product, nor do they refer to performance of the separate account.*

SABF / G34B / 3136

Created with mpi Stylus

**Fund Description, Restrictions and Charges:** The Guaranteed Pooled Fund is a guaranteed separate account of TFLIC which invests in a diverse pool of high quality fixed-income instruments, including guaranteed interest contracts and funding agreements, and is offered through a group annuity contract. TFLIC receives an asset charge of 1.18% from the assets of the separate account. Participants cannot transfer their Guaranteed Pooled Fund balances to competing fixed income funds. Balances transferred from the Guaranteed Pooled Fund to non-competing funds cannot be transferred to competing fixed income funds for 90 days, but may be transferred back to the Guaranteed Pooled Fund at any time. Participants can withdraw their Guaranteed Pooled Fund balances at book value without restriction or charge on account of any of the following events (if also permitted by the plan): death, disability, retirement, termination of employment, hardship, loans, attainment of age 59 1/2, or the purchase of an annuity from TFLIC. However, other withdrawals and withdrawals due to Employer-Initiated Events may be subject to restriction and/or a 5% charge. **Interest Rates:** Credited interest rates are determined annually for existing assets and new deposits made during a calendar year. For the latest credited rate information, please log into your account at my.trsure.com. Both principal and interest are guaranteed by TFLIC.

## Insurer Ratings (TFLIC Ratings)

Standard & Poor's	AA-
Fitch	AA-
Moody's	A1
AM Best	A+

## Portfolio Profile\*

Market Value Assets (mil.)	\$6,605.7
Market to Book Ratio (%)	100.7

\*The Guaranteed Pooled Fund uses a separate account to hold assets as collateral for the guarantees made under the group annuity contract. The Portfolio Profile table provides information about the assets held as collateral, including the underlying holdings of insurance contracts.

## Asset Class: Intermediate/Long-Term Bonds

quarter ending December 31, 2013

# Loomis Sayles Investment Grade Bond A

**Style:** Intermediate-term Bond

**Objective:** Corporate Bond - General

**Strategy:** The investment seeks high total investment return through a combination of current income and capital appreciation. The fund invests at least 80% of its net assets in investment-grade fixed-income securities. It may invest up to 10% of its assets in below investment-grade fixed-income securities (also known as "junk bonds"). The fund has the flexibility to invest up to 10% of its assets in equity securities (such as common stocks, preferred stocks and investment companies), but will limit its investments in common stocks to 5% of its assets. It may invest in fixed income-securities of any maturity.

**Risks:** (Bond Risk) (Foreign Risk)

**Fund Family:** Natixis Funds

**Ticker Symbol:** LIGRX

*This fund has adopted a frequent trading policy that may limit how often fund shares can be exchanged.*

## Annualized Returns (%) as of 12/31/13

4Q	1.48
YTD	1.02
1 Yr	1.02
3 Yrs	5.84
5 Yrs	10.86
10 Yrs	6.92

**Gross Expense Ratio:** 0.84%

**Net Expense Ratio\*:** 0.84%

**Inception Date:** 12/31/1996

<sup>1</sup>Credit quality ratings on fund securities are from three Nationally Recognized Statistical Rating Organizations ("NRSROs"), Standard & Poor's, Moody's & Fitch. Ratings are converted to the equivalent S&P rating for purposes of the chart. Morningstar compiles the credit quality information based on information provided from fund companies. Fund companies are instructed to use the median rating for securities rated by all three NRSROs. Fund companies are instructed to use the lower rating when only two NRSROs rate a security.

## Credit Quality<sup>1</sup> as of 10/31/2013

AAA	36.3
AA	6.4
A	16.6
BBB	29.0
BB	5.2
B	1.5
Below B	0.2
Not Rated	4.8

*The performance figures represent past performance. Past performance does not guarantee future results. The investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than the performance data quoted. Call toll-free at 800-225-5478 to obtain performance data current to the most recent month-end.*

*Returns less than one year are cumulative. Performance prior to the inception date of the fund (if any) is based on returns of an older share class, which have been adjusted for expenses. \*The net expense ratio reflects the expense ratio of the fund after applicable expense waivers or reimbursements, if any.*



## Loomis Sayles Strategic Income A

**Style:** Multisector Bond**Objective:** Asset Allocation

**Strategy:** The investment seeks high current income with a secondary objective of capital growth. The fund normally invests all of its assets in income producing securities with a focus on U.S. corporate bonds, convertible securities, foreign debt instruments, including those in emerging markets and related foreign currency transactions, and U.S. government securities. It may invest up to 35% of its assets in preferred stocks and dividend-paying common stocks. The fund is not limited in the percentage of its assets that it may invest in these instruments.

**Risks:** (Bond Risk) (High Yield Risk) (Foreign Risk)**Fund Family:** Natixis Funds**Ticker Symbol:** NEFZX**Annualized Returns (%)  
as of 12/31/13**

4Q	4.32
YTD	10.87
1 Yr	10.87
3 Yrs	9.18
5 Yrs	15.53
10 Yrs	8.32

**Gross Expense Ratio:** 0.96%**Net Expense Ratio\*:** 0.96%**Inception Date:** 5/1/1995**Credit Quality<sup>1</sup>  
as of 10/31/2013**

AAA	18.3
AA	3.8
A	7.9
BBB	17.2
BB	14.7
B	9.8
Below B	5.5
Not Rated	22.7

<sup>1</sup>*Credit quality ratings on fund securities are from three Nationally Recognized Statistical Rating Organizations ("NRSROs"), Standard & Poor's, Moody's & Fitch. Ratings are converted to the equivalent S&P rating for purposes of the chart. Morningstar compiles the credit quality information based on information provided from fund companies. Fund companies are instructed to use the median rating for securities rated by all three NRSROs. Fund companies are instructed to use the lower rating when only two NRSROs rate a security.*

*The performance figures represent past performance. Past performance does not guarantee future results. The investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than the performance data quoted. Call toll-free at 800-225-5478 to obtain performance data current to the most recent month-end. Returns less than one year are cumulative. Performance prior to the inception date of the fund (if any) is based on returns of an older share class, which have been adjusted for expenses. \*The net expense ratio reflects the expense ratio of the fund after applicable expense waivers or reimbursements, if any.*

N892

Created with mpi Stylus

## Vanguard Total Bond Market Index Inv

**Style:** Intermediate-term Bond**Objective:** Income

**Strategy:** The investment seeks the performance of a broad, market-weighted bond index. The fund employs an indexing investment approach designed to track the performance of the Barclays U.S. Aggregate Float Adjusted Index. This Index represents a wide spectrum of public, investment-grade, taxable, fixed income securities in the United States-including government, corporate, and international dollar-denominated bonds, as well as mortgage-backed and asset-backed securities-all with maturities of more than 1 year. All of the fund's investments will be selected through the sampling process, and at least 80% of the fund's assets will be invested in bonds held in the index.

**Risks:** (Bond Risk)**Fund Family:** Vanguard**Ticker Symbol:** VBVMFX

*If you exchange out of this fund, you will not be permitted to exchange back into the same fund within 60 calendar days.*

**Annualized Returns (%)  
as of 12/31/13**

4Q	-0.22
YTD	-2.26
1 Yr	-2.26
3 Yrs	3.03
5 Yrs	4.28
10 Yrs	4.42

**Gross Expense Ratio:** 0.20%**Net Expense Ratio\*:** 0.20%**Inception Date:** 12/11/1986**Credit Quality<sup>1</sup>  
as of 11/30/2013**

AAA	71.5
AA	4.0
A	12.1
BBB	12.5
BB	0.0
B	0.0
Below B	0.0
Not Rated	0.0

<sup>1</sup>*Credit quality ratings on fund securities are from three Nationally Recognized Statistical Rating Organizations ("NRSROs"), Standard & Poor's, Moody's & Fitch. Ratings are converted to the equivalent S&P rating for purposes of the chart. Morningstar compiles the credit quality information based on information provided from fund companies. Fund companies are instructed to use the median rating for securities rated by all three NRSROs. Fund companies are instructed to use the lower rating when only two NRSROs rate a security.*

*The performance figures represent past performance. Past performance does not guarantee future results. The investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than the performance data quoted. Call toll-free at 800-662-7447 to obtain performance data current to the most recent month-end. Returns less than one year are cumulative. Performance prior to the inception date of the fund (if any) is based on returns of an older share class, which have been adjusted for expenses. \*The net expense ratio reflects the expense ratio of the fund after applicable expense waivers or reimbursements, if any.*

VGAC

PCC-000573

Created with mpi Stylus

## BlackRock Equity Dividend Inv A

**Style:** Large Value**Objective:** Equity-Income

**Strategy:** The investment seeks long-term total return and current income. The fund seeks to achieve its objective by investing primarily in a diversified portfolio of equity securities. Under normal circumstances, it will invest at least 80% of its assets in equity securities and at least 80% of its assets in dividend paying securities. The fund may invest in securities of companies with any market capitalization, but will generally focus on large cap securities. It may also invest in convertible securities and non-convertible preferred stock. The fund may invest up to 25% of its total assets in securities of foreign issuers.

**Risks:** (Equity Risk)**Fund Family:** BlackRock**Ticker Symbol:** MDDVX**Annualized Returns (%)  
as of 12/31/13**

4Q	9.84
YTD	24.35
1 Yr	24.35
3 Yrs	13.69
5 Yrs	15.13
10 Yrs	9.10

**Gross Expense Ratio:** 1.00%**Net Expense Ratio\*:** 1.00%**Inception Date:** 11/25/1987**Top Five Holdings  
as of 11/30/2013**

JPMorgan Chase & Co	3.3%
Wells Fargo & Co	3.2%
General Electric Co	3.1%
Chevron Corp	3.0%
Comcast Corp	2.5%

**Sector Diversification (%)  
as of 11/30/2013**

Basic Materials	5.4
Communication Services	5.9
Consumer Cyclical	8.2
Consumer Defensive	11.4
Healthcare	9.2
Industrials	14.6
Real Estate	0.4
Technology	4.9
Energy	13.5
Financial Services	20.9
Utilities	5.6

**Portfolio Profile  
as of 11/30/2013**

Net Assets \$MM	10964.73
Total Number of Holdings	93.00

The performance figures represent past performance. Past performance does not guarantee future results. The investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than the performance data quoted. Call toll-free at 800-441-7762 to obtain performance data current to the most recent month-end.

Returns less than one year are cumulative. Performance prior to the inception date of the fund (if any) is based on returns of an older share class, which have been adjusted for expenses. \*The net expense ratio reflects the expense ratio of the fund after applicable expense waivers or reimbursements, if any.

N906

Created with mpi Stylus

## Fidelity Spartan 500 Index Inv

**Style:** Large Blend**Objective:** Growth and Income

**Strategy:** The investment seeks to provide investment results that correspond to the total return performance of common stocks publicly traded in the United States. The fund normally invests at least 80% of assets in common stocks included in the S&P 500 Index, which broadly represents the performance of common stocks publicly traded in the United States. It lends securities to earn income.

**Risks:** (Equity Risk)**Fund Family:** Fidelity Investments**Ticker Symbol:** FUSEX**Annualized Returns (%)  
as of 12/31/13**

4Q	10.48
YTD	32.25
1 Yr	32.25
3 Yrs	16.08
5 Yrs	17.87
10 Yrs	7.33

**Gross Expense Ratio:** 0.10%**Net Expense Ratio\*:** 0.10%**Inception Date:** 2/17/1988**Top Five Holdings  
as of 11/30/2013**

Apple Inc	3.1%
Exxon Mobil Corporation	2.5%
Google, Inc. Class A	1.8%
Microsoft Corporation	1.8%
General Electric Co	1.6%

**Sector Diversification (%)  
as of 11/30/2013**

Basic Materials	3.4
Communication Services	3.7
Consumer Cyclical	11.3
Consumer Defensive	10.7
Healthcare	13.1
Industrials	11.5
Real Estate	1.7
Technology	16.2
Energy	10.3
Financial Services	15.4
Utilities	2.9

**Portfolio Profile  
as of 11/30/2013**

Net Assets \$MM	5695.40
Total Number of Holdings	508.00

The performance figures represent past performance. Past performance does not guarantee future results. The investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than the performance data quoted. Call toll-free at 800-544-8544 to obtain performance data current to the most recent month-end.

Returns less than one year are cumulative. Performance prior to the inception date of the fund (if any) is based on returns of an older share class, which have been adjusted for expenses. \*The net expense ratio reflects the expense ratio of the fund after applicable expense waivers or reimbursements, if any.

N494

Created with mpi Stylus

PCC-000574

## MFS Research R2

**Style:** Large Growth**Objective:** Growth and Income

**Strategy:** The investment seeks capital appreciation. The fund normally invests its assets in equity securities including common stocks, preferred stocks, securities convertible into stocks, and depositary receipts for those securities. It generally invests its assets in companies of any size, and focuses on companies with large capitalization. The fund may invest its assets in the stocks of companies it believes to have above average earnings growth potential compared to other companies (growth companies), in the stocks of companies it believes are undervalued compared to their perceived worth (value companies), or in a combination of growth and value companies.

**Risks:** (Equity Risk)**Fund Family:** MFS**Ticker Symbol:** MSRRX**Annualized Returns (%)  
as of 12/31/13**

4Q	9.91
YTD	31.79
1 Yr	31.79
3 Yrs	15.12
5 Yrs	17.97
10 Yrs	8.28

**Gross Expense Ratio:** 1.16%**Net Expense Ratio\*:** 1.16%**Inception Date:** 10/13/1971**Top Five Holdings  
as of 11/30/2013**

Exxon Mobil Corporation	3.6%
Apple Inc	3.0%
JPMorgan Chase & Co	2.5%
Google, Inc. Class A	2.2%
Danaher Corporation	2.0%

**Sector Diversification (%)  
as of 11/30/2013**

Basic Materials	1.8
Communication Services	3.3
Consumer Cyclical	13.1
Consumer Defensive	9.9
Healthcare	13.1
Industrials	12.0
Real Estate	0.7
Technology	15.9
Energy	10.8
Financial Services	17.3
Utilities	2.4

**Portfolio Profile  
as of 11/30/2013**

Net Assets \$MM	38.79
Total Number of Holdings	137.00

The performance figures represent past performance. Past performance does not guarantee future results. The investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than the performance data quoted. Call toll-free at 800-225-2606 to obtain performance data current to the most recent month-end.

Returns less than one year are cumulative. Performance prior to the inception date of the fund (if any) is based on returns of an older share class, which have been adjusted for expenses. \*The net expense ratio reflects the expense ratio of the fund after applicable expense waivers or reimbursements, if any.

Z857

Created with mpi Stylus

## T. Rowe Price Blue Chip Growth Adv

**Style:** Large Growth**Objective:** Growth

**Strategy:** The investment seeks long-term capital growth; income is a secondary objective. The fund will normally invest at least 80% of assets in the common stocks of large and medium-sized blue chip growth companies. It focuses on companies with leading market position, seasoned management, and strong financial fundamentals. The fund may sell securities for a variety of reasons, such as to secure gains, limit losses, or redeploy assets into more promising opportunities.

**Risks:** (Equity Risk) (Foreign Risk)**Fund Family:** T. Rowe Price**Ticker Symbol:** PABGX

If you exchange out of this fund, you will not be permitted to exchange back into the same fund within 30 calendar days.

**Annualized Returns (%)  
as of 12/31/13**

4Q	12.71
YTD	41.20
1 Yr	41.20
3 Yrs	19.09
5 Yrs	22.79
10 Yrs	8.60

**Gross Expense Ratio:** 1.01%**Net Expense Ratio\*:** 1.01%**Inception Date:** 6/30/1993**Top Five Holdings  
as of 09/30/2013**

Google, Inc. Class A	5.1%
Amazon.com Inc	4.6%
Priceline.com, Inc.	3.3%
MasterCard Incorporated Class A	3.2%
Gilead Sciences Inc	2.9%

**Sector Diversification (%)  
as of 9/30/2013**

Basic Materials	4.6
Communication Services	0.2
Consumer Cyclical	27.6
Consumer Defensive	3.8
Healthcare	14.2
Industrials	14.8
Real Estate	1.8
Technology	15.6
Energy	4.6
Financial Services	12.8
Utilities	0.0

**Portfolio Profile  
as of 9/30/2013**

Net Assets \$MM	2209.12
Total Number of Holdings	142.00

The performance figures represent past performance. Past performance does not guarantee future results. The investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than the performance data quoted. Call toll-free at 800-638-5660 to obtain performance data current to the most recent month-end.

Returns less than one year are cumulative. Performance prior to the inception date of the fund (if any) is based on returns of an older share class, which have been adjusted for expenses. \*The net expense ratio reflects the expense ratio of the fund after applicable expense waivers or reimbursements, if any.

S428

Created with mpi Stylus

PCC-000575

## RidgeWorth Mid-Cap Value Equity I

**Style:** Mid-Cap Value**Objective:** Growth

**Strategy:** The investment seeks to provide capital appreciation; current income is as a secondary objective. The fund invests at least 80% of its net assets (plus any borrowings for investment purposes) in U.S.-traded equity securities of mid-capitalization companies. The subadviser considers mid-capitalization companies to be companies with market capitalizations similar to those of companies in the Russell Midcap Value Index.

**Risks:** (Small Mid Cap Risk) (Derivative Risk)**Fund Family:** RidgeWorth**Ticker Symbol:** SMVTX**Annualized Returns (%)  
as of 12/31/13**

4Q	8.27
YTD	31.21
1 Yr	31.21
3 Yrs	13.99
5 Yrs	22.68
10 Yrs	11.86

**Gross Expense Ratio:** 1.09%**Net Expense Ratio\*:** 1.09%**Inception Date:** 11/30/2001**Top Five Holdings  
as of 11/30/2013**

Hartford Financial Services Group Inc	2.7%
Cigna Corp	2.4%
Intersil Corporation	2.3%
NetApp, Inc.	2.2%
Steris Corporation	2.1%

**Sector Diversification (%)  
as of 11/30/2013**

Basic Materials	8.0
Communication Services	0.0
Consumer Cyclical	5.8
Consumer Defensive	2.8
Healthcare	9.2
Industrials	15.7
Real Estate	14.5
Technology	7.3
Energy	8.1
Financial Services	18.9
Utilities	9.7

**Portfolio Profile  
as of 11/30/2013**

Net Assets \$MM	2996.79
Total Number of Holdings	77.00

The performance figures represent past performance. Past performance does not guarantee future results. The investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than the performance data quoted. Call toll-free at 888-784-3863 to obtain performance data current to the most recent month-end.

Returns less than one year are cumulative. Performance prior to the inception date of the fund (if any) is based on returns of an older share class, which have been adjusted for expenses. \*The net expense ratio reflects the expense ratio of the fund after applicable expense waivers or reimbursements, if any.

S796

Created with mpi Stylus

## Vanguard Extended Market Idx Inv

**Style:** Mid-Cap Blend**Objective:** Growth

**Strategy:** The investment seeks to track the performance of a benchmark index that measures the investment return of small- and mid-capitalization stocks. The fund employs an indexing investment approach designed to track the performance of the Standard & Poor's Completion Index, a broadly diversified index of stocks of small and mid-size U.S. companies. It invests all, or substantially all, of its assets in stocks of its target index, with nearly 80% of its assets invested in approximately 1,200 of the stocks in its target index, and the rest of its assets in a representative sample of the remaining stocks.

**Risks:** (Small Mid Cap Risk)**Fund Family:** Vanguard**Ticker Symbol:** VEXMX

If you exchange out of this fund, you will not be permitted to exchange back into the same fund within 60 calendar days.

**Annualized Returns (%)  
as of 12/31/13**

4Q	8.50
YTD	38.19
1 Yr	38.19
3 Yrs	16.32
5 Yrs	22.47
10 Yrs	10.17

**Gross Expense Ratio:** 0.28%**Net Expense Ratio\*:** 0.28%**Inception Date:** 12/21/1987**Top Five Holdings  
as of 11/30/2013**

Facebook Inc Class A	1.9%
Las Vegas Sands Corp	0.7%
LinkedIn Corp	0.5%
Liberty Global PLC Class A	0.4%
Liberty Media Corporation Class A	0.4%

**Sector Diversification (%)  
as of 11/30/2013**

Basic Materials	4.7
Communication Services	2.9
Consumer Cyclical	15.9
Consumer Defensive	4.2
Healthcare	10.4
Industrials	16.0
Real Estate	8.6
Technology	15.7
Energy	5.7
Financial Services	13.3
Utilities	2.8

**Portfolio Profile  
as of 11/30/2013**

Net Assets \$MM	2749.17
Total Number of Holdings	3065.00

The performance figures represent past performance. Past performance does not guarantee future results. The investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than the performance data quoted. Call toll-free at 800-662-7447 to obtain performance data current to the most recent month-end.

Returns less than one year are cumulative. Performance prior to the inception date of the fund (if any) is based on returns of an older share class, which have been adjusted for expenses. \*The net expense ratio reflects the expense ratio of the fund after applicable expense waivers or reimbursements, if any.

VEMX

Created with mpi Stylus

PCC-000576

## Columbia Acorn Z

**Style:** Mid-Cap Growth**Objective:** Growth

**Strategy:** The investment seeks long-term capital appreciation. Under normal circumstances, the fund invests a majority of its net assets in the common stock of small- and mid-sized companies with market capitalizations under \$5 billion at the time of investment. It invests the majority of its assets in U.S. companies, but also may invest up to 33% of its total assets in foreign companies in developed markets (for example, Japan, Canada and the United Kingdom) and in emerging markets (for example, China, India and Brazil).

**Risks:** (Small Mid Cap Risk) (Foreign Risk)**Fund Family:** Columbia**Inception Date:** 6/9/1970**Ticker Symbol:** ACRNX

*If you have made a round trip trade in and out of the fund within 28 calendar days, you will be restricted from making additional transfers into the fund for the next 28 days.*

*\*\*The Plan Service Credit will be accrued daily based on assets in the fund, and credited to participant accounts at the end of each month. The Plan Service Credit effectively reduces your costs of investing in this fund.*

*The performance figures represent past performance. Past performance does not guarantee future results. The investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than the performance data quoted. Call toll-free at 800-345-6611 to obtain performance data current to the most recent month-end.*

*Returns less than one year are cumulative. Performance prior to the inception date of the fund (if any) is based on returns of an older share class, which have been adjusted for expenses. \*The net expense ratio reflects the expense ratio of the fund after applicable expense waivers or reimbursements, if any.*

N597

Created with mpi Stylus

**Annualized Returns (%) as of 12/31/13**

4Q	7.30
YTD	30.90
1 Yr	30.90
3 Yrs	13.77
5 Yrs	20.98
10 Yrs	10.43

**Gross Expense Ratio:** 0.82%**Net Expense Ratio\*:** 0.82%**Plan Service Credit\*\*:** 0.40%**Top Five Holdings as of 11/30/2013**

Ametek, Inc.	2.3%
Mettler-Toledo International, Inc.	1.8%
Donaldson Company, Inc.	1.7%
Amphenol Corp	1.4%
SBA Communications Corp	1.4%

**Sector Diversification (%) as of 11/30/2013**

Basic Materials	2.0
Communication Services	4.8
Consumer Cyclical	16.3
Consumer Defensive	2.8
Healthcare	11.1
Industrials	25.1
Real Estate	4.5
Technology	16.6
Energy	6.1
Financial Services	9.9
Utilities	0.7

**Portfolio Profile as of 11/30/2013**

Net Assets \$MM	14906.18
Total Number of Holdings	331.00

## RidgeWorth Small Cap Value Equity I

**Style:** Small Blend**Objective:** Small Company

**Strategy:** The investment seeks to provide capital appreciation, and current income is as a secondary consideration. The fund invests at least 80% of net assets (plus any borrowings for investment purposes) in U.S. traded equity securities of small cap companies. U.S. traded equity securities may include American Depositary Receipts ("ADRs"). The subadviser considers small-capitalization companies to be companies with market capitalizations between \$50 million and \$3 billion or with market capitalizations similar to those of companies in the Russell 2000 Value Index.

**Risks:** (Small Mid Cap Risk) (Derivative Risk)**Fund Family:** RidgeWorth**Ticker Symbol:** SCETX**Annualized Returns (%) as of 12/31/13**

4Q	9.59
YTD	35.05
1 Yr	35.05
3 Yrs	14.94
5 Yrs	21.62
10 Yrs	11.71

**Gross Expense Ratio:** 1.24%**Net Expense Ratio\*:** 1.24%**Inception Date:** 1/31/1997**Top Five Holdings as of 11/30/2013**

A.O. Smith Corporation	4.1%
StanCorp Financial Group, Inc.	3.5%
Carbo Ceramics, Inc.	3.3%
Guess? Inc	3.3%
HSN, Inc.	3.2%

**Sector Diversification (%) as of 11/30/2013**

Basic Materials	5.7
Communication Services	0.0
Consumer Cyclical	22.5
Consumer Defensive	2.2
Healthcare	4.7
Industrials	31.1
Real Estate	3.1
Technology	6.3
Energy	5.5
Financial Services	18.3
Utilities	0.6

**Portfolio Profile as of 11/30/2013**

Net Assets \$MM	1556.75
Total Number of Holdings	87.00

*The performance figures represent past performance. Past performance does not guarantee future results. The investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than the performance data quoted. Call toll-free at 888-784-3863 to obtain performance data current to the most recent month-end.*

*Returns less than one year are cumulative. Performance prior to the inception date of the fund (if any) is based on returns of an older share class, which have been adjusted for expenses. \*The net expense ratio reflects the expense ratio of the fund after applicable expense waivers or reimbursements, if any.*

PCC-000577

## Prudential Jennison Small Company Z

**Style:** Small Growth**Objective:** Small Company

**Strategy:** The investment seeks capital growth. The fund normally invests at least 80% of investable assets in equity and equity-related securities of small, less well-known companies that the investment subadviser believes are relatively undervalued. In deciding which stocks to buy, it uses a blend of both value and growth styles. The investment subadviser currently considers small companies to be those with a market capitalization less than the largest market capitalization of the Russell 2500 Index at the time of investment.

**Risks:** (Small Mid Cap Risk) (Foreign Risk)**Fund Family:** Prudential Investments**Ticker Symbol:** PSCZX**Annualized Returns (%)  
as of 12/31/13**

4Q	7.74
YTD	34.60
1 Yr	34.60
3 Yrs	14.55
5 Yrs	20.95
10 Yrs	10.81

**Gross Expense Ratio:** 0.85%**Net Expense Ratio\*:** 0.85%**Inception Date:** 11/13/1980**Top Five Holdings  
as of 11/30/2013**

Protective Life Corp	1.8%
Rosetta Resources, Inc.	1.7%
First Republic Bank (San Francisco, CA)	1.7%
Vantiv Inc	1.7%
White Mountains Insurance Group Ltd.	1.7%

**Sector Diversification (%)  
as of 11/30/2013**

Basic Materials	0.5
Communication Services	3.9
Consumer Cyclical	15.1
Consumer Defensive	6.1
Healthcare	10.5
Industrials	15.7
Real Estate	5.0
Technology	13.5
Energy	8.4
Financial Services	20.0
Utilities	1.4

**Portfolio Profile  
as of 11/30/2013**

Net Assets \$MM	1572.92
Total Number of Holdings	131.00

*The performance figures represent past performance. Past performance does not guarantee future results. The investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than the performance data quoted. Call toll-free at 800-225-1852 to obtain performance data current to the most recent month-end.*

*Returns less than one year are cumulative. Performance prior to the inception date of the fund (if any) is based on returns of an older share class, which have been adjusted for expenses. \*The net expense ratio reflects the expense ratio of the fund after applicable expense waivers or reimbursements, if any.*

N785

Created with mpi Stylus

## Cohen &amp; Steers Realty Shares

**Style:** Real Estate**Objective:** Specialty - Real Estate

**Strategy:** The investment seeks total return through investment in real estate securities. The fund invests at least 80%, and normally substantially all, of its total assets in common stocks and other equity securities issued by real estate companies. It may invest up to 20% of its total assets in securities of foreign issuers which meet the same criteria for investment as domestic companies, including investments in such companies in the form of American Depositary Receipts (ADRs), Global Depositary Receipts (GDRs) and European Depositary Receipts (EDRs). The fund is non-diversified.

**Risks:** (Real Estate Risk) (Small Mid Cap Risk) (Foreign Risk)**Fund Family:** Cohen & Steers**Ticker Symbol:** CSRXX**Annualized Returns (%)  
as of 12/31/13**

4Q	-0.12
YTD	3.09
1 Yr	3.09
3 Yrs	8.20
5 Yrs	16.37
10 Yrs	9.45

**Gross Expense Ratio:** 1.00%**Net Expense Ratio\*:** 1.00%**Inception Date:** 7/2/1991**Top Five Holdings  
as of 09/30/2013**

Simon Property Group Inc	9.2%
Prologis Inc	5.4%
Vornado Realty Trust	5.4%
Equity Residential	4.9%
Ventas Inc	4.8%

**Sector Diversification (%)  
as of 9/30/2013**

Basic Materials	0.0
Communication Services	0.0
Consumer Cyclical	2.2
Consumer Defensive	0.0
Healthcare	0.0
Industrials	0.0
Real Estate	97.7
Technology	0.0
Energy	0.0
Financial Services	0.2
Utilities	0.0

**Portfolio Profile  
as of 9/30/2013**

Net Assets \$MM	5158.43
Total Number of Holdings	55.00

*The performance figures represent past performance. Past performance does not guarantee future results. The investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than the performance data quoted. Call toll-free at 800-437-9912 to obtain performance data current to the most recent month-end.*

*Returns less than one year are cumulative. Performance prior to the inception date of the fund (if any) is based on returns of an older share class, which have been adjusted for expenses. \*The net expense ratio reflects the expense ratio of the fund after applicable expense waivers or reimbursements, if any.*

N635

Created with mpi Stylus

PCC-000578

## Thornburg International Value R5

**Style:** Foreign Large Growth**Objective:** Multi-Asset Global**Strategy:** The investment seeks long-term capital appreciation; current income is the secondary objective. The fund invests primarily in foreign securities or depository receipts of foreign securities. It may invest in developing countries, but under normal conditions those investments are expected to comprise a smaller proportion of the fund than investments in developed countries.**Risks:** (Foreign Risk)**Fund Family:** Thornburg**Ticker Symbol:** TIVRX**Annualized Returns (%)  
as of 12/31/13**

4Q	4.31
YTD	15.63
1 Yr	15.63
3 Yrs	5.18
5 Yrs	11.85
10 Yrs	8.65

**Gross Expense Ratio:** 1.06%**Net Expense Ratio\*:** 0.99%**Inception Date:** 5/28/1998**Top Five Holdings  
as of 10/31/2013**

Mitsubishi UFJ Financial Group, Inc.	3.1%
Toyota Motor Corp	2.8%
LVMH Moet Hennessy Louis Vuitton SA	2.7%
Roche Holding AG	2.4%
Novo Nordisk A/S	2.4%

**Regional Diversification (%)  
as of 10/31/2013**

United States	5.5
Canada	4.4
Latin America	3.5
United Kingdom	19.8
Eurozone	22.8
Europe - ex Euro	12.8
Europe - Emerging	1.1
Africa	0.0
Middle East	0.0
Japan	15.5
Australasia	0.0
Asia - Developed	6.1
Asia - Emerging	8.3
Not Classified	0.0

**Portfolio Profile  
as of 10/31/2013**

Net Assets \$MM	4328.79
Total Number of Holdings	86.00

The performance figures represent past performance. Past performance does not guarantee future results. The investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than the performance data quoted. Call toll-free at 800-847-0200 to obtain performance data current to the most recent month-end.

Returns less than one year are cumulative. Performance prior to the inception date of the fund (if any) is based on returns of an older share class, which have been adjusted for expenses. \*The net expense ratio reflects the expense ratio of the fund after any applicable expense waivers or reimbursements. This waiver or reimbursement is contractual and is currently in effect through 02/01/2014.

N751

Created with mpi Stylus

## Vanguard Total Intl Stock Index Inv

**Style:** Foreign Large Blend**Objective:** Foreign Stock**Strategy:** The investment seeks to track the performance of a benchmark index that measures the investment return of stocks issued by companies located in developed and emerging markets, excluding the United States. The fund employs an indexing investment approach designed to track the performance of the FTSE Global All Cap ex US Index, a free-float-adjusted market-capitalization-weighted index designed to measure equity market performance of companies located in developed and emerging markets, excluding the United States. The index includes more than 5,300 stocks of companies located in 46 countries.**Risks:** (Foreign Risk)**Fund Family:** Vanguard**Ticker Symbol:** VGTSSX

If you exchange out of this fund, you will not be permitted to exchange back into the same fund within 60 calendar days.

**Annualized Returns (%)  
as of 12/31/13**

4Q	4.83
YTD	15.04
1 Yr	15.04
3 Yrs	5.11
5 Yrs	12.02
10 Yrs	7.26

**Gross Expense Ratio:** 0.22%**Net Expense Ratio\*:** 0.22%**Inception Date:** 4/29/1996**Top Five Holdings  
as of 11/30/2013**

Nestle SA	1.1%
HSBC Holdings PLC	1.0%
Roche Holding AG	0.9%
Novartis AG	0.9%
Vodafone Group PLC	0.9%

**Regional Diversification (%)  
as of 11/30/2013**

United States	0.1
Canada	7.0
Latin America	3.4
United Kingdom	13.9
Eurozone	21.7
Europe - ex Euro	10.3
Europe - Emerging	1.6
Africa	1.6
Middle East	0.5
Japan	16.4
Australasia	5.9
Asia - Developed	9.6
Asia - Emerging	8.2
Not Classified	0.0

**Portfolio Profile  
as of 11/30/2013**

Net Assets \$MM	46891.59
Total Number of Holdings	5500.00

The performance figures represent past performance. Past performance does not guarantee future results. The investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than the performance data quoted. Call toll-free at 800-662-7447 to obtain performance data current to the most recent month-end.

Returns less than one year are cumulative. Performance prior to the inception date of the fund (if any) is based on returns of an older share class, which have been adjusted for expenses. \*The net expense ratio reflects the expense ratio of the fund after applicable expense waivers or reimbursements, if any.

PCC-000579

## Oppenheimer Developing Markets A

**Style:** Diversified Emerging Mkts**Objective:** Diversified Emerging Markets**Strategy:** The investment seeks capital appreciation.

The fund mainly invests in common stocks of issuers in developing and emerging markets throughout the world and at times it may invest up to 100% of its total assets in foreign securities. Under normal market conditions, it will invest at least 80% of its net assets, plus borrowings for investment purposes, in equity securities of issuers whose principal activities are in a developing market, i.e. are in a developing market or are economically tied to a developing market country. The fund will invest in at least three developing markets.

**Risks:** (Foreign Risk)**Fund Family:** OppenheimerFunds**Ticker Symbol:** ODMAX**Annualized Returns (%)  
as of 12/31/13**

4Q	3.63
YTD	8.36
1 Yr	8.36
3 Yrs	2.36
5 Yrs	19.87
10 Yrs	15.01

**Gross Expense Ratio:** 1.31%**Net Expense Ratio\*:** 1.30%**Inception Date:** 11/18/1996**Top Five Holdings  
as of 11/30/2013**

Baidu, Inc. ADR	5.3%
Tencent Holdings Ltd.	3.2%
OAO Novatek GDR	2.3%
Yandex NV	2.2%
Magnit JSC	2.2%

**Regional Diversification (%)  
as of 11/30/2013**

United States	0.4
Canada	0.0
Latin America	17.9
United Kingdom	9.0
Eurozone	7.1
Europe - ex Euro	2.1
Europe - Emerging	10.9
Africa	2.9
Middle East	1.0
Japan	0.0
Australasia	0.0
Asia - Developed	8.1
Asia - Emerging	40.6
Not Classified	0.0

**Portfolio Profile  
as of 11/30/2013**

Net Assets \$MM	13929.46
Total Number of Holdings	110.00

The performance figures represent past performance. Past performance does not guarantee future results. The investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than the performance data quoted. Call toll-free at 800-225-5677 to obtain performance data current to the most recent month-end.

Returns less than one year are cumulative. Performance prior to the inception date of the fund (if any) is based on returns of an older share class, which have been adjusted for expenses. \*The net expense ratio reflects the expense ratio of the fund after any applicable expense waivers or reimbursements.

This waiver or reimbursement is contractual and is currently in effect indefinitely.

N620

Created with mpi Stylus

## Van Eck Global Hard Assets A

**Style:** Natural Resources**Objective:** Specialty - Natural Resources

**Strategy:** The investment seeks long-term capital appreciation; income is a secondary consideration. The fund normally invests at least 80% of its net assets in securities of "hard asset" companies and instruments that derive their value from "hard assets". Hard assets include precious metals (including gold), base and industrial metals, energy, natural resources and other commodities. It concentrates its investments in the securities of hard assets companies and instruments that derive their value from hard assets. The fund may invest up to 20% of its net assets in securities issued by other investment companies, including exchange-traded funds. It is non-diversified.

**Risks:** (Sector Risk) (Non-Diversified Risk)**Fund Family:** Van Eck**Ticker Symbol:** GHAAAX**Annualized Returns (%)  
as of 12/31/13**

4Q	3.44
YTD	10.74
1 Yr	10.74
3 Yrs	-1.82
5 Yrs	13.13
10 Yrs	12.62

**Gross Expense Ratio:** 1.45%**Net Expense Ratio\*:** 1.38%**Inception Date:** 11/2/1994**Top Five Holdings  
as of 03/31/2013**

Anadarko Petroleum Corp	5.0%
Halliburton Company	4.6%
Xstrata PLC	4.5%
Schlumberger NV	4.1%
Cimarex Energy Company	3.8%

**Sector Diversification (%)  
as of 3/31/2013**

Basic Materials	28.0
Communication Services	0.0
Consumer Cyclical	0.0
Consumer Defensive	1.3
Healthcare	0.0
Industrials	2.2
Real Estate	0.0
Technology	0.0
Energy	68.5
Financial Services	0.0
Utilities	0.0

**Portfolio Profile  
as of 3/31/2013**

Net Assets \$MM	1028.08
Total Number of Holdings	59.00

The performance figures represent past performance. Past performance does not guarantee future results. The investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than the performance data quoted. Call toll-free at 800-544-4653 to obtain performance data current to the most recent month-end.

Returns less than one year are cumulative. Performance prior to the inception date of the fund (if any) is based on returns of an older share class, which have been adjusted for expenses. \*The net expense ratio reflects the expense ratio of the fund after any applicable expense waivers or reimbursements.

This waiver or reimbursement is contractual and is currently in effect through 05/01/2014.

PCC-000580

Created with mpi Stylus



## T. Rowe Price Retirement Income Adv

**Style:** Retirement Income**Objective:** Growth and Income

**Strategy:** The investment seeks the highest total return over time consistent with an emphasis on both capital growth and income. The fund invests in a diversified portfolio of other T. Rowe Price stock and bond funds that represent various asset classes and sectors. It is intended for retired investors who seek income and relative stability from bonds along with some capital appreciation potential from stocks. The fund's "neutral allocations," which are what T. Rowe Price considers broadly appropriate for investors during their retirement years, are 40% stock funds and 60% bond funds. While the fund is non-diversified, it invests in diversified underlying holdings.

**Risks:** (Retirement Date Risk)**Fund Family:** T. Rowe Price**Ticker Symbol:** PARIX

*If you exchange out of this fund, you will not be permitted to exchange back into the same fund within 30 calendar days.*

**Annualized Returns (%)  
as of 12/31/13**

4Q	3.41
YTD	8.96
1 Yr	8.96
3 Yrs	6.54
5 Yrs	10.11
10 Yrs	5.57

**Gross Expense Ratio:** 0.82%**Net Expense Ratio\*:** 0.82%**Inception Date:** 9/30/2002**Portfolio Profile  
as of 9/30/2013**

Net Assets \$MM	354.65
Cash (%)	5.82
Stocks (%)	26.87
Bonds (%)	53.57
Non-US Stocks (%)	12.69
Other (%)	1.05

**Top Five Holdings  
as of 09/30/2013**

T. Rowe Price Inflation Focused Bond	30.7%
T. Rowe Price Equity Index 500	22.2%
T. Rowe Price New Income	19.5%
T. Rowe Price Intl Gr & Inc	3.5%
T. Rowe Price High-Yield	3.3%

**Equity Profile  
as of 9/30/2013**

Average Market Cap. (mil.) 31574.50

*The performance figures represent past performance. Past performance does not guarantee future results. The investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than the performance data quoted. Call toll-free at 800-638-8790 to obtain performance data current to the most recent month-end.*

*Returns less than one year are cumulative. Performance prior to the inception date of the fund (if any) is based on returns of an older share class, which have been adjusted for expenses. \*The net expense ratio reflects the expense ratio of the fund after applicable expense waivers or reimbursements, if any.*

N618

Created with mpi Stylus

## T. Rowe Price Retirement 2005 Adv

**Style:** Target-Date 2000-2010**Objective:** Growth and Income

**Strategy:** The investment seeks the highest total return over time consistent with an emphasis on both capital growth and income. The fund pursues its objective by investing in a diversified portfolio of other T. Rowe Price stock and bond funds that represent various asset classes and sectors. It is managed based on the specific retirement year (target date 2005) included in its name and assumes a retirement age of 65. The fund invests 42% of assets in stocks and 58% in bonds. While the fund is non-diversified, it invests in diversified underlying holdings.

**Risks:** (Retirement Date Risk)**Fund Family:** T. Rowe Price**Ticker Symbol:** PARGX

*If you exchange out of this fund, you will not be permitted to exchange back into the same fund within 30 calendar days.*

**Annualized Returns (%)  
as of 12/31/13**

4Q	3.69
YTD	9.60
1 Yr	9.60
3 Yrs	7.14
5 Yrs	11.22
Since Inception	5.91

**Gross Expense Ratio:** 0.84%**Net Expense Ratio\*:** 0.84%**Inception Date:** 2/27/2004**Portfolio Profile  
as of 9/30/2013**

Net Assets \$MM	57.67
Cash (%)	5.71
Stocks (%)	28.36
Bonds (%)	51.17
Non-US Stocks (%)	13.49
Other (%)	1.27

**Top Five Holdings  
as of 09/30/2013**

T. Rowe Price New Income	27.3%
T. Rowe Price Equity Index 500	23.4%
T. Rowe Price Inflation Focused Bond	16.9%
T. Rowe Price High-Yield	4.7%
T. Rowe Price Emerging Markets Bond	4.0%

**Equity Profile  
as of 9/30/2013**

Average Market Cap. (mil.) 31522.70

*The performance figures represent past performance. Past performance does not guarantee future results. The investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than the performance data quoted. Call toll-free at 800-638-8790 to obtain performance data current to the most recent month-end.*

*Returns less than one year are cumulative. Performance prior to the inception date of the fund (if any) is based on returns of an older share class, which have been adjusted for expenses. \*The net expense ratio reflects the expense ratio of the fund after applicable expense waivers or reimbursements, if any.*

N910

Created with mpi Stylus

PCC-000581

## T. Rowe Price Retirement 2010 Adv

**Style:** Target-Date 2000-2010**Objective:** Growth and Income

**Strategy:** The investment seeks the highest total return over time consistent with an emphasis on both capital growth and income. The fund invests in a diversified portfolio of other T. Rowe Price stock and bond funds that represent various asset classes and sectors. Its allocation between T. Rowe Price stock and bond funds will change over time in relation to its target retirement date. The fund is managed based on the specific retirement year (target date 2010) included in its name and assumes a retirement age of 65. It normally invests 49% in stocks and 51% in bonds. While the fund is non-diversified, it invests in diversified underlying holdings.

**Risks:** (Retirement Date Risk)**Fund Family:** T. Rowe Price**Ticker Symbol:** PARAX

*If you exchange out of this fund, you will not be permitted to exchange back into the same fund within 30 calendar days.*

**Annualized Returns (%)  
as of 12/31/13**

4Q	4.24
YTD	11.61
1 Yr	11.61
3 Yrs	7.87
5 Yrs	12.49
10 Yrs	6.36

**Gross Expense Ratio:** 0.85%**Net Expense Ratio\*:** 0.85%**Inception Date:** 9/30/2002**Portfolio Profile  
as of 9/30/2013**

Net Assets \$MM	799.35
Cash (%)	5.30
Stocks (%)	32.77
Bonds (%)	45.04
Non-US Stocks (%)	15.62
Other (%)	1.27

**Top Five Holdings  
as of 09/30/2013**

T. Rowe Price New Income	25.0%
T. Rowe Price Equity Index 500	24.8%
T. Rowe Price Inflation Focused Bond	13.5%
T. Rowe Price High-Yield	4.3%
T. Rowe Price Intl Gr & Inc	4.2%

**Equity Profile  
as of 9/30/2013**

Average Market Cap. (mil.) 31142.22

*The performance figures represent past performance. Past performance does not guarantee future results. The investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than the performance data quoted. Call toll-free at 800-638-8790 to obtain performance data current to the most recent month-end.*

*Returns less than one year are cumulative. Performance prior to the inception date of the fund (if any) is based on returns of an older share class, which have been adjusted for expenses. \*The net expense ratio reflects the expense ratio of the fund after applicable expense waivers or reimbursements, if any.*

N614

Created with mpi Stylus

## T. Rowe Price Retirement 2015 Adv

**Style:** Target-Date 2011-2015**Objective:** Growth and Income

**Strategy:** The investment seeks the highest total return over time consistent with an emphasis on both capital growth and income. The fund invests in a diversified portfolio of other T. Rowe Price stock and bond funds that represent various asset classes and sectors. Its allocation between T. Rowe Price stock and bond funds will change over time in relation to its target retirement date. The fund is managed based on the specific retirement year (target date 2015) included in its name and assumes a retirement age of 65. It normally invests 58.5% in stocks and 41.5% in bonds. While the fund is non-diversified, it invests in diversified underlying holdings.

**Risks:** (Retirement Date Risk)**Fund Family:** T. Rowe Price**Ticker Symbol:** PARHX

*If you exchange out of this fund, you will not be permitted to exchange back into the same fund within 30 calendar days.*

**Annualized Returns (%)  
as of 12/31/13**

4Q	5.09
YTD	14.82
1 Yr	14.82
3 Yrs	9.02
5 Yrs	14.01
Since Inception	6.59

**Gross Expense Ratio:** 0.90%**Net Expense Ratio\*:** 0.90%**Inception Date:** 2/27/2004**Portfolio Profile  
as of 9/30/2013**

Net Assets \$MM	734.90
Cash (%)	4.59
Stocks (%)	39.16
Bonds (%)	35.83
Non-US Stocks (%)	19.18
Other (%)	1.24

**Top Five Holdings  
as of 09/30/2013**

T. Rowe Price New Income	21.5%
T. Rowe Price Equity Index 500	21.0%
T. Rowe Price Inflation Focused Bond	8.5%
T. Rowe Price Growth Stock	6.7%
T. Rowe Price Intl Gr & Inc	5.1%

**Equity Profile  
as of 9/30/2013**

Average Market Cap. (mil.) 29717.66

*The performance figures represent past performance. Past performance does not guarantee future results. The investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than the performance data quoted. Call toll-free at 800-638-8790 to obtain performance data current to the most recent month-end.*

*Returns less than one year are cumulative. Performance prior to the inception date of the fund (if any) is based on returns of an older share class, which have been adjusted for expenses. \*The net expense ratio reflects the expense ratio of the fund after applicable expense waivers or reimbursements, if any.*

N911

Created with mpi Stylus

## T. Rowe Price Retirement 2020 Adv

**Style:** Target-Date 2016-2020**Objective:** Growth and Income

**Strategy:** The investment seeks the highest total return over time consistent with an emphasis on both capital growth and income. The fund invests in a diversified portfolio of other T. Rowe Price stock and bond funds that represent various asset classes and sectors. Its allocation between T. Rowe Price stock and bond funds will change over time in relation to its target retirement date. The fund is managed based on the specific retirement year (target date 2020) included in its name and assumes a retirement age of 65. It normally invests 67% in stocks and 33% in bonds. While the fund is non-diversified, it invests in diversified underlying holdings.

**Risks:** (Retirement Date Risk)**Fund Family:** T. Rowe Price**Ticker Symbol:** PARBX

*If you exchange out of this fund, you will not be permitted to exchange back into the same fund within 30 calendar days.*

**Annualized Returns (%)  
as of 12/31/13**

4Q	5.90
YTD	17.75
1 Yr	17.75
3 Yrs	10.03
5 Yrs	15.32
10 Yrs	7.10

**Gross Expense Ratio:** 0.94%**Net Expense Ratio\*:** 0.94%**Inception Date:** 9/30/2002**Portfolio Profile  
as of 9/30/2013**

Net Assets \$MM	2903.02
Cash (%)	4.09
Stocks (%)	44.49
Bonds (%)	28.22
Non-US Stocks (%)	22.01
Other (%)	1.19

**Top Five Holdings  
as of 09/30/2013**

T. Rowe Price New Income	18.1%
T. Rowe Price Equity Index 500	17.1%
T. Rowe Price Growth Stock	11.1%
T. Rowe Price Value	9.1%
T. Rowe Price Intl Gr & Inc	5.8%

**Equity Profile  
as of 9/30/2013**

Average Market Cap. (mil.) 28692.42

*The performance figures represent past performance. Past performance does not guarantee future results. The investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than the performance data quoted. Call toll-free at 800-638-8790 to obtain performance data current to the most recent month-end.*

*Returns less than one year are cumulative. Performance prior to the inception date of the fund (if any) is based on returns of an older share class, which have been adjusted for expenses. \*The net expense ratio reflects the expense ratio of the fund after applicable expense waivers or reimbursements, if any.*

N615

Created with mpi Stylus

## T. Rowe Price Retirement 2025 Adv

**Style:** Target-Date 2021-2025**Objective:** Growth and Income

**Strategy:** The investment seeks the highest total return over time consistent with an emphasis on both capital growth and income. The fund invests in a diversified portfolio of other T. Rowe Price stock and bond funds that represent various asset classes and sectors. Its allocation between T. Rowe Price stock and bond funds will change over time in relation to its target retirement date. The fund is managed based on the specific retirement year (target date 2025) included in its name and assumes a retirement age of 65. The fund normally invests 75% in stocks and 25% in bonds. While the fund is non-diversified, it invests in diversified underlying holdings.

**Risks:** (Retirement Date Risk)**Fund Family:** T. Rowe Price**Ticker Symbol:** PARJX

*If you exchange out of this fund, you will not be permitted to exchange back into the same fund within 30 calendar days.*

**Annualized Returns (%)  
as of 12/31/13**

4Q	6.61
YTD	20.39
1 Yr	20.39
3 Yrs	10.81
5 Yrs	16.33
Since Inception	7.12

**Gross Expense Ratio:** 0.97%**Net Expense Ratio\*:** 0.97%**Inception Date:** 2/27/2004**Portfolio Profile  
as of 9/30/2013**

Net Assets \$MM	1151.11
Cash (%)	3.61
Stocks (%)	49.20
Bonds (%)	21.29
Non-US Stocks (%)	24.76
Other (%)	1.13

**Top Five Holdings  
as of 09/30/2013**

T. Rowe Price Growth Stock	15.0%
T. Rowe Price New Income	14.5%
T. Rowe Price Equity Index 500	13.7%
T. Rowe Price Value	12.6%
T. Rowe Price Intl Gr & Inc	6.5%

**Equity Profile  
as of 9/30/2013**

Average Market Cap. (mil.) 27986.49

*The performance figures represent past performance. Past performance does not guarantee future results. The investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than the performance data quoted. Call toll-free at 800-638-8790 to obtain performance data current to the most recent month-end.*

*Returns less than one year are cumulative. Performance prior to the inception date of the fund (if any) is based on returns of an older share class, which have been adjusted for expenses. \*The net expense ratio reflects the expense ratio of the fund after applicable expense waivers or reimbursements, if any.*

N912

Created with mpi Stylus

PCC-000583

## T. Rowe Price Retirement 2030 Adv

**Style:** Target-Date 2026-2030**Objective:** Growth and Income

**Strategy:** The investment seeks the highest total return over time consistent with an emphasis on both capital growth and income. The fund invests in a diversified portfolio of other T. Rowe Price stock and bond funds that represent various asset classes and sectors. Its allocation between T. Rowe Price stock and bond funds will change over time in relation to its target retirement date. The fund is managed based on the specific retirement year (target date 2030) included in its name and assumes a retirement age of 65. It normally invests 82.5% in stocks and 17.5% in bonds. While the fund is non-diversified, it invests in diversified underlying holdings.

**Risks:** (Retirement Date Risk)**Fund Family:** T. Rowe Price**Ticker Symbol:** PARCX

*If you exchange out of this fund, you will not be permitted to exchange back into the same fund within 30 calendar days.*

**Annualized Returns (%)  
as of 12/31/13**

4Q	7.14
YTD	22.69
1 Yr	22.69
3 Yrs	11.54
5 Yrs	17.22
10 Yrs	7.61

**Gross Expense Ratio:** 1.00%**Net Expense Ratio\*:** 1.00%**Inception Date:** 9/30/2002**Portfolio Profile  
as of 9/30/2013**

Net Assets \$MM	2733.62
Cash (%)	3.16
Stocks (%)	53.58
Bonds (%)	15.13
Non-US Stocks (%)	27.04
Other (%)	1.08

**Top Five Holdings  
as of 09/30/2013**

T. Rowe Price Growth Stock	18.7%
T. Rowe Price Value	15.9%
T. Rowe Price New Income	11.2%
T. Rowe Price Equity Index 500	10.6%
T. Rowe Price Intl Gr & Inc	7.0%

**Equity Profile  
as of 9/30/2013**

Average Market Cap. (mil.) 27578.16

*The performance figures represent past performance. Past performance does not guarantee future results. The investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than the performance data quoted. Call toll-free at 800-638-8790 to obtain performance data current to the most recent month-end.*

*Returns less than one year are cumulative. Performance prior to the inception date of the fund (if any) is based on returns of an older share class, which have been adjusted for expenses. \*The net expense ratio reflects the expense ratio of the fund after applicable expense waivers or reimbursements, if any.*

N616

Created with mpi Stylus

## T. Rowe Price Retirement 2035 Adv

**Style:** Target-Date 2031-2035**Objective:** Growth and Income

**Strategy:** The investment seeks the highest total return over time consistent with an emphasis on both capital growth and income. The fund invests in a diversified portfolio of other T. Rowe Price stock and bond funds that represent various asset classes and sectors. Its allocation between T. Rowe Price stock and bond funds will change over time in relation to its target retirement date. The fund is managed based on the specific retirement year (target date 2035) included in its name and assumes a retirement age of 65. It normally invests 86.5% in stocks and 13.5% in bonds. While the fund is non-diversified, it invests in diversified underlying holdings.

**Risks:** (Retirement Date Risk)**Fund Family:** T. Rowe Price**Ticker Symbol:** PARKX

*If you exchange out of this fund, you will not be permitted to exchange back into the same fund within 30 calendar days.*

**Annualized Returns (%)  
as of 12/31/13**

4Q	7.61
YTD	24.54
1 Yr	24.54
3 Yrs	12.04
5 Yrs	17.75
Since Inception	7.43

**Gross Expense Ratio:** 1.02%**Net Expense Ratio\*:** 1.02%**Inception Date:** 2/27/2004**Portfolio Profile  
as of 9/30/2013**

Net Assets \$MM	867.98
Cash (%)	2.83
Stocks (%)	56.69
Bonds (%)	10.57
Non-US Stocks (%)	28.88
Other (%)	1.02

**Top Five Holdings  
as of 09/30/2013**

T. Rowe Price Growth Stock	21.4%
T. Rowe Price Value	18.4%
T. Rowe Price Equity Index 500	8.2%
T. Rowe Price New Income	7.6%
T. Rowe Price Intl Gr & Inc	7.4%

**Equity Profile  
as of 9/30/2013**

Average Market Cap. (mil.) 27273.21

*The performance figures represent past performance. Past performance does not guarantee future results. The investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than the performance data quoted. Call toll-free at 800-638-8790 to obtain performance data current to the most recent month-end.*

*Returns less than one year are cumulative. Performance prior to the inception date of the fund (if any) is based on returns of an older share class, which have been adjusted for expenses. \*The net expense ratio reflects the expense ratio of the fund after applicable expense waivers or reimbursements, if any.*

N913

Created with mpi Stylus

PCC-000584

## T. Rowe Price Retirement 2040 Adv

**Style:** Target-Date 2036-2040**Objective:** Growth and Income

**Strategy:** The investment seeks the highest total return over time consistent with an emphasis on both capital growth and income. The fund invests in a diversified portfolio of other T. Rowe Price stock and bond funds that represent various asset classes and sectors. Its allocation between T. Rowe Price stock and bond funds will change over time in relation to its target retirement date. The fund is managed based on the specific retirement year (target date 2040) included in its name and assumes a retirement age of 65. It normally invests 90% in stocks and 10% in bonds. While the fund is non-diversified, it invests in diversified underlying holdings.

**Risks:** (Retirement Date Risk)**Fund Family:** T. Rowe Price**Ticker Symbol:** PARDX

*If you exchange out of this fund, you will not be permitted to exchange back into the same fund within 30 calendar days.*

**Annualized Returns (%)  
as of 12/31/13**

4Q	7.92
YTD	25.61
1 Yr	25.61
3 Yrs	12.37
5 Yrs	17.99
10 Yrs	7.78

**Gross Expense Ratio:** 1.03%**Net Expense Ratio\*:** 1.03%**Inception Date:** 9/30/2002**Portfolio Profile  
as of 9/30/2013**

Net Assets \$MM	1341.53
Cash (%)	2.64
Stocks (%)	58.68
Bonds (%)	7.98
Non-US Stocks (%)	29.71
Other (%)	0.98

**Top Five Holdings  
as of 09/30/2013**

T. Rowe Price Growth Stock	22.8%
T. Rowe Price Value	19.8%
T. Rowe Price Intl Gr & Inc	7.7%
T. Rowe Price International Stock Fd	7.2%
T. Rowe Price Equity Index 500	7.1%

**Equity Profile  
as of 9/30/2013**

Average Market Cap. (mil.) 27183.17

*The performance figures represent past performance. Past performance does not guarantee future results. The investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than the performance data quoted. Call toll-free at 800-638-8790 to obtain performance data current to the most recent month-end.*

*Returns less than one year are cumulative. Performance prior to the inception date of the fund (if any) is based on returns of an older share class, which have been adjusted for expenses. \*The net expense ratio reflects the expense ratio of the fund after applicable expense waivers or reimbursements, if any.*

N617

Created with mpi Stylus

## T. Rowe Price Retirement 2045 Adv

**Style:** Target-Date 2041-2045**Objective:** Growth and Income

**Strategy:** The investment seeks the highest total return over time consistent with an emphasis on both capital growth and income. The fund invests in a diversified portfolio of other T. Rowe Price stock and bond funds that represent various asset classes and sectors. Its allocation between T. Rowe Price stock and bond funds will change over time in relation to its target retirement date. The fund is managed based on the specific retirement year (target date 2045) included in its name and assumes a retirement age of 65. It normally invests 90% in stocks and 10% in bonds. While the fund is non-diversified, it invests in diversified underlying holdings.

**Risks:** (Retirement Date Risk)**Fund Family:** T. Rowe Price**Ticker Symbol:** PARLX

*If you exchange out of this fund, you will not be permitted to exchange back into the same fund within 30 calendar days.*

**Annualized Returns (%)  
as of 12/31/13**

4Q	7.91
YTD	25.64
1 Yr	25.64
3 Yrs	12.37
5 Yrs	17.97
Since Inception	7.66

**Gross Expense Ratio:** 1.03%**Net Expense Ratio\*:** 1.03%**Inception Date:** 5/31/2005**Portfolio Profile  
as of 9/30/2013**

Net Assets \$MM	498.95
Cash (%)	2.63
Stocks (%)	58.67
Bonds (%)	7.88
Non-US Stocks (%)	29.83
Other (%)	0.98

**Top Five Holdings  
as of 09/30/2013**

T. Rowe Price Growth Stock	22.8%
T. Rowe Price Value	19.8%
T. Rowe Price Intl Gr & Inc	7.7%
T. Rowe Price International Stock Fd	7.3%
T. Rowe Price Equity Index 500	7.1%

**Equity Profile  
as of 9/30/2013**

Average Market Cap. (mil.) 27129.51

*The performance figures represent past performance. Past performance does not guarantee future results. The investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than the performance data quoted. Call toll-free at 800-638-8790 to obtain performance data current to the most recent month-end.*

*Returns less than one year are cumulative. Performance prior to the inception date of the fund (if any) is based on returns of an older share class, which have been adjusted for expenses. \*The net expense ratio reflects the expense ratio of the fund after applicable expense waivers or reimbursements, if any.*

N914

Created with mpi Stylus

## T. Rowe Price Retirement 2050 Adv

**Style:** Target-Date 2046-2050**Objective:** Growth and Income

**Strategy:** The investment seeks the highest total return over time consistent with an emphasis on both capital growth and income. The fund invests in a diversified portfolio of other T. Rowe Price stock and bond funds that represent various asset classes and sectors. Its allocation between T. Rowe Price stock and bond funds will change over time in relation to its target retirement date. The fund is managed based on the specific retirement year (target date 2050) included in its name and assumes a retirement age of 65. It normally invests 90% in stocks and 10% in bonds. While the fund is non-diversified, it invests in diversified underlying holdings.

**Risks:** (Retirement Date Risk)**Fund Family:** T. Rowe Price**Ticker Symbol:** PARFX

*If you exchange out of this fund, you will not be permitted to exchange back into the same fund within 30 calendar days.*

**Annualized Returns (%)  
as of 12/31/13**

4Q	7.87
YTD	25.59
1 Yr	25.59
3 Yrs	12.34
5 Yrs	17.96
Since Inception	5.81

**Gross Expense Ratio:** 1.03%**Net Expense Ratio\*:** 1.03%**Inception Date:** 12/29/2006**Portfolio Profile  
as of 9/30/2013**

Net Assets \$MM	606.65
Cash (%)	2.63
Stocks (%)	58.65
Bonds (%)	7.91
Non-US Stocks (%)	29.81
Other (%)	0.99

**Top Five Holdings  
as of 09/30/2013**

T. Rowe Price Growth Stock	22.8%
T. Rowe Price Value	19.8%
T. Rowe Price Intl Gr & Inc	7.7%
T. Rowe Price International Stock Fd	7.3%
T. Rowe Price Equity Index 500	7.1%

**Equity Profile  
as of 9/30/2013**

Average Market Cap. (mil.) 27153.75

*The performance figures represent past performance. Past performance does not guarantee future results. The investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than the performance data quoted. Call toll-free at 800-638-8790 to obtain performance data current to the most recent month-end.*

*Returns less than one year are cumulative. Performance prior to the inception date of the fund (if any) is based on returns of an older share class, which have been adjusted for expenses. \*The net expense ratio reflects the expense ratio of the fund after applicable expense waivers or reimbursements, if any.*

N870

Created with mpi Stylus

## T. Rowe Price Retirement 2055 Adv

**Style:** Target-Date 2051+**Objective:** Growth and Income

**Strategy:** The investment seeks the highest total return over time consistent with an emphasis on both capital growth and income. The fund invests in a diversified portfolio of other T. Rowe Price stock and bond funds that represent various asset classes and sectors. Its allocation between T. Rowe Price stock and bond funds will change over time in relation to its target retirement date. The fund is managed based on the specific retirement year (target date 2055) included in its name and assumes a retirement age of 65. It normally invests 90% in stocks and 10% in bonds. While the fund is non-diversified, it invests in diversified underlying holdings.

**Risks:** (Retirement Date Risk)**Fund Family:** T. Rowe Price**Ticker Symbol:** PAROX

*If you exchange out of this fund, you will not be permitted to exchange back into the same fund within 30 calendar days.*

**Annualized Returns (%)  
as of 12/31/13**

4Q	7.89
YTD	25.57
1 Yr	25.57
3 Yrs	12.38
5 Yrs	17.97
Since Inception	5.80

**Gross Expense Ratio:** 1.03%**Net Expense Ratio\*:** 1.03%**Inception Date:** 12/29/2006**Portfolio Profile  
as of 9/30/2013**

Net Assets \$MM	90.85
Cash (%)	2.62
Stocks (%)	58.75
Bonds (%)	7.91
Non-US Stocks (%)	29.72
Other (%)	1.00

**Top Five Holdings  
as of 09/30/2013**

T. Rowe Price Growth Stock	22.8%
T. Rowe Price Value	19.8%
T. Rowe Price Intl Gr & Inc	7.7%
T. Rowe Price International Stock Fd	7.3%
T. Rowe Price Equity Index 500	7.1%

**Equity Profile  
as of 9/30/2013**

Average Market Cap. (mil.) 27131.00

*The performance figures represent past performance. Past performance does not guarantee future results. The investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than the performance data quoted. Call toll-free at 800-638-8790 to obtain performance data current to the most recent month-end.*

*Returns less than one year are cumulative. Performance prior to the inception date of the fund (if any) is based on returns of an older share class, which have been adjusted for expenses. \*The net expense ratio reflects the expense ratio of the fund after applicable expense waivers or reimbursements, if any.*

N916

Created with mpi Stylus

**Instructions**

To designate a beneficiary or to change your existing beneficiary designation on an annuity plan, complete all applicable sections of this form, obtain any required signatures, and return it to your Plan Administrator. To confirm if your plan is an annuity plan please see your Plan Administrator or call Transamerica at 800-755-5801. For further information, please refer to the Qualified Pre-Retirement Survivor Annuity Explanation.

Initial Designation     Change of Designation

**Section A. Employer Information**

Company/Employer Name

Contract/Account No.     Affiliate No.     Division No.

**Section B. Personal Information**

Social Security No.     Date of Birth (mm/dd/yyyy)

First Name/Middle Initial     Last Name

Mailing Address

City     State     Zip Code

Phone No.     Ext.

E-mail Address

Marital Status:  Married  Single/Divorced

**Section C. Primary Beneficiary Designation - Will receive benefits in the event of your death**

This designation will apply to the account number above. You must designate a specific percentage for each beneficiary. Shares must be whole percentages and total 100%. If you do not indicate shares, benefits will be split equally among surviving beneficiaries. If the named beneficiary is a trust, please specify the name and date of the trust, and the name of the trustee.

*Note: Share of benefits must total 100% for primary beneficiaries. If additional space is needed to designate multiple beneficiaries, complete the Supplemental Beneficiary Designation page.*

Share of Benefits:  % (whole percentages only)    Relationship

Last Name     Date of Birth (mm/dd/yyyy)

First Name/Middle Initial     Social Security No.

Mailing Address

City     State     Zip Code

**Primary Beneficiary Designation (continued)**

---

Share of Benefits:  % (whole percentages only) Relationship

Last Name  Date of Birth (mm/dd/yyyy)

First Name/Middle Initial  Social Security No.

Mailing Address

City  State  Zip Code

**Section D. Contingent Beneficiary(ies) - Will receive benefits if no primary beneficiary is living at the time of your death**

---

*Note: Share of benefits must total 100% for contingent beneficiaries. If additional space is needed to designate multiple beneficiaries, complete the Supplemental Beneficiary Designation page.*

Share of Benefits:  % (whole percentages only) Relationship

Last Name  Date of Birth (mm/dd/yyyy)

First Name/Middle Initial  Social Security No.

Mailing Address

City  State  Zip Code

---

Share of Benefits:  % (whole percentages only) Relationship

Last Name  Date of Birth (mm/dd/yyyy)

First Name/Middle Initial  Social Security No.

Mailing Address

City  State  Zip Code



**Section E. Waiver of Qualified Pre-Retirement Survivor Benefit (for married participants if spouse is not primary beneficiary)**

---

I elect to waive all or a portion of the qualified pre-retirement survivor annuity death benefit coverage for my spouse. Instead, I designate the above beneficiary(ies) to receive all or a portion of the benefits upon my death.

**X** \_\_\_\_\_ **X** \_\_\_\_\_  
Participant Signature Date

**Section F. Spousal Consent (if spouse is not primary beneficiary)**

---

I consent to my spouse's waiver of my rights to all or a portion of the qualified pre-retirement survivor annuity death benefit coverage. I understand that this consent means I may not receive any (or only a portion) of my spouse's retirement benefits under the plan in the event of my spouse's death prior to payment of benefits under the plan. Instead I agree to the above designation of beneficiary(ies) to receive all or a portion of benefits upon my spouse's death. I further understand that if my spouse wishes to change the above beneficiary designation, my written consent will be required.

**X** \_\_\_\_\_ **X** \_\_\_\_\_  
Spouse Signature Date

**WITNESSED**

**X** \_\_\_\_\_ **X** \_\_\_\_\_  
Plan Administrator or Notary Public Signature and Stamp/Seal Date

**Section G. Participant Signature**

---

I certify that the information provided on this form is correct and complete.

**X** \_\_\_\_\_ **X** \_\_\_\_\_  
Participant Signature Date

**X** \_\_\_\_\_ **X** \_\_\_\_\_  
Print Name Social Security Number

**Section H. Plan Administrator Signature**

---

I certify that the information provided on this form is correct and complete, and that any required consents and waivers have been obtained.

**X** \_\_\_\_\_ **X** \_\_\_\_\_  
Plan Administrator Signature Date

## Supplemental Beneficiary Designations

Social Security No.

First Name/Middle Initial

Last Name

**Note: Share of benefits must total 100% for primary beneficiaries (will receive benefits in the event of your death) AND 100% for contingent beneficiaries (will receive benefits if no primary beneficiary is living at the time of your death).**

Primary Beneficiary     Contingent Beneficiary

Share of Benefits:  % (whole percentages only)

Relationship

Last Name

Date of Birth (mm/dd/yyyy)

First Name/Middle Initial

Social Security No.

Mailing Address

City

State

Zip Code

Primary Beneficiary     Contingent Beneficiary

Share of Benefits:  % (whole percentages only)

Relationship

Last Name

Date of Birth (mm/dd/yyyy)

First Name/Middle Initial

Social Security No.

Mailing Address

City

State

Zip Code

## Qualified Pre-Retirement Survivor Annuity Explanation

This information pertains to participants in a retirement plan that provides a Qualified Pre-Retirement Survivor Annuity (QPSA) to the spouse that is 100% of the participant's vested account balance. To confirm the percentage required by your plan, please refer to your Summary Plan Description or contact your Plan Administrator.

As a plan participant, the law requires that you be informed as to the disposition of your account balance upon your death before retirement.

Generally, if you are married and you die before benefit payments under the plan have begun, the plan will use the vested portion of your account balance to purchase a pre-retirement survivor annuity for your spouse. This annuity will provide your spouse with a series of monthly payments over his/her life. However, your spouse may choose any other option provided under the plan. If your vested account balance is at or below the plan specified minimum (generally \$5,000), it will (after any required tax withholding) be paid out in a single sum.

However, beginning with the first day of the plan year in which you attain age 35 (or upon your termination of employment if you are under age 35), you may elect to waive either (a) the requirement that your death benefits be paid in the form of a pre-retirement survivor annuity or (b) the requirement that your spouse be your beneficiary. You may elect at any time before your death or benefit starting date, whichever comes first, to waive either or both requirements. In order for any such election to be valid, however, your spouse must duly consent in writing before your Plan Administrator or a Notary Public. If you waive either requirement prior to the first day of the plan year in which you turn 35 and while still employed, the waiver becomes invalid upon the beginning of the plan year in which your 35th birthday occurs and your spouse would receive a pre-retirement survivor annuity upon your death, unless you execute a new waiver. If at any time you wish to change your non-spouse beneficiary designation by naming a new non-spouse beneficiary, you must again obtain the acknowledgement and consent of your spouse. A revocation of a prior waiver may be made by you without the consent of your spouse at any time before your death or benefit starting date, whichever comes first. If you do this, the survivor annuity will be restored for your spouse unless you properly make a new waiver election prior to your death or benefit starting date, whichever comes first.

The examples below compare benefits under the qualified pre-retirement survivor annuity and other forms of distribution. The examples are based on specific assumptions and certain interest rates and mortality rates. The amounts shown are used to illustrate the differences between the various options; the values may be different in your case. Assume a participant dies at age 55 with a vested account balance of \$200,000 and has a spouse of the same age.

Type of Distribution	Benefit to Spouse After Participant Dies
Monthly QPSA with 100% Continuing to Spouse	\$796.47 per month
10 Years Certain (No Life)	\$1,746.17 per month
Single Sum Payment	\$200,000

If you are not married at the time of your death, the death benefit will be paid to your designated beneficiary. If you have not named a designated beneficiary, the death benefit will be paid in accordance with the terms of the plan. Dollar amounts shown do not reflect any required tax withholding.

It is important that you and your spouse understand your rights and obligations concerning your death benefit. You should direct any questions to your Plan Administrator. Also, because a spouse has certain rights to the death benefit, you should immediately inform your Plan Administrator of any change in your marital status.

This information pertains to participants in a retirement plan that provides a Qualified Pre-Retirement Survivor Annuity (QPSA) to the spouse that is 50% of the participant's vested account balance. To confirm the percentage required by your plan, please refer to your Summary Plan Description or contact your Plan Administrator.

As a plan participant, the law requires that you be informed as to the disposition of your account balance upon your death before retirement.

Generally, if you are married and you die before benefit payments under the plan have begun, the plan will use at least 50% of the vested portion of your account balance to purchase a pre-retirement survivor annuity for your spouse. This annuity will provide your spouse with a series of monthly payments over his/her life. However, your spouse may choose any other option provided under the plan. If your vested account balance is at or below the plan specified minimum (generally \$5,000), it will (after any required tax withholding) be paid out in a single sum.

However, beginning with the first day of the plan year in which you attain age 35 (or upon your termination of employment, if you are under age 35), you may elect to waive either (a) the requirement that your death benefits be paid in the form of a pre-retirement survivor annuity or (b) the requirement that your spouse be your beneficiary, for at least 50% of your vested account balance. You may elect at any time before your death or benefit starting date, whichever comes first, to waive either or both requirements. In order for any such election to be valid, however, your spouse must duly consent in writing before your Plan Administrator or a Notary Public. If you waive either requirement prior to the first day of the plan year in which you turn 35 and while still employed, the waiver becomes invalid upon the beginning of the plan year in which your 35th birthday occurs and your spouse would receive a pre-retirement survivor annuity upon your death, unless you execute a new waiver. If at any time you wish to change your non-spouse beneficiary designation by naming a new non-spouse beneficiary, you must again obtain the acknowledgement and consent of your spouse. A revocation of a prior waiver may be made by you without the consent of your spouse at any time before your death or benefit starting date, whichever comes first. If you do this, the survivor annuity will be restored for your spouse (for at least 50% of your vested account balance) unless you properly make a new waiver election prior to your death or benefit starting date, whichever comes first.

The examples below compare benefits under the qualified pre-retirement survivor annuity and other forms of distribution. The examples are based on specific assumptions and certain interest rates and mortality rates. The amounts shown are used to illustrate the differences between the various options; the values may be different in your case. Assume a participant dies at age 55 with a vested account balance of \$200,000 and has a spouse of the same age.

<b>Type of Distribution</b>	<b>Benefit to Spouse After Participant Dies</b>
Monthly QPSA with 50% Continuing to Spouse	\$425.03 per month
10 Years Certain (No Life)	\$873.09 per month
Single Sum Payment	\$100,000

If you are not married at the time of your death, the death benefit will be paid to your designated beneficiary. If you have not named a designated beneficiary, the death benefit will be paid in accordance with the terms of the plan. Dollar amounts shown do not reflect any required tax withholding.

It is important that you and your spouse understand your rights and obligations concerning your death benefit. You should direct any questions to your Plan Administrator. Also, because a spouse has certain rights to the death benefit, you should immediately inform your Plan Administrator of any change in your marital status.

**Instructions**

Use this form to initiate a direct rollover of your existing retirement account to your retirement account with Transamerica. Complete Sections A, B, C and D, then return the completed form, along with any required documentation indicated in Section E, to us at the address indicated in Section G. Contact your prior plan provider to request a rollover of the funds in your account to Transamerica (your prior plan provider may require that you complete a distribution form or other documentation). For further information, please refer to your Summary Plan Description or call us at 800-755-5801.

**Section A. Employer Information**

Company/Employer Name

Contract/Account No.  Affiliate No.  Division No.

**Section B. Personal Information**

Social Security No.  Date of Birth

First Name/Middle Initial  Last Name

Mailing Address

City  State  Zip Code

Phone No.  Ext.

E-mail Address

Date of Hire

**Section C. Incoming Rollover Information**

My incoming rollover for \$\_\_\_\_\_ is an eligible rollover distribution.

My incoming rollover is from a (select only one option)

- qualified plan (401(k) or 401(a) plan)  403(b) plan  457(b) governmental plan  IRA

Amount to be rolled over from present provider:  100% of account  Partial rollover of \$\_\_\_\_\_

My incoming rollover  does  does not include after-tax amounts from a qualified plan or a 403(b) plan. If after-tax amounts are included, the total after-tax cost basis of this distribution is \$\_\_\_\_\_. Cost basis is the amount of contributions made, not including earnings.

Please note the following important information:

1. Transamerica cannot accept after-tax amounts if the cost basis is not provided. If you are unsure of your after-tax cost basis, contact your previous Plan Administrator to obtain/confirm this information. If this information is not received, it will be assumed that the deposit represents pre-tax amounts only.
2. If you are already enrolled in the plan, your incoming rollover will be invested according to your existing investment allocation for payroll contributions.
3. If you are not enrolled in the plan, your incoming rollover will be invested in the plan level default fund. Please contact us in order to identify the plan's default fund. You can subsequently reallocate your investment at any time, subject to plan provisions, by calling us at 800-755-5801 or accessing your account online at [my.trsuretire.com](http://my.trsuretire.com).

**Section D. Prior Plan Information**

Contact your prior plan provider to request a rollover of the funds in your account to Transamerica (your prior plan provider may require that you complete a distribution form or other documentation). If your incoming rollover is not received in 30 days, we will contact your prior plan/IRA provider, if you attach a copy of your most recent prior plan/IRA statement to this form.

Prior Plan Name \_\_\_\_\_

Prior Plan Account No. \_\_\_\_\_

Prior Plan Contact Name \_\_\_\_\_

Prior Plan Contact Phone No. \_\_\_\_\_

Prior Plan/IRA Provider \_\_\_\_\_

Prior Plan/IRA Provider Mailing Address \_\_\_\_\_

Prior Plan/IRA Provider Phone No. \_\_\_\_\_

**Section E. Required Documentation**

If your rollover is distributed from a tax-qualified plan, you must provide verification from the prior plan provider that the funds are from a tax-qualified plan.

If your rollover is distributed from a Section 403(b) program, you must provide a verification from the prior plan provider indicating that all funds are contributions from a 403(b) plan.

If your rollover is distributed from a Traditional IRA, you must provide verification from the prior plan provider indicating that all funds are from a Traditional IRA.

If your rollover is distributed from a 457(b) governmental plan, you must provide verification from the prior plan provider indicating that all funds are pre-tax contributions from a 457(b) governmental plan.

*Transamerica will be unable to process your incoming rollover without this documentation.*

**Section F. Signature**

I certify that the information provided on this form is correct and complete. I understand that if I am already enrolled in the plan, my incoming rollover will be invested according to my existing investment allocation for payroll contributions. If I am not enrolled in the plan, I understand that my incoming rollover will be invested in the plan's default fund (please contact us in order to identify the plan's default fund). I understand that I can subsequently reallocate my investment at any time, subject to plan provisions, by calling Transamerica or accessing my account online at the address above.

Transamerica Investors Securities Corporation (TISC), 440 Mamaroneck Avenue, Harrison, NY 10528, distributes securities products. Any registered fund offered under the plan is distributed by that particular fund's associated fund family and its affiliated broker-dealer or other broker-dealers with effective selling agreements, such as TISC. All registered funds are available by prospectus only. A prospectus may be obtained for any registered fund by contacting us at 800-755-5801. The prospectus contains additional information about the funds, including the investment objectives, risks, charges, and other expenses. Please read and consider such information carefully before making your investment choices.

**X** \_\_\_\_\_  
Participant Signature

**X** \_\_\_\_\_  
Date

**X** \_\_\_\_\_  
Print Name

**X** \_\_\_\_\_  
Social Security Number

**Section G. Mailing and Wiring Instructions**

---

**Checks- If sending a check, mail the check and the Incoming Rollover Request form to one of the following addresses, as applicable:**

**Regular Mail**

Transamerica  
Remittance Processing Center  
PO Box 13029  
Newark, NJ 07188

**Overnight Mail**

JPMorgan Chase - Lockbox Processing  
Lockbox No. 13029  
4 Chase Metrotech Center  
Ground Level Courier on Willoughby Street  
Brooklyn, NY 11245  
Phone Number: (718) 242-0674 *(must be indicated on overnight air bill)*

**Wire Transfers- If sending a wire transfer, mail the Incoming Rollover Request form to the address below:**

**Form**

Transamerica  
4333 Edgewood Road NE  
Cedar Rapids, IA 52499

**Wire Instructions**

State Street Bank and Trust Company  
200 Clarendon Street  
Boston, MA 02116-5021  
Bank ABA # **011000028**  
Receiving Account # **00457374**  
Receiving Account name: Transamerica  
Contract-Affiliate #  
Contract Name

You may roll over your distribution if *all* of the following apply:

1. The distribution is an “eligible rollover distribution”. Generally, any portion of a distribution from an eligible retirement plan or traditional IRA is considered an eligible rollover distribution. The following types of payments generally *cannot* be rolled over to a retirement plan:
  - “Permissible Withdrawals” of initial elective deferrals and earnings from certain special automatic enrollment 401(k) or 403(b) Plans that are withdrawn within 90 days of enrollment
  - Annuity payments for life or joint life expectancy; installments to be paid over a period of 10 years or more
  - Required minimum distributions
  - Corrective distributions of contributions that exceed tax law limitations
  - Excess contributions, excess deferrals, and excess aggregate contributions that apply to 401(k) ADP or 401(m) ACP nondiscrimination tests
  - Distributions to a non-spouse beneficiary unless directly rolled over to an inherited IRA
  - Hardship distributions
  - Loans treated as deemed distributions (for example, loans in default due to missed payment before your employment ends)

Note: After-tax contributions from a qualified plan or 403(b) plan (but not from an IRA) can be rolled over (via a direct rollover) only to another qualified plan or to a 403(b) plan that separately accounts for them or to an IRA.

2. The distribution is from an eligible retirement plan or a traditional IRA.
  - An eligible retirement plan is an employer pension or profit-sharing plan qualified for favorable tax treatment under Section 401(a) or Section 403(a) of the Internal Revenue Code, or a Section 403(b) Tax Deferred Annuity (TDA) plan or a Section 457(b) governmental plan. *(Note: The Transferee retirement plan may not accept all of these types of rollovers. Please check with the sponsor of your new plan.)*
  - Any rollover from a section 457(b) governmental plan to a 401(a) or 403(b) plan may be subject to the 10% additional tax on early distributions when later distributed.
  - A rollover to a governmental 457(b) plan must be separately accounted for by such plan. Please check with Transamerica.
3. One of the statements below describes your distribution.
  - The distribution is paid to you and the rollover is made within 60 days of receipt of distribution. *(Note: After-tax contributions cannot be rolled over as part of a distribution payable by check to you.)*
  - The eligible “direct” rollover distribution is paid directly from an eligible retirement plan or traditional IRA to your new eligible retirement plan. *Sample wording for direct rollover: Trustees of (name of plan at Transamerica and account number), FBO (name of participant and Social Security number). We will advise you on the exact wording of the plan name and account number, and the types of distributions that can be rolled over into this plan.*

For complete information regarding plan payments, penalties, and the associated tax implications if a direct rollover is not elected, please review the Notice: Special Tax Notice Regarding Plan Payments that was provided by your former employer or payor and/or consult your tax advisor. You may be asked by the transferee plan or IRA to provide additional documentation. Check with them in advance.





# Incoming Contract Exchange (within the Same Plan)

## Instructions

To request an exchange of investments to Transamerica from another 403(b) account or annuity with your current employer, complete all applicable sections of this form and return the form to Transamerica at the address indicated on the enclosed mailing and wiring instructions. For exchanges from multiple financial institutions, complete a separate form for each institution. You may also need to complete a Transamerica Enrollment Application if you are not currently enrolled. The exchange may not be initiated until receipt of all required paperwork and information. For further information, please refer to your Summary Plan Description, contact your Plan Administrator, or call us at 800-755-5801.

Also, if you have an outstanding loan, please contact your current service provider to make arrangements for the handling of your loan prior to transferring your account to Transamerica.

*Note: If you are terminated from employment, please call us and request a form to roll over your account to Transamerica.*

## Section A. Employer Information

Company/Employer Name

Contract/Account No.  Affiliate No.  Division No.

## Section B. Personal Information

Social Security No.  Date of Birth

First Name/Middle Initial  Last Name

Mailing Address

City  State  Zip Code

Phone No.  Ext.

E-mail Address

Date of Hire

## Section C. Present 403(b) Investment Provider Information (include all present contract/account numbers)

Provider Name

Present Contract/Account Number(s)

Insert account number(s)

Provider Mailing Address

City  State  Zip Code

Phone No.  Ext.

Amount to be transferred from present provider:  100% of account  Partial transfer of \$ \_\_\_\_\_

**Section D. Participant Signature**

I request the immediate transfer of funds from my present 403(b) account referenced in Section C above, to my Transamerica 403(b) account. I understand that my transfer deposit will be invested according to the existing investment allocation on my account. I agree that if I have an outstanding loan in my present 403(b) account with the current provider, I will contact the provider in order to make arrangements for the handling of my loan prior to the transfer of my account to Transamerica.

I agree that Transamerica is released from any responsibility regarding the accuracy of my representations or any tax consequences resulting from the incoming contract exchange of my funds into my Transamerica 403(b) account.

X \_\_\_\_\_ X \_\_\_\_\_  
Participant Signature Date

X \_\_\_\_\_ X \_\_\_\_\_  
Print Name Social Security Number

**Section E. Contribution Types (to be completed by present provider)**

To present provider: Please complete the applicable contribution account information for this transfer, and see attached mailing instructions. Please also read explanatory footnotes below. Any checks should be made payable to Transamerica, FBO/Participant Name.

Employer Contribution Account	Employee 403(b)(1) (pre-tax salary reduction) Contribution Account	Employee 403(b)(7) (pre-tax salary reduction) Contribution Account	
\$ _____	\$ _____	\$ _____	12/31/86 account balance
	\$ _____ (1)	\$ _____ (2)	12/31/88 account balance
	\$ _____ (3)	\$ _____ (3)	Post-1988 salary reduction contributions
\$ _____ (3)			403(b)(1) employer annuity contract contributions

- Important explanatory footnotes to be read by present investment provider:**
- (1) include only amounts originally contributed to a 403(b)(1) annuity contract and earnings thereon.
  - (2) include only amounts originally contributed to a 403(b)(7) custodial account and earnings thereon.
  - (3) exclude any earnings.

(Non-Roth) After-tax Contribution Account (if applicable)  
\$ \_\_\_\_\_ Total After-tax Cost Basis (cost basis is the amount of contributions made, not including earnings)

Roth After-tax Contribution Account (if applicable)  
\$ \_\_\_\_\_ Total Roth Contributions (include both contributions and earnings)  
\$ \_\_\_\_\_ Total Roth After-tax Cost Basis (cost basis is the amount of Roth after-tax contributions made, but not including earnings)  
\_\_\_\_\_ First Year of Designated Roth Contribution (cannot be prior to 2006)

Total amount of transfer \$ \_\_\_\_\_



# Incoming Plan-to-Plan Transfer (from another 403(b) Plan)

## Instructions

To request a transfer to a Transamerica 403(b) account or annuity from a 403(b) account or annuity under a different plan, complete all applicable sections of this form, obtain any required signatures, and return the form to Transamerica at the address indicated on the enclosed mailing and wiring instructions. For transfers from multiple financial institutions, complete a separate form for each institution. You may also need to complete a Transamerica Enrollment Application if you are not currently enrolled. For further information, please refer to your Summary Plan Description, contact your Plan Administrator, or call us at 800-755-5801.

Also, if you have an outstanding loan, please contact your current service provider to make arrangements for the handling of your loan prior to transferring your account to Transamerica.

*Note: If you are terminated from employment with the employer that sponsors the transferor 403(b) plan, please call us and request a form to roll over your account to Transamerica.*

## Section A. Employer Information

Company/Employer Name	St. Joseph Health Services of Rhode Island 403(b) Savings Plan		
Contract/Account No.	TT069252	Affiliate No.	00001
		Division No.	

## Section B. Personal Information

Social Security No.		Date of Birth (mm/dd/yyyy)	
First Name/Middle Initial		Last Name	
Mailing Address			
City		State	
		Zip Code	
Phone No.		Ext.	
E-mail Address			
Date of Hire (mm/dd/yyyy)			

## Section C. Present 403(b) Investment Provider Information (include all present contract/account numbers)

Provider Name			
Present Contract/Account Number(s)			
Insert account number(s)			
Provider Mailing Address			
City		State	
		Zip Code	
Phone No.		Ext.	

Amount to be transferred from present provider:  100% of account  Partial transfer of \$\_\_\_\_\_

**Section D. Participant Signature**

I request the transfer of funds from my present 403(b) account under the 403(b) plan referenced in Section C above, to my Transamerica 403(b) account under the 403(b) plan referenced in Section E. I am a current or former employee of the employer sponsoring the 403(b) plan to which the transfer is being made. I understand that my transfer deposit will be invested according to the existing investment allocation of my account in the recipient plan. I agree that if I have an outstanding loan in my present 403(b) plan with the current provider, I will contact the provider in order to make arrangements for the handling of my loan prior to the transfer of my account to Transamerica. I certify that the information provided by me on this form is correct and complete.

X \_\_\_\_\_  
Participant Signature Date

X \_\_\_\_\_  
Print Name Social Security Number

**Section E. Recipient Plan Administrator Information and Signature**

Participant Employment status:  Active  Terminated \_\_\_\_\_ (Date)

I certify that this plan-to-plan transfer request by the participant is permissible under the provisions of the recipient plan and that it complies with applicable 403(b) Treasury regulations (including the requirement that the receiving plan impose restrictions on distributions to the participant or beneficiary whose assets are being transferred that are not less stringent than those imposed on the transferor plan).

X \_\_\_\_\_  
Plan Administrator Signature Date

403(b) Plan Name (Recipient Plan) \_\_\_\_\_

**Section F. Contribution Types (to be completed by present provider)**

To present provider: Please complete the applicable contribution account information for this transfer, and see attached mailing instructions. Please also read explanatory footnotes below. Any checks should be made payable to Transamerica, FBO/Participant Name.

Employer Contribution Account	Employee 403(b)(1) (pre-tax salary reduction) Contribution Account	Employee 403(b)(7) (pre-tax salary reduction) Contribution Account	
\$ _____	\$ _____	\$ _____	12/31/86 account balance
	\$ _____ (1)	\$ _____ (2)	12/31/88 account balance
	\$ _____ (3)	\$ _____ (3)	Post-1988 salary reduction contributions
\$ _____ (3)			403(b)(1) employer annuity contract contributions

**Important explanatory footnotes to be read by present investment provider:**

- (1) include only amounts originally contributed to a 403(b)(1) annuity contract and earnings thereon.
- (2) include only amounts originally contributed to a 403(b)(7) custodial account and earnings thereon.
- (3) exclude any earnings.

(Non-Roth) After-tax Contribution Account (if applicable)  
\$ \_\_\_\_\_ Total After-tax Cost Basis (cost basis is the amount of contributions made, but not including earnings)

Roth After-tax Contribution Account (if applicable)  
\$ \_\_\_\_\_ Total Roth Contributions (include both contributions and earnings)  
\$ \_\_\_\_\_ Total Roth After-tax Cost Basis (cost basis is the amount of Roth after-tax contributions made, but not including earnings)  
\_\_\_\_\_ First Year of Designated Roth Contribution (cannot be prior to 2006)

Total amount of transfer \$ \_\_\_\_\_

Important Note to the Participant Regarding Basis: If a plan-to-plan transfer does not constitute a complete transfer of your interest in a section 403(b) plan, the recipient plan generally must treat the amount transferred as a pro rata portion of your interest in any after-tax employee contributions. You should consult applicable Treasury regulations and your tax or legal advisor for further information.

---

### **I. Incoming 403(b) Contract Exchange Request**

---

Under the existing IRS Contract Exchange rules, your 403(b) account or annuity may be transferred to another investment provider for the *same* 403(b) plan, provided certain requirements are met.

(1) The 403(b) plan sponsored by your employer must permit such contract exchanges and (2) the investment provider receiving the transfer must be an approved investment provider under your employer's 403(b) plan or such provider must have entered into an information-sharing agreement with your employer.

Any 403(b) funds transferred to Transamerica from another 403(b) investment provider for your employer's 403(b) plan must continue to be subject to distribution restrictions that are not less stringent than those imposed on the contract being exchanged.

Any 403(b) funds transferred to Transamerica under a 403(b) Contract Exchange will retain their December 31, 1986 and/or December 31, 1988 grandfathered status, (if applicable) provided the necessary information is timely provided to Transamerica by your present investment provider in the section provided on Transamerica's Incoming Contract Exchange (within the Same Plan), in accordance with the instructions on that form.

---

### **II. Incoming 403(b) Plan-to-Plan Transfer Request to Transamerica from Another 403(b) Plan**

---

If your current 403(b) account or annuity is under a *different* 403(b) plan than the 403(b) plan of your present employer (or former employer), and the receiving plan is serviced by Transamerica, please complete the Incoming 403(b) Plan-to-Plan Transfer (from another 403(b) Plan) in accordance with the instructions on that form.

In order to allow for a Plan-to-Plan Transfer to occur, both the 403(b) transferor plan and the receiving plan that is serviced by Transamerica must provide for a Plan-to-Plan Transfer.

In order to allow for a Plan-to-Plan Transfer to occur, the funds transferred to Transamerica from another 403(b) plan must continue to be subject to distribution restrictions that are not less stringent than those imposed under the transferor 403(b) plan.

Any 403(b) funds transferred to Transamerica under a 403(b) Plan-to-Plan Transfer will retain their December 31, 1986 and/or December 31, 1988 grandfathered status, (if applicable) provided the necessary information is timely provided to Transamerica by your present investment provider in the section provided on Transamerica's Incoming Plan-to-Plan Transfer (from another 403(b) Plan), in accordance with the instructions on that form.

**Important Note:** Some 403(b) plans are subject to the requirements of the Employee Retirement Income Security Act of 1974 ("ERISA"). You cannot transfer 403(b) assets from an ERISA-covered 403(b) plan to a non-ERISA 403(b) plan except by a direct rollover, which requires a distributable event (e.g., termination of employment). If you transfer 403(b) assets from a non-ERISA 403(b) plan to an ERISA-covered 403(b) plan, the transferred assets will automatically become subject to the requirements of ERISA. Please contact the Plan Administrator of the ERISA covered 403(b) plan or us for further information.

---

### **III. Incoming 401(a) Plan-to-Plan Transfer Request to Transamerica from Another 401(a) Plan**

---

If your current 401(a) account is under a *different* 401(a) plan than the 401(a) plan of your present employer (or former employer), and the receiving plan is serviced by Transamerica, please complete the Incoming 401(a) Plan-to-Plan Transfer (from another 401(a) Plan), in accordance with the instructions on that form.

In order to allow for a Plan-to-Plan Transfer to occur, both the 401(a) transferor plan and the receiving plan that is serviced by Transamerica must provide for a Plan-to-Plan transfer.

In order to allow for a Plan-to-Plan Transfer to occur, the funds transferred to Transamerica from another 401(a) plan must continue to be subject to distribution restrictions that are not less stringent than those imposed under the transferor 401(a) plan.

In order to allow for a Plan-to-Plan Transfer to occur, the funds transferred to Transamerica from another 401(a) plan must provide that the participant is entitled to receive any distribution from the receiving plan in a single sum distribution.

Please contact your Plan Administrator or us for further information.

#### **IV. Incoming Tax Exempt Employer 457(b) Plan-to-Plan Transfer Request to Transamerica from Another Tax Exempt Employer 457(b) Plan**

---

If your current Tax Exempt 457(b) account is under a *different Tax Exempt 457(b) plan* than the Tax Exempt 457(b) plan of your present employer or former employer, and the receiving plan is serviced by Transamerica, please complete the Tax Exempt Employer 457(b) Transfer Deposit in accordance with the instructions on that form.

In order to allow for a Plan-to-Plan Transfer to occur, both the Tax Exempt Employer 457(b) transferor plan and the receiving plan that is serviced by Transamerica must provide for a Plan-to-Plan Transfer.

**Important Note:** If you transfer from one Tax Exempt Employer 457(b) Plan to another Tax Exempt Employer 457(b) Plan, your transferred amount is an unsecured obligation of the receiving plan's employer and is subject to the payment of claims of the employer's general creditors in the event of the employer's insolvency. Please contact your Plan Administrator or us for further information.

#### **V. Incoming Governmental 457(b) Plan-to-Plan Transfer Request to Transamerica from Another Governmental 457(b) Plan**

---

If your current Government 457(b) account is under a *different Governmental 457(b) plan* than the Governmental 457(b) plan of your present employer or former employer, and the receiving plan is serviced by Transamerica, please complete the Governmental 457(b) Transfer Deposit in accordance with the instructions on that form.

In order to allow for a Plan-to-Plan Transfer to occur, both the Governmental 457(b) transferor plan and the receiving plan that is serviced by Transamerica must provide for a Plan-to-Plan Transfer.

**Important Note:** Instead of a plan-to-plan transfer from one Governmental 457(b) plan to another Governmental 457(b) Plan, you may also do a rollover by requesting an eligible rollover distribution. Please contact your Plan Administrator or us for further information.

#### **VI. Mailing and Wiring Instructions**

---

##### **Checks**

If sending a check, mail the check and the Incoming Transfer/Rollover/Exchange Form to one of the following addresses, as applicable:

##### **Regular Mail**

Transamerica  
Remittance Processing Center  
PO Box 13029  
Newark, NJ 07188

##### **Overnight Mail**

JPMorgan Chase - Lockbox Processing  
Lockbox No. 13029  
4 Chase Metrotech Center  
Ground Level Courier on Willoughby Street  
Brooklyn, NY 11245  
Phone Number: (718) 242-0674 (*must be indicated on overnight air bill*)

##### **Wire Transfers**

If sending a wire transfer, mail the Incoming Transfer/Rollover/Exchange Form to the address below:

##### **Form**

Transamerica  
4333 Edgewood Road NE  
Cedar Rapids, IA 52499

##### **Wire Instructions**

State Street Bank and Trust Company  
200 Clarendon Street  
Boston, MA 02116-5021  
Bank ABA # **011000028**  
Receiving Account # **00457374**  
Receiving Account name: Transamerica  
Contract-Affiliate #  
Contract Name



440 Mamaroneck Avenue  
Harrison, NY 10528

# Imagine Your Future, Plan Today

Enroll today and  
brighten your  
financial future.



St. Joseph Health Services of  
Rhode Island 403(b) Savings Plan



Brighten your outlook.



# Welcome to Your Plan

Whether your retirement is five or fifty years away, St. Joseph Health Services of Rhode Island 403(b) Savings Plan offers a powerful way to enhance your long-term financial well-being. We encourage you to invest in yourself and your future by participating in this plan through Transamerica.

Transamerica is a full-service retirement plan provider who has focused on one thing for more than 75 years: helping millions of people like you save and invest wisely for and throughout their retirement. Whether you're joining a retirement plan for the first time, already participating in the plan, soon approaching retirement, or already in retirement, Transamerica will be with you every step of the way.

Please read through this kit so you can better understand this valuable program. And be sure to enroll as soon as possible so you can begin maximizing this benefit!

Sincerely,



Pete Kunkel  
President and CEO  
Transamerica Retirement Solutions



Brighten **your** outlook.







**This is only a summary.** If you want more detail about your coverage and costs, you can get the complete terms in the policy or plan document at [www.BCBSRI.com](http://www.BCBSRI.com) or by calling 1-800-639-2227 or (401) 459-5000.

Important Questions	Answers	Why this Matters:
<b>What is the overall <u>deductible</u>?</b>	For In Network providers <b>\$5000</b> for an individual plan / <b>\$10000</b> for a family plan. For Out-of-Network providers <b>\$10000</b> for an individual plan / <b>\$20000</b> for a family plan. Doesn't apply to preventive services, services with a fixed dollar copay, prescription drugs and diagnostic testing.	You must pay all the costs up to the <b>deductible</b> amount before this plan begins to pay for covered services you use. Check your policy or plan document to see when the <b>deductible</b> starts over (usually, but not always, January 1st). See the chart starting on page 3 for how much you pay for covered services after you meet the <b>deductible</b> .
<b>Are there other <u>deductibles</u> for specific services?</b>	No.	You don't have to meet deductibles for specific services, but see the chart starting on page 3 for other costs for services this plan covers.
<b>Is there an <u>out-of-pocket limit</u> on my expenses?</b>	Yes. For In Network providers <b>\$6350</b> for an individual plan / <b>\$12700</b> for a family plan. For Out-of-Network providers <b>\$30000</b> for an individual plan / <b>\$60000</b> for a family plan.	The <b>out-of-pocket limit</b> is the most you could pay during a coverage period (usually one year) for your share of the cost of covered services. This limit helps you plan for health care expenses.
<b>What is not included in the <u>out-of-pocket limit</u>?</b>	Premiums, balance-billed charges and health care this plan doesn't cover.	Even though you pay these expenses, they don't count toward the <b>out-of-pocket limit</b> .
<b>Is there an overall annual limit on what the plan pays?</b>	No.	The chart starting on page 3 describes any limits on what the plan will pay for <i>specific</i> covered services, such as office visits.

**Questions:** Call 1-800-639-2227 or (401) 459-5000 or TDD 1-888-252-5051 or visit us at [www.BCBSRI.com](http://www.BCBSRI.com).

If you aren't clear about any of the bolded terms used in this form, see the Glossary. You can view the Glossary at [www.BCBSRI.com](http://www.BCBSRI.com) or call 1-800-639-2227 or (401) 459-5000 or TDD 1-888-252-5051 to request a copy.

<p><b>Does this plan use a <u>network of providers</u>?</b></p>	<p>Yes, this plan uses in-network providers. See <a href="http://www.BCBSRI.com">www.BCBSRI.com</a> or call 1-800-639-2227 or (401) 459-5000 for a list of participating providers.</p>	<p>If you use an in-network doctor or other health care <b><u>provider</u></b>, this plan will pay some or all of the costs of covered services. Be aware, your in-network doctor or hospital may use an out-of-network <b><u>provider</u></b> for some services. Plans use the term in-network, <b><u>preferred</u></b>, or participating for <b><u>providers</u></b> in their <b><u>network</u></b>. See the chart starting on page 3 for how this plan pays different kinds of <b><u>providers</u></b>.</p>
<p><b>Do I need a referral to see a <u>specialist</u>?</b></p>	<p>No. You don't need referral to see a specialist.</p>	<p>You can see the <b><u>specialist</u></b> you choose without permission from this plan.</p>
<p><b>Are there services this plan doesn't cover?</b></p>	<p>Yes.</p>	<p>Some of the services this plan doesn't cover are listed on page 7. See your policy or plan document for additional information about <b><u>excluded services</u></b>.</p>

**Questions:** Call 1-800-639-2227 or (401) 459-5000 or TDD 1-888-252-5051 or visit us at [www.BCBSRI.com](http://www.BCBSRI.com). If you aren't clear about any of the bolded terms used in this form, see the Glossary. You can view the Glossary at [www.BCBSRI.com](http://www.BCBSRI.com) or call 1-800-639-2227 or (401) 459-5000 or TDD 1-888-252-5051 to request a copy.



- **Copayments** are fixed dollar amounts (for example, \$15) you pay for covered health care, usually when you receive the service.
- **Coinsurance** is *your* share of the costs of a covered service, calculated as a percent of the **allowed amount** for the service. For example, if the plan's **allowed amount** for an overnight hospital stay is \$1,000, your **coinsurance** payment of 20% would be \$200. This may change if you haven't met your **deductible**.
- The amount the plan pays for covered services is based on the **allowed amount**. If an out-of-network **provider** charges more than the **allowed amount**, you may have to pay the difference. For example, if an out-of-network hospital charges \$1,500 for an overnight stay and the **allowed amount** is \$1,000, you may have to pay the \$500 difference. (This is called **balance billing**.)
- This plan may encourage you to use In Network **providers** by charging you lower **deductibles**, **copayments** and **coinsurance** amounts.

Common Medical Event	Services You May Need	Your cost if you use an In Network Provider	Your cost if you use an Out-of-Network Provider	Limitations & Exceptions
If you visit a health care <b>provider's</b> office or clinic	Primary care visit to treat an injury or illness	\$30 copay per visit	20% coinsurance after deductible	—————none—————
	Specialist visit	\$50 copay per visit	20% coinsurance after deductible	—————none—————
	Other practitioner office visit	\$50 copay per visit	20% coinsurance after deductible	Chiropractic Services are limited to 12 visits per year
	Preventive care/screening/immunization	No Charge	20% coinsurance after deductible	For additional details, please see your subscriber agreement or visit <a href="http://www.BCBSRI.com/providers/policies">www.BCBSRI.com/providers/policies</a>
If you have a test	Diagnostic test (x-ray, blood work)	No Charge	20% coinsurance after deductible	Preauthorization is recommended for certain services
	Imaging (CT/PET scans, MRIs)	No Charge after deductible	20% coinsurance after deductible	Preauthorization is recommended

Common Medical Event	Services You May Need	Your cost if you use an In Network Provider	Your cost if you use an Out-of-Network Provider	Limitations & Exceptions
<b>If you need drugs to treat your illness or condition</b>  More information about <b>prescription drug coverage</b> is available at <a href="http://www.BCBSRI.com">www.BCBSRI.com</a> .	Tier 1 generally low cost generic drugs	\$10 copay per prescription (retail) \$25 copay per prescription (mail-order)	Not covered	No Charge for certain preventive drugs
	Tier 2 generally high cost generic and preferred brand name drugs	\$35 copay per prescription (retail) \$87.50 copay per prescription (mail-order)	Not covered	Preauthorization is required for certain drugs
	Tier 3 non- preferred brand name drugs	\$60 copay per prescription (retail) \$150 copay per prescription (mail-order)	Not covered	Preauthorization is required for certain drugs
	Tier 4 specialty prescription drugs	\$100 copay per prescription (specialty pharmacy only)	50% coinsurance	Preauthorization is required for certain drugs; Infertility drugs: 20% coinsurance
<b>If you have outpatient surgery</b>	Facility fee (e.g., ambulatory surgery center)	No Charge after deductible	20% coinsurance after deductible	Preauthorization is recommended
	Physician/surgeon fees	No Charge after deductible	20% coinsurance after deductible	—————none—————
<b>If you need immediate medical attention</b>	Emergency room services	\$200 copay per visit	\$200 copay per visit	Copay waived if admitted
	Emergency medical transportation	\$50 copay per trip	\$50 copay per trip	—————none—————
	Urgent care	\$50 copay per urgent care center visit	\$50 copay per urgent care center visit	Applies to the visit only. If additional services are provided additional out of pockets costs would apply based on services received.

Common Medical Event	Services You May Need	Your cost if you use an In Network Provider	Your cost if you use an Out-of-Network Provider	Limitations & Exceptions
<b>If you have a hospital stay</b>	Facility fee (e.g., hospital room)	No Charge after deductible	20% coinsurance after deductible	45 day limit at an inpatient rehabilitation facility; Preauthorization is recommended.
	Physician/surgeon fee	No Charge after deductible	20% coinsurance after deductible	—————none—————
<b>If you have mental health, behavioral health, or substance abuse needs</b>	Mental/Behavioral health outpatient services	\$50 copay/office visit No Charge after deductible for outpatient services	20% coinsurance after deductible/office visit 20% coinsurance after deductible for outpatient services	Preauthorization is recommended for certain services
	Mental/Behavioral health inpatient services	No Charge after deductible	20% coinsurance after deductible	Preauthorization is recommended
	Substance use disorder outpatient services	\$50 copay/office visit No Charge after deductible for outpatient services	20% coinsurance after deductible/office visit 20% coinsurance after deductible for outpatient services	Preauthorization is recommended for certain services
	Substance use disorder inpatient services	No Charge	20% coinsurance after deductible	Preauthorization is recommended
<b>If you are pregnant</b>	Prenatal and postnatal care	No Charge after deductible	20% coinsurance after deductible	—————none—————
	Delivery and all inpatient services	No Charge after deductible	20% coinsurance after deductible	Preauthorization is recommended

Common Medical Event	Services You May Need	Your cost if you use an In Network Provider	Your cost if you use an Out-of-Network Provider	Limitations & Exceptions
<b>If you need help recovering or have other special health needs</b>	Home health care	No Charge after deductible	20% coinsurance after deductible	—————none—————
	Rehabilitation services	20% coinsurance after deductible	20% coinsurance after deductible	Includes Physical, Occupational and Speech Therapy. Physical and Occupational Therapy is limited to 30 visits; preauthorization is recommended after the first 10 visits; (combined for in and out of network). Speech Therapy preauthorization is recommended for all visits
	Habilitative services	20% coinsurance after deductible	20% coinsurance after deductible	Includes Physical/Occupational and Speech Therapy. Physical and Occupational Therapy is limited to 30 visits; preauthorization is recommended after the first 10 visits; (combined for in and out of network). Speech Therapy preauthorization is recommended for all visits
	Skilled nursing care	No Charge after deductible	20% coinsurance after deductible	Preauthorization is recommended; Custodial Care is not covered
	Durable medical equipment	20% coinsurance after deductible	20% coinsurance after deductible	Preauthorization is recommended for certain services.
	Hospice service	No Charge after deductible	20% coinsurance after deductible	Preauthorization is recommended
<b>If your child needs dental or eye care</b>	Eye exam	\$50 copay	20% coinsurance after deductible	Limited to one routine eye exam per year.
	Glasses	Not Covered	Not Covered	—————none—————
	Dental check-up	Not Covered	Not Covered	—————none—————

## Excluded Services & Other Covered Services:

### Services Your Plan Does NOT Cover (This isn't a complete list. Check your policy or plan document for other excluded services.)

- Abortion services
- Acupuncture
- Any services related to sterilization
- Contraceptive services-Plan B is not covered
- Cosmetic surgery
- Dental care (Adult)
- Dental check-up, child
- Glasses, child
- Long-term care
- Routine foot care unless to treat a systemic condition
- Vasectomies or Tubal ligations
- Weight loss programs

### Other Covered Services (This isn't a complete list. Check your policy or plan document for other covered services and your costs for these services.)

- Bariatric Surgery
- Chiropractic care
- Hearing aids
- Infertility treatment
- Most coverage provided outside the United States. Contact Customer Service for more information.
- Private-duty nursing
- Routine eye care (Adult)

## Your Rights to Continue Coverage:

If you lose coverage under the plan, then, depending upon the circumstances, Federal and State laws may provide protections that allow you to keep health coverage. Any such rights may be limited in duration and will require you to pay a premium, which may be significantly higher than the premium you pay while covered under the plan. Other limitations on your rights to continue coverage may also apply.

For more information on your rights to continue coverage, contact the plan at 1-800-639-2227 or (401) 459-5000 or TDD 1-888-252-5051. You may also contact your state insurance department at (401) 462-9520 or by email at [HealthInsInquiry@ohic.ri.gov](mailto:HealthInsInquiry@ohic.ri.gov), the U.S. Department of Labor, Employee Benefits Security Administration at 1-866-444-3272 or [www.dol.gov/ebsa](http://www.dol.gov/ebsa), or the U.S. Department of Health and Human Services at 1-877-267-2323 x61565 or [www.cciio.cms.gov](http://www.cciio.cms.gov).

## Your Grievance and Appeals Rights:

If you have a complaint or are dissatisfied with a denial of coverage for claims under your plan, you may be able to appeal or file a grievance. For questions about your rights, this notice, or assistance, you can contact your state insurance department at (401) 462-9520 or by email at

HealthInsInquiry@ohic.ri.gov, the U.S. Department of Labor, Employee Benefits Security Administration at 1-866-444-3272 or [www.dol.gov/ebsa](http://www.dol.gov/ebsa), or the U.S. Department of Health and Human Services at 1-877-267-2323 x61565 or [www.cciio.cms.gov](http://www.cciio.cms.gov).

## Does this Coverage Provide Minimum Essential Coverage?

The Affordable Care Act requires most people to have health care coverage that qualifies as “minimum essential coverage.” **This plan or policy does provide minimum essential coverage.**

## Does this Coverage Meet the Minimum Value Standard?

The Affordable Care Act establishes a minimum value standard of benefits of a health plan. The minimum value standard is 60% (actuarial value). **This health coverage does meet the minimum value standard for the benefits it provides.**

## Language Access Services:

Para obtener asistencia en Español, llame al 1-800-639-2227.

Kung kailangan ninyo ang tulong sa Tagalog tumawag sa 1-800-639-2227.

如果需要中文的帮助，请拨打这个号码 1-800-639-2227.

Dinek'ehgo shika at'ohwol ninisingo, kwijigo holne' 1-800-639-2227.

---

*To see examples of how this plan might cover costs for a sample medical situation, see the next page.*

---



## About these Coverage Examples:

These examples show how this plan might cover medical care in given situations. Use these examples to see, in general, how much financial protection a sample patient might get if they are covered under different plans.



### This is not a cost estimator.

Don't use these examples to estimate your actual costs under this plan. The actual care you receive will be different from these examples, and the cost of that care will also be different.

See the next page for important information about these examples.

### Having a baby (normal delivery)

- Amount owed to providers: \$7,540
- Plan pays \$2,470
- Patient pays \$5,070

#### Sample care costs:

Hospital charges (mother)	\$2,700
Routine obstetric care	\$2,100
Hospital charges (baby)	\$900
Anesthesia	\$900
Laboratory tests	\$500
Prescriptions	\$200
Radiology	\$200
Vaccines, other preventive	\$40
<b>Total</b>	<b>\$7,540</b>

#### Patient pays:

Deductibles	\$5,000
Copays	\$40
Coinsurance	\$0
Limits or exclusions	\$30
<b>Total</b>	<b>\$5,070</b>

### Managing type 2 diabetes (routine maintenance of a well-controlled condition)

- Amount owed to providers: \$5,400
- Plan pays \$3,560
- Patient pays \$1,840

#### Sample care costs:

Prescriptions	\$2,900
Medical Equipment and Supplies	\$1,300
Office Visits and Procedures	\$700
Education	\$300
Laboratory tests	\$100
Vaccines, other preventive	\$100
<b>Total</b>	<b>\$5,400</b>

#### Patient pays:

Deductibles	\$1,300
Copays	\$500
Coinsurance	\$0
Limits or exclusions	\$40
<b>Total</b>	<b>\$1,840</b>

These examples are based on coverage for an individual plan.

## Questions and answers about the Coverage Examples:

### What are some of the assumptions behind the Coverage Examples?

- Costs don't include **premiums**.
- Sample care costs are based on national averages supplied by the U.S. Department of Health and Human Services, and aren't specific to a particular geographic area or health plan.
- The patient's condition was not an excluded or preexisting condition.
- All services and treatments started and ended in the same coverage period.
- There are no other medical expenses for any member covered under this plan.
- Out-of-pocket expenses are based only on treating the condition in the example.
- The patient received all care from in-network **providers**. If the patient had received care from out-of-network **providers**, costs would have been higher.

### What does a Coverage Example show?

For each treatment situation, the Coverage Example helps you see how **deductibles**, **copayments**, and **coinsurance** can add up. It also helps you see what expenses might be left up to you to pay because the service or treatment isn't covered or payment is limited.

### Does the Coverage Example predict my own care needs?

✘ **No.** Treatments shown are just examples. The care you would receive for this condition could be different based on your doctor's advice, your age, how serious your condition is, and many other factors.

### Does the Coverage Example predict my future expenses?

✘ **No.** Coverage Examples are **not** cost estimators. You can't use the examples to estimate costs for an actual condition. They are for comparative purposes only. Your own costs will be different depending on the care you receive, the prices your **providers** charge, and the reimbursement your health plan allows.

### Can I use Coverage Examples to compare plans?

✓ **Yes.** When you look at the Summary of Benefits and Coverage for other plans, you'll find the same Coverage Examples. When you compare plans, check the "Patient Pays" box in each example. The smaller that number, the more coverage the plan provides.

### Are there other costs I should consider when comparing plans?

✓ **Yes.** An important cost is the **premium** you pay. Generally, the lower your **premium**, the more you'll pay in out-of-pocket costs, such as **copayments**, **deductibles**, and **coinsurance**. You should also consider contributions to accounts such as health savings accounts (HSAs), flexible spending arrangements (FSAs) or health reimbursement accounts (HRAs) that help you pay out-of-pocket expenses.

**Questions:** Call 1-800-639-2227 or (401) 459-5000 or TDD 1-888-252-5051 or visit us at [www.BCBSRI.com](http://www.BCBSRI.com). If you aren't clear about any of the bolded terms used in this form, see the Glossary. You can view the Glossary at [www.BCBSRI.com](http://www.BCBSRI.com) or call 1-800-639-2227 or (401) 459-5000 or TDD 1-888-252-5051 to request a copy.

**Attestation**

I, Cindra Syverson, hereby attest as follows:

1. I am a Senior Vice President and the Chief Human Resources Officer for Prospect Medical Holdings, Inc. ("PMH"). I make this attestation on my personal knowledge and on the basis of my review of the business records of PMH.

2. The benefit levels provided to Prospect CharterCARE, LLC employees from upon the closing of the transaction in June 2014 was substantially the same as the benefits provided immediately prior to the acquisition

I hereby certify that the information contained in this attestation is complete, accurate and true to the best of my knowledge and information. Executed on July 16, 2020



---

---

**Attestation**

I, Cindra Syverson, hereby attest as follows:

1. I am a Senior Vice President and the Chief Human Resources Officer for Prospect Medical Holdings Inc. ("PMH"). I make this attestation on my personal knowledge and on the basis of my review of the business records of PMH.

2. The Human Resources Policy on Reduction in Staff has an effective date of 1/1/2014, remained in place and followed for one year after the closing date.

I hereby certify that the information contained in this attestation is complete, accurate and true to the best of my knowledge and information. Executed on July 16, 2020



\_\_\_\_\_

## CCHP Community Benefits Activity

Vendor/ Event Name	Date	Detail
Salve Regina University	7/16/2014	Charitable golf tournament
Rocky Hill School Classic	7/30/2014	Fall Classic for scholarships
RI Shriners	8/10/2014	Summer time festival and fundraiser
PBN Healthcare Summit	9/10/2014	healthcare summit and education symposium sponsor
RI Assisted Living Assoc	9/24/2014	annual health care seminar andb tradeshow
Family Service of RI	10/1/2014	annual fundraising luncheon sponsorship
Mt. Saint Rita Health Centre	10/31/2014	Health fair sponsor
RI Kids Count	11/7/2014	Fall legislative luncheon
Brain Injury Associarion of RI	1/30/2015	annual fundraising dinner
American Heart Association	1/30/2015	Annual fundraising campaign Go red for Women
Leading Age	2/5/2015	conference and tradeshow sponsorship
Reach Our and Read RI	4/23/2015	Fundraising event to support book purchases and donations
AMERICAN LIVER FOUNDATION	7/8/2015	supported by digestive diseases center/walkers/booth
RONALD MCDONALD HOUSE OF	7/22/2015	luncheon and health information
ARTHRITIS FOUNDATION	7/23/2015	information booth
PROGRESO LATINO INC	8/3/2015	supporting cancer and health center services
SOCIO-ECONOMIC DEVELOPMENT CENTER	8/11/2015	southeast asian support center working with st. joe's health center
CROSSROADS RHODE ISLAND	8/12/2015	working to provide health services to clients, from dental to ER
RHS CATCH THE WAVE	8/18/2015	health information/exhibit
RI PC	8/24/2015	RI primary care assoc/health info
HOME & HOSPICE CARE OF RHODE ISLAND	8/24/2015	informational booth
RIALA	8/31/2015	exhibit booth
GLORIA GEMMA FOUNDATION	9/4/2015	RW cancer center booth
RI PUBLIC EXPENDITURE COUNCIL	9/15/2015	health information
THE IZZY FOUNDATION	9/15/2015	supporting childrean d families with cancer
SOUTHSIDE COMMUNITY LAND TRUST	9/18/2015	fundraiser supporting south providence organization by St. Joes
RI FREE CLINIC	9/29/2015	partner with health center for medical and dental
HOSPITAL ASSOC OF RI	10/13/2015	health info/table
AMERICAN HEALTH RESOURCES	10/23/2015	health information/exhibit
DIABETES EDUCATION PARTNERS	10/27/2015	supports fatima's role as Joint Commission certified diabetes program
RI KIDS COUNT	10/30/2015	work with St. Joe's health and dental center
SMARC	11/4/2015	family advocacy network
THE TOMORROW FUND	11/18/2015	in conjunction with rwmc cancer center
ST. PIUS V SCHOOL	11/24/2015	fatima neighborhood partner
AMERICAN HEART ASSOCIATION	11/30/2015	supporting CCHP cardiology program and outreach
RIAFSA	12/22/2015	Leading Age/adult day services information exhibit
RIALA	1/7/2016	assisted living association partnership
CMSNE	1/7/2016	sponsorship
RIALA	1/7/2016	informational booth/exhibit
RIHCA	1/13/2016	booth and education
AMERICAN HEART ASSOCIATION	1/25/2016	lead sponsor and walking team, and health education booth
BIARI	2/3/2016	supporting work in neurosurgery and rehab programs
LEADERSHIP RHODE ISLAND	2/4/2016	helping to develop future health care leaders
RI KIDS COUNT	2/17/2016	works with health and dental center
RI MEDICAL SOCIETY	2/23/2016	sponsorship and health information
RHODE ISLAND METRO EMS	3/2/2016	EMS outreach and education
SOCIO-ECONOMIC DEVELOPMENT CENTER	3/3/2016	southeast asian support center working with st. joe's health center
PAWTUCKET FOUNDATION	3/8/2016	supporting porgram and services in pawtuck/central falls areas
COMMUNITY SHOWCASE BANNERS, LLC	3/9/2016	servng town of north providence
AMERICAN LIVER FOUNDATION	3/24/2016	supporting digestive disease related outreach
IMMUNIZATION MATTERS	4/7/2016	RI partnership to reduce cancer
IMMUNIZATION MATTERS	4/7/2016	RI partnership to reduce cancer
REACH OUT AND READ RI	4/12/2016	provides books for pediatric patients at health center
RI PROFESSIONAL LATINO ASSOC.	4/13/2016	supports Latino education and outreach efforts

## CCHP Community Benefits Activity

Vendor/ Event Name	Date	Detail
JOHNSON & WALES UNIVERSITY	5/2/2016	sponsorship related to health center support
RI FREE CLINIC	5/11/2016	partner with st. joe's health center/located on campus
THE PROVIDENCE COMMUNITY	5/17/2016	works with our dental outreach program
CROSSROADS RHODE ISLAND	5/27/2016	servicing homeless adults in metro providence
HOPE ALZHEIMER'S CENTER	5/27/2016	cranston-based dementia program
GLORIA GEMMA FOUNDATION	6/6/2016	riverwalk event and booth
RHODE ISLAND METRO EMS	6/7/2016	education and health information exhibit
RI BUSINESS DEVELOPMENT INSTITUTE	6/16/2016	workign with african american community/outreach
RONALD MCDONALD HOUSE OF	6/22/2016	servicing children and families with cancer
RHODE ISLAND COMMUNITIES	7/5/2016	
ROCKY HILL SCHOOL, INC.	7/7/2016	health information table
SMARC	7/13/2016	family advocacy network
OLNEYVILLE HOUSING CORPORATION	7/14/2016	servicing disadvantaged families in prov
RHODE ISLAND ASSISTED LIVING	7/21/2016	HEALTH INFORMATION
RIPCA	8/22/2016	Ri primary care assoc
SOUTHSIDE COMMUNITY LAND TRUST	8/25/2016	focused on community partnerships/community garden in south prov
RI PUBLIC EXPENDITURE COUNCIL	9/1/2016	sponsorship
RI MEDICAL SOCIETY	9/12/2016	information and recruitment
AMERICAN CANCER SOCIETY	9/12/2016	research and education breakfast/speakers/health info
ACCESS POINT RI	9/13/2016	assisting in treating adults with disabilities
GLORIA GEMMA FOUNDATION	9/20/2016	cancer prevention programming and services
RI BUSINESS DEVELOPMENT INSTITUTE	9/20/2016	working with the african american community
RI BRAIN & SPINE TUMOR	9/27/2016	research and related services and support groups
RI KIDS COUNT	9/30/2016	advocating for children's services/works with health center
PROVIDENCE JOURNAL COMPANY	10/25/2016	health exhibit/booth
NP SENIOR CENTER	11/18/2016	programs and services for elderly residents
RHODE ISLAND SOCIETY OF HEALTH	1/5/2017	health information
RHODE ISLAND ASSISTED LIVING	1/18/2017	health information
RIAFSA	1/23/2017	Leading Age/health info/exhibit
ALZHEIMER'S ASSOCIATION	1/24/2017	dementia care works with BH
RI MEDICAL SOCIETY	1/25/2017	health info
AMERICAN HEART ASSOCIATION	2/2/2017	supports cardiology services and outreach
RI KIDS COUNT	2/13/2017	children's advocacy
BIARI	2/16/2017	brain injury association and related support services
AMERICAN LIVER FOUNDATION	2/21/2017	health information and walk team
RI BUSINESS DEVELOPMENT INSTITUTE	2/23/2017	health information/sponsorship/table
GREATER PROVIDENCE YOUNG MENS	3/1/2017	servicing children and young adults in metro prov
AMERICAN HEART ASSOCIATION	3/20/2017	table exhibit and walkers
RHODE ISLAND METRO EMS	3/22/2017	health information booth
AMERICAN COLLEGE OF PHYSICIANS	4/27/2017	exhibit booth
BUTTON HOLE	5/25/2017	sponsorship/health information
SMITH HILL COMMUNITY DEVELOPMENT	6/1/2017	RWMC neighborhood organization support families and individuals
ROCKY HILL SCHOOL, INC.	6/14/2017	health information/sponsorship/table
COLON CANCER ALLIANCE, INC.	7/16/2017	health information
ALZHEIMER'S ASSOCIATION	7/24/2017	health information/annualship/table
RHODE ISLAND ASSISTED LIVING	7/24/2017	exhibit booth
PHOENIX HOUSES OF NEW ENGLAND INC.	8/15/2017	addiction recovery program working with rwmc
JOHNSON & WALES UNIVERSITY	8/30/2017	support information
RI PUBLIC EXPENDITURE COUNCIL	9/26/2017	health information/annualship/table
RI KIDS COUNT	10/2/2017	advocating for children's services
AMERICAN CANCER SOCIETY	10/5/2017	sponsorship information
ACCESS POINT RI	10/13/2017	servicing adults with disabilities
RI FREE CLINIC	10/16/2017	partner with health center/working to collaborate care services
MISC VENDOR	10/18/2017	rhode information

## CCHP Community Benefits Activity

Vendor/ Event Name	Date	Detail
PROVIDENCE JOURNAL BULLETIN	10/18/2017	major booth/exhibit and screenings
ROCKY HILL SCHOOL, INC.	10/19/2017	sponsorship information
RI BRAIN & SPINE TUMOR	10/20/2017	research and related information and programs
NP SENIOR CENTER	11/8/2017	11/21/2017
		3058 information
RHODE ISLAND ASSISTED LIVING	2/2/2018	exhibit booth
RIAFSA	2/14/2018	health education/information/booth
RI FREE CLINIC	2/27/2018	north providence facility and program serving displaced children
RI KIDS COUNT	2/28/2018	working with st. joe's health center to increase access
MEDMATES INC.	3/5/2018	life sciences/health info & research
THE LIGHT FOUNDATION	3/14/2018	helping families and veterans
GREATER PROVIDENCE YOUNG MENS	3/23/2018	outreach to children and families in south prov
RHODE ISLAND METRO EMS	3/27/2018	health information/annuarhship/table
RHODE ISLAND COMMERCE CORPORATION	4/4/2018	exhibit booth for cancer trials and research
ST. PIUS V SCHOOL	4/10/2018	centennial information
AMERICAN LIVER FOUNDATION	4/22/2018	GI exhibit/booth
BUTTON HOLE	5/4/2018	health information/sponsbuship/table
THE PROVIDENCE COMMUNITY	6/5/2018	Providence community health center/dental partner
CROSSROADS RHODE ISLAND	6/8/2018	health information/supporcrship/table
THE JONNYCAKE CENTER INC.	6/11/2018	11/21/2017
PROGRESO LATINO INC	7/3/2018	advocating for latinos statewide
ACCESS POINT RI	7/23/2018	meeting the needs of adults with disabilities
RHODE ISLAND ASSISTED LIVING	8/6/2018	annual information
RHODE ISLAND BUSINESS GROUP	8/8/2018	health information/supporhship/table
RALLY4RECOVERY RI, INC	8/16/2018	providing addiction relating health and information
ROCKY HILL SCHOOL, INC.	8/20/2018	support information
RI BUSINESS DEVELOPMENT INSTITUTE	8/20/2018	outreach to the african american community
ALZHEIMER'S ASSOCIATION	9/10/2018	exhibit booth and walkers
RI PUBLIC EXPENDITURE COUNCIL	9/10/2018	health information/annuariship/table
RI FREE CLINIC	9/12/2018	providing care and services to uninsured patients
GLORIA GEMMA FOUNDATION	9/18/2018	exhibit booth
AMERICAN LIVER FOUNDATION	9/21/2018	advocating for research and treatment for digetsive disease
FAMILY SERVICE OF RI INC	9/21/2018	health and supportive srevices for disadvantaged familes
RI BRAIN & SPINE TUMOR	9/30/2018	tabletop display
RI KIDS COUNT	10/19/2018	supports health center related acitivies/dental/immunizations
AMERICAN CANCER SOCIETY	10/26/2018	cancer physician speakers
NP SENIOR CENTER	12/7/2018	supports programs and services for seniors
ST. MARY'S HOME FOR CHILDREN	12/10/2018	unique program subsidizing transporation for families to visit residents



A Community Health Publication for Employees of Roger Williams Medical Center

Roger Williams

MEDICAL CENTER

# UPDATE

A Regional Health Care Network

Roger Williams Medical Center

Our Lady of Fatima Hospital

Elmhurst Extended Care

Roger Williams Cancer Center

St. Joseph Health Center

Prospect Provider Group of Rhode Island

CharterCARE Medical Associates

August 2015

## CharterCARE team members provide screenings, health information at "National Night Out"

Health professionals from CharterCARE were again on hand to provide screenings and health information to hundreds of community members at the "National Night Out" event sponsored by the North Providence Police Department. Caregivers and support staff from Roger Williams, Fatima and St. Joseph Health Center conducted free skin screenings and distributed information on breast health and proper dental care. Dermatologists, residents and fellows from Roger Williams (*pictured below*) screened 91 patients this year, more than double last year's total.



### Confidential ethics hotline available

CharterCARE Health Partners offers a confidential hotline at 1-877-888-0002 for patients, visitors and staff to share concerns about potentially unethical, illegal or unsafe activity. Operated by an independent reporting service known as The Network, this service is available around-the-clock. All calls are confidential and anonymity is assured.

## Dr. Espat recognized as a "Top Cancer Doctor" by Newsweek, Castle Connolly Medical

N. Joseph Espat, MD, MS FACS, Director of the Cancer Center at Roger Williams Medical Center, has been named one of the top cancer physicians in the United States in Newsweek's "Top Cancer Doctors 2015" list. Newsweek, in conjunction with Castle Connolly Medical, published the list in a special cancer issue on July 23. Castle Connolly received nearly 100,000 peer nominations, from which 2,600 leading cancer specialists were selected for the "Top Cancer Doctors 2015" list.



In addition to serving as Director of the Cancer Center, Dr. Espat is also Chairman of the Department of Surgery and Chief of Surgical Oncology at Roger Williams. A Professor of Surgery and Assistant Dean of Clinical Affairs at Boston University School of Medicine, Dr. Espat focuses his practice on Hepatobiliary and Surgical Oncology. Dr. Espat received his fellowship training at Memorial Sloan Kettering Cancer Center in New York. He completed his residency and medical school at University of Florida College of Medicine. His clinical expertise is in the areas of liver surgery, pancreas and bile duct surgery.

## Elmhurst Extended Care hosts "Spirit of 45" celebration

Elmhurst Extended Care hosted ceremonies on August 14 recognizing the 70th anniversary of the end of World War II. Festivities included remarks from administrator Richard Gamache and chaplain Jim Willsey and a visit from the "Spirit of 45" statue. Elmhurst elder Gregory Derosiers, a Coast Guard veteran who served in World War II, was in attendance with his wife Irene.





## From the President

Dear colleague,

There was a lot of good news to share at last week's town hall meetings. As you know, it was one year ago that CharterCARE entered into a joint venture with Prospect Medical Holdings. Since then, we have seen significant growth and a number of positive trends in our system and Roger Williams specifically.



On the quality front, we continue to do very well. One example is the HCAHPS (Hospital Consumer Assessment of Healthcare Providers and Systems) surveys that allow patients to rank hospitals from 1-5 on topics related to patient satisfaction. Roger Williams was one of only two hospitals in Rhode Island to receive four stars in the HCAHPS ratings from June 2013 to June 2014. This should be a tremendous source of pride for our entire team because it means we are meeting the needs of our patients by delivering excellent care. At the same time, we continue to perform well on our core measures and outcomes related to cost and quality which also has a positive impact on our bottom line.

The trust that the community places in us has been apparent through the volume we are seeing in medical/surgical cases, the emergency department, and both inpatient and outpatient visits. In some cases, the growth has been more than 20% as compared to last year.

As we have worked through this joint venture, there have been challenges. Some employees raised issues about our health insurance during the forums and our human resources team is working to address those concerns and improve the plans we offer going forward. Additionally, we will continue to work on improving communication.

I am especially pleased by new partnerships we have formed and our collective and continued focus on quality and financial improvements. We are in a much stronger position now than we were a year ago. Thank you to everyone who attended our town hall meetings and thank you to everyone who has made quality care such an important focus at Roger Williams.

*Kim O'Connell*

Kimberly O'Connell  
President

## Roger Williams and Orthopaedic Associates included in Robert Wood Johnson-funded study

Roger Williams Medical Center and Orthopaedic Associates will be included in an upcoming Robert Wood Johnson Foundation-funded study focused on hospitals that deliver high quality and low cost care. The project will be conducted by the Clinical Excellence Research Center at Stanford School of Medicine with a goal of building greater understanding and adoption of care that is focused on both exceptional quality and low cost. Representatives from Stanford conducted a two-day site visit on June 10-11 including tours of clinical areas and meetings with key clinical and administrative leaders. It is expected that their findings will be published nationally upon completion of the study. Congratulations to the team members from Orthopaedic Associates and Roger Williams Medical Center on this outstanding recognition.

## Sleep Disorders Center accredited for five years

The American Academy of Sleep Medicine (AASM) has accredited the Sleep Disorders Center at Roger Williams for five years. AASM accreditation is the gold standard by which the medical community and the public can evaluate sleep medicine services. The Standards for Accreditation ensure that sleep medicine providers display and maintain proficiency in areas such as testing procedures and policies, patient safety and follow-up, and physician and staff training. The Sleep Disorders Center is located at 1539 Atwood Avenue in Johnston and can be reached at 351-2747.

## CharterCARE gives back through charity walks

Teams from CharterCARE and its affiliates have been busy supporting worthwhile causes in the community. On May 17, a

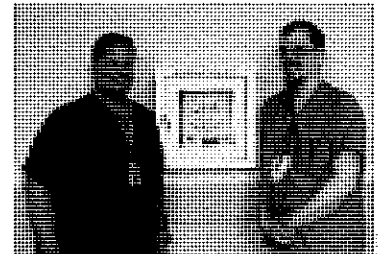


team took part in the 2015 Liver Life Walk at Goddard State Park. Dr. Alan Epstein, director of the Department of Gastroenterology, was the walk's medical chairman. On June 7, a CharterCARE team participated in the American Heart

Association's Heart Walk, which kicked off in Station Park in Providence. Keri Kinniburgh, an occupational therapist assistant with The Southern New England Rehabilitation Center at Fatima Hospital, spearheaded the efforts in organizing the Heart Walk team.

## Resuscitation policy and AEDs saving lives

Earlier this year, staff at Roger Williams used an Automated External Defibrillator (AED) to save a co-worker's life. This incident emphasizes the importance of knowing the locations and procedures related to the use of AEDs. Outpatient hospital areas with AEDs include the rear of the cafeteria, outside Kay Auditorium, main lobby, diagnostic wing hallway, shipping and receiving area, and outside of the print shop. All employees are encouraged to visit the intranet and read policy #B-36 to learn more about roles and responsibilities during a resuscitation. Nursing staff members David Robey, RN, and Joe Kern, RN, pose here with one of the AEDs.



## RWMC again a sponsor of Rally4Recovery

Roger Williams is once again a sponsor of the Rally4Recovery on September 13 from 2:00 p.m.--7:00 p.m. at Roger Williams National Memorial Park in Providence. The Rally4Recovery is Rhode Island's largest celebration honoring National Recovery Month every September. It has grown each year since it was first held in 2003. Holding the event gives a voice to people in recovery and tells the public that treatment does work and recovery is possible. In 2013, the Providence Rally4Recovery served as the 2013 National Hub Event for Recovery celebrations taking place across the country.

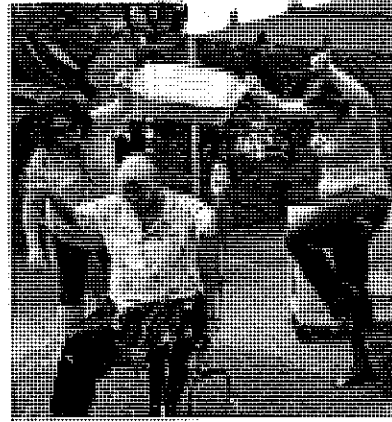
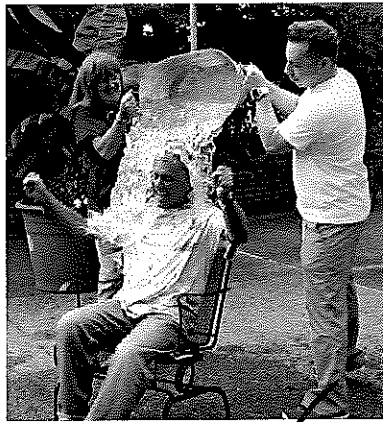
## Rally4Recovery

## Dr. Saied Calvino joins Surgical Oncology Division at Roger Williams

(cont'd from p. 1) pathways in pancreatic cancer. He was recently awarded with the best research presentation at the Rhode Island Chapter of the American College of Surgery research forum. His clinical research focus is in quality outcomes research and disparities in cancer care. He has been an author on multiple peer reviewed articles and is a member of multiple scientific societies, including the American College of Surgeons, the Society of Surgical Oncology, and the Americas Hepato-Pancreato-Biliary Association.

## Elmhurst staff takes Ice Bucket Challenge

Several members of the Elmhurst Extended Care staff including Dr. Vincent Perrelli, Deb Lambert, RN, and administrator Richard Gamache recently took part in the ALS Ice Bucket Challenge to benefit the ALS Association.



## CharterCARE team members again deliver screenings and health information at "National Night Out"

On August 5, CharterCARE Health Partners once again delivered a variety of health screenings and wellness information at the second annual "National Night Out." This event, sponsored by the North Providence Police Department, was attended by more than 500 people. Screenings were offered for skin cancer, oral cancer and other dental diseases. Education and prevention materials were available for smoking cessation, dental hygiene, diabetes, stroke, and breast cancer. Dermatology team members screened more than 35 people. Thank you to all the team members who helped provide this valuable service to the community.



## Dr. Toubia part of winning USTA tournament team

Dr. Nabil Toubia from the Division of Gastroenterology at Roger Williams was part of a team that recently won the New England section for the United States Tennis Association's 3.5 Men's 40 and above team competition. The team will now represent New England, one of 17 sections in the United States in the 40 and above age group, at the national tournament in Tucson, Arizona from October 30-November 2. Dr. Toubia is pictured here in the top row, second from the right.

## SNERC conference focused on MS and Parkinson's Disease

"Advances in Rehabilitation for Multiple Sclerosis & Parkinson's Disease" is the subject of the 21<sup>st</sup> Annual Professional Development Conference sponsored by the Southern New England Rehabilitation Center at Fatima Hospital on September 12, 2014 at the Crowne Plaza. This annual conference provides a professional forum for discussing complex therapeutic issues in rehabilitation. This year's focus will be on the challenges of caring for patients with multiple sclerosis and Parkinson's disease. Along with several educational workshops, there will also be a special guest luncheon speaker. Continuing education credits and hours are available. To register, please visit [www.snerc.com](http://www.snerc.com) or call 456-2323.

PCC-006879

## White Mass celebrated on October 19



The Rhode Island Catholic Medical Society invites all physicians, health care professionals and workers, their families and patients to the 2016 White Mass, which refers to the traditional color of the garb worn by medical professionals. The mass will be celebrated by Reverend Timothy Reilly, Chancellor of the Diocese of Providence. The mass takes place on Wednesday, October 19 at 7 p.m. in the chapel at Fatima Hospital. A light reception will immediately follow the Mass in the hospital cafeteria. Reservations are not required, but are appreciated. For information and to RSVP, please call (401) 272-4838 or respond to CathMedRI@yahoo.com.

## Department of Behavioral Health celebrates Rally4Recovery



The Department of Behavioral Health at CharterCARE was a sponsor of the Rhode Island Rally4Recovery, which took place on September 17 at the Roger Williams National Memorial in Providence. This event is Rhode Island's largest celebration honoring National Recovery Month. Staff had the opportunity to meet with colleagues in the field, while networking with potential providers and patients who were excited to hear about new services we are offering. Thank you to the members of our Addiction Services Center, Center-1, and Dual Diagnosis for your commitment to those in recovery.

## Blood Bank reaccredited by AABB, CAP

The Roger Williams Medical Center Blood Bank has been reaccredited by the American Association of Blood Banks (AABB) and the College of American Pathologists (CAP) for a two year period following a survey on September 13 and 14. Roger Williams' participation in the AABB and the CAP accreditation program represents a strong commitment to quality outcomes and patient safety. The assessors specifically commented that staff was committed to their work and enjoyed working for Roger Williams. They also noted that policies and processes were well-organized, and that the organization is well-maintained and interacts very well with the Blood Bank. The joint AABB/CAP inspection process is rigorous and is focused on quality and the operational systems assessment is designed to encourage innovation in quality improvement. Thank you to the entire staff with special recognition for Gina Conti, MLS(ASCP)CM, Blood Bank Supervisor, Maria Tavares, MLS (ASCP), Senior Medical Technologist, Pamela DiQuattro, MLS(ASCP), Blood Bank Technologist, and Dr. Joseph Sweeney, medical director of the Blood Bank.



CharterCARE among leading fundraisers at Alzheimer's Walk



CharterCARE was among the top five corporate fundraising teams from Rhode Island in the 2016 Alzheimer's Walk, which took place on September 25. Thank you to all our team members, donors, and walk captains Dr. Joseph Samartano from Fatima Hospital and St. Joseph Health Center and Darlene Kershaw, RN, from Roger Williams Medical Center.

Save the date for the 8th Annual Safety Fair at Roger Williams on Friday, September 30 from 6:30 a.m. to 4:30 p.m. in Kay Auditorium. This fair is a great way to stay updated on annual competencies and visit booths dedicated to a number of safety/quality related topics including updated emergency codes, recognizing the behavior of high risk patients, Catheter-Associated Urinary Tract Infections, Joint Commission readiness, patient ID, and much more.

## CharterCARE Announces New Appointments



Dr. Kalpana Polu has been appointed Medical Director of Integrated Behavioral Health for CharterCARE Health Partners. Dr. Polu joined us in 2017 as medical director of behavioral health at Fatima and staff psychiatrist for the long-term behavioral health unit (LTBHU). In her new and expanded role, she will oversee all medical

staff affairs for CharterCARE's behavioral health program, including the implementation of all clinical and operational aspects required to fully integrate behavioral health services offered across the system. Dr. Polu will also oversee quality performance and accreditation requirements for all behavioral health services.

Board certified in child, adult and general psychiatry, Dr. Polu graduated from Osmania Medical College in India, and completed her residency at Austin State Hospital in Texas. She has held staff psychiatry positions in Texas, as well as at Arbor Fuller Hospital and Southcoast Health in Massachusetts. Throughout her career, Dr. Polu has been

an advocate for access to behavioral health services and for the development of integrated care that is provided by multidisciplinary clinical teams.



Gina Detty, CPMSM, has been named Director, Medical Staff Office, Physician Quality and Education at CharterCARE, effective immediately. Gina has served as credentialing manager for the last three years at CharterCARE, working closely with the medical staff leadership and establishing best practices for credentialing, compliance

and record reporting. In this expanded role, she will focus on quality improvement initiatives related to the medical staff and medical staff services, including process improvement, development of policies and procedures, physician education and information exchange. Gina has more than 20 years of healthcare experience in hospital and medical office environments. Prior to joining CharterCARE, she served as manager for medical staff services at Baptist Health System in Texas.

## Stroke Survivors Celebrate Over the Holidays

Former patients and staff at the Southern New England Rehabilitation Center at Fatima recently gathered for the holiday Stroke Support Group celebration. This annual event encourages socialization and camaraderie during a season that may be challenging for some stroke survivors. It also allows patients on the unit to see firsthand that there is "life after stroke".



## School of Nursing Gives Back

Students from the St. Joseph School of Nursing contributed a number of gifts to the Salve Regina Angel Tree (at the Warwick campus) which is part of a community outreach program to benefit less fortunate children. The tree is decorated with tags listing children's names, ages, and Christmas wishes. Students may choose a tag and purchase a gift for a child, then bring it in to place under the tree. This time of year is already so hectic in general, plus they are in the middle of exams and end-of-semester stress, but still they have found time and other resources to buy presents for these needy children. Nice work!



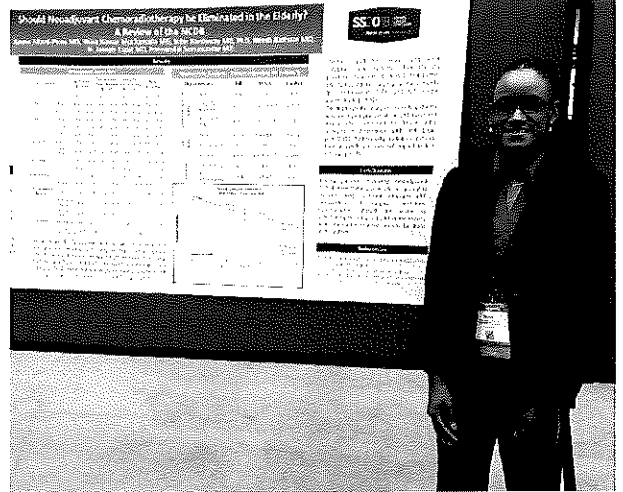
St. Joseph  
School of Nursing



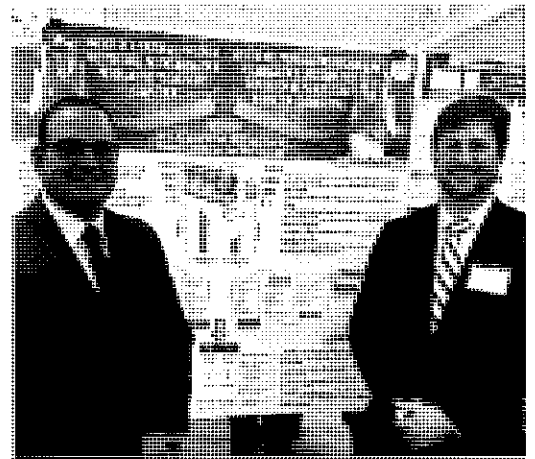
## Surgical oncology fellows from Roger Williams recognized for poster and oral presentations

Two surgical oncology fellows from Roger Williams Medical Center were recognized at recent symposiums and competitions for their presentations.

Dr. Ayana Allard Picou, second year fellow, won the Rhode Island chapter of the American College of Surgeons resident/fellow competition with an oral presentation entitled "Should Neoadjuvant Chemoradiotherapy Be Eliminated in Elderly Rectal Cancer Patients? A Review of the NCCN". The competition was held on April 10 at the Squantum Club. The geriatric oncology program, led by Dr. Ponnandai Somasundar, studied the effect of Neoadjuvant chemoradiotherapy on the elderly with rectal cancer using the National Cancer Database. Dr. Picou, who is mentored by Dr. Somasundar, is pictured here with a poster version of the presentation which she presented at the Society of Surgical Oncology Annual Cancer Symposium earlier this year in Chicago.

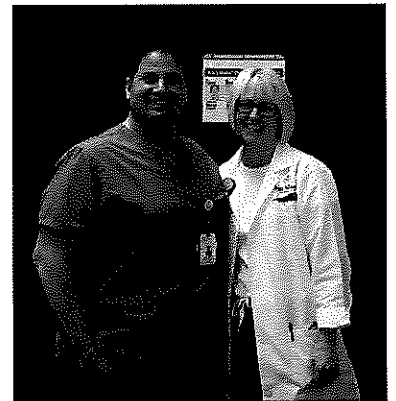


First year fellow Dr. John Hardaway was one of just four poster presenters recognized at the Annual Health Equity Symposium at Boston University on April 10. Dr. Hardaway's poster was on the topic "Impact of a Culturally-Tailored Institutional Patient-Navigation Program for Colonoscopy Completion". There was one top poster awardee and three honorable mention posters, one of which belonged to Dr. Hardaway. He presented program data under the mentorship of Dr. Abdul Saied Calvino, who is pictured on the left with Dr. Hardaway. The Boston University Medical Campus Annual Health Equity Symposium seeks to engage students, residents, fellows, healthcare professionals and community members from all disciplines to focus on issues of health equity and promote collaboration on innovative strategies to combat these inequalities.



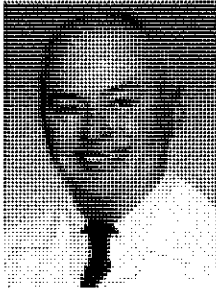
## Outreach team has an active month of April

The CharterCARE team was very busy with community outreach in April, performing blood pressure and cholesterol screenings, sharing information about our cancer, stroke, Health Center, research, dental, and behavioral health programs, and even giving away toothbrushes! Among the events where we shared our healthy message: MedMates' 2nd Annual Life Sciences Expo at the Omni Providence Hotel, the Latin Expo at the Providence Career and Training Academy, Rhode Island EMS Expo at the Crowne Plaza, and the Health and Wellness Expo at the Warwick Mall.

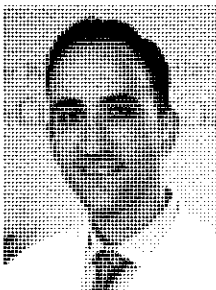


## Cancer physicians in the community

On April 25, Dr. Todd Roberts was an invited speaker at the 70th Annual Clinical Laboratory Science Convention of the American Society of Clinical Laboratory Science, Central New England chapter. Dr. Roberts, Director of the Blood and Marrow Transplant Unit and Section of Hematologic Malignancies at Roger Williams, spoke on the topic of "CAR-T Cells: Advances in Immunotherapy Treatment". The Central New England Chapter includes Massachusetts, Rhode Island, and New Hampshire.



Dr. Steven Katz, Director of Surgical Immunotherapy at Roger Williams Cancer Center, moderated a panel at MedMates' 2nd Annual Life Sciences Expo on April 4 at the Omni Providence Hotel. The panel, entitled "Immuno-Oncology and CAR-T Cell Therapies", featured representatives from Novartis, Roger Williams, and Sorrento Therapeutics who shared their groundbreaking work in developing novel, personalized treatments for blood and solid tumor cancers.



## HRO training sessions underway

CharterCARE Health Partners, in conjunction with the Hospital Association of Rhode Island, is committed to becoming a High Reliability Organization. Have you signed up for a training session yet? You can do so at Fatima Hospital by copying and pasting this link: <https://redcap.chartercare.org/surveys/?s=FhwTqMyaly> or at Roger Williams Medical Center by copying and pasting this link: <https://redcap.chartercare.org/surveys/?s=e3mX6CXpLR>. Becoming an HRO in health care means consistent excellence in quality and safety for every patient, every time. Each session is 3.5 hours. While this is a mandatory training session for all employees, please confirm your availability with your manager before signing up. You will be sent a confirmation email once your space is reserved. To learn more, please contact Rebecca at [rbroccoli@chartercare.org](mailto:rbroccoli@chartercare.org) or Eileen at [EBrennan@CharterCARE.org](mailto:EBrennan@CharterCARE.org)

## Dr. Samartano receives "Distinguished Dentist Award"

On April 23, Joseph G. Samartano, DDS, received the annual "Distinguished Dentist Award" from the Pierre Fauchard Academy, an international association comprised of dentists who are among the outstanding leaders in various fields of dentistry. Dr. Samartano is Chief of the Division of Dentistry and Oral & Maxillofacial Surgery, and Chairman of the Local Advisory Board for Fatima Hospital. Through its Foundation, the Academy offers financial support to various dental projects that increase access to care for underserved populations and scholarships to dental students. Dr. Samartano, a Fellow in the Academy, is pictured second from the right at the ceremony. Fellowship in the Academy is by nomination and is designed to honor past accomplishments in field of dentistry and encourage future productivity. Professional leaders select fellows based on contributions to dental literature, service to the profession of dentistry, and service to the general community.



## Dr. Sweeney, Dr. Guadarrama co-authors of paper in the journal *Blood Coagulation and Fibrinolysis*

Dr. Joseph D. Sweeney, Dr. Dennis Guadarrama, and Sandra DeMarinis, MS, MT, are co-authors on a paper published in the journal *Blood Coagulation and Fibrinolysis*. The publication is entitled, "Coagulation assays in a case of apixaban overdose." Dr. Sweeney (pictured on the left) is the Medical Director of the Roger Williams' Blood Bank and Dr. Guadarrama (pictured on the right) is a 3rd year medical resident at Roger Williams. The paper discusses the issues surrounding intentional overdose of apixaban, a rare occurrence that has led to the existence of minimal data regarding the usefulness of routinely available laboratory tests to predict drug levels.



## HVAC and cooling tower upgrades at Fatima Hospital underway

Work has begun on the installation of a new HVAC system in the Fatima Hospital Emergency Department, an extensive project that will last throughout the summer. The end result will be a state-of-the-art, modernized rooftop system with all new ductwork, zone controls, and upgraded peripheral equipment. This is a \$3 million investment in the Fatima Emergency Department. Additionally, two new cooling towers are arriving soon at Fatima. You will see cranes hoisting this equipment on the physical plant roof in the coming weeks. This is a \$700,000 investment, which includes new pumps, variable frequency drives, filtration and building automation controls. These infrastructure investments are critical to ensuring our buildings are appropriately up-to-date for our patients, visitors, and staff.

## Weight Watchers reimbursement available

The CharterCARE Benefits Department has great news! Employees can now be reimbursed 50% of the Weight Watchers enrollment fee as long as they attend nine out of twelve meetings up to a max reimbursement amount of \$78. As a CharterCARE employee, you can attend Weight Watchers meetings at any location you choose. You must start classes between January 1-April 15, 2018 to be eligible for this reimbursement. Please see the March 5 all-users email from Benefits for more detail and appropriate forms.

## Latin Expo 2018 happening on April 8

CharterCARE will be sharing its healthy message at the Latin Expo 2018 on Sunday, April 8th from noon to 5 pm at the Providence Career and Training Academy Gymnasium, 41 Fricker Street in Providence. Cancer care, laboratory, Behavioral Health, Weight Loss Surgery, Infectious Diseases, and St. Joseph Health Center will all be on hand to provide free screenings and health education. All are invited to attend!

## GI team at Roger Williams hosts colorectal cancer event

Dr. Alan Epstein and the Roger Williams' Digestive Disease Center team hosted an event on March 22 to celebrate National Colorectal Cancer Awareness Month. The event featured remarks and a Q&A along with refreshments and raffles. Dr. Epstein, Director of Clinical Gastroenterology at Roger Williams, and his colleagues in the department have hosted this annual event for several years.

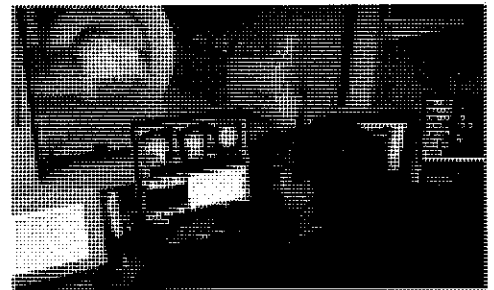
## Jordan Young named OLF Employee of the Quarter



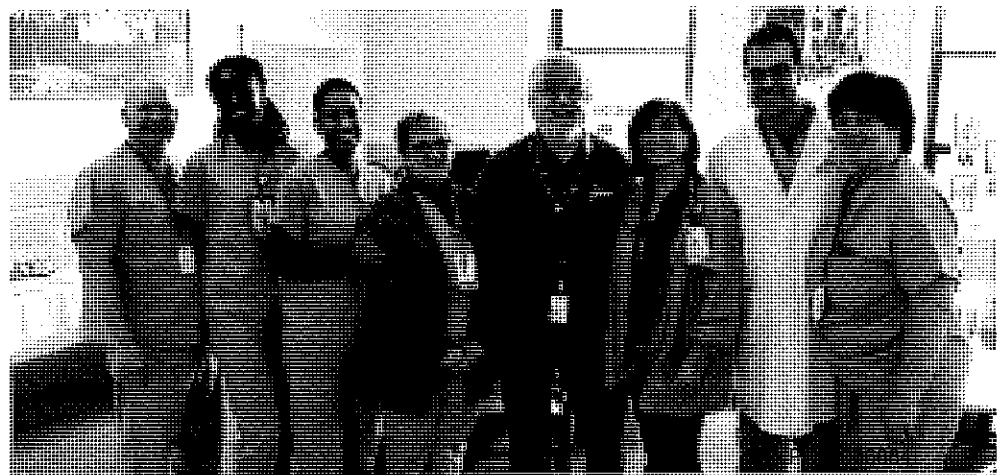
Jordan Young has been named Fatima Hospital's latest Employee of the Quarter. Jordan is a Food Service Attendant in the Dietary Department and has been with Fatima since 2016. He is pictured second from the left at his recognition ceremony with Fatima President David Kobis, Paul Voccio, Assistant Director, Food and Nutrition, and Kevin Geraghty, Senior Director, Food and Nutrition. Congratulations!

## New commercials focus on quality, economic impact

This week, CharterCARE launched a multi-week television, radio and digital advertising campaign. These new commercials aim to increase our name recognition, while highlighting the quality and convenience of our programs, along with the economic impact CharterCARE has on Rhode Island. You can see the television commercials



here: [www.chartercare.org/news-and-events/post/chartercare-working-for-rhode-island](http://www.chartercare.org/news-and-events/post/chartercare-working-for-rhode-island) and [www.chartercare.org/news-and-events/post/commercials-focus-on-quality-compassion-and-convenience-of-care](http://www.chartercare.org/news-and-events/post/commercials-focus-on-quality-compassion-and-convenience-of-care)





### CEO's Message *continued from cover*

Regarding our quality track record, each of you should be proud that Healthgrades, a respected national monitor of hospital quality, has awarded us 13 national recognitions across both hospitals for a variety of health outcomes. This is truly remarkable and exciting, and a credit to each and every one of our doctors and employees.

My first priority will be seeking deeper engagement and partnerships with our physician community...with those who are already affiliated with us and others who can recognize the potential to prosper with a quality driven, patient focused and easily accessed health system.

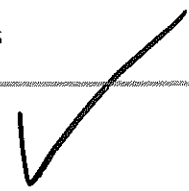
I believe our system must be as physician focused as it is patient focused. Our long term success will result from the synergies we can create between physicians and our existing and potential clinical programs and services. I will work hard to make this happen.

It is clear to me that the time, effort and planning to position us as the area's health system of choice to patients and providers is paying dividends, so I urge you all to keep doing what you are doing! We have exciting developments on the horizon that will support your work.

Jeffrey Liebman  
CEO, CharterCARE Health Partners



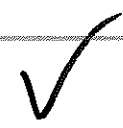
### Life Expo



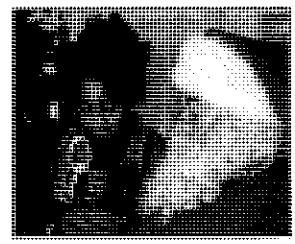
CharterCARE was a co-sponsor of the annual Life Expo held recently at Twin River and hosted by The Providence Journal. Close to 3,000 people attended for health information, screenings and entertainment. The CharterCARE team provided skin screenings courtesy of Dr. Ganary Dabiri of the dermatology department; cholesterol screenings thanks to the laboratory; blood pressure screens thanks to the St. Joseph Health Center and information on cancer, nutrition and other services. The CharterCARE Provider Group or IPA also attended and offered information on Medicare open enrollment. Thanks to all who came out on a Saturday and represented the system!



### Annual Christmas Party For The Kids



The St. Joseph Health Center will host its 34th annual Christmas party for "Our Kids" on Friday, December 14th from 1 to 4 pm. The children who are invited to this event are from families who receive medical and dental care at the Health Center in South Providence. Gifts, entertainment, crafts and refreshments make for a festive and memorable celebration. In some cases, it is the only Christmas gift these children will receive. Gifts are requested and needed for children 18 months thru age 10, especially toys and games for ages 8-10.



If you do not have time to shop and wrap, the CharterCARE Foundation will gladly accept donations to purchase the gifts on your behalf. We anticipate nearly 500 kids on site that day. Simply send your tax deductible donation to the CharterCARE Foundation, 7 Waterman Avenue, North Providence, RI 02911. The CharterCARE Foundation is not associated with or affiliated with Prospect Chartercare LLC. Thank you for your support and generosity!



## RWMC Food and Nutrition Department named "Account of the Year"



On August 14, the Food and Nutrition Department at Roger Williams Medical Center was recognized as the "Cottrell Region Account of the Year" by Morrison Healthcare. This award was given in recognition of the team's commitment to delivering flavorful food, nutritional wellness, fiscal responsibility, developing talent by training and mentoring staff, retail excellence, and loving patients with a focus on wellness and being part of the healing process. Roger Williams was chosen from almost 50 accounts in Morrison's Cottrell Region that were eligible for this award. After meeting all the requirements for consideration, the Roger Williams' team was selected by Regional Vice President Ray Cottrell and his regional directors by unanimous vote. The award is now on display at the Chef's Action Station in the café and the banner hangs in the Roger Williams' cafeteria. Pictured at the recognition ceremony are staff, onsite managers, and members of the regional management team. Congratulations to everyone involved!

CharterCARE fielding team for Alzheimers walk on Sept. 30

CharterCARE is fielding a team in the "Walk to End Alzheimers" on Sunday, September 30 at Roger Williams Park in Providence. Team captains are once again Dr. Joseph Samartano from Fatima Hospital and St. Joseph Health Center and Darlene Kershaw, RN, MSN, from Roger Williams Medical Center. To learn more, contact Darlene at [dkershaw@charter-care.org](mailto:dkershaw@charter-care.org) or Dr. Samartano at [jsamartano@chartercare.org](mailto:jsamartano@chartercare.org) Registration is at 8:30 a.m. with the walk starting at 10:00 a.m. You can visit CharterCARE's official page to donate or join our team by copying and pasting this link: [http://act.alz.org/site/TR/Walk2018/RI-Rhode-Island?team\\_id=487570&p\\_g=team&](http://act.alz.org/site/TR/Walk2018/RI-Rhode-Island?team_id=487570&p_g=team&)



Dr. Samartano



Darlene Kershaw

## Food and Nutrition recognizes second quarter staff champions



Congratulations to the two most recent employees to be recognized with Food and Nutrition's Staff/Nurse Champion Award. The second quarter awardees are Karin Cote, RN, from 2 Center at Fatima Hospital (top picture), and Nancy Perez, CNA, from E3A/B at Roger Williams. Both are pictured holding special recognition certificates. Karin and Nancy each received a gourmet lunch created by our executive chefs.



Thank you to both employees for working closely with our dietary team to deliver a great patient experience.

## Coming soon: new interpretation service and RL6 system Catalyst

Coming soon to our hospital system: IRIS, Language Services Associates' new Instant Remote Interpretation Services (IRIS) platform. Using this secure and encrypted network, IRIS quickly connects staff to a qualified interpreter from the convenience of their computer, tablet, or smart phone. With the flick of a switch, employees can choose between IRIS's video or voice call options. With more than 240 available languages including American Sign Language and many rare languages, IRIS is an easy, cost-effective way for us to meet our language interpretation needs. We'll be sharing more information on IRIS as we get closer to rolling it out.

Also coming soon: a new and improved RL 6 called CATALYST. Be part of the change that helps transform our patient safety culture. RCG 06886

## Message from John Holiver

Dear Colleague,

Those of us in health care and certain other businesses celebrate two new year's: the fiscal one and the changing of the calendar on January 1.



On October 1, we will recognize the end of fiscal year 2018 and the beginning of fiscal year 2019. Looking back on this past year, there are many notable accomplishments we can all take pride in: from the recognition of CharterCARE Provider Group of Rhode Island in this issue to numerous accreditations, certifications, and quality achievements over the past 12 months.

You know well what it takes to meet and exceed these standards: clinical excellence, attention to detail, expert documentation, and an exceptional commitment to patient care. Those successful surveys are confirmation that we are delivering care the right way and that the quality of care delivered at our hospitals, outpatient sites, and through our home care agency is at or above national standards.

In this new fiscal year, we need to work together on a number of fronts with particular attention paid to the following:

- Fiscal stability that will allow us to remain competitive and have the capital necessary to invest in our people, facilities, and technology.
- Tightening up our systems to ensure we are reimbursed properly for the services we deliver.
- Most importantly, maintain and build on the foundation of quality care and patient satisfaction that so many of you have built over the years.

This is an effort that requires diligence and a team effort from each of us. Simply put, it is a back-to-basics approach: stellar patient care delivered compassionately and efficiently. I know we are up to this task and I look forward to working closely with you in the upcoming year.



John J. Holiver  
CEO, CharterCARE Health Partners

## ✓ CharterCARE joins campaign focused on increasing mental health awareness

CharterCARE Health Partners is joining with others in Rhode Island on an international public health campaign that aims to shift the culture of mental health so that all of those in need receive the care and support they deserve. The "Campaign to Change Direction" is being led locally by the Hospital Association of Rhode Island, the Rhode Island Department of Health, and the Rhode Island Department of Behavioral Healthcare, Developmental Disabilities and Hospitals (BHDDH). The "Campaign to Change Direction" focuses on encouraging all to care for their mental well-being as they do for their physical well-being. The campaign addresses common barriers to understanding mental health and raises awareness about the signs of emotional suffering, encouraging care for self and others who may be struggling.

Nationally, more than 600 organizations including CharterCARE have signed on as community partners. Pictured here at the September 27 kickoff event at the University of Rhode Island are Rebecca Boss, BHDDH Director; Jennifer Healey; CharterCARE Executive Director of Behavioral Health, Kayla Mudge, Communications Coordinator, Hospital Association of Rhode Island, and Rebecca Plonsky, National Vice President of Development, Prospect Integrated Behavioral Health.



## Everbridge system going live on Nov. 6

On November 6, the Everbridge Mass Communication system will be going live across all of Prospect Medical Holdings including CharterCARE. This is a significant enhancement for our Emergency Preparedness plans and further supports our patient and employee safety initiatives. Everbridge enables us to communicate with our employees and medical staff through text, email, and phone calls. We will be able to alert staff to events, provide direction and guidance, send out messages asking for staffing and assistance, and better manage our operations during an emergency. Once you receive the email link to the Evergreen System, please review your information and make any necessary corrections.

PCC-006887

## Message from John Holiver

Dear Colleague,

Throughout CharterCARE, we have proudly built a foundation of high quality care, safely delivered. In this issue, we are pleased to share news that confirms both the quality and safety of care delivered at our heritage hospitals. Roger Williams recently received an "A" ranking on patient safety from the national non-profit Leapfrog Group, making it one of only three hospitals in our state to receive such a ranking. Fatima Hospital was recently re-certified as an Advanced Primary Stroke Center, receiving highly positive remarks from the Joint Commission surveyor.

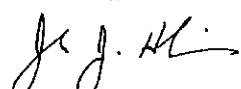


Each day, we continue to focus on quality with initiatives like the daily patient safety huddles where issues that have or could impact patient safety are addressed in real time. This is a new undertaking for our hospitals and has proven to be a very worthwhile investment. Innovations like these huddles -- combined with longstanding practices that focus on patient safety -- help us build on our existing foundation of personalized coordinated care.

Another primary focus for our system is growth. Each of us, whether we are in a clinical or non-clinical role, can contribute to this effort. Patients have great choice as to where they will receive care. It is our job to make sure each step of their journey is as comfortable and professional as we can possibly make it. We know the care delivered throughout our system is excellent, but we can each add the little extras that make it memorable and sets us apart from all other providers in our state. That level of compassionate, patient-centered care is now more important than ever.

Many of you choose to get care for yourself and your loved ones at our hospitals and other affiliates. It is greatly appreciated and is just another way we can each make sure our system grows and flourishes well into the future.

Sincerely,



John Holiver  
CEO, CharterCARE Health Partners

## October hospital HCAHPS scores

Each month, we share our HCAHPS scores to update staff on where we are in meeting our objectives. Our overall goal is to have 71% of those responding to our survey rate our hospital an overall 9 or 10. We can all impact our HCAHPS scores by doing things like improving the overall friendliness, noise level, or cleanliness of our hospitals.

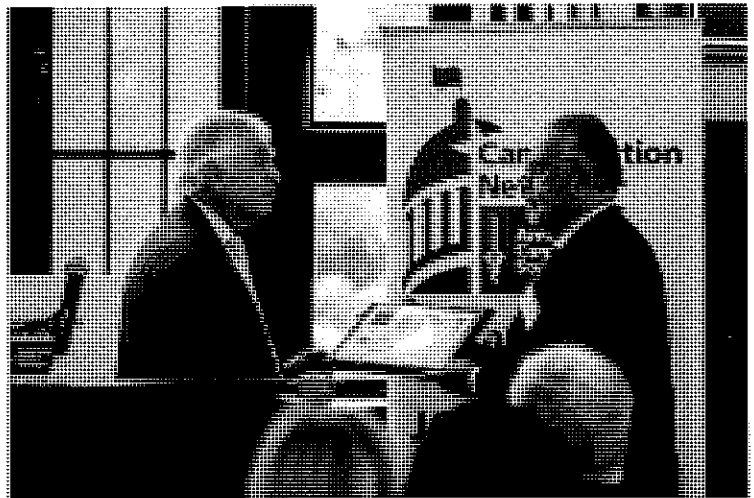
### Fatima Hospital

- HCAHPS annual goal: 71.0%
- October 2016 score: 79.3%
- OLF average for CY 2016: 71.0%

### Roger Williams Medical Center

- HCAHPS annual goal: 71.0%
- October 2016 score: 75.0%
- RWMC average for CY 2016: 70.5%

## Roger Williams Cancer Center recognized at American Cancer Society Research Breakfast



On October 14, the Cancer Center at Roger Williams Medical Center was recognized at the 3rd annual Rhode Island Research Breakfast, hosted by the American Cancer Society's Cancer Action Network. Bernard Jackvony, former Lt. Governor and chairman of the ACS CAN Research Breakfast, recognized Roger Williams for receiving the Commission on Cancer Outstanding Achievement Award in 2015. Jackvony is pictured here (left) presenting a Certificate of Excellence to Dr. N. Joseph Espat, Chairman of Surgery and Director of the Cancer Center at Roger Williams.

ED wait times now online for CharterCARE hospitals  
Both Roger Williams Medical Center and Fatima Hospital now have their Emergency Department wait times listed on the front page of their websites. In 2014, Fatima became one of the first hospitals in Rhode Island to post current emergency department waiting times on its hospital web site. Just visit [www.rwmc.org](http://www.rwmc.org) or [www.fatimahospital.com](http://www.fatimahospital.com) to learn our wait times any time day or night.

PCC-006888



### Employees of the Quarter recognized for excellence

Congratulations to Yvonne Britto and Melissa D'Amico, who were each recently recognized as Employees of the Quarter. Yvonne, a Milieu Therapist in Behavioral Health, is the Fatima Hospital Employee of the Quarter. She is pictured third from the left in the photo on the left with Thomas Martin, Administrative Director, Behavioral Health, Rebecca Plonsky, LICSW, VP, Integrated Behavioral Health, and David Kobis, Fatima Hospital President. Melissa, Accounts Receivable Coordinator-Credit/Collections, is the CharterCARE Employee of the Quarter. She is pictured in the center of the photo on the right with her manager Marcia Neville and her director Wayne Giansanti. Congratulations to both of these outstanding employees!

### Dr. Marshall Kadin chairs session, presents posters at World Congress on Cutaneous Lymphoma

Marshall Kadin, MD, of the Department of Dermatology and Skin Surgery at Roger Williams chaired a session and gave two platform presentations, each accompanied by a poster, at the 3rd World Congress on Cutaneous Lymphomas, sponsored by Columbia University and held October 26-28 in New York City. The titles of his two presentations were: (1) Revisiting Atopy in Primary Cutaneous T-cell Lymphoproliferative Disorders; and (2) Chimeric Antigen Receptor Modified T-cells That Target Chemokine Receptor CCR4 as a Therapeutic Modality for T-cell Malignancies. Dr. Kadin is a Professor of Dermatology at Boston University School of Medicine.



CharterCARE offers a confidential hotline at 1-877-888-0002 for patients, visitors and staff to share concerns about potentially unethical, illegal or unsafe activity. Operated by an independent reporting service known as The Network, this service is available around-the-clock. All calls are confidential and anonymity is assured.



*"El equipo de enfermeras primarias ayuda a mejorar su experiencia con la enfermedad y por esa razón ella puede vivir con esta enfermedad de una mejor manera"*

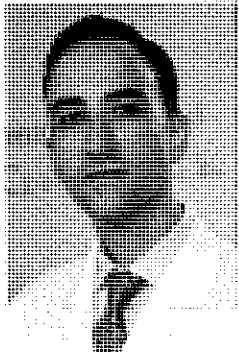
— Edna

### ✓ RWMC physicians take part in Latino cancer conference

On October 19, Dr. Abdul Saied Calvino (left) and Dr. Maria Aileen Soriano-Pisaturo (right) were among the invited speakers at the annual Latino Cancer Control Task Force Annual Conference. More than 150 people in attendance learned about cancer prevention, diagnosis and treatment at the event, which was sponsored in part by CharterCARE. The two Roger Williams' physicians spoke about culturally competent cancer and palliative care.

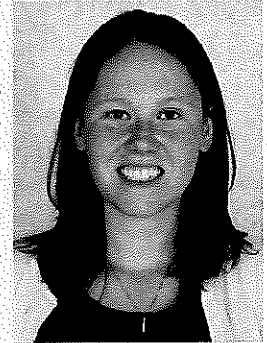
## Dr. Steven Katz authors editorial in Annals of Surgical Oncology

Dr. Steven Katz, Director, Complex General Surgical Oncology Fellowship and Office of Therapeutic Development at Roger Williams Medical Center, is the author of an editorial in the Annals of Surgical Oncology, the official journal of the Society of Surgical Oncology. The editorial is entitled "Tailoring Surgical Therapy for Extremity Soft Tissue Sarcoma." The Annals of Surgical Oncology promotes high-quality surgical oncology management by communicating advances in research and education that are relevant and valuable to the provision of contemporary multidisciplinary care for patients with cancer.



## NEWS from the School of Nursing

- The 2016 graduating class from the St. Joseph School of Nursing had the highest pass rate of any school in Rhode Island on the National Council Licensing Exam at 95.24%. This exceeded the performance of graduates of University of Rhode Island, Rhode Island College, Community College of Rhode Island, Salve Regina University, and New England Institute of Technology.
- Jennifer Berube, MSN, RN-BC, PCCN, a faculty member from the School of Nursing has passed the certification exam for Nurse Educators via the National League of Nursing. Congratulations to Jennifer on this achievement.



**Two named to nursing roles at Fatima**  
The Department of Nursing at Fatima Hospital has announced a pair of appointments. Marie Koehler, RN, who most recently served as per diem nursing supervisor, is now a full time evening supervisor. Lori Cavallaro, RN, BSN, who served as full time nurse supervisor, has been named Nurse Leader on 3rd Pavilion. Congratulations to these nursing leaders on their new positions.

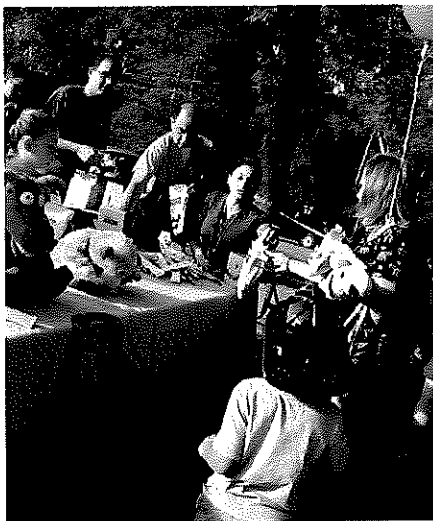
## CharterCARE provides community outreach at National Night Out

Thank you to the staff members from throughout our system who participated in the annual "National Night Out" program sponsored by the North Providence Police Department. Members of the dermatology, weight loss surgery, Home Care, St. Joseph Health Center, and outreach teams took part in this event on August 2 in Governor Notty Park in North Providence.



## Eight centenarians honored at Elmhurst

Elder Adeline Stoeckel (pictured here with staff from Elmhurst) was one of eight centenarians honored at a special ceremony on August 2 at Elmhurst Extended Care. The honorees at the event were joined by family, friends, and staff for a celebration that included life stories of each centenarian in attendance.



## CharterCARE team walks for the Heart Association



Thank you to the CharterCARE team for participating in the 2016 Southern New England Heart Walk on June 5! The Heart Walk is the American Heart Association's premier annual event in the community. The team raised approximately \$2,200. Special drawings were held for team members who participated in the walk. The winners were: Carolyn Bilbeault from Elmhurst rehabilitation (Boston Red Sox tickets), Brian McLaughlin from Southern New England Rehabilitation Center (FitBit), Catherine Rodrigues from the Fatima quality department (Whole Foods gift card), and Eileen Gavin from the Fatima laboratory (Zappos gift card).

## Holiver named Interim President of RWMC

(cont'd from p. 1) Holiver is a member of the American College of Healthcare Executives (ACHE). In his executive roles, he has had oversight of academic medicine, financial planning and growth, quality improvement, physician recruitment and retention. He also has a special interest and expertise in the hospitality sector, and has applied his knowledge to advancing customer service and patient satisfaction principles and benchmarks in the health care field. In addition to his responsibilities at Roger Williams, Holiver will be actively involved in the management and development of CharterCARE Medical Associates and University Medical Group, as well as physician networking and growth at CharterCARE.

## 80 years of nursing history preserved



Mary Madden (left) shares photos, a vintage cap and gown, and other memorabilia from her mother Anita Eva Richard's nursing career with Betty T. Sadaniantz, DNP, RN, Dean of the St. Joseph School of Nursing. Her mother was a 1936 graduate of the St. Joseph School of Nursing and served as President of her class. She launched her nursing career in the "accident room" (the predecessor to the modern Emergency Room) at St. Joseph Hospital.

**Confidential ethics hotline available**  
CharterCARE offers a confidential hotline at 1-877-888-0002 for patients, visitors and staff to share concerns about potentially unethical, illegal or unsafe activity. Operated by an independent reporting service known as The Network, this service is available around-the-clock. All calls are confidential and anonymity is assured.

## UPCOMING events

**Informational Bariatric Surgery Seminar**  
Wednesday, July 13, 2016, 6 p.m.--9 p.m.  
Kay Auditorium (Roger Williams Medical Center)

This seminar, which takes place the second Wednesday of every month, is for individuals considering weight loss surgery at Roger Williams. Register by calling 401-521-6310 or visiting [www.loseweightri.com](http://www.loseweightri.com).

**Diabetes Support Group**  
Wednesday, July 20, 2016, 5 p.m. - 6:30 p.m.  
Fatima Hospital cafeteria  
The Diabetes Support Group meets every third Wednesday of each month. To learn more, call 401-456-3746.

PCC-006891

✓ CharterCARE volunteers make difference with tree planting project



On April 23, almost two dozen CharterCARE volunteers partnered with the Providence Parks Department, Providence Neighborhood Planting Program, and the neighbors from the Elmwood section on the South Side of Providence to plant 34 trees. Each year, volunteers from CharterCARE undertake a community project as part of our annual Martin Luther King, Jr. celebration. Thank you to all our volunteers and community partners!

HUMAN RESOURCES update

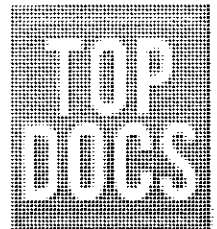
**TRANSAMERICA** Retirement Solutions Transamerica will present retirement plan education on-site from May 10 - 12 at several locations throughout our system. Employees can meet one-on-one with advisors during these visits. The scheduled visits from Transamerica are: Fatima Hospital, May 10 (Auditorium: 9-11 am, noon-2pm, 3-5 pm); Roger Williams, May 11 (Kay B: 9-11 am, noon-2 pm, 3-5 pm); St. Joseph Health Center, May 12 (Conference Room 1 at 11 am-1 pm); and Elmhurst Extended Care, May 12 (former Rehab classroom from 3-5 pm).

**Patient safety huddles an important step on hospital's safety journey** (cont'd from p. 1) recently occurred or could be on the horizon. The patient safety huddles ensure that there is follow-up with identified safety concerns and that individuals understand who has responsibility. It also promotes regular communication across the organization and may help managers prioritize their efforts on that particular day. We will continue to update you as we continue on our journey to become a High Reliability Organization.

48 CharterCARE physicians named RI Monthly "Top Docs"

(cont'd from p. 1) (Neurology), Dr. Arshad Iqbal (Neurology), Dr. Francis Figueroa (Ophthalmology), Dr. John Tarro (Otolaryngology), Dr. Walter Donat (Pulmonary Diseases), Dr. William Corrao (Pulmonary Diseases), Dr. Jeffrey Rogg (Radiology), Dr. Jon Mukand (Rehabilitation/Physical Medicine), Dr. Kathy Radie-Keane (Radiation Oncology), Dr. Scott Triedman (Radiation Oncology), Dr. Edward Lally (Rheumatology), Dr. Adam Klipfel (Colon/Rectal Surgery), Dr. Dieter Pohl (General Surgery), Dr. Stephen Migliori (General Surgery), Dr. Prakash Sampath (Neurosurgery), Dr. Louis Mariorenzi (Orthopedic Surgery), Dr. David Barrall (Plastic/Reconstructive Surgery), Dr. Andrea Doyle (Plastic/Reconstructive Surgery), Dr. Steven Katz (Surgical Oncology), Dr. R. James Koness (Surgical Oncology), Dr. Ponnandai Somasundar (Surgical Oncology), Dr. N. Joseph Espat (Surgical Oncology), Dr. Laurie Reeder (Thoracic Surgery), Dr. Angelo Cambio (Urology) and Dr. Steven Colagiovanni (Urology).

Rhode Island MONTHLY



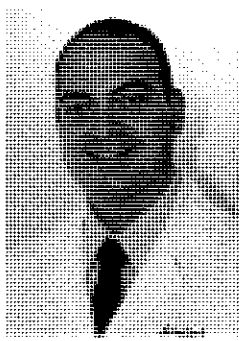
"Our affiliated physicians -- and our hospitals -- are focused on quality care, which is why I am pleased to see so many of our medical staff members chosen by their peers as "Top Doctors," said Lester Schindel, CEO of CharterCARE. "Congratulations to all of the physicians honored and thank you to all our providers for what you do in the delivery of excellent patient care."

✓ SAVE THE DATE:

**2016 Heart Walk**  
CharterCARE is again taking part in the Heart Walk, organized by the American Heart Association, which takes place this year on Sunday, June 5 in Providence. To join our team, contact Keri Kinniburgh at [kkinniburgh@chartercare.org](mailto:kkinniburgh@chartercare.org) or Tracey Clifford at [tracey.clifford@CharterCARE.org](mailto:tracey.clifford@CharterCARE.org)

✓ **Next Blood Drive** taking place at Roger Williams on May 26  
The Rhode Island Blood Center will be at Roger Williams Medical Center on Thursday, May 26 from noon-4pm for our next blood drive. The drive takes place in Kay Auditorium A & B. Please stop by! No appointment necessary.

### Dr. Calvino featured in Prov. Business News



Dr. Abdul Saied Calvino from the Roger Williams Cancer Center is featured in the Providence Business News this week, answering questions about cancer rates in the Latino community and the importance of outreach and education. You can read the article at this link: [www.pbn.com/Five-Questions-With-Dr-Abdul-Saied-Calvino,113754](http://www.pbn.com/Five-Questions-With-Dr-Abdul-Saied-Calvino,113754)

### Confidential ethics hotline available

CharterCARE offers a confidential hotline at 1-877-888-0002 for patients, visitors and staff to share concerns about potentially unethical, illegal or unsafe activity. Operated by an independent reporting service known as The Network, this service is available around-the-clock. All calls are confidential and anonymity is assured.

### UPCOMING events

#### Stroke Support Group

Monday, May 9, 2016, 3 p.m.--4 p.m.  
Fatima Hospital Cafeteria

This monthly support group features guest speakers, open discussions, and special events. Survivors, caregivers and loved ones are welcome to attend. Please contact Keri Kinniburgh, COTA/L, CSRS, for meeting dates or with any questions @ 401-456-3944.

#### Informational Bariatric Surgery Seminar

Wednesday, May 11, 2016, 6 p.m.--9 p.m.  
Kay Auditorium (Roger Williams Medical Center)

This seminar, which takes place the second Wednesday of every month, is for individuals considering weight loss surgery at Roger Williams. Register by calling 401-521-6310 or visiting [www.loseweightri.com](http://www.loseweightri.com).

#### Diabetes Support Group

Wednesday, May 18, 2016, 5 p.m. - 6:30 p.m.  
Fatima Hospital cafeteria

The Diabetes Support Group meets every third Wednesday of each month. To learn more, call 401-456-3746.

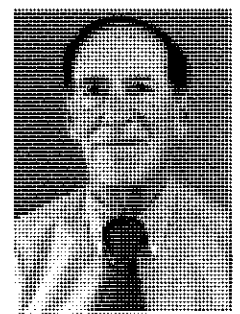
#### Gloria Gemma Mobile Resource Center visit

Monday, May 23, 2016, 11 a.m. - 3:00 p.m.  
Roger Williams Cancer Center parking lot

The Gloria Gemma Mobile Resource & Wellness Center offers a variety of free services such as mini-spa treatments, Reiki, and arts and craft projects for cancer patients, survivors and caregivers. No reservations are necessary. To learn more, call Beth at 401-456-2000 ext. 8409.

### Dr. Kadin's research published in two journals

Marshall Kadin, MD, of the Department of Dermatology and Skin Surgery at Roger Williams is the author on two recent publications related to Anaplastic large cell lymphoma surrounding breast implants for aesthetic or reconstructive indications. His research is supported by the Aesthetic Surgeons Research and Education Fund. Dr. Kadin is lead author of an article entitled "Biomarkers provide clues to early events in the pathogenesis of breast implant associated anaplastic large cell lymphoma" in the "Aesthetic Surgical Journal" dated March 15, 2016 Dr. Kadin is co-author with investigators in Australia and at MD Anderson Cancer Hospital in Houston on a second article entitled "Bacterial biofilm infection detected in breast implant associated anaplastic large cell lymphoma" in the journal "Plastic and Reconstructive Surgery", dated February 11, 2016.



### SAVE THE DATE: Liver Life Walk

You're invited to be part of the American Liver Foundation's "Liver Life Walk", which takes place this year on May 15 at Goddard State Park. Dr. Alan Epstein, director of the Roger Williams' Department of Gastroenterology, is again the walk's medical chairman. To learn more about the walk, contact [akennedy@chartercare](mailto:akennedy@chartercare).

### School of Nursing holds capping ceremony



On March 9, St. Joseph School of Nursing held capping ceremonies at Saint Philip's Church in Greenville to signify the academic and clinical progress of students enrolled in the program. The senior class is pictured here. To see pictures of the other classes and names of the students who took part in the capping ceremony, please visit [www.nurses.org](http://www.nurses.org)



## BENEFITS UPDATE

- New prescription cards from Express Scripts, Inc.

As of 1/1/2016, we changed pharmacy vendors from CVS/Caremark to Express Scripts, Inc. (ESI). New pharmacy cards were mailed at the end of December and members should provide the new card at the pharmacy when filling scripts. Please contact ESI at 1-877-849-5523 if you did not receive your card. As a reminder, maintenance medications (same dose daily) must go through the mail order. Members can fill a maintenance medication at a retail pharmacy twice before then being responsible for the full cost of the medication.

- New Essential Advocate through Blue Cross/Blue Shield  
This concierge-level program will assist with health care questions and provide advice 24 hours a day. You can speak with a RN for a multitude

of reasons, get answers to medication side effects and drug combinations, get assistance with scheduling appointments or locating providers, obtain details on benefits and how to handle billing and claim questions, etc. To utilize this program, please call 1-888-521-2583.

- 2016 FSA Healthcare balances have been loaded to FSA cards  
If you utilized FSA in 2015, you will use your existing card. New enrollees will receive a new card.
- Submit manual claims for 2015 FSA expenses incurred in 2015  
If you still have funds left over from your 2015 FSAs, you have until 4/15/2016 to submit claims that were incurred prior to 12/31/2015. You can file the claims online at [www.tri-ad.com](http://www.tri-ad.com) or submit a paper form. Paper forms are available on our intranet.

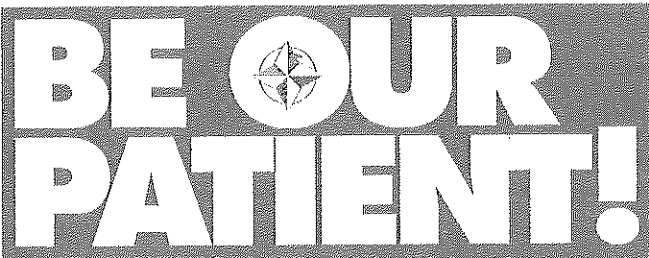
- Those electing to increase their life insurance may be receiving Evidence of Insurability paperwork from Unum directly.

You need to complete this paperwork if you are increasing coverage amount, or electing for the first time. Anyone who newly elected supplemental life insurance for themselves or their spouse, those who increased coverage by more than \$25k for themselves, \$5K for their spouse, or those who newly elected Long Term Disability will receive Evidence of Insurability (EOI) paperwork from Unum in the coming weeks. It is important to complete this paperwork and return it to Unum if you still wish to increase your coverage amount. Once approved, coverage will be in effect the 1st of the month following approval of your EOI paperwork. Unum will notify the Benefits Department of approvals.

## Employees invited to "Be Our Patient"

CharterCARE has launched a new program called "Be Our Patient" which invites employees to utilize the services throughout our system. As you know, we are home to the state's most comprehensive continuum from hospital and long-term care to rehabilitation and outpatient services. Additionally, we can help you find a physician as we are affiliated with more than 500 respected primary care physicians and specialists including those from CharterCARE Medical Associates, University Medical Group, and Prospect Provider Group of Rhode Island, our independent practice association.

When you choose to "Be Our Patient", you can feel confident because you know and trust the members of our team. And you will be helping to strengthen our system. In February, Human Resources will have copies of a guide that features the wide array of services we offer. And if you need a physician, you can always visit our websites or call our physician referral lines at 401-456-3627 (Fatima Hospital) and 401-456-2230 (Roger Williams). We look forward to caring for you!



## SAVE THE DATE 2016 Heart Walk

CharterCARE Health Partners was a sponsor and had a sizeable walk team at last year's Heart Walk, organized by the American Heart Association. Save the date for this year's walk which takes place on Sunday, June 5 at 7:30 a.m. in Providence. CharterCARE's team raised more than \$3,500 last year through this walk.

## FOOD DRIVE continues

The food drive conducted as part of our Martin Luther King, Jr. Day celebration is well underway. This drive is being conducted in partnership with the Rhode Island Community Food Bank and collection bins are set up at most of our affiliated sites. The drive concludes on February 1 so please give! Since 2014, CharterCARE employees have collected more than 1,000 lbs. of food.

## New physicians join medical staff

Over the last month, the following physicians have joined the medical staffs of our hospitals.



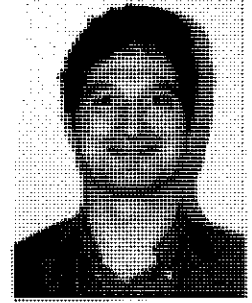
Michael K. Atalay, MD  
(Radiology), Rhode Island Medical Imaging, 20 Catamore Blvd., East Providence, 456-2204



John A. Cassese, MD  
(Radiology), Rhode Island Medical Imaging, 20 Catamore Blvd., East Providence, 456-2204



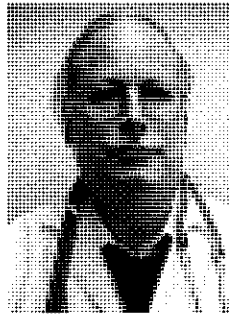
Thaddeus Herliczek, MD  
(Radiology), Rhode Island Medical Imaging, 20 Catamore Blvd., East Providence, 456-2204



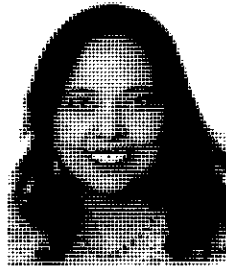
David J. Mysels, MD  
(Medicine/Psychiatry), Fatima Hospital, North Providence, 456-2204



Marcelle Piccoello, MD  
(Radiology), Rhode Island Medical Imaging, 20 Catamore Blvd., East Providence, 456-2204



Peter Rintels, MD  
(Internal Medicine/Hematology), 1200 Pontiac Avenue, Cranston, 943-4660



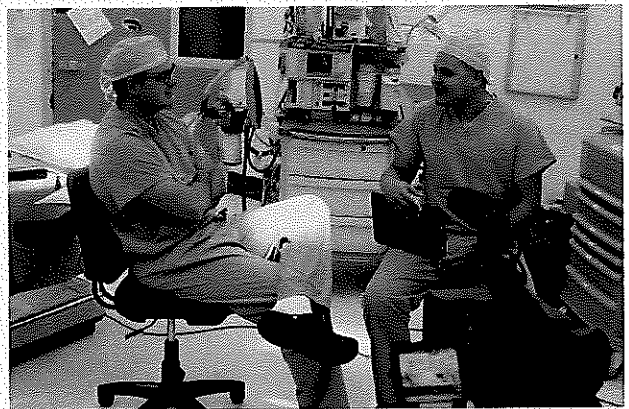
Anne Devi Wold, MD  
(Gynecology), Providence Fertility Institute, Cranston, 272-2562

### Confidential ethics hotline available

CharterCARE offers a confidential hotline at 1-877-888-0002 for patients, visitors and staff to share concerns about potentially unethical, illegal or unsafe activity. Operated by an independent reporting service known as The Network, this service is available around-the-clock. All calls are confidential and anonymity is assured.

## Roger Williams' Cancer Center focused on outreach to Latino community

Cancer is now the leading cause of death among Latinos in Rhode Island. This underserved population is less likely to get screened and cancer is often diagnosed in these patients at a later stage. For more than a year, Dr. Abdul Saied Calvino, a surgical oncologist at Roger Williams Cancer Center, has been on a mission to educate and care for members of the Latino community. Calvino has partnered with leading organizations in Rhode Island's Latino community including the Latino Cancer Control Task Force and Progreso Latino. He was also recently elected to the Board of Directors of The Partnership to Reduce Cancer in Rhode Island, where he co-chairs the Screening and Detection workgroup.



Dr. Calvino has been interviewed on Hispanic radio stations and Telemundo Providence, spoken at events sponsored by the Latino Cancer Control Task Force and others, and trained more than a dozen volunteers to spread our message of cancer care in the Latino community. Dr. Calvino, who is one of two Spanish-speaking surgical oncologists along with cancer center director Dr. N. Joseph Espat, was also instrumental in setting up a Spanish language section of the cancer center's website [www.weknowcancer.org](http://www.weknowcancer.org). Dr. Calvino leads the Roger Williams' effort to reduce cancer care disparities in underserved populations and has also worked to spread this message across the CharterCARE system by holding regular clinic hours at the St. Joseph Health Center.

## Doctor's Day celebration taking place on March 30

Medical staff members are cordially invited to stop by either Fatima Hospital or Roger Williams Medical Center on Monday, March 30 as CharterCARE's senior leadership team and managers will host a Doctor's Day buffet breakfast and luncheon. Breakfast is available starting at 7:30 a.m. and lunch is available at noon in the respective hospital physician and surgeon lounges.

## Fresh produce program celebrates first anniversary

On Thursday, April 23, 2015, the fresh food distribution program at St. Joseph Health Center will celebrate its one year anniversary with a speaking program and health fair starting at 11:30 a.m. The fresh food distribution program will be available on this day, as it is every fourth Thursday of the month from noon to 2:00 p.m. For the last year, St. Joseph Health Center has served as a fresh food distribution site for the Federal Hill House and the Rhode Island Food Bank. The program is focused on distributing fruits and vegetables and non-perishable items like diapers and children's socks. In its first 10 months, the program distributed 31,236 lbs. of fresh produce to lower-income Rhode Islanders.

## Dr. Scott Haltzman named director of Behavioral Health

(cont'd from p. 1) degrees from Brown University, completing the Family Practice Honors Program. He completed a residency at Yale University School of Medicine and served as chief resident, inpatient unit in Yale-New Haven Hospital's Psychiatric Outpatient Department.

In 2003, he was named a Distinguished Fellow of the American Psychiatric Association. Prior to moving to Florida, Dr. Haltzman was on the faculty of the Warren Alpert Medical School at Brown University. He now is an associate professor of psychiatry at Florida State University.

Dr. Haltzman has developed an international reputation for his interest in relationships and marriage. He presents to audiences across the country, and has authored four books and a number of book chapters on the topic. He has served on numerous committees and been appointed to several boards during his career.

## Upcoming events hosted by Fatima diabetes team

These upcoming educational events are hosted by the Diabetes Management Center at Fatima Hospital. To learn more about any of these events, please call 456-3746.

- The next series of outpatient education classes on managing diabetes will feature both evening and morning sessions. Attendees learn about topics including nutrition, medication, exercise, blood sugar monitoring, blood glucose goals, managing illness, coping strategies, and the latest research. The five-week evening sessions start on Wednesday, April 8 from 6:00 p.m. to 8:00 p.m.; the morning five-week sessions start Thursday, May 7 from 10:00 a.m. to noon.

- The diabetes team will be offering a dietitian-led supermarket tour on Wednesday, April 1 from 6:00 p.m. to 8:00 p.m. at Dave's Marketplace in Smithfield. Registration is required as space is limited. Call 830-5650 or email [customerservice@davesmarketplace.com](mailto:customerservice@davesmarketplace.com) to register.

## Pediatric Clinic partners with Kent on residency program

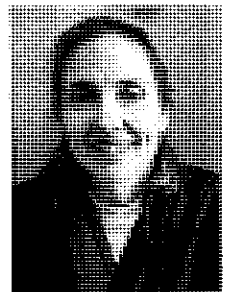
Since February 4, the St. Joseph Pediatric Clinic has been partnering with Kent Hospital to train medical residents from the University of New England College of Osteopathic Medicine. The residents are on site at the Pediatric Clinic one morning per week. The residents work under the supervision of pediatrician John Leimert, MD, who believes both the patients and residents benefit from this program. "The residents help us with patient management so we can see patients more quickly," said Dr. Leimert. "Generally, you spend more time and give more attention to each patient while engaged in the teaching process." This program involves doctors in their second year of a Family Practice Residency.

## Dr. John A. Osborne joins surgical staff

(cont'd from p. 1) residency in Omaha. Previously, he was a general surgeon providing both surgery and endoscopy services with Southern Ohio Medical Center Foundation. Dr. Osborne received his degree as a Doctor of Osteopathy from the University of Medicine and Dentistry of New Jersey, where he also completed residencies in surgery and internal medicine. He is a member of the American College of Osteopathic Surgeons and American Osteopathic Association.

## St. Joseph Health Center welcomes new staff

**Ann Lesinski, DDS**, has joined the pediatric dental program at St. Joseph Health Center, working in the school-based program. Along with maintaining a private practice in Cranston, Dr. Lesinski brings a variety of experience working in community-based pediatric dental programs. She is joined by dental hygienist Margie Vargas as part of the Smiles program, which annually provides thousands of children in the Providence and Pawtucket schools with oral health education, prevention and outreach services.



**Nicole Deschenes, NP**, has joined the Health Center and will deliver care in the pediatric, adult primary care, and walk-in clinic settings. She received her Masters of Science in Nursing-Family Nurse Practitioner Specialty from the University of Massachusetts Graduate School of Nursing. She was most recently a family practice nurse practitioner at Tri-Town Community Health Center in Johnston.



## From the President . . .

Dear Colleague,

As we grow as a hospital and health system, we continue to recruit talented staff and physicians who share our vision of integration, innovation, and partnership. The goal we all share is to provide health services the community needs and deliver that care in the right setting and cost.



In this issue of the "Pulse" newsletter, we are pleased to introduce a number of individuals who are either joining us or are assuming new roles.

Our hospital and system are an attractive option for physicians, many of whom have recently joined our staff through CharterCARE Medical Associates or our Independent Practice Association known as Prospect Provider Group of Rhode Island. Along with infusing capital, Prospect Medical Holdings has been enormously helpful in bringing together our organizations, independent physicians and practices, other providers, and insurers to create a new model for our state. It is this innovation -- along with our history of quality care -- that has drawn physicians to our system.

At Fatima, our nurses and their colleagues have done a tremendous amount of work to achieve the recent Pathways to Excellence designation from the American Nurses Association and "Exemplar" status for our NICHE program. These are symbols of the team's commitment to improving the quality and environment of care throughout Fatima. Just this week, the nursing team held a retreat to plan for the next steps for Pathways and our Nursing Shared Governance Council.

There are no easy or simple answers in health care. Those of you who are committed to working in this field know that. As we transform our culture and the way we deliver care, there will be challenges along the way, both internal and external. I believe, however, that we are taking a number of important foundational steps that will assure a positive future for our hospital. Thank you to everyone who is contributing to make this journey a success.

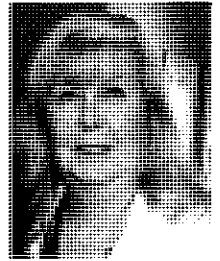
Sincerely,



Tom

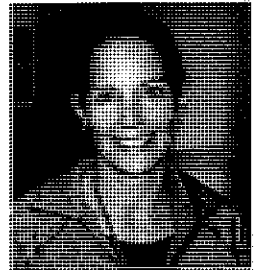
## Lynda Clancy serves as principal investigator on clinical trial

Lynda Clancy, MS, NP, Administrative Director of Cancer Services, was the Principal Investigator for a recent clinical trial entitled "Real World Chart Review Study of the Management of Adverse Events of Special Interest in Patients Taking Tyrosine Kinase Inhibitors to Treat Metastatic Renal Cell Carcinoma." The study was performed at Fatima Hospital as part of a multi-national trial.



## Heather Ciancolo delivers guest lecture

Heather Ciancolo, OTR/L, ATP, from the Southern New England Rehabilitation Center, delivered guest lectures at New England Institute of Technology on February 27 and 28 for the Masters in Occupational Therapy program. Her lecture topic was "Wheelchair Seating and Mobility . . . A hands on demonstration of standard-to-complex rehab manual and power wheelchairs and seating."



## MLK service project coming in April 25

As part of our Martin Luther King, Jr. Day remembrances, CharterCARE will host a community service project in recognition of Dr. King's legacy. The event takes place on Saturday, April 25, 2015 in conjunction with Serve RI. Volunteers are needed to help with various planting, clean-up and maintenance of Peace and Plenty Community Park on Peace Street in Providence, located just yards from the St. Joseph Health Center. The volunteer effort kicks off at 8:00 a.m. To volunteer or learn more, please contact Rachel Paquin in Human Resources by April 8 at [Rachel.paquin@chartercare.org](mailto:Rachel.paquin@chartercare.org) or 456-4427.

## Staff invited to breakfast with the president

Tom Hughes, president of Fatima Hospital, is hosting a monthly breakfast to hear from employees and share information as to the progress of the hospital and its affiliates. The breakfast sessions will be held the first Tuesday of every month from 8:30 a.m. to 9:30 a.m. If you are interested in attending a future breakfast, please contact Lynn at [LHenault@CharterCARE.org](mailto:LHenault@CharterCARE.org).

## Health Center looking for donated prom dresses

Prom season is just around the corner! St. Joseph Health Center is collecting prom dresses, formal gowns, shoes and accessories to distribute to those looking to attend their prom without the means to purchase such items. The drive is being conducted in collaboration with Classical and Central High Schools. If you have any of the items mentioned above, please bring them to the front security desk at the Health Center or call 456-4054.

## From the President . . .

Dear Colleague,

In today's health care environment, the quality of care we deliver and our financial success are closely intertwined. This trend is only going to continue as insurers and others look at the quality hospitals deliver when determining payments. It is also a determining factor for patients when they choose care, as quality scores are more readily available publicly.



The good news is that innovative approaches to quality often mean improved finances. A recent example highlights how Fatima is improving quality, saving money, and doing so at a lower cost than many hospitals in the region.

Last year, a number of departments came together to focus on reduction of a bacterium called *Clostridium difficile* or as it is also known, *C. difficile*, or *C. diff*. Infection related to *C. diff*. can range from mild to life-threatening. Our team set a goal of a 25 percent reduction of *C. diff*. infection rates.

Committees reviewed the literature for the best evidence-based data and implemented practices to decrease infections. Some of it was routine like better hand washing practices while others focused on proactive, nurse-driven protocols to decrease infection exposure. The team also advocated for and received a new disinfection system that uses a solution of hydrogen peroxide and silver applied in a dry mist by a portable fogger. This system is effective in killing *C. diff* and a variety of other infectious pathogens.

These approaches -- combined with increased communication, antibiotic stewardship and use of technology to alert colleagues to *C. diff* in the hospital -- paid off. Over a one year period concluding June 2014, the hospital recorded a 75 percent facility-wide decrease of *C. diff*. Financially, the effort paid off too with a savings of approximately \$300,000 over that time period.

As President, I will work hard to support efforts like these that positively impact both quality and the bottom line. It is not only a necessity in these challenging times; it is the right thing to do for those that we care for every day.

Sincerely,

A handwritten signature in cursive script that reads "Tom".

Tom

## Annual SNERC conference focused on Multiple Sclerosis and Parkinson's Disease

"Advances in Rehabilitation for Multiple Sclerosis & Parkinson's Disease" is the subject of the 21<sup>st</sup> Annual Professional Development Conference sponsored by the Southern New England Rehabilitation Center at Fatima Hospital on September 12, 2014 at the Crowne Plaza. This year's conference focuses on the challenges of caring for patients with multiple sclerosis and Parkinson's disease. The conference is intended for physicians, nurses, physical and occupational therapists, speech language pathologists, social workers, case managers, therapeutic recreation specialists, and others who work in a rehabilitation setting. The keynote speakers will address topics including: Cognitive changes associated with MS and PD; an update on multiple sclerosis; pharmacotherapy for MS and PD with a focus on new medications; and a neurologist's perspective on rehabilitation for PD. Along with several educational workshops, there will also be a special guest luncheon speaker. Continuing education credits and hours are available. To register, please visit [www.snerc.com](http://www.snerc.com) or call 456-2323.

## Diabetes Outpatient series starting October 1

The Diabetes Management Center at Fatima has announced its next series of Diabetes Outpatient classes starting on October 1. During the five-week outpatient session, participants will meet every Wednesday from 6 p.m.-8 p.m. to learn about nutrition, medication, exercise, blood sugar monitoring, blood glucose goals, managing illness, coping strategies, and the latest research. To learn more or to register, please call 456-3746.

### 2014 Joint Commission National Patient Safety Goal #6: Improve the Safety of Clinical Alarm Systems

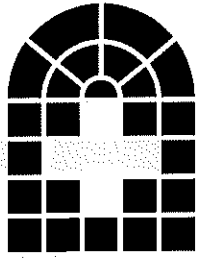
As healthcare providers, we have all heard the phrase "Alarm Fatigue." When a person is exposed to an excessive number of alarms, clinicians become "desensitized, overwhelmed or immune" to these sounds. The goal of the Performance Improvement Department, in conjunction with Bio-engineering, Nursing Education and Critical Care, is to provide education, support and clear policies and procedures regarding Clinical Alarm Safety. Please help us meet this important safety goal.

### Dentist's volunteer work highlighted in Providence Journal

Jeffrey Dodge, DMD, who works on a per diem basis at the St. Joseph Dental Clinic, was recognized in the August 17 issue of the Providence Journal in an article on free dental care that is provided to the public. Dr. Dodge recently volunteered as part of the Mission of Mercy dental clinic at CCRI where more than 900 patients in need of dental care were treated. Dr. Dodge is the founder of the Rhode Island Oral Health Foundation, a nonprofit charity that helps defray Mission of Mercy program costs. Dodge serves as the foundation's president.

### MyCARE health portal available for hospital patients

(cont'd from p. 1) medication information, and history and discharge instructions. The portal is completely secure so patients can be confident that their private information is protected. Please encourage patients to utilize the portal so they can better manage their care. Patients and family members who have specific questions about MyCARE Info can call 456-2555.



# PULSE

*Employee*

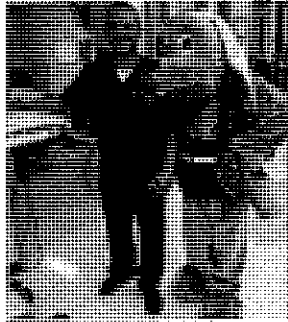
Newsletter for Employees of St. Joseph Health Services of Rhode Island

*An affiliate of CharterCARE Health Partners*

August 2014

## HUSH campaign paying dividends

A campaign called HUSH, launched this past spring at Fatima, is paying dividends with improving Press Ganey scores related to hospital quietness. Lack of sleep can contribute to both physical and functional decline.



While the goal is to generally provide patients with a quieter environment, some units are adding specific quiet times on their units. For example, CARE One and the ICU hold quiet hours daily from 1 a.m.-4 am and 1 p.m.-2 p.m. On 2 Pav and 3 Pav, quiet hours are 1 a.m.-4 a.m. and 2 p.m.-3 p.m. As part of the campaign, the team also provided earplugs and music during sleeping times and replaced noisy wheels on carts with rubber. When possible, staff dimmed lights, closed doors, provided private rooms, and grouped clinical visits together. The campaign included a Hush Puppy mascot who visited all departments to promote the importance of sleeping to patient well-being. Thanks to all the hospital departments that have helped make the campaign a success.

## CharterCARE again recognized by Providence Business News as a “Healthiest Employer”

For the third straight year, CharterCARE Health Partners has been named a “Healthiest Employer” by Providence Business News. The 32 finalists were chosen based on six wellness categories -- culture and leadership commitment, foundation components, strategic planning, communication and marketing, programming and interventions, and reporting and analysis. CharterCARE and other nominated companies were measured by Healthiest Employers Inc., which conducts similar surveys in 50 markets nationwide. In addition to exercise programs like yoga and Pilates, CharterCARE has added programs to help employees’ mental health by better addressing financial concerns and stress. A survey of employees indicated issues like these were at the top of their health concerns. CharterCARE and the other companies recognized were honored at an August 14 luncheon.

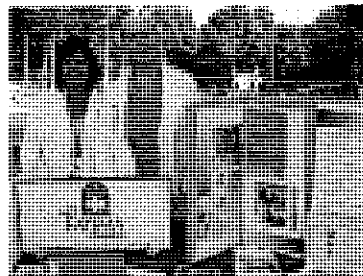
## MyCARE health portal available for hospital patients

Both CharterCARE-affiliated hospitals recently announced the launch of MyCARE Info, a new patient portal available at Fatima Hospital and Roger Williams Medical Center. This online tool gives patients the flexibility to access health information and other resources. MyCARE Info is available over the internet, which means patients can access it from virtually anywhere.

The portal is accessible through an icon on the front pages of the hospital websites. The portal can also be accessed by family members and individuals who are given permission by the patient. Patients utilizing MyCARE Info can update personal information and view appointments, laboratory and micro-biology results, (cont’d on p. 2)

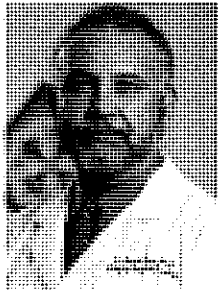
## CharterCARE delivers health screenings and information at “National Night Out”

On August 5, CharterCARE Health Partners once again delivered a variety of health screenings and wellness information at the second annual “National Night Out.” This event, sponsored by the North Providence Police Department, was attended by more than 500 people. Caregivers from Fatima Hospital, Roger Williams Medical Center, St. Joseph Center, and the St. Joseph Dental Center teamed up to deliver screenings and health information related to skin cancer, oral cancer, smoking cessation, dental hygiene, diabetes, stroke, and breast cancer. Thank you to all the team members who helped provide this valuable service to the community with a special thanks to Lynda Clancy, NP, for organizing this outreach event again this year.



### Dr. Espat named Chief Editor of "Medscape Drugs & Diseases, GI Oncology"

Dr. N. Joseph Espat, chairman of surgery and director of the cancer center, has been appointed Chief Editor of "Medscape Drugs & Diseases, Gastrointestinal Oncology." Medscape is the online portal for WebMD, which is the largest internet based medical reference resource for clinicians.

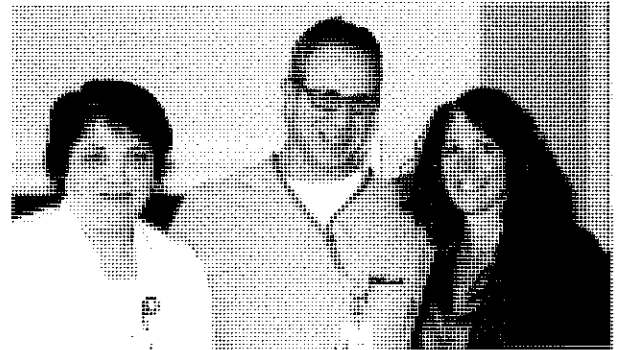


### Sara Grondell named director of Environmental Services for CharterCARE

Sara Grondell has been named Director of Environmental Services for CharterCARE Health Partners. For the last 18 years, she has worked for Hebrew SeniorLife in Boston, most recently as the Director of House-keeping at NewBridge on the Charles (a 1,000,000 sq. ft. continuing care retirement community). She has a degree in hospitality management from California State University and is working towards accreditation for Healthcare Environmental Services Professionals, through the American Hospital Association.

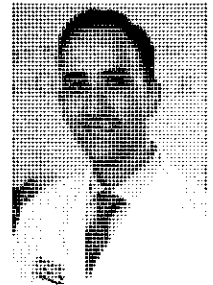


**Dante Sciarra named Employee of the Quarter**  
Congratulations to Dante Sciarra, RN, our most recent Employee of the Quarter at Roger Williams. Dante works on East-3 as a Registered Nurse and has been with the organization since 2014. He is pictured here with Lynn Leahey, RN, Director of Patient Care Services, and Kimberly O'Connell, President of Roger Williams.



### Dr. Katz appointed to committee, awarded grant, delivers surgical grand rounds

- Dr. Steven Katz, Director of Surgical Immunotherapy, has been appointed as a Consultant to the Complex General Surgical Oncology Qualifying Examination Committee. The CGSO Qualifying Examination is offered once annually as the first of two exams required for board certification in complex general surgical oncology. It contains approximately 200 multiple-choice questions designed to assess a surgeon's cognitive knowledge.
- In collaboration with Colorado University, Dr. Katz was awarded a Colorado Office of Economic Development Proof of Concept Grant to conduct a phase I immunotherapy trial for liver metastases.
- On October 9, Dr. Katz delivered a Surgical Grand Rounds presentation at the Berkshires Medical Center entitled "Immunotherapy for Liver and Peritoneal Metastases."



### CharterCARE partnering with Genesis Center and City of Providence on job training program

CharterCARE is partnering with the City of Providence and the Genesis Center -- the recipient of a \$170,403 Governor's Workforce Board Innovation grant -- on a comprehensive job training program for 75 individuals starting their careers in health care. The program, focused on training medical assistants and food and environmental services workers, includes classroom training, work experience internships and job placement. The program is designed to train individuals for health care careers that offer room for advancement. The Genesis Center's HealthCARE Academy will recruit 75 individuals; 63 will complete the program and be placed into an internship; 53 will be placed into employment by August 2016.

### Elmhurst elders' stories shared through new "scribing" project

For the past few months, Lorraine Keeney and Barry Marshall have been visiting Elmhurst Extended Care regularly to learn more about our Elders and their lives. It is part of a project called "Scribing For Seniors", where Lorraine and Barry team with elders and staff to create literature, poetry, music and art based on Elders' life stories. The duo, who both have a teaching background, are taking the words of elders, family members, and staff to use as the raw material for poems, memoirs, stories, children books, dialogues, and song lyrics. The goal is to have public exhibitions of the works based on elders' memories. Lorraine and Barry are also hosting a book discussion group with elders. The first book discussed was Shel Silverstein's "The Giving Tree".



Elmhurst Elder Mary shares stories from her childhood with Barry Marshall and Lorraine Keeney.



A CharterCARE publication for employees of Roger Williams Medical Center

Roger Williams  
MEDICAL CENTER

# UPDATE

A Regional Health Care Network

Roger Williams Medical Center

Our Lady of Fatima Hospital

Elmhurst Extended Care

Roger Williams Cancer Center

St. Joseph Health Center

Prospect Provider Group of Rhode Island

CharterCARE Medical Associates

October 2015

## Employees to be recognized at November awards dinner

Employees from throughout CharterCARE will be recognized for their years of service at the 2015 Service Awards Dinner on November 20 at the West Valley Inn. Employees with five year increments of service achieved anytime over the last two years will be honored at this event. If you are an honoree, you should have already received an invitation, which entitles you to a free ticket and one for a guest if you so choose. (Please RSVP so we know you're attending.) For more information, contact Kate Martins at [kathryn.martins@chartercare.org](mailto:kathryn.martins@chartercare.org) or 456-3200.

## Dr. Sweeney presents at national blood management meeting



Joseph D. Sweeney, MD, FACP, FRCPath, Director of the Blood Bank at Roger Williams, was an invited speaker at the 2015 annual meeting for the Society for the Advancement of Blood Management.

Dr. Sweeney's presentation was entitled, "Transfusion Transmitted Emerging Pathogens: Some Have Arrived; Others To Follow." The meeting took place from September 24-26 in Orlando, Florida. Dr. Sweeney also presented a poster at the meeting, which showed the dramatic reduction of over 70% in the use of plasma in the state of Rhode Island over the past 12 years due to educational efforts and the application of patient blood management strategies.

## CharterCARE announces \$17.5 million in capital investments at press conference

Rhode Island Governor Gina Raimondo and other dignitaries helped kick off the next phase of CharterCARE's ambitious capital investment program at an October 19 press conference and groundbreaking ceremony. The investments in both hospital Emergency Departments and main entrances were announced at an event attended by a number of elected officials, dignitaries, hospital and medical staff leadership, board members, and more than 100 employees and guests. (cont'd on p. 4)



Pictured at the groundbreaking ceremony, from left to right, are: Thomas Hughes, Fatima Hospital president; Kimberly O'Connell, Roger Williams Medical Center president; Congressman David Cicilline, Edwin J. Santos, chairman of the board, CharterCARE; Governor Gina Raimondo, Lester P. Schindel, CharterCARE CEO; Congressman James Langevin; Dr. Cynthia Alves, medical staff president, Roger Williams Medical Center; Dr. Raffi Calikyan, medical staff president, Fatima Hospital, and Gregory Mancini, executive director of BuildRI.

## CharterCARE hosts "Be Healthy Rhode Island!" on Nov. 14

On Saturday, November 14, 2015, CharterCARE Health Partners is presenting the year's most comprehensive health fair -- "Be Healthy Rhode Island!" This free event takes place at Twin River Event Center in Lincoln from 8:30 a.m. to noon and features a host of speakers, health screenings, and informational tables. The media sponsor of "Be Healthy Rhode Island!" is WPRI-TV 12. Speakers on the program include Dr. Steven Katz (cancer), Dr. Scott Haltzman (psychiatry), Dr. Roberto Ortiz (diabetes), Richard Gamache (elder care), and Dr. Dieter Pohl (weight loss surgery). Health screenings include "Ask The Doctor", "Ask The Pharmacist", body mass index, dermatology, blood pressure, diabetic foot screening, cholesterol, glucose and more.

"Be Healthy Rhode Island!" is hosted by Michaela Johnson from WPRI's "The Rhode Show." This event is free and open to the public and registration is not necessary. Please join us!



John Clegg named Fatima Employee of Quarter



Congratulations to John Clegg, who was recently recognized as the Fatima Hospital Employee of the Quarter. John is a Nurse Extender in the Fatima Operating Room and has been with the organization since 1995. John is pictured here with David Kobis, Fatima Hospital President, and Shannon Silva, RN, Nurse Leader for Perioperative and Endoscopy Services.

### “Wear Red Day” happening on Feb. 3

National Wear Red Day is held annually on the first Friday in February to raise awareness that heart disease is the No. 1 killer of women. This year, National Wear Red Day is Friday, February 3rd. Help us promote Wear Red Day and the Go Red For Women movement by encouraging your friends, fans and followers to think about how they will go red and who they will go red for! To help support this cause, Keri Kinniburgh, a certified occupational therapy assistant from Southern New England Rehabilitation Center, has American Heart red dress pins available for \$5. You can reach her at [kkinniburgh@chartercare.org](mailto:kkinniburgh@chartercare.org) or 456-3944.



### CharterCARE launches ad campaign

CharterCARE has launched a six-week television and radio brand campaign that features testimonials from six different patients cared for at either Roger Williams Medical Center or Fatima Hospital. Both the television and radio spots are 60 seconds long, giving us time to paint a rich picture of the quality care our hospitals, doctors and nurses deliver to patients. You can view the commercials on the “News” sections of the CharterCARE, Fatima, and Roger Williams’ websites.

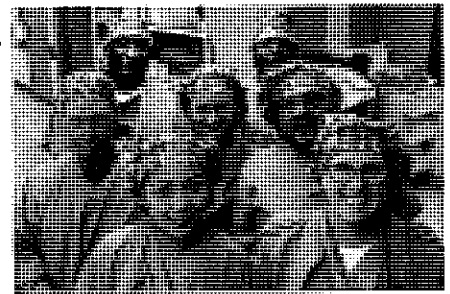
CharterCARE Foundation brings joy to hundreds of children



The following message comes from Paula Iacono, Executive Director of the CharterCARE Foundation: “On behalf of the CharterCARE Foundation, sponsor of the St. Joseph Children’s Christmas Party, I’d like to thank all of the employees who donated toys and time to make the 35th annual event another success! Over 425 gifts were distributed at the party; and those who could not attend on that day will receive their gifts when they next visit the clinics. We were pleased to be the beneficiary of toy drives from “to the Pointe of Performing Arts” – all three studios – and for the first time, we were included in the Mini-Cooper “Minis Making a Difference” Toy Drive, receiving 125 gifts from them alone. Special thanks to: The St. Joseph Medical Staff Association, Lynn Blais and the UNAP nurses at Fatima, Don McQueen and Patricia Wegzyn of the CharterCARE Foundation Board, Tom Lake and the Engineering Department, Courtney Fuller, Elisa Santana, June Tourangeau, Val Glass, Tima Cotter, Ivette Sena, Rosa Linval, and Dr. Joe Samartano for putting together a first-class event.”

### Scrub caps recognize the superheroes of the OR

Team members in the Roger Williams’ Operating Room are now wearing superhero scrub caps, courtesy of Lisa Kiley, RN, Clinical Nurse Manager of the Operating Room. Lisa said the scrub caps are intended to show appreciation for staff while building a sense of team among the orderlies, techs, and nurses who now wear the caps.



## Dr. Elaine Jones receives patient advocacy award

Elaine C. Jones, MD, FAAN, has been named the 2017 Kenneth M. Viste, Jr., MD, Patient Advocate of the Year. Dr. Jones received the award at the American Academy of Neurology's annual meeting in Boston in April. Dr. Jones is the former Chief of Neurology at Roger Williams Medical Center, where she also served as president of the medical staff. She most recently served on the CharterCARE board. Last year, Dr. Jones received the Palatucci Advocacy Leadership Forum Advocate of the Year award from the American Academy of Neurology. She has served as the president of the Rhode Island Medical Society and has served on many Rhode Island task forces including the Health Care Leaders Advisory Committee and the Alzheimer's Disease Planning Committee.



## Physicians recognized as Top Docs in Rhode Island Monthly

(cont'd from p. 1) (Nephrology), Dr. Robert Dobrzynski (Endocrinology), Dr. Walter Donat (Pulmonary Diseases), Dr. Andrea Doyle (Plastic/Reconstructive Surgery), Dr. Peter Evangelista (Radiology), Dr. Francis Figueroa (Ophthalmology), Dr. Holly Gil (Radiology), Dr. William Levin (Cardiology), Dr. Louis Mariorenzi (Orthopedic Surgery), Dr. Charles McCoy (Nephrology), Dr. Joseph Meharg (Critical Care Medicine), Dr. Jon Mukand (Rehabilitation/Physical Medicine), Dr. Roberto Ortiz (Endocrinology), Dr. Edward Pensa (Gastroenterology), Dr. Jeffrey Rogg (Radiology), Dr. Timothy Schafman (Radiation Oncology), Dr. Ponnandai Somasundar (Surgical Oncology), Dr. John Stoukides (Geriatrics), Dr. John Tarro (Otolaryngology), Dr. Valerie Thomas (Endocrinology), and Dr. Scott Triedman (Radiation Oncology).

Congratulations to all the physicians who were recognized as "Top Docs" in Rhode Island Monthly.

## Human Resources announces several staff appointments

Human Resources has announced the appointment of several team members to new positions. **Chris DaRosa**, most recently Human Resource Manager, has been promoted to Senior Manager for Talent Acquisition and Human Resource Operations. In this role, she has responsibility for all recruitment activities as well as all our Human Resource Information Operations, Compensation and Benefit administration.

**Adrienne Machado** and **Sandra Nastari** have each been promoted to Human Resource Manager for Roger Williams Medical Center and Fatima Hospital respectively. In these roles, these individuals will have full responsibility for the day-to-day management of all Human Resource matters in their respective hospitals. **Rachel Paquin** has been promoted to Human Resources Manager for Ambulatory and Support Services.

## CharterCARE teams up with neighbors to clean park

On April 22, CharterCARE again participated in a clean up project at Peace and Plenty Community Park, located adjacent to the St. Joseph Health Center in Providence. This was CharterCARE's 7th year of community service on Earth Day as part of our annual Martin Luther King, Jr. Day activities. Our team members partnered with neighbors, the Friends of Peace and Plenty Park, and Omni Development Corp. A special thank you to Rachel Paquin in Human Resources for taking the lead to organize this worthwhile community effort. Thank you to all who pitched in to help.



## Confidential hotline available

CharterCARE offers a confidential hotline at 1-877-888-0002 for patients, visitors and staff to share concerns about potentially unethical, illegal or unsafe activity. Operated by an independent reporting service known as The Network, this service is available around-the-clock. All calls are confidential and anonymity is assured.

## Liver Life Walk a success

Thank you to everyone who walked in or donated to the Rhode Island Liver Life Walk on May 21. Special thanks to Dr. Alan Epstein, Director of Gastroenterology at Roger Williams, who was medical co-chairman of the walk and Kerri Lanni, PA, who led the effort in recruiting walkers for this event. Our team was the third highest fundraising team in the walk, which took place at Goddard Park in Warwick. The walk brings awareness to liver disease while providing financial support for educational programs and patient services offered to the millions of Americans battling one of the 100 known liver diseases.



## Outpatient Behavioral Health collaborating with CharterCARE Medical Associates

CharterCARE Health Partner's Outpatient Behavioral Health Department has launched a new initiative in collaboration with CharterCARE Medical Associates. In mid-May, Erika Entrup, LICSW, Integrated Behavioral Health Clinician, began providing behavioral health services on site in the primary care practice of Dr. Gregory Allen, Dr. Karen Noyes, Dr. Sukanya Somasunder, Dr. Todd Viccione, and Dr. John Horan at 1407 South County Trail, Ste. 432, in East Greenwich. The objective is to improve behavioral and physical health outcomes and keep patients within our network by providing direct behavioral health services. Other goals include facilitating referrals to other behavioral health programs in our system and developing a model that is both financially responsible and clinically effective that can be replicated in other CharterCARE Medical Associates practices. This clinician will work with patients who have mental health concerns, substance misuse, and/or unmanaged behavioral risk factors in chronic illnesses such as diabetes, and unexplained physical symptoms. She can also assess social determinants and facilitate access to resources as needed.

## St. Joseph School of Nursing graduates 35 students in its 115th class

Congratulations to the most recent graduating class of the St. Joseph School of Nursing, which is located on the campus of Fatima Hospital. Graduation ceremonies for the School of Nursing's 115th class took place on May 15. Close to 300 family members and friends attended graduation ceremonies at the Cathedral of SS Peter and Paul in Providence with the Reverend Timothy Reilly, J.C.L., Chancellor, Diocese of Providence, presiding over the presentation of 35 diplomas and pins to the



graduating class of 2017. Maeghan Goff and Sadie Hodges were recognized as Class Valedictorians. Ashley Ianni, Class President, was the Salutatorian. Claudette Jobin, MS, RN, CCRN, delivered the commencement address. Maeghan Goff offered the welcoming address and Sadie Hodges delivered the farewell address. For a full list of graduates, please visit [www.nursingri.com](http://www.nursingri.com)

## UPCOMING events

### Informational Bariatric Surgery Seminar

Wednesday, September 13, 2017, 6 p.m.--9 p.m.

Kay Auditorium, Roger Williams Medical Center

Individuals interested in weight loss surgery are invited to this free monthly Informational Bariatric Surgery Seminar. This seminar takes place the second Wednesday of every month. Register by calling 521-6310 or visiting [www.loseweightri.com](http://www.loseweightri.com).

### Stroke Support Group meeting

Monday, September 18, 2017, 3 p.m.--4 p.m.

Fatima Hospital -- 4 Pav South

Southern New England Rehabilitation Center invites survivors, families, and caregivers to its "HOPE after STROKE" support group meetings. Upcoming dates include October 16, November 20, and December 18. To learn more, contact Keri at 456-3944 [kkinniburgh@chartercare.org](mailto:kkinniburgh@chartercare.org).

### Emergency Medicine Grand Rounds

Wednesday, September 20, 2017, 6 p.m.--8 p.m.

Fatima Hospital Auditorium

The next "Emergency Medicine Grand Rounds: EMS Case Review" will be presented by Captain Robert Shields, NRP/PADI Assistant Instructor, Cumberland Water Rescue and Recovery Team, addresses "SCUBA Accidents -- Where There Is Water, There Are Divers; Recognition and Management of Diving Injuries." Medical, nursing, and technical staff involved in the care of emergency patients are invited to attend. A complimentary dinner will be served. RSVP by calling 456-3731 or by e-mailing [rbroccoli@chartercare.org](mailto:rbroccoli@chartercare.org)

### First-ever Reshape procedure takes place at Roger Williams

(cont'd from p. 1) the stomach, and saline is used to inflate the balloons when they are properly positioned. Once the balloons are inflated, the endoscope is removed and the insertion procedure is complete. The balloons remain in the stomach for six months. When filled with saline, the balloons help patients lose weight and encourage healthy eating habits by taking up room in your stomach, so there is less space for food. After six months, the balloons are deflated and removed during a similar endoscopic procedure. ReShape is another weight loss tool now offered at Roger Williams, which has been home to more than 3,000 weight loss surgeries since 2005.

To learn more or see if you qualify for the ReShape procedure, please call 456-2309.

### "Walk to End Alzheimers"

Saturday, September 23, 2017

Roger Williams Park

CharterCARE is again fielding a team in the "Walk to End Alzheimers" on Saturday, September 23, 2017 at Roger Williams Park. Team captains are Darlene Kershaw, RN, from Roger Williams Medical Center and Dr. Joseph Samartano from Fatima Hospital and St. Joseph Health Center. To register and join the team, search for "2017 Walk to End Alzheimer's Providence RI", click on "Team" and then "Charter Care Health Partners." Registration is at 8:30 a.m. with the walk starting at 10:00 a.m.

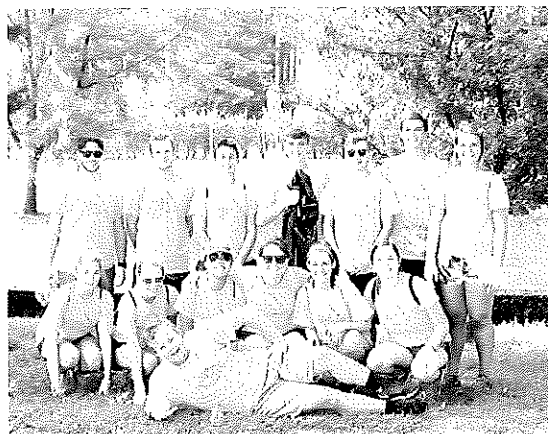
### SNERC Annual Rehabilitation Conference

Wednesday, September 27, 2017

Crowne Plaza, Warwick

Southern New England Rehabilitation Center's 24th Annual Rehabilitation Conference focused on "Brain Injury Rehabilitation" takes place on Wednesday, September 27, 2017 at the Crowne Plaza Hotel in Warwick.

The Center's annual conference provides a professional forum for discussing complex therapeutic issues in rehabilitation. The 2017 conference will focus on the challenges of Brain Injury Rehabilitation. Conference topics address how to improve functional outcomes and quality of life. To learn more or register, call Linda at 456-2543 or [lethier@chartercare.org](mailto:lethier@chartercare.org)



### Partnerships blossom with local community

Roger Williams Medical Center has recently partnered with the city of Providence, Providence College, and several community organizations to beautify the neighborhood. In late July, the team from Roger Williams planted 36 trees as part of an effort to mitigate heat from large parking lots, provide shade to visitors and aid in better storm-water management. More than 125 trees will be planted over the next two years. Roger Williams also recently teamed with students from PC on a cleanup project on Pleasant Valley Parkway.

PC0006905

## CharterCARE hosts national substance abuse leader from Department of Health and Human Services



On September 1, CharterCARE hosted a visit from Kimberly A. Johnson, Ph.D., Director for the Center for Substance Abuse Treatment at the Substance Abuse and Mental Health Services Administration (SAMSHA). Dr. Johnson was visiting Rhode Island to learn more about collaborative efforts statewide to address substance abuse issues. She was particularly interested in our system's designation as the first Level of Care 1 Facility for treating overdose and opioid disorders, along with the Pilot Program for Recovery Coaches in the Emergency Department at Roger Williams. Dr. Johnson is pictured here (middle with black suit jacket and striped shirt) with staff from CharterCARE, Roger Williams and several organizations and state agencies dedicated to improving the lives of those with substance abuse issues in Rhode Island. SAMSHA is the agency with the Department of Health and Human Services that leads public health efforts on behavioral health issues.

## SNERC hosts Brain Injury Rehabilitation conference

On September 27, Southern New England Rehabilitation Center hosted its 24th Annual Rehabilitation Conference on the topic of "Brain Injury Rehabilitation" at the Crowne Plaza. This annual conference provides a professional forum for



discussing complex therapeutic issues in rehabilitation. The conference is intended for physicians, nurses, physical and occupational therapists, speech language pathologists, social workers, case managers, therapeutic recreation specialists, and others who work in a rehabilitation setting. Jessica Garvey, PT, CRCS, from CharterCARE Home Health (pictured above) was one of the presenters at this event.

## Jennifer Healey named Executive Director of CharterCARE Behavioral Health Services

Jennifer Healey, LMHC, MFT, has been named Executive Director of CharterCARE Behavioral Health Services. She has worked closely with several members of CharterCARE's staff, most recently in training Fatima Hospital team members in the use of Dialectical Behavior Therapy. Jen has held behavioral health leadership roles at a number of organizations including Southcoast Behavioral Health, Continuum Behavioral Health, and Arbour Fuller Hospital. Jen is a member of several professional organizations including the American Mental Health Counselors Association and ARC of Blackstone Valley, where she serves as Human Rights Chairperson.



## Roger Williams hosting "Living Well With Liver Disease" event on October 26

On October 26, Roger Williams Medical Center is the host for an American Liver Foundation event entitled, "Living Well With Liver Disease Rhode Island", taking place from 6 p.m.-9 p.m. in Kay Auditorium at Roger Williams. The speakers and topic include Dr. Alan Epstein (*The Healthy Liver: Understanding the Progression of Liver Disease*), Dr. Mark Ridlen (*What Can Scans Tell You About Your Liver? Ultrasound, CAT, MRI, & Fibroscan*), and Dr. Tom Sepe (*Hepatic Encephalopathy: Coping strategies, caregivers, and more*). This event is free and open to medical professionals and the general public. To register or learn more, visit [ALFevents.org/lwwldri](http://ALFevents.org/lwwldri), call (617) 527-5600 or email [LVentura@LiverFoundation](mailto:LVentura@LiverFoundation)

## CCHP team raises money in Alzheimers Walk



Thank you to everyone who walked in or donated to the 2017 "Walk to End Alzheimers", which took place on September 23. The CharterCARE team raised approximately \$4,500. Darlene Kershaw MS, RN, System Director of Behavioral Health, and Dr. Joseph Samartano from Fatima Hospital and St. Joseph Health Center co-captained our team again this year. RCC 006906

## UPCOMING events

### Informational Bariatric Surgery Seminar

Wednesday, November 8, 2017, 6 p.m.--9 p.m.

Kay Auditorium, Roger Williams Medical Center

Individuals interested in weight loss surgery are invited to this free monthly Informational Bariatric Surgery Seminar. This seminar takes place the second Wednesday of every month. Register by calling 521-6310 or visiting [www.loseweightri.com](http://www.loseweightri.com).

### Emergency Medicine Grand Rounds

Thursday, November 16, 2017, 6 p.m.--8 p.m.

Kay Auditorium, Roger Williams Medical Center

The next EMS case review, focused on the topic of "Sepsis", is presented by John Jardine, MD, EMS Director, CharterCARE Health Partners. Medical, nursing, and technical staff involved in the care of emergency patients are invited to attend. A complimentary dinner will be served. RSVP by calling 456-3731 or by e-mailing [rbroccoli@chartercare.org](mailto:rbroccoli@chartercare.org)

### Stroke Support Group meeting

Monday, November 20, 2017, 3 p.m.--4 p.m.

Fatima Hospital Auditorium

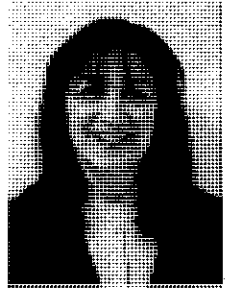
Southern New England Rehabilitation Center invites survivors, families, and caregivers to its "HOPE after STROKE" support group meetings. The last meeting of the year takes place on December 18. To learn more, contact Keri at 456-3944 or by e-mail at [kkinniburgh@chartercare.org](mailto:kkinniburgh@chartercare.org).

### Concur system now available for business travel

The Concur travel system is now available for CharterCARE leadership. All expense reimbursement forms must be submitted through the system. Employees can set up a profile and add banking information to allow the reimbursement to process as a direct deposit. In addition, all employees should be using the Concur system to schedule business travel reservations according to the hospital policy. The website can be accessed at [www.concursolutions.com](http://www.concursolutions.com). Your Login ID is your hospital e-mail address and you can add a password once you log on. We are also adding links to the hospital intranet with helpful hints on how to utilize Concur. If you have any questions or concerns, please contact Barbara Garon at [barbara.garon@chartercare.org](mailto:barbara.garon@chartercare.org) or 401-456-3312.

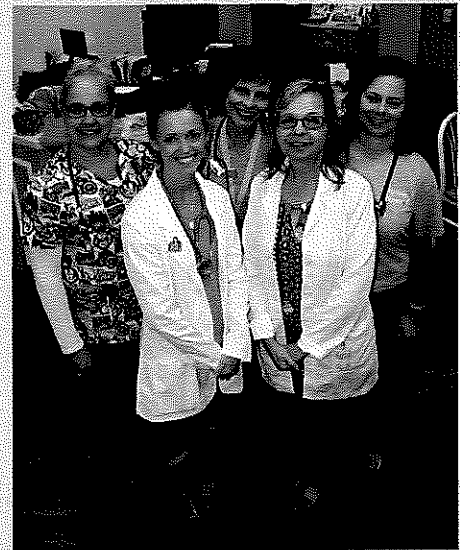
### Fatima Hospital's Marlene Fishman Wolpert named conference speaker

Marlene Fishman Wolpert, MPH, CIC, FAPIC, Director of Infection Prevention and Control at Fatima Hospital, has been chosen for the third time to deliver a lecture at the Association of Professionals in Infection Control and Epidemiology (APIC) Annual International Conference, which takes place in June in Minneapolis, MN. Her topic is "Are You Kidding Me? The Journey from Novice to Mentor", a collection of atypical situations occurring in the field of infection prevention and control. Marlene is Chair of the APIC Practice Resources Editorial Panel, a Faculty Member of the APIC EPI Intensive Course and an APIC Fellow.



Marlene is Chair of the APIC Practice Resources Editorial Panel, a Faculty Member of the APIC EPI Intensive Course and an APIC Fellow.

### Teddy Bear Clinic team delivers



A group photo of our team of caregivers from the Teddy Bear Clinic at Fatima Hospital on October 14.



Matthew Boger of New England Donor Services was invited to speak to Level 3 students at St. Joseph School of Nursing regarding the importance of organ donation. The lecture was one of a series of workshops the school organizes with health care experts.

### Dr. Sweeney, colleagues present at AABB annual meeting

Joseph D. Sweeney, MD, gave an invited presentation on the topic "The Role of Transfusion Medicine in Enterprise Risk Management" at the AABB 2017 annual meeting, which took place in San Diego from October 7-10. Dr. Sweeney spoke on the need to engage and educate physicians on appropriate and avoidable blood transfusions and the contribution of such towards risk management. Dr. Sweeney and his colleagues Maria F. Tavares, MT, Kim Ouellette, MT, and Gorka Ochoa-Garay also presented a poster entitled, "Two unusual cases of anti-Jka". Dr. Sweeney is the Medical Director of the Roger Williams' Blood Bank and Ms. Tavares is the senior blood bank technologist at Roger Williams. AABB is an international, not-for-profit association representing individuals and institutions involved in the fields of transfusion medicine and cellular therapies.



### Latest Employees of the Quarter recognized

Congratulations to our two most recent Employees of the Quarter. Antonietta Labbadia, RN, (pictured in the middle on the photo on the left), who works in the 2 Center Adult Psych department, was recognized at a celebration on October 13 as Fatima Hospital. She has been with Fatima since 1988. She is pictured with Lynn Leahey, RN, Chief Nursing Officer, and Jackie Fernandes, RN, Nurse Leader on 2 Center. Ramdeo (Raj) Sooknah, our most recent Roger Williams' Employee of the Quarter, was recognized at a ceremony on October 19. Raj, who has been an RN in Home Health since 2002, is pictured in the center on the picture on the right with Paula Roberge, Director of Home Care and Rehabilitation Service, and Demetra Ouellette, Roger Williams' President.



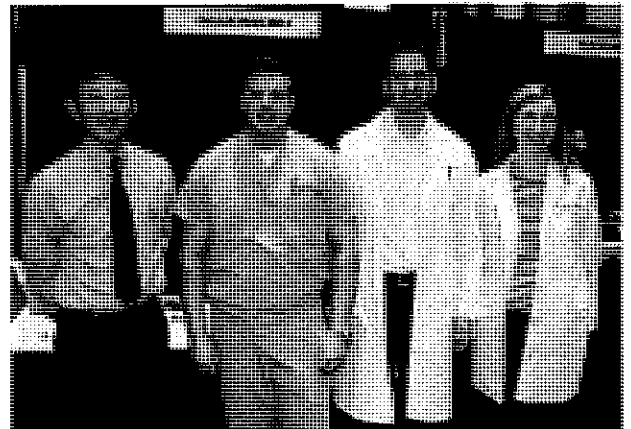
### Fatima and Roger Williams host safety and competency fairs

Thank you to everyone who presented or participated in the recent Safety Fairs at Fatima Hospital and Roger Williams Medical Center. The fair allowed employees to get flu shots, take the latest competency tests and learn more about health-related topics like respirator fit testing, Advanced Directives, restraints, hand hygiene, PPE, Cauti, extravasation policy, emergency codes, safety, Universal Protocol, transport of monitored patients policy, clinical alarm policy, patient identification policy, hand off communications, interpreter use, and suicide risk screening.

### CharterCARE team members share healthy message at "Life Expo" at Twin River



Thank you to the team members who participated in the "Life Expo" at Twin River Casino on October 21. Our team, from departments like dermatology, surgical oncology, weight loss surgery, behavioral health/addiction medicine, food and nutrition, laboratory, St. Joseph School of Nursing, and CharterCARE Provider Group of Rhode Island, provided a wealth of health information and screenings for Baby Boomers and seniors.



### Confidential hotline available

CharterCARE offers a confidential hotline at 1-877-888-0002 for patients, visitors and staff to share concerns about potentially unethical, illegal or unsafe activity. Operated by an independent reporting service known as The Network, this service is available around-the-clock. All calls are confidential and anonymous if required.

PCC-006908



A News Bulletin for CharterCARE Employees

# PROSPECTIVES

## A Regional Health Care Network

- Roger Williams Medical Center
- Our Lady of Fatima Hospital
- Roger Williams Cancer Center
- St. Joseph Health Center
- Blackstone Valley Surgicare
- Southern NE Rehabilitation Center
- CharterCARE Home Health Services
- CharterCARE Medical Associates
- CharterCARE Provider Group RI, LLC

October 2017

### Update on safety survey, HRO training session

On October 24, a “Train the Trainer” session was held for members of system leadership as part of “Rhode Island Saves Lives”, an initiative of the Hospital Association of Rhode Island. This training is part of our commitment to becoming a High Reliability Organization (HRO) and making safety our top priority. Those who participated are now on the path to conducting training sessions for other staff. Our ultimate goal is to become an organization with zero events of preventable harm to patients and staff. As part of this journey, please remember that you have until November 3 to take the CharterCARE Patient Safety Culture Survey. You can access the survey from work or home using the link [www.patientsafetygroup.org/survey/pmh](http://www.patientsafetygroup.org/survey/pmh). The survey link is also available on the hospital intranet. The survey is available in both English and Spanish, takes about 10 minutes and is 100% anonymous.

### Groundbreaking held for Roger Williams’ ED renovations

On October 3, Roger Williams Medical Center held a groundbreaking ceremony to commemorate an Emergency Department renovation that will improve care for patients with emergency needs, including those with behavioral health issues. The project will renovate the existing Roger Williams’ Emergency Department space by building an addition of approximately 12,000 SF to accommodate increased patient bay sizes and an expanded behavioral health program. Thank you to Thomas Mann and the other members of the team who helped make this project possible. Pictured at the groundbreaking (from left to right) are Cheryl Dunnington, RN, Chief Nursing Officer, Roger Williams; Dr. Vincent Armenio, Chairman of Medicine, Roger Williams; Demetra Ouellette, Roger Williams’ President; Dr. Sheri Smith, Chair of the Roger Williams’ board; John Holiver, Chief Executive Officer of CharterCARE; Edwin Santos, Chair of the CharterCARE board; Dr. N. Joseph Espot, Chairman of Surgery, Roger Williams, and Candace Wray, RN, clinical nurse manager of the Roger Williams’ Emergency Department.



### Teddy Bear Clinic puts kids at ease with hospital visit

Thank you to our team members who organized and staffed a successful Teddy Bear Clinic at Fatima Hospital on October 14. This event is designed to give children a chance to meet medical staff and increase their ease with a hospital visit -- while also getting a free checkup and treatment for their stuffed animal. The event was featured on the front page of the Valley Breeze, which you can access here: <http://valleybreeze.uberflip.com/i/888186-the-north-providence-breeze-10-18-2017>. Thank you to Kim McEnery, a Physician Assistant in the Fatima Emergency Department, and Rebecca Broccoli, Associate Director of Emergency Services, for organizing this event and to all the staff who took time to participate. See p. 4 for a group photo of our Teddy Bear caregivers.



<b>ROGER WILLIAMS MEDICAL CENTER</b> HOSPITAL POLICY AND PROCEDURE		TITLE:		Number
Coverage For Uninsured & Under-Insured Patients Receiving Services at Roger Williams Medical Center		<b>Financial Assistance Policy</b>		Source <b>Patient Financial Services</b>
				Approved
Date Issued 03/09/2011	Date Effective 03/09/2011	Updated 2/17/06, 3/4/11, 3/1/12, 2/4/13, 3/1/2014, 3/1/2015, 05/11/2015, 3/1/2016, 3/1/2017, 3/1/2018	Distribution See Below	Page 1 of 3

It is the policy of Roger Williams Medical Center to provide medically necessary/essential health services to any person regardless of his/her ability to pay in full or in part for those services provided by the Hospital.

**Purpose:**

Roger Williams Medical Center provides Financial Assistance to patients who meet specified financial criteria and request such assistance. Consideration will be given to a patient's financial status, including indebtedness for existing medical bills, pursuant to state regulation. Roger Williams Medical Center will provide public "Notice of Hospital Financial Aid" (Attachment A) on the Hospital's website, at appropriate intake/registration locations, and make notice of availability to patients on patient bills. Roger Williams Medical center shall provide its "Financial Aid Criteria" (Attachment B) for qualifying patients/guarantors for financial assistance including partial assistance. Roger Williams Medical Center will make these notices available in other languages in accordance with the "Standards for Culturally and Linguistically Appropriate Services in Health Care" (Standards 4 & 7, based on Title VI of the Civil Rights Act of 1964).

Financial Assistance may be extended when a review of a patient's individual financial circumstance has been conducted and documented. This should include a review of the patient's existing medical bills (including any accounts that have gone to bad debt within twelve (12) months of application date).

**Procedure:**

Patients who qualify for Financial Assistance should be identified as soon as possible in the revenue cycle. Patients requiring medically necessary/essential healthcare services, who are identified as being without federal, state, local, or private healthcare coverage, shall receive the following:

- Financial Assistance counseling along with a packet of information that addresses the Financial Assistance policy and procedure, including an application for assistance.
1. An evaluation for Financial Assistance can be initiated by:
    - A call from a patient with a self-pay balance due, taken by any RWMC employee or vendor.
    - A patient presents at a clinical area without insurance and states that he/she cannot afford to pay the medical expenses associated with current or previous medical services.
    - A physician or other clinician refers a patient for financial assistance evaluation.
  2. The Hospital will designate a person(s) who will be responsible for taking Financial Assistance applications. Designees can be employees of RWMC or their associated vendors.
  3. Criteria to be met for Financial Assistance Approval:
    - a. Residency – Financial Assistance is intended for uninsured or underinsured low-income Rhode Island residents.
    - b. Income – For 100% Discount, income must not exceed 200% of the current Federal Poverty Guideline.
    - c. Income – For Sliding Scale Discounts (20-80%), income must not exceed 201-300% of the current Federal Poverty Guideline.
    - d. Assets – Cannot exceed the assets protection threshold which is updated annually.  
Current Protection Threshold: \$9,862.00 Individual and \$14,792.00 per family. (Updated 03/2018)  
Types of Assets Considered but not limited to:  
Investments that could be converted to cash within one (1) year  
Savings or Checking Accounts  
Certificates of Deposit  
Money-Market Accounts

- e. All insurance benefits have been exhausted.

**Roger Williams Medical Center  
HOSPITAL POLICY & PROCEDURE**

Date Effective  
03/09/2011

Page  
2 of 3

Number

4. A patient can qualify for Financial Assistance either through lack of sufficient insurance or excessive medical expenses. Once a patient has submitted all required information, the Financial Counselor will review and analyze the application and forward it to the Patient Financial Services Department for final determination of eligibility based on applicable guidelines. Approval will be for no more than a 6 month period, after which time, a new application and updated documentation will need to be submitted.
5. Financial Assistance will be denied to patients/guarantors who do not fully cooperate in applying for available coverage, or who fail to provide the information and documentation necessary to apply for financial assistance; with the exception of Presumptive Charity Care Eligibility. In such cases where the patient/guarantor is not cooperative, Roger Williams Medical Center may place the outstanding account in bad debt status and pursue collections accordingly.
6. A department can continue to use a government-sponsored application process and associated income scale, as required by the terms of a program grant or other outside authority governing that program.
7. Once a patient is approved for Financial Assistance, it is expected that the patient/guarantor will continue to meet his/her required financial commitments to Roger Williams Medical Center. If a patient is approved for a percentage allowance (partial charity) due to financial hardship and the patient does not make the required initial payment within thirty (30) days towards the outstanding balance, the Financial Assistance allowance will be reversed and the patient will owe the entire amount.
8. If the patient/guarantor has a change in financial status, the patient/guarantor should promptly notify the Hospital. The patient/guarantor may request and apply for financial assistance or a change in their payment plan terms.

**Medical Indigence:**

A patient's medical indigence is determined by Roger Williams Medical Center by giving exclusive consideration to a patient's income level in relation to the amount of their medical bills. Medically indigent patients are those who do not have appropriate insurance coverage that applies to services related to their significant or catastrophic health care requirements. Such patients may have a reasonable level of income but a low level of liquid assets and payment of their medical bills would be seriously detrimental to their basic financial well-being and survival. Roger Williams Medical Center shall make a decision regarding a patient/guarantor's medically indigent status by reviewing formal documentation for any circumstance in which a patient is considered eligible for a financial assistance discount on the basis of medical indigence.

In addition to the required information to be considered for financial assistance the following documents may be required to support medical indigence:

- Copies of all patient/guarantor medical bills.
- Information related to the patient's prescription drug costs.
- Multiple instances of high-dollar patient co-pays, deductibles, and/or other medical liabilities.
- Other evidence of high-dollar amounts related to healthcare costs such as documentation of a HSA that has been fully expended.

**Presumptive Charity Care Eligibility:**

There are instances when a patient may appear eligible for charity care discounts; however, a financial assistance form cannot be completed due to a lack of supporting documentation. Often there is adequate information provided by the patient or other sources that could provide Roger Williams Medical Center with sufficient evidence that the patient would otherwise qualify for a financial assistance discount. Once eligibility has been determined, due to the inherent nature of the presumptive circumstances, a financial assistance discount of 100% of the account balance will be granted.

Presumptive eligibility may be determined on the basis of a patient's life circumstances that may include the following:

- Homeless or living in a shelter.
- No income.
- Participation in Women's Infant's, and Children's programs (WIC).
- Food stamp eligibility.
- Eligibility for other state or local assistance programs that are unfunded (e.g.; Medicaid spend-down).
- Documentation provided by family or friends of the patient establishing the patient's inability to pay for medical care (e.g.; letter of support).
- Low income/subsidized housing is provided as a valid address.
- Patient is deceased with no known estate.

- If the patient is mentally or physically incapacitated and has no one to act on his/her behalf.
- Participation in the SSTAR Program

<b>Roger Williams Medical Center</b> HOSPITAL POLICY & PROCEDURE	Date Effective 03/09/2011	Page 3 of 3	Number
---	------------------------------	----------------	--------

**Appeal Rights of Patient/Guarantors:**

If a patient/guarantor disagrees with the denial of financial assistance decision, the patient/guarantor may request in writing an appeal within forty-five (45) business days of receiving notification. The denial letter will advise the patient that he or she has the right to appeal the decision and that the patient will be provided the information necessary to file a written appeal. The Director of Patient Financial Services will review all appeals and make a final decision regarding the financial assistance. The final decision will be communicated to the patient/guarantor in writing within fourteen (14) business days. Collection activity halted as a result of the financial assistance process will continue to be halted during the appeal process until the committee makes a final determination.

**Financial Assistance Signature Authority:**

Supervisor/Manager/Director – Patient Financial Services  
 VP Finance  
 Chief Financial Officer

**Recording of Financial Assistance:**

Roger Williams Medical Center shall provide the Rhode Island Department of Health (on an annual basis or as required by the Director) information including but not limited to:

- The “Annual Financial-Aid Data Filing
- The public “Notice of Hospital Financial Aid”
- HIPAA Compliant Bill including the public “Notice of Hospital Financial Assistance”
- The “Notice of Financial Aid Criteria”
- The “Application for Financial Assistance”
- The Hospital’s adopted Appeals Process
- The Hospital’s adopted Collections Process



Attestation

I, David Ragosta, hereby attest as follows:

1. I am the Chief Financial Officer of Prospect CharterCARE, LLC ("PCC"). I make this attestation on my personal knowledge and on the basis of my review of the business records of PCC.

2. Propsect CharterCARE SJHSRI, LLC d/b/a Our Lady of Fatima Hospital and Prospect CharterCARE RWMC, LLC d/b/a Roger Williams Medical Center have continued to provide charity care consistent with the Charity Care Guidelines set forth in the policies.

I hereby certify that the information contained in this attestation is complete, accurate and true to the best of my knowledge and information. Executed on July 15, 2020



CharterCARE  
Health Partners  
825 Chalkstone Avenue  
Providence, RI 02908-4135  
(401) 456-2001

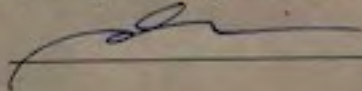
Attestation

I, Cheryll Ku, hereby attest as follows:

1. I am the Corporate Vice President of Financial Operations for Prospect Medical Holdings, Inc. ("PMH"). I make this attestation on my personal knowledge and on the basis of my review of the business records of PMH.

2. Prospect CharterCARE SJHSRI, LLC d/b/a Our Lady of Fatima Hospital and Prospect CharterCARE RWMC, LLC d/b/a Roger Williams Medical Center used productivity targets to assist with determining appropriate staffing levels for the full period of the monitorship.

I hereby certify that the information contained in this attestation is complete, accurate and true to the best of my knowledge and information. Executed on July 15, 2020



---

ASSET PURCHASE AGREEMENT

by and among

CHARTERCARE HEALTH PARTNERS,

ROGER WILLIAMS MEDICAL CENTER,

ST. JOSEPH HEALTH SERVICES OF RHODE ISLAND,

ROGER WILLIAMS REALTY CORPORATION,

RWGH PHYSICIANS OFFICE BUILDING, INC.,

ELMHURST EXTENDED CARE FACILITIES, INC.,

ROGER WILLIAMS MEDICAL ASSOCIATES, INC.,

ROGER WILLIAMS PHO, INC.,

ELMHURST HEALTH ASSOCIATES, INC.,

OUR LADY OF FATIMA ANCILLARY SERVICES, INC.,

THE CENTER FOR HEALTH AND HUMAN SERVICES,

SJH ENERGY, LLC,

ROSEBANK CORPORATION,

PROSPECT MEDICAL HOLDINGS, INC.,

PROSPECT EAST HOLDINGS, INC.,

PROSPECT CHARTERCARE, LLC,

PROSPECT CHARTERCARE RWMC, LLC,

PROSPECT CHARTERCARE SJHSRI, LLC,

PROSPECT CHARTERCARE ELMHURST, LLC,

and

PROSPECT CHARTERCARE PHYSICIANS, LLC

Dated as of September 24, 2013

2.4 Excluded Liabilities of Sellers. Notwithstanding anything here in to the contrary, the Company and/or the Company Subsidiaries are assuming only the Assumed Liabilities and are not assuming and shall not become liable for the payment or performance of any other Liability of Sellers (collectively, the "Excluded Liabilities"). The Excluded Liabilities are and shall remain Liabilities of the Sellers. Without limiting the generality of the foregoing, the term "Excluded Liabilities" includes any Liability: (i) that is not related to the Business; (ii) relating to any Material Indebtedness; (iii) that is described on Schedule 2.4; or (iv) pertaining to any Excluded Asset.

2.5 Prospect Contribution.

(a) At the Closing, Prospect shall make a capital contribution to the Company in the amount of Forty-Five Million Dollars (\$45,000,000) payable in cash (the "Prospect Contribution"). The Prospect Contribution shall be subject to adjustment pursuant to Section 2.9 below.

(b) The Prospect Member shall also be obligated to contribute additional capital to the Company during the four (4)-year period immediately following the Closing Date, in an amount of \$50,000,000 (which shall be in addition to the Company's routine capital investment, in its own facilities or those of the Company Subsidiaries, of at least \$10 million per year), subject to adjustment, offset or satisfaction as expressly provided herein and in the Amended and Restated Agreement, a copy of which is attached hereto as Exhibit A (the "Long-Term Capital Commitment"). Except as otherwise provided in the Amended and Restated Agreement, and subject to the process and requirements therein, the Company shall cause the Long-Term Capital Commitment to be used by the Company or the Company Subsidiaries on (i) the development and implementation of physician engagement strategies, and (ii) projects related to facilities and equipment ("Capital Projects"), in each case based on a return-on-investment calculation or a material needs assessment. Capital Projects currently identified include the following: expansion of the cancer center at Roger Williams Medical Center, expansion of the emergency department at Roger Williams Medical Center, renovation/reconfiguration of the emergency department at Our Lady of Fatima Hospital, renovation of the operating rooms at Roger Williams Medical Center, conversion of all patient rooms to private rooms at both Hospitals, renovation and expansion of the ambulatory care center at Our Lady of Fatima Hospital, new windows at both Hospitals, a new generator at Our Lady of Fatima Hospital, a facelift for the facades at both Hospitals, and access for the handicapped at the front entrances of both Hospitals (with the specific Capital Projects to be funded as determined by the Company's board of directors).

2.6 Consideration.

(a) Subject to the adjustment as provided in Section 2.9, the aggregate cash purchase price (the "Cash Purchase Price") to be paid by the Company to Sellers shall be an amount equal to: (i) (A) the actual dollar amount of the Prospect Contribution, minus (B) the Assumed Capital Lease Excess Amount (if any) (the "Closing Cash Amount"), plus or minus (ii) the Final Adjustment Amount. The Closing Cash Amount shall be paid at Closing, and the Final Adjustment Amount shall be paid following Closing in accordance with Section 2.9(e).

## ASSET PURCHASE AGREEMENT

THIS ASSET PURCHASE AGREEMENT (the "Agreement"), is made and entered into as of the 21<sup>st</sup> day of December, 2016 (the "Effective Date"), by and among Prospect Blackstone Valley Surgicare, LLC, a Rhode Island limited liability company ("Buyer"), Blackstone Valley Surgicare Acquisition, L.P., a Rhode Island limited partnership ("Seller") and Surgical Care Affiliates, LLC, a Delaware limited liability company and an affiliate of Seller ("SCA").

### WITNESSETH:

WHEREAS, Seller currently owns and operates an ambulatory surgery center known as "Blackstone Valley Surgicare" (the "Surgicenter"), located at 1526 Atwood Avenue, Suite 300, Johnston, Rhode Island (the "Premises"); and

WHEREAS, SCA manages the day-to-day operations of the Surgicenter and employs certain non-professional personnel of the Surgicenter; and

WHEREAS, Seller wishes to sell to Buyer, and Buyer wishes to purchase from Seller, certain of the assets used in connection with the business operations of the Surgicenter (the "Business"), as set forth in more detail below.

NOW, THEREFORE, in consideration of the premises and of the representations and warranties, covenants and agreements hereinafter made, the parties hereto do hereby agree as hereinafter set forth:

#### 1. AGREEMENT TO BUY AND SELL ASSETS.

1.1 Purchase of Assets. Buyer agrees to buy from Seller and Seller agrees to sell to Buyer, all of the assets (other than the Excluded Assets, as hereinafter defined) that are used in, related to or in any way connected with the Business, including, without limitation (collectively, the "Acquired Assets"):

(a) all machinery, equipment, computers, office equipment and furniture and fixtures of Seller (collectively, "Machinery and Equipment"), medical supplies, office supplies, instruments, goods, artwork and all other tangible personal property and all computer hardware and data processing equipment held by Seller and used primarily in the conduct of Business or the operation of the Acquired Assets, all of which is specifically identified on Schedule 1.1(a);

(b) all inventory of Seller, including supplies on hand;

(c) a list of physicians who have used the Surgicenter within the two (2) year period immediately preceding the Closing Date;

(d) all records related to the operation of the Surgicenter prior to the Closing Date, including, without limitation, all patient, medical staff and personnel records, purchase and vendor records, but specifically excluding any financial records of Seller;



(e) all right, title and interest of Seller in and to (A) the leases and contracts listed on Schedule 1.1(e) attached hereto, to the extent assignable and transferable; and (B) all purchase orders given by Seller in the ordinary course of business consistent with past practices for the purchase of products, materials, supplies, parts and other items used in the operation of the Business with respect to which Seller has not received all of the goods or services ordered on or prior to the Closing Date (all of such leases, contracts and purchase orders specified in clauses (A) and (B) of this Section 1.1(e) are hereinafter referred to as the “Assumed Contracts”);

(f) all government licenses and permits necessary to the conduct of the Business, to the extent transferable to Buyer including, without limitation, Seller’s Medicare Provider Agreement;

(g) such other assets of the Business as are set forth on Schedule 1.1(g) attached hereto; and

(h) the name “Blackstone Valley Surgicare,” the URL associated with the Surgicenter’s website, [www.blackstonevalleyasc.com](http://www.blackstonevalleyasc.com) (it being understood that Seller may delete proprietary content), and the goodwill of the Business;

(i) all proceeds of the foregoing and, except for the Excluded Assets, all other property of every kind, character or description, tangible or intangible, known or unknown, owned or leased by Seller and that is located on the Premises, and whether or not reflected in the Financial Statements or similar to the properties described above;

(j) a perpetual, royalty free license to use Seller’s policies and procedure manuals at the Premises without charge; provided, however, that Seller shall have no obligation to update its policies and procedure manuals or otherwise notify Buyer of any changes to Seller’s policies and procedure manuals, nor shall Seller have any liability associated with such policies and procedure manuals.

1.2 Excluded Assets. Notwithstanding anything herein to the contrary, the following assets are not intended by the parties to be part of the Acquired Assets that are being purchased by Buyer hereunder and shall be excluded from such purchase and from the definition of “Acquired Assets” (collectively, the “Excluded Assets”):

(a) the Seller’s Limited Partnership Agreement and partnership records as have to do exclusively with the Seller’s organization;

(b) any records related to the Excluded Assets and all organizational documents, minute books, stock books and corporate records relating to the organization of Seller;

(c) all computer software and related software and programs licensed to Seller or its Affiliates, scheduling systems, cash management systems, billing systems, business manuals and any other proprietary information of SCA, including, without limitation, that which is contained in Seller’s employee operation or other manuals and Seller’s third party

reimbursement system (all of the foregoing, whether in written or electronic form, as applicable, hereinafter referred to collectively as the “SCA Assets”);

(d) all commitments, contracts, leases and agreements between Seller and its Affiliates that are not needed for Buyer’s operation of the Surgicenter after the Closing Date, which contracts are set forth on Schedule 1.2(d) hereto (the “Excluded Contracts”), provided that such list may be updated by mutual agreement prior to Closing;

(e) claims against third parties related to the Surgicenter or the Acquired Assets with respect to periods on or prior to the Closing Date;

(f) the names and symbols attributable to SCA, which include the names “SURGICAL CARE AFFILIATES, LLC,” “SCA,” or any variant thereof;

(g) all Plans of Seller or SCA (as hereinafter defined in Section 3.2(d)) which are presently in effect and relate to the operation of the Business, including any assets held by such Plan;

(h) the Purchase Price and all rights of Seller arising out of or relating to this Agreement;

(i) all accounts receivable and intercompany accounts of Seller and its affiliates;

(j) the cash balances (and cash equivalents) of Seller as of the Closing;

(k) income tax deposits, income tax refunds, and any prepaid expenses;

(l) Seller’s tax returns; and

(m) any other assets set forth on Schedule 1.2(m) hereto.

Buyer and Seller acknowledge and agree that the SCA Assets are proprietary information of SCA and have been or will be removed from the Surgicenter promptly after Closing. Nothing contained in this Agreement shall be construed as a license or transfer of such SCA Assets or any portion thereof.

1.3 Assumption of Certain Commercial Obligations. As of the Effective Time, Buyer shall assume and thereafter pay, perform or discharge when due any and all liabilities arising after the Effective Time under the Assumed Contracts, except for any liability under any of the Assumed Contracts arising out of Seller’s failure to perform its obligations thereunder to the extent such performance was due on or prior to the Effective Time (the “Assumed Liabilities”).

1.4 Excluded Liabilities. With the exception of the Assumed Liabilities, Buyer assumes no liabilities or other obligations, commercial or otherwise, of Seller or SCA, known or unknown, fixed or contingent, choate or inchoate, liquidated or unliquidated, secured or unsecured or otherwise (such liabilities and obligations of Seller and SCA, other than the Assumed Liabilities, are hereinafter referred to collectively as the “Excluded Liabilities” and individually as an

“Excluded Liability”) including, without limitation, any liability or obligation to any person with respect to the following:

(i) any liability of Seller with respect to any action or inaction of Seller occurring after the Closing Date (for the avoidance of doubt, liability for any event occurring at the Surgicenter after the Closing Date shall not be a liability of Seller);

(ii) any liability or obligation incurred in connection with or related to the transfer of the Acquired Assets including transfer taxes;

(iii) any liability of Seller for federal, state or local taxes, fees, assessments or other similar charges (including, without limitation, income taxes, franchise taxes, real estate taxes, payroll taxes, personal property taxes and sales and use taxes) incurred during or related to any period ending prior to the Effective Time;

(iv) any malpractice or professional liability for errors or omissions relating to the operation of the Business prior to the Effective Time, whether the claim is asserted before or after the Effective Time;

(v) any liability for losses, personal injury, property damage or other damages of any kind whatsoever, incurred by Seller’s patients, employees or business invitees, which are incurred or arising out of incidents that occurred prior to the Effective Time, whether the claim is asserted before or after the Effective Time;

(vi) any Seller or SCA liability for any loan indebtedness to any bank, financial institution or other third party;

(vii) except as provided in Section 2.4 hereof, any responsibility, liability or obligation with respect to salary, wages, sick pay, vacation pay, severance pay, savings plans, deferred compensation, Seller’s pension, profit-sharing, retirement, and other fringe benefit plans, including but not limited to, any employee pension benefit plan as defined in Section 3(2) of ERISA, including but not limited to, accrued pension benefits (vested or unvested), relating to or arising out of their employment through the Closing Date or the termination of their employment by Seller or SCA;

(viii) any liability resulting from the failure of Seller or SCA to comply with applicable laws, rules and regulations prior to the Effective Time;

(ix) any liability under any Assumed Contract to the extent such liability arises solely out of Seller’s failure to perform its obligations thereunder prior to the Effective Time;

(x) any liability of the Seller arising out of indebtedness for borrowed money or intercompany transactions; and

(xi) any liability or obligation under Seller’s or SCA’s employee health and dental plans, or any other employee welfare benefit plan as defined in Section 3(1) of ERISA maintained by Seller or SCA, arising out of or relating to medical or dental services provided or rendered to Seller’s employees on or before the Effective Time.

1.5 Consideration for Sale and Transfer of the Acquired Assets and for Non-Competition Covenant. In full consideration of such sale, conveyance, transfer, assignment and delivery of the Acquired Assets to Buyer and the non-competition covenant set forth in ARTICLE XIII hereof, Buyer agrees to pay and deliver to Seller, in the manner as hereinafter set forth, a purchase price in United States Dollars equal to One Million Five Hundred Thousand Dollars (\$1,500,000) (the "Purchase Price").

1.6 Allocation of Purchase Price. The allocation of the Purchase Price among the Acquired Assets and the non-competition covenant shall be as set forth on Schedule 1.6 attached hereto. All allocations made pursuant to this Section 1.6 shall be binding upon the parties hereto and upon each of their successors and assigns, and the parties shall report the transactions contemplated by this Agreement in accordance with such allocations.

## 2. CLOSING AND PAYMENT OF THE PURCHASE PRICE.

2.1 Closing. The closing of the transactions contemplated hereby (the "Closing") shall be held at the offices of Adler Pollock & Sheehan P.C., One Citizens Plaza, 8<sup>th</sup> Floor, Providence, Rhode Island 02903-1345, on a date to be determined that is no more than thirty (30) days after receipt of the CEC Approval (as hereinafter defined) (the "Closing Date"), or at such other time, date and/or place as Seller and Buyer shall mutually agree. The Closing shall be effective as of 12:01 a.m., local time, on the Closing Date (the "Effective Time").

2.2 Payment. At the Closing, against transfer of title to the Acquired Assets, the Buyer shall: (i) assume the Assumed Liabilities; (ii) pay by wire transfer of immediately available United States funds to Seller One Million Four Hundred Thousand (\$1,400,000) Dollars; and (iii) pay by wire transfer of immediately available United States funds to an escrow agent satisfactory to the parties, (the "Escrow Agent") the sum of US One Hundred Thousand (\$100,000) Dollars (the "Escrow Amount"), which shall be held by the Escrow Agent in an interest bearing account and administered and disposed of by the Escrow Agent in accordance with the terms and provisions of an escrow agreement by and among Seller, Buyer and Escrow Agent in the form of Exhibit A attached hereto (the "Escrow Agreement"). The funds deposited with the Escrow Agent shall secure Seller's obligations to pay to Buyer any indemnification claims of Buyer, all as provided in the Escrow Agreement.

2.3 Transfer of Acquired Assets. At the Closing, Seller shall transfer to Buyer all right, title and interest in and to the Acquired Assets free and clear of all claims, liens, pledges, encumbrances, mortgages, charges, security interests, options, rights, restrictions or any other interests or imperfections of title whatsoever. Said transfer shall be effected by the delivery to Buyer of fully executed bills of sale, endorsements, assignments and other good and sufficient instruments of conveyance and transfer, in form and substance reasonably satisfactory to Buyer and its counsel.

2.4 Certain Payroll Costs. At Closing, Buyer will pay to Seller an amount equal to Fifteen Thousand Five Hundred Dollars (\$15,500) for each month (or a prorated portion thereof in case of a partial month) that elapses between the Effective Date and the earlier to occur of: (i) the Closing; or (ii) the date on which both Ann Dugan and Paula Berthod are no longer employees of SCA. It is understood and agreed by Buyer and Seller that Fifteen Thousand Five

Hundred Dollars (\$15,500) per month represents one-half (1/2) of the monthly aggregate compensation due to SCA's employees, Ms. Dugan and Ms. Berthod.

2.5 Adjustments. Seller shall use its best efforts to pay, on or prior to the Effective Time, all expenses and costs in connection with the use, occupancy, ownership, operation or maintenance of the Acquired Assets, to the extent that they have accrued and are due and payable prior to the Effective Time, based on invoices or metering devices where possible. The following items (and any other items jointly designated by Seller and Buyer that would otherwise be paid by one party for the benefit of the other) shall be prorated on a reasonable basis consistent with usage or benefit received between the Seller and the Buyer as of the Effective Time: (i) utilities related to the Premises; (ii) accrued and unpaid wages to transferred employees; (iii) prepayments or deposits relating to any of the Acquired Assets; (iv) rental and other payments under any of the Assumed Contracts; and (v) taxes (including, without limitation, real property and personal property taxes, but excluding taxes imposed on or payable with respect to income or as otherwise provided herein) imposed on Seller or Buyer. At least two (2) days prior to the Closing Date, the Seller shall deliver to the Buyer a description of the costs to be prorated under this Section 2.5, and Seller and Buyer shall agree upon the net amount payable hereunder at the Closing, and Seller or Buyer, as the case may be, shall pay to the other in immediately available United States funds such net amount at the Closing. If any item cannot be apportioned accurately at the Closing or if it is apportioned incorrectly at the Closing or subsequent thereto, such item shall be apportioned or reapportioned, as the case may be, as soon as practicable after the Closing Date or the date on which the apportionment error is discovered, as applicable. Furthermore, if Seller pays for any expenses or costs incurred by the Surgicenter after the Closing Date, Seller shall provide an invoice of such payments to Buyer, and Buyers shall be responsible for reimbursing Seller for any such costs, within fifteen (15) days of receipt of such invoice.

### 3. REPRESENTATIONS AND WARRANTIES OF SELLER AND SCA.

3.1 As of the Effective Date and the Closing Date, Seller represents and warrants to Buyer as follows:

(a) Organization of Seller. Seller is duly organized, validly existing and in good standing under the laws of the State of Rhode Island. Seller has the requisite limited partnership power and authority to own or lease all of the Acquired Assets and to conduct the Business in the manner and in the place where the Acquired Assets are owned or leased and the Business is now conducted. Blackstone Valley Surgicare GP, LLC, the general partner of Seller (the "General Partner"), has been duly organized and is validly existing and in good standing under the laws of the State of Delaware and has all requisite power and authority to serve as the General Partner of Seller and to act on behalf of Seller hereunder.

(b) Authority of Seller. This Agreement and each of the other agreements, documents and instruments required to be executed by Seller pursuant to this Agreement will constitute, when delivered, the valid and binding obligations of Seller, and shall be enforceable in accordance with their respective terms, subject to bankruptcy, insolvency, reorganization, moratorium and similar laws affecting the enforcement of creditors' rights and to the application of equitable principles. The execution, delivery and performance of this Agreement

and each such other agreement, document and instrument associated herewith have been duly authorized by all necessary limited partnership action of Seller.

(c) No Conflict. The execution, delivery and performance by Seller of this Agreement and each such other agreement, document and instrument, except as specifically identified on Schedule 3.1(c), does not and will not with the passage of time or the giving of notice or both:

(i) result in a breach of or constitute a default by Seller or result in any right of termination under any indenture or loan or credit agreement of Seller, or any other agreement, lease or instrument to which the Seller is a party or by which the Acquired Assets are bound or affected;

(ii) result in, or require, the creation or imposition of any mortgage, deed of trust, pledge, lien, security interest or other charge or encumbrance or claim of any nature whatsoever on the Acquired Assets;

(iii) result in a violation of or default under any law, rule, or regulation, or any order, writ, judgment, injunction, decree, determination or award, now in effect to which Seller is a party or by which Seller or the Acquired Assets are bound;

(iv) violate any provisions of the Certificate of Limited Partnership or Partnership Agreement of the Seller; or

(v) require any approval, consent or waiver of, or filing with, any person, and are not in contravention of, any applicable law or regulation.

(d) Assets.

(i) The Acquired Assets constitute all of the material assets and rights associated with, and necessary to operate and conduct, the Business as now operated and conducted by Seller immediately prior to the Closing.

(ii) Except as set forth on Schedule 3.1(d)(ii) attached hereto, to the best of Seller's Knowledge, the Machinery and Equipment: (i) is in a good state of operating condition and repair; (ii) has been maintained in accordance with a regular preventative maintenance program; and (iii) conform with all applicable laws, ordinances and regulations.

(iii) Except as listed on Schedule 3.1(d)(iii) attached hereto, Seller has good and marketable title to the Acquired Assets, free and clear of all claims, liens, pledges, charges, mortgages, security interests, encumbrances, equities or other imperfections of title of any nature whatsoever, except for liens for current taxes and assessments not yet due and payable.

(iv) Except as described on Schedule 3.1(d)(iv) attached hereto, all of the Acquired Assets of Seller are located on the Premises.

(v) All of the personal property leased by the Seller is listed on Schedule 3.1(d)(v) attached hereto, and copies of all of the lease documents have been delivered to the Buyer. All such lease documents are unmodified and in full force and effect, and there are no other written agreements between the Seller and any third parties claiming an interest in the Seller's interest in any leased property or otherwise relating to the Seller's use thereof, and all material covenants, conditions, restrictions and similar matters affecting the leased property have been complied with by the Seller.

(e) The Premises.

(i) With the exception of the Premises, Seller does not own, lease or otherwise use any real property in the conduct of the Business.

(ii) Except as otherwise specifically disclosed on Schedule 3.1(e), to the best of Seller's Knowledge, the Premises, and the operations thereon and the uses made thereof, are in compliance with all, and are not in violation of any, applicable laws, rules or regulations.

(iii) The Premises, and the operations thereon and the uses made thereof, are, to the best of Seller's Knowledge, in compliance with all fire, building and zoning laws, statutes, ordinances, codes, rules, regulations and decrees.

(iv) Seller has not received notice of its violation of any applicable federal, state, or local statute, ordinance, order, requirement, law, rule, regulation, or of any covenant, condition, restriction or easement affecting the Premises with respect to the use or occupancy of the Premises.

(f) Conduct of the Business. Except as provided in Schedule 3.1(f), Seller is not a party to, or subject to or bound by, nor are any of its assets subject to or bound by, any agreement, oral or written, or any judgment, law, rule, regulation, order, writ, injunction or decree of any court or governmental or administrative body which prohibits or adversely affects or upon the consummation of the transactions contemplated hereby would prohibit or adversely affect: (i) the use of any or all of the Acquired Assets in the conduct of the Business in the ordinary course of business; or (ii) the conduct of the Business in the same manner as such business has been conducted by Seller immediately prior to the Closing Date. Seller has not been notified in writing by any physician, supplier or patient of his, her or its intent to discontinue his, her or its relationship with Seller.

(g) Permits and Licenses. Schedule 3.1(g) attached hereto contains a list of all licenses, permits, certificates and registrations which are necessary for the operation of the Business as heretofore conducted or as required by applicable laws (collectively, the "Permits"); and, except as set forth on Schedule 3.1(g), the Permits are valid and in full force and effect. None of the Permits are subject to any conditions or requirements other than those that are generally imposed on the holders of similar permits, licenses or other approvals.

(h) Compliance with Laws. Except as set forth on Schedule 3.1(h) attached hereto, Seller has been and is, and the Business has been and is being conducted and

operated, in compliance, in all material respects, with all applicable statutes, laws, ordinances, regulations, rules, codes or decrees, whether federal, state or local, which affect Seller, the Business or the Acquired Assets, or to which Seller is subject, including, without limitation, those relating to fair labor practices and standards; equal employment practices; occupational safety and health. Except as set forth on Schedule 3.1(h), Seller has not received any notice or other communication from any person with respect to an alleged, actual or potential violation and/or failure to comply with any of the foregoing.

(i) List of Contracts. Schedule 3.1(i) contains a list of all of the material contracts, leases, instruments and commitments to which the Seller is a party or by which it or the Acquired Assets is bound (each, a “Contract,” and collectively, the “Contracts”). To the best of Seller’s Knowledge, all of the Contracts are valid and binding obligations of, and enforceable against, Seller. There has been no uncured breach or default of any material provision of any Contract by Seller or, to the best of Seller’s Knowledge, any other party thereto. To the best of Seller’s Knowledge, nothing has occurred which with lapse of time or the giving of notice or both would constitute a breach or default by Seller or by any other party thereto with respect to any such Contract, which would cause acceleration of any obligation of any party thereto or the creation of any lien, encumbrance, security interest in or upon the Acquired Assets. Buyer has been furnished with true and complete copies of all scheduled contracts and commitments.

(j) Litigation. Except as set forth on Schedule 3.1(j) attached hereto, there is no action, suit, investigation (whether formal or informal), subpoena or proceeding pending or, to the best of Seller’s Knowledge, threatened against Seller. Except as set forth on Schedule 3.1(j), no order, writ, injunction, subpoena or decree has been issued by or requested of any court or governmental agency which might prohibit the consummation of the transactions contemplated by this Agreement. Seller has never been subject to nor is it a party as a debtor to any bankruptcy or other insolvency or similar proceeding.

(k) Insurance. The Business and the Acquired Assets are and have been, during the last two (2) years, insured by such insurers, under such policies, against such risks, in such amounts, and upon such other terms and conditions as are set forth on Schedule 3.1(k) attached hereto. Said insurance policies and arrangements are in full force and effect as of the date of the Closing and are adequate and customary for the Business.

(l) Intentionally Omitted.

(m) Governmental and Other Approvals. To the best of Seller’s Knowledge, the only governmental approval required in advance of the consummation of the transactions contemplated hereby is approval of the Rhode Island Department of Health of the application for the Change of Effective Control of the Surgicenter (the “CEC Approval”).

(n) Brokerage. Seller has not dealt with any broker or finder in connection with the transactions contemplated herein.

(o) Labor Relations. Schedule 3.1(o) lists the names, current rates of compensation, date of hire and eligibility for participation in Employee Benefit Plans of the non-professional personnel currently providing services at the Surgicenter (the “Employees”). The



Employees are employed by SCA. There is no unfair labor practice complaint against Seller or SCA relating to the Employees that is pending or, to the best of Seller's Knowledge, threatened. There are no proceedings pending or, to the best of Seller's Knowledge, threatened before the National Labor Relations Board or the Rhode Island Department of Labor and Training with respect to the Employees. There is no labor strike or similar dispute pending or, to the best of Seller's Knowledge, threatened against or involving the Employees. There is no pending or past representation question involving an attempt to organize a bargaining unit including any of the Employees, and no labor grievance has been filed by any of the Employees within the twelve (12) month period immediately prior to the Effective Date. Seller is not a party to or bound by any collective bargaining agreement with any of the Employees, and no collective bargaining agreement is currently being negotiated by Seller or SCA with respect to the Employees.

(p) Discrimination Charges. There are no discrimination charges (relating to sex, age, race, national origin, handicap or veteran status) pending or, to the best of Seller's Knowledge, threatened against Seller or SCA with respect to the Business, or involving Seller or SCA with respect to the Business, before any federal, state, county or local agency, board, commission, authority or other subdivision thereof.

(q) Taxes. Seller has filed all federal, state, county, local and foreign income, franchise, excise, sales, use, property, withholding, unemployment and other tax returns or information which are required to be filed by it up to the Closing Date, and Seller has paid all taxes which are required to be paid, whether or not shown on such returns, or which have become due pursuant to such returns or any assessment which has been received by it and will continue to do so up to the Closing Date.

(r) Government Reimbursement Participant; Health Care Law Compliance.

(i) Seller is certified for participation or enrollment in the Medicare and Medicaid programs and has current and valid provider contracts with each of such programs. Seller is in compliance with the applicable conditions of participation for the Medicare and Medicaid programs in all material respects. Except as described on Schedule 3.1(r), there are no pending, or, to the best of Seller's Knowledge, threatened proceedings or investigations against Seller under the Medicare or Medicaid programs. The cost reports of Seller for the government reimbursement plans referred to above, and for payment and reimbursement of any other cost report settlements, required to be filed prior to the Closing Date, have been or will be filed and are or will be complete and correct in all material respects. Except as described on Schedule 3.1(r), there are no claims, actions or appeals pending before any commission, board or agency, including any fiscal intermediary or carrier, governmental authority or the Administrator of the Centers for Medicare and Medicaid Services, with respect to any government reimbursement program cost reports or claims filed on behalf of Seller referred to above or any disallowances by any commission, board or agency in connection with any such cost reports. Except to the extent liabilities and contractual adjustments of Seller under the Medicare and Medicaid programs have been properly reflected and adequately reserved in the Financial Statements, Seller has not received nor submitted any claim for payment in excess of the amount provided by any Healthcare Law.

(ii) Seller has not directly or indirectly, in connection with the Business or the Acquired Assets in violation of any legal requirements: (i) offered or paid any remuneration, in cash or in kind, to, or made any financial arrangements with, any past, present or potential patients, past or present suppliers, medical staff members, contractors or third party payors of Seller; (ii) given or agreed to give, or is aware that there has been made or that there is any agreement to make, any gift or gratuitous payment of any kind, nature or description (whether in money, property or services) to any patient, supplier, contractor, or third party payor; (iii) made or agreed to make, or is aware that there has been made or that there is any agreement to make, any contribution, payment or gift of funds or property to, or for the private use of, any governmental official, employee or agent where either the contribution, payment or gift or the purpose of such contribution, payment or gift is or was illegal under the legal requirements of the United States or under the legal requirements of any state or other Governmental Authority having jurisdiction over such payment, contribution or gift; (iv) established or maintained any unrecorded fund or asset for any purpose or made any misleading, false or artificial entries on any of its books or records for any reason; or (v) made or agreed to make any payment to any person with the intention or understanding that any part of such payment would be used for any purpose other than that described on the document supporting such payment in violation of applicable law.

(iii) Seller is not a party to any Contract (including any joint venture or consulting agreement) related to Seller, its Business or the Acquired Assets with any physician, healthcare facility, hospital, nursing facility, home health agent or other potential referral source, who is in a position to make or influence referrals to or otherwise generate business for Seller with respect to the Surgicenter or the Acquired Assets, to provide services, lease space, lease equipment or engage in any other venture or activity, to the extent that any of the foregoing is prohibited by any legal requirements.

(iv) Seller is in compliance, in all material respects, with the Medicare Fraud and Abuse Amendments of 1977, as amended by the Medicare Patient and Program Protection Act of 1987 (the "Anti-Kickback Statute"), federal prohibitions on physician "self-referrals" (the "Stark Law"), the Health Insurance Portability and Accountability Act of 1996 ("HIPAA"), the civil monetary penalties law, 42 U.S.C. §1320a-7(b) ("CMP"), and Federal False Claims Act, 42 U.S.C. §§3729-3733 ("FCA") (collectively, "Healthcare Laws").

(s) Financial Statements.

(i) Schedule 3.1(s) hereto contains the following financial statements and financial information (collectively, the "Historical Financial Information"): unaudited, internally-prepared balance sheet and income statement of Seller for the twelve (12)-month period ended on October 31, 2016.

The financial statements included in the Historical Financial Information have been prepared in accordance with GAAP, applied on a consistent basis throughout the periods indicated, provided that the unaudited statements are not footnoted and are subject to customary year-end adjustments which, in the aggregate, are not material. The balance sheets contained in the Historical Financial Information presents fairly in all material respects the financial condition of Seller as of the dates indicated thereon, and the income statements contained in the Historical Financial Information present fairly in all material respects the results of operations of Seller for the periods covered

thereby. The Company does not have any liabilities which are not reflected in the Historical Financial Information other than ordinary course liabilities not required to be shown as liabilities on a balance sheet under GAAP and liabilities which have arisen in the ordinary course of business since the date of such Historical Financial Information.

(t) Seller's Knowledge. For purposes of this Section 3.1, "Seller's Knowledge" and words of similar import shall mean (i) any matters with respect to which Seller has received written notice, and (ii) the actual personal knowledge, after reasonable investigation, of the following individuals: Ann Dugan and Deb Doroni.

(u) TRANSFER OF ASSETS "AS IS, WHERE IS." EXCEPT FOR THE EXPRESS REPRESENTATIONS AND WARRANTIES CONTAINED IN THIS ARTICLE III, THE ACQUIRED ASSETS ARE BEING SOLD TO BUYER "AS IS, WHERE IS, AND WITH ALL FAULTS", AND SELLER EXPRESSLY DISCLAIMS ANY AND ALL OTHER REPRESENTATIONS AND WARRANTIES, WHETHER EXPRESS OR IMPLIED, INCLUDING ANY IMPLIED WARRANTIES OR MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

3.2 As of the date hereof and as of the Effective Time, SCA represents and warrants to Buyer as follows:

(a) Organization of SCA. SCA has been duly organized and is validly existing and in good standing under the laws of the State of Delaware and has all requisite limited liability power and authority to enter into and perform its obligations hereunder.

(b) Authority of SCA. This Agreement and each of the other agreements, documents and instruments required to be executed by SCA pursuant to this Agreement will constitute, when delivered, the valid and binding obligations of SCA, and shall be enforceable in accordance with their respective terms, subject to bankruptcy, insolvency, reorganization, moratorium and similar laws affecting the enforcement of creditors' rights and to the application of equitable principles. The execution, delivery and performance of this Agreement and each such other agreement, document and instrument have been duly authorized by all necessary limited liability company action by SCA.

(c) No Conflict. The execution, delivery and performance SCA of this Agreement and each such other agreement, document and instrument, except as specifically identified on Schedule 3.2(c), does not and will not with the passage of time or the giving of notice or both:

(i) result in a breach of or constitute a default by SCA or result in any right of termination or other effect adverse to SCA under any indenture or loan or credit agreement of SCA, or any other agreement, lease or instrument to which SCA is a party or by which SCA is bound or affected;

(ii) result in, or require, the creation or imposition of any mortgage, deed of trust, pledge, lien, security interest or other charge or encumbrance or claim of any nature whatsoever on the Acquired Assets;

(iii) result in a violation of or default under any law, rule, or regulation, or any order, writ, judgment, injunction, decree, determination or award, now in effect to which SCA is a party or by which SCA is bound;

(iv) violate any provisions of the Operating Agreement of SCA;  
or

(v) require any approval, consent or waiver of, or filing with, any person, and are not in contravention of any applicable law or regulation.

(d) Employee Benefit Plans. Schedule 3.2(d) attached hereto sets forth a complete and accurate description of all employee benefit plans, agreements, policies, arrangements and understandings (whether or not written) related to the Business and all collective bargaining agreements relating to employee benefits related to the Business with respect to which the SCA has or may incur any future or contingent obligations, including, without limitation, all plans, agreements, arrangements, policies or understandings relating to sick pay, vacation pay or severance pay, deferred compensation, pensions, profit sharing, retirement income or other benefits, stock purchase and stock option plans, bonuses, severance arrangements, health benefits, disability benefits, insurance benefits and all other employee benefits or fringe benefits, including any employee welfare benefit plans and employee pension benefit plans within the meaning of Sections 3(1) and 3(2) of the Employee Retirement Income Security Act of 1974, as amended (“ERISA”) (individually referred to as a “Plan” and collectively referred to as the “Plans”). Except as set forth in Schedule 3.2(d):

(i) True, correct and complete copies of each such Plan (or in the case of any unwritten Plan, a description thereof), and the most recent annual report on Form 5500 filed with the Internal Revenue Service for any Plan (if applicable), the most recent summary plan description for each Plan for which a summary plan description is required by law have been furnished to Buyer;

(ii) Each Plan has been administered and operated in material compliance with its terms and applicable law, and to the extent applicable, each Plan is “qualified” within the meaning of Section 401(a) of the Internal Revenue Code of 1986, as amended (the “Code”) and each related trust is exempt from tax under Section 501(a) of the Code.

(iii) To the best of SCA’s Knowledge, all reports and disclosures relating to such Plans required to be filed or distributed as of the Closing Date have been filed or distributed in compliance with applicable law;

(iv) None of such Plans, any trusts related thereto, any trustee or administrator thereof, any “party in interest” or any “disqualified person” with respect thereto has engaged in any nonexempted “prohibited transaction” under section 4975 of the Code or section 406 of ERISA with respect to such Plans or has acted or failed to act in a manner that could subject the Seller or any Plan to any liability for breach of fiduciary duty under ERISA or any other applicable law;

(v) No liability to the Pension Benefit Guaranty Corporation (“PBGC”) has been or is expected to be incurred with respect to any Plan by the Seller and PBGC has not instituted proceedings to terminate any Plan. No reportable event within the meaning of Section 4043(b) of ERISA has occurred with respect to any Plan;

(vi) With respect to each Plan intended to be qualified under Section 401(a) of the Code, SCA has a current advisory, opinion, or determination letter from the Internal Revenue Service and SCA, does not know of any fact which would adversely affect the qualified status of any such Plan;

(vii) Full payment has been made of all amounts which the Seller was required under the terms of any of the Plans to have paid as contributions to such Plans on or prior to the date hereof, and no accumulated funding deficiencies (as defined in Section 302 of ERISA and Section 412 of the Code), whether or not waived, exist with respect to any such Plan;

(viii) Other than for claims in the ordinary course for benefits under the Plans, there are no actions, suits, claims or proceedings, pending or, to the best of SCA’s Knowledge, threatened, nor, to the best of SCA’s Knowledge does there exist any basis therefor, which would result in any liability with respect to any Plan;

(ix) No Plan is subject to Title IV of ERISA;

(x) SCA is not a participant in any Multiemployer Plan within the meaning of Section 3(37) of ERISA;

(xi) There are no accrued liabilities under any Plans, programs or practices maintained on behalf of the employees of SCA in the Business which are not provided for on their books or financial statements or which have not been fully provided for by contributions to such Plans, programs, or practices;

(xii) SCA does not maintain any employee welfare benefit plans, as defined in Section 3(1) of ERISA related to the Business, that provide post-retirement benefits to employees;

(xiii) SCA has materially complied with the health care coverage continuation requirements of the Consolidated Omnibus Budget Reconciliation Act of 1985;

(xiv) All accrued liabilities of SCA with respect to sick pay, vacation pay, severance pay, deferred compensation, or other obligations for the benefit of any personnel of the Business including pension benefits (vested or unvested) have been disclosed to Buyer; and

(xv) Each Plan (including any Plan covering retirees or former employees) may be amended or terminated at any time after the Closing Date without liability to the Seller.

(e) SCA’s Knowledge. For purposes of this Section 3.2, “SCA’s knowledge” and words of similar import shall mean: (i) any matters with respect to which SCA

has received written notice; and (ii) the actual personal knowledge after reasonable investigation of the following individuals: Suzanne Rogers.

4. REPRESENTATIONS AND WARRANTIES OF BUYER.

As of the Effective Date and as of the Closing Date, Buyer represents and warrants to Seller as follows:

4.1 Organization and Qualification of Buyer. Buyer is duly organized, validly existing and in good standing under the laws of the State of Rhode Island. Buyer has full limited liability company power and authority to own or lease all of its properties and to conduct its business in the manner and in the places where such properties are owned and leased or such business is now conducted by it and to enter into and perform the transactions contemplated by this Agreement.

4.2 Authority of Buyer. This Agreement and each of the other agreements, documents and instruments required to be executed by Buyer pursuant to this Agreement will constitute, when delivered, the valid and binding obligations of Buyer and shall be enforceable in accordance with their respective terms, subject to bankruptcy, insolvency, reorganization, moratorium and similar laws affecting the enforcement of creditors' rights and to the application of equitable principles. The execution, delivery and performance of this Agreement and each such other agreement, document and instrument has been, or prior to the Closing will have been, duly authorized by all necessary limited liability company action of Buyer. The execution, delivery and performance by Buyer of this Agreement and each such other agreement, document and instrument does not and will not with the passage of time or the giving of notice or both:

(a) result in a breach of or constitute a default by Buyer or result in any right of termination or other effect adverse to Buyer under any indenture or loan or credit agreement of Buyer, or any other agreement, lease or instrument to which Buyer is a party or by which the property of Buyer is bound or affected;

(b) result in a violation of or default under any law, rule or regulation, or any order, writ, judgment, injunction, decree, determination or award, now in effect to which the Buyer is a party or by which it is bound;

(c) violate any provisions of the Articles of Organization or Operating Agreement of Buyer, as amended; or

(d) require any approval, consent or waiver of, or filing with, any person.

4.3 Governmental and Other Approvals. To the best of Buyer's knowledge, the only governmental approval required to be obtained by Buyer in advance of the consummation of the transactions contemplated hereby is the CEC Approval.

4.4 Brokerage. Buyer has not dealt with any broker or finder in connection with the transaction contemplated herein.

4.5 Litigation. There is no action, suit, investigation (whether formal or informal), subpoena or proceeding pending, or to the best of Buyer's knowledge, threatened against Buyer, nor has any order, writ, injunction, subpoena or decree been issued by or requested of any court or governmental agency, which, in either case, seeks to enjoin or might adversely affect the transactions contemplated by this Agreement.

5. COVENANTS OF SELLER AND SCA PRIOR TO CLOSING.

Seller or SCA, as applicable, covenant and agree with Buyer as follows throughout the period from the Effective Date through and including the Closing Date:

5.1 Restrictions. Seller shall cause the Business to be conducted in the ordinary course of business and in substantially the same manner in which the Business has been previously conducted prior to the Effective Date and consistently with those practices, policies, customs and usages which were in effect from time to time throughout that period and which remain in effect as of the Effective Date and, furthermore, without limiting the generality of the foregoing, (except with the prior written consent of Buyer, which consent shall not be unreasonably withheld) :

(a) Seller shall not make or permit any material change in, or cease in whole or in part, the Business; or engage in any other activities apart from the Business or enter into any transaction affecting the business that are not in the ordinary course of business;

(b) Seller shall not enter into any sale-leaseback transaction; or sell, lease, transfer or otherwise dispose of all or any portion of the Acquired Assets other than in the ordinary course of business;

(c) Seller shall not enter into, amend, modify or terminate any material contract or agreement to which Seller is a party outside the ordinary course of business, other than an amendment to or modification of the facility lease that has the effect of causing the lease to be renewed on a month-to-month basis, without a "holdover rent" premium;

(d) Seller shall not increase or commit to increase the compensation (including fringe benefits) payable to any officer, director or employee of the Business, other than in the ordinary course of business; or enter into any agreement with respect to the employment of any employee which is not terminable at will, other than in the ordinary course of business;

(e) Seller shall not make any material alteration in the manner of keeping the books, accounts or records of Seller, or in the accounting practices therein reflected;

(f) Seller shall not enter into any related-party transaction;

(g) Seller shall not effect any dissolution, winding up, liquidation or termination of the Business or Seller;

(h) Seller shall not effect any merger or consolidation of Seller whether or not it is the survivor thereof or effect any reorganization or recapitalization;

(i) Seller shall not terminate the employment of the auditors of Seller;

(j) Seller shall not, except in the ordinary course of business, mortgage, pledge, grant or permit to exist a security interest in or lien or encumbrance on any of the Acquired Assets or the Premises, real or personal, tangible or intangible, now owned or hereafter acquired except: (i) liens in favor of Buyer; (ii) liens in existence on the date hereof which have been disclosed to Buyer on Schedule 5.1(j) hereof; and (iii) liens arising by operation of law with respect to obligations of the Seller not yet due and payable;

(k) Seller shall not make any investment in, or make any loan, advance or credit to, any person outside the ordinary course of business;

(l) Seller shall not assume, endorse, guarantee or otherwise become liable for or upon the obligation of any person (other than endorsements for deposit in the ordinary course of business);

(m) Seller shall not effect any agreement for the leasing or hire of any real property or any personal property, except (i) in the ordinary course of business, or (ii) personal property leases with aggregate annual payment amounts of \$25,000 or less;

(n) Except as permitted hereunder and except for “with cause” terminations, SCA shall not voluntarily make any change in the executive management or the key personnel of the Business;

(o) Seller shall not without a demonstrably valid business reason, accelerate or defer any item of income or expense of the Seller; or

(p) Seller shall not institute or settle any litigation, claim or other proceeding with a third party payor.

5.2 Notice of Breach. To the extent Seller or SCA, as applicable, obtains knowledge that any of the representations or warranties contained in ARTICLE III hereof and made by Seller or SCA, as applicable, would be incorrect in any respect were those representations or warranties made immediately after such knowledge was obtained, Seller or SCA, as applicable, shall notify Buyer in writing promptly of such fact and exercise its best efforts to remedy same.

5.3 Access. Seller will permit Buyer, its counsel, accountants, employees and agents to conduct due diligence including the review, inspecting and copying of all financial and business records, documents and contracts belonging to the Seller in the Seller’s custody, care or control and to have access to Seller’s property and information.

5.4 Authorization from Others. Seller shall use its commercially reasonable efforts and due diligence to obtain all authorizations, consents and approvals of third persons and governmental authorities that may be required to permit the consummation of the transactions contemplated by this Agreement.

5.5 Consummation of Agreement. Seller shall use its commercially reasonable efforts and due diligence to satisfy all conditions to the Closing that are within its reasonable control to the end that the transactions contemplated by this Agreement shall be fully carried out.



5.6 Business Intact; Relationships with Customers and Suppliers. Seller shall use its commercially reasonable efforts to keep intact the Business, to keep available its key employees and to maintain the goodwill of its patients, physicians and suppliers and other persons having business dealings with it.

5.7 Exclusivity. Seller agrees that it will not (i) solicit, initiate, or encourage the submission of any proposal or offer from any third party relating to the acquisition of the Business or the Acquired Assets, or any substantial portion of thereof, or (ii) participate in any discussions or negotiations regarding, furnish any information with respect to, assist or participate in, or facilitate in any other manner any effort or attempt by any third party to do or seek any of the foregoing.

6. COVENANTS OF BUYER PRIOR TO CLOSING.

Buyer covenants and agrees with Seller as follows throughout the period from the date hereof through and including the Closing:

6.1 Notice of Breach. To the extent Buyer obtains knowledge that any of the representations and warranties contained in ARTICLE V hereof would be incorrect in any respect were those representations or warranties made immediately after such knowledge was obtained, Buyer shall notify Seller in writing promptly of such fact and exercise its best efforts to remedy same.

6.2 Authorization from Others. Buyer shall use its commercially reasonable efforts and due diligence to obtain all authorizations, consents and approvals of third persons and governmental authorities that may be required to permit the consummation of the transactions contemplated by this Agreement.

6.3 Consummation of Agreement. Buyer shall use its commercially reasonable efforts and due diligence to satisfy all conditions to the Closing that are within its reasonable control to the end that the transactions contemplated by this Agreement shall be fully carried out.

7. MUTUAL COVENANTS OF SELLER AND BUYER.

7.1 Regulatory Filings. Each party hereto will furnish to the other party hereto such necessary information and reasonable assistance as such other party may reasonably request in connection with the CEC Approval application.

7.2 Lease Extension. Buyer will use commercially reasonable efforts to assist Seller in extending Seller's lease for the Surgicenter Premises through and including the Closing Date with no "holdover rent" premium.

8. CONDITIONS PRECEDENT TO THE OBLIGATIONS OF BUYER TO CLOSE.

The obligation of Buyer to acquire the Acquired Assets and assume the Assumed Liabilities as contemplated hereby, and to perform its other obligations hereunder to be performed

on or after the Closing, shall be subject to the fulfillment, on or prior to the Closing Date, unless otherwise waived in writing by Buyer, of the following conditions:

8.1 Representations and Warranties. The representations and warranties of Seller and SCA set forth in ARTICLE III hereof shall be true and correct in all material respects when made and shall be true and correct in all material respects on the Closing Date as if made on and as of such date.

8.2 Performance of Covenants. Seller and SCA shall have performed in all material respects all of their respective obligations contained in this Agreement to be performed on or prior to the Closing Date, and Buyer shall have received certificates to such effect, executed by Seller and SCA and dated as of the Closing Date, in form satisfactory to Buyer.

8.3 Threatened or Pending Proceedings. No proceedings shall have been initiated or threatened by any person seeking to enjoin or otherwise restrain or to obtain an award for damages in connection with the consummation of the transactions contemplated hereby.

8.4 Authorization. All limited partnership action, necessary to authorize: (i) the execution, delivery and performance by Seller of this Agreement and any other agreements or instruments contemplated hereby to which Seller is a party; and (ii) the consummation of the transactions contemplated hereby and thereby, shall have been duly and validly taken by Seller, and Buyer shall have been furnished with copies of all applicable resolutions certified by the General Partner of Seller. All limited liability company action necessary to authorize: (i) the execution, delivery and performance by SCA of this Agreement; and (ii) the consummation of the transactions contemplated hereby shall have been duly and validly taken by SCA, and Buyer shall have been furnished with copies of all applicable resolutions certified by an officer of SCA.

8.5 Delivery of Certificates and Documents to Buyer. Seller shall have delivered, or cause to be delivered, to Buyer certificates as to the legal existence and good standing of Seller and copies of its Certificate of Organization certified by the Secretary of State of Rhode Island. SCA shall have delivered to Buyer certificates as to the legal existence and good standing of SCA and copies of its Articles of Organization certified by the Secretary of State of Delaware.

8.6 Consents. Buyer and Seller shall have obtained the CEC Approval and any other approvals, consents and authorizations of all third persons and governmental agencies set forth in Schedule 8.6 necessary for the consummation of the transactions contemplated hereby in accordance with the requirements of applicable laws and agreements.

8.7 Damage or Destruction. Seller shall not have suffered prior to the Closing Date any loss on account of fire, flood, accident or any other calamity or casualty to an extent that would interfere with the conduct of the Business or materially impair the value of Seller as a going concern.

8.8 Lease. Buyer shall have entered into a lease for the Surgicenter Premises, or the current facility lease shall have been assigned to Buyer, on terms and conditions satisfactory to Buyer in its sole discretion.

8.9 Dugan Bonus. Seller shall have paid Ann Dugan any and all bonuses due her for her employment in calendar year 2016 in accordance with Seller's bonus policy.

8.10 No Change. There shall have been no material adverse change in the Business, assets, liabilities, operations, properties or condition, financial or otherwise, of the Surgicenter; there shall have been no transactions involving the Surgicenter other than transactions in the ordinary course of business; and there shall not have been more than a fifteen percent (15%) decrease in the number of cases performed at the Surgicenter between the Effective Date and the Closing Date.

8.11 Title to Assets. The Acquired Assets shall be free and clear of any and all liens, claims, encumbrances, mortgages, security interests and other imperfections of title whatsoever except such liens, claims, encumbrances, charges, mortgages, security interest and other title imperfections that are satisfactory to Buyer in its sole discretion.

8.12 Licenses, Credentials and Provider Numbers. Buyer shall have been issued all licenses, credentials and provider number necessary to enable Buyer to own the Acquired Assets and operate the Business.

8.13 Seller's Name. On or before the Closing, Seller shall amend its limited partnership certificate and take all other actions necessary to change its name to one sufficiently dissimilar to Seller's present name in Buyer's judgment.

8.14 Regional Billing Office Agreement. Buyer and SCA shall have entered into a Regional Billing Office Agreement in a form mutually agreeable to the parties.

8.15 Satisfactory Completion of Due Diligence in connection with CEC Approval. Buyer and its counsel and other representatives and advisers shall have conducted and completed any due diligence investigation of Seller and the Surgicenter that Buyer deems necessary solely as a result of questions raised by the Rhode Island Department of Health in connection with the CEC Approval process. Upon receipt of the CEC Approval, Buyer shall no longer be permitted to continue its due diligence review, and the condition precedent set forth in this Section 8.15 shall no longer be of any force or effect.

8.16 SCA Guaranty of Performance. SCA shall have executed and delivered to Buyer a Guaranty of the performance of Seller's obligations hereunder in form and substance satisfactory to Buyer in its sole discretion.

9. CONDITIONS PRECEDENT TO OBLIGATIONS OF SELLER TO CLOSE.

The obligation of Seller to sell the Acquired Assets as contemplated hereby shall be subject to the fulfillment, on or prior to the Closing Date, unless otherwise waived in writing by Seller, of the following conditions:

9.1 Representations and Warranties. The representations and warranties of Buyer set forth in ARTICLE IV hereof shall be true and correct in all material respects when made and shall be true and correct in all material respects on the Closing Date as if made on and as of such date.

9.2 Performance of Covenants. Buyer shall have performed in all material respects all of its obligations contained in this Agreement to be performed on or prior to the Closing Date and Seller shall have received a certificate to such effect, executed by Buyer and dated as of the Closing Date, in form satisfactory to Seller.

9.3 Threatened or Pending Proceedings. No proceedings shall have been initiated or threatened by any person seeking to enjoin or otherwise restrain or to obtain an award for damages in connection with the consummation of the transactions contemplated hereby.

9.4 Authorization. All limited liability company action necessary to authorize: (i) the execution, delivery and performance by Buyer of this Agreement and any other agreements or instruments contemplated hereby to which Buyer is a party; and (ii) the consummation of the transactions contemplated hereby and thereby, shall have been duly and validly taken by Buyer, and Seller shall have been furnished with copies of all applicable resolutions adopted by the Member of Buyer.

9.5 Delivery of Certificates and Documents to Seller. Buyer shall have delivered, or cause to be delivered, to Seller certificates as to the legal existence and limited liability company good standing of Buyer issued by the Secretary of State of Rhode Island.

9.6 Consents. Buyer shall have obtained the CEC Approval and any other approvals, consents and authorizations of all third persons and governmental agencies necessary for the consummation of the transactions contemplated hereby in accordance with the requirements of applicable laws and agreements.

## 10. CERTAIN RIGHTS AND OBLIGATIONS SUBSEQUENT TO CLOSING.

10.1 Survival of Representations, Warranties, Agreements, Covenants and Obligations. All representations and warranties contained in ARTICLE III hereof, and in ARTICLE IV hereof, inclusive, and all agreements and covenants contained anywhere else in this Agreement, shall be deemed to have been relied upon by the other party, shall survive the execution and delivery of this Agreement, any investigation made by any party hereto, and the sale and purchase of the Acquired Assets and payment therefor; provided, however that: (a) all of the representations and warranties made by Seller and SCA in ARTICLE III hereof, shall expire and terminate eighteen (18) months following the Closing Date, and (b) all of the representations and warranties made by Buyer in ARTICLE IV hereof, shall expire and terminate eighteen (18) months following the Closing Date. Notwithstanding the foregoing, any claim with respect to any fraudulent, intentional or willful breach of any representation or warranty in this Agreement shall survive until the third (3<sup>rd</sup>) anniversary of the Closing Date.

10.2 Further Assurances. From time to time after the Closing and without further consideration, the parties will execute and deliver, or arrange for the execution and delivery of, such other instruments of conveyance and transfer and take such other action or arrange for such other actions as may reasonably be requested to more effectively complete any of the transactions provided for in this Agreement.

10.3 Publicity and Disclosures. No press release or any public disclosure or further disclosure to Seller's or Buyer's employees and representatives, either written or oral, of the transactions contemplated by this Agreement shall be made without the prior knowledge and written consent of Seller and Buyer, provided that either Seller or Buyer may make (a) such disclosures as are required by law after notice to, and consultation with, the other and (b) disclosures to its employees and representatives on a need-to-know basis.

10.4 Further Cooperation of Seller. Following the Closing, Seller and Buyer agree to use their best efforts to secure the transfer to the Buyer or the reissuance or issuance in the name of the Buyer of all consents, licenses and permits required under applicable law or regulation, federal, state and local, or necessary to the ownership of the Acquired Assets or the operation of the Business.

10.5 Consents of Third Parties. To the extent that any transfer or assignment of any contract, license, lease, commitment, or right to be transferred and assigned to the Buyer as provided herein, shall require the consent of the other party thereto, or of any other person, this Agreement shall not constitute an agreement to assign the same unless and until such consent shall have been obtained. Seller agrees that it will use commercially reasonable efforts before and after the Closing to obtain and deliver the consent of the other parties and the approvals of other persons or authorities, to the extent necessary, to the assignment of all such contracts, leases, licenses, commitments or rights to Buyer.

10.6 Transfer Taxes. In no event will the Buyer be liable for any sales, use, transfer or stamp taxes which may be imposed either on the sale from Seller to Buyer of the Acquired Assets or as a result of the transfer from Seller to Buyer of the Acquired Assets.

10.7 Tax Returns. Seller will file all tax and information returns due with respect to Seller for all periods ended on or prior to the Closing Date and pay all taxes, if any, shown to be due on such returns.

10.8 Mail Received after Closing.

(a) In the event that Buyer receives after the Closing any mail or other communications addressed to Seller, Buyer may open such mail or other communications and deal with the contents thereof in its discretion to the extent that such mail or other communications and the contents thereof relate to any of the Acquired Assets or to any of the Assumed Liabilities, including the right to endorse without recourse the name of Seller on any check received by Buyer with respect to the Acquired Assets, and to deal with the proceeds in accordance with the terms of this Agreement. Buyer agrees to deliver or cause to be delivered to Seller all other mail and the contents thereof which does not relate to the Acquired Assets or the Assumed Liabilities.

(b) In the event that Seller receives after the Closing Date mail or other communications addressed to Seller which relate to any of the Acquired Assets or the Assumed Liabilities, Seller shall promptly deliver or cause to be delivered all such mail and the contents thereof to Buyer. Seller agrees to cooperate with Buyer and to make arrangements (including "lock box" and other banking arrangements) reasonably necessary in order to properly deal with checks

addressed to Seller but which belong to Buyer pursuant to this Agreement, and to properly direct the proceeds thereof to Buyer.

## 10.9 Employment of Business Employees by Buyer.

(a) Buyer shall, as of and subject to the Closing, use best efforts to offer employment to the Employees (other than those Employees who are ineligible to be hired) listed on Schedule 10.9 (collectively, the “Business Employees”). Buyer’s offer of employment shall consist of salary and bonus or incentive equivalent to that currently being paid by SCA, together with benefits substantially comparable to those benefits currently applicable to other comparable employees of Buyer which are set forth on Schedule 10.9. Such former Business Employees who accept Buyer’s offers of employment are referred to herein as “Transferred Employees.” Buyer shall promptly inform Seller of any of the Business Employees who do not accept Buyer’s offer of employment.

(b) For injuries arising out of employment of the Employees on or prior to the Closing Date, Seller shall be liable for any damages, costs, losses, expenses or liabilities including, without limitation, any workers’ compensation (including weekly benefits, medical and rehabilitation expenses and any other expenses or obligations) payable under tort, occupational health and safety laws or otherwise in respect of the Employees. Buyer shall be liable for any such damages, costs, losses, expenses or liabilities payable for injuries arising out of employment of Transferred Employees by Buyer after the Closing Date.

(c) Buyer shall have no liabilities or obligations under or with respect to any of Seller’s Plans (as defined in Section 3.2(e) of this Agreement).

(d) Buyer shall have no liabilities or obligations with respect to the Employees other than obligations related to periods after the Effective Time with respect to the Transferred Employees, and Seller shall be solely responsible for such other employees for all purposes, including, without limitation, any health benefit continuation rights under federal or state law.

(e) Except as otherwise set forth in this Section 10.9, Seller shall have no obligation with respect to any of the Transferred Employees with respect to any claim arising from acts or omissions of Buyer occurring after the Closing Date, and Buyer shall have no obligation with respect to any of the Transferred Employees with respect to any claims arising from acts or omissions of Seller occurring on or before the Closing Date.

10.10 Administration of Seller’s Plans After the Closing. After the Closing, Seller will administer all of its Plans (as defined in Section 3.2(e) hereof) and distribute benefits therefrom to the Business Employees in accordance with the terms and provisions of such Plans and applicable laws and regulations.

10.11 Narragansett Bay Anesthesia LLC Promissory Note. Buyer shall not take any unreasonable steps that would impair the ability of Narragansett Bay Anesthesia LLC (“NBA”) to satisfy in full its obligations under the March 9, 2016 Promissory Note made by NBA in favor of SCA in the original principal amount of Two Hundred Thousand Dollars (\$200,000), including without limitation, terminating any contractual arrangements between Buyer or any affiliate of Buyer and NBA for NBA’s services at the Surgicenter, unless Buyer determines in good faith that a material breach of such agreement has occurred.

10.12 Supplement to Disclosure Schedules. From time to time prior to the Closing, Seller shall have the right, but not the obligation, to supplement or amend the Disclosure Schedules hereto with respect to any matter hereafter arising, or of which it becomes aware after the Effective Date, which, if existing, occurring or known at the date of this Agreement, would have been required to be set forth or described in the Disclosure Schedules (each a “Schedule Supplement”). Any disclosure in any such Schedule Supplement shall not be deemed to have cured any inaccuracy in or breach of any representation or warranty contained in this Agreement, including for purposes of the indemnification or termination rights contained in this Agreement or of determining whether or not the conditions set forth in ARTICLE VIII have been satisfied; provided, however, that if Buyer has the right to, but does not elect to, terminate this Agreement within thirty (30) days of its receipt of such Schedule Supplement, then Buyer shall be deemed to have irrevocably waived any right to terminate this Agreement with respect to such matter and, further, shall have irrevocably waived its right to indemnification under Section 11.2 with respect to such matter.

11. INDEMNIFICATION.

11.1 Indemnification by Seller and SCA.

(a) Subject to Section 11.5, Seller agrees to defend, indemnify and hold Buyer, its members and managers, employees and agents, harmless from and against any claims by third persons, damages, liabilities, losses and expenses (including, without limitation, reasonable attorney’s fees incurred in seeking indemnification hereunder or defending any claim by a third person, amounts paid in settlement of any claim or suit), taxes, fines, penalties and interest, of any kind or nature whatsoever, which may be sustained or suffered by Buyer or its members and managers, employees or agents, arising out of, based upon, or by reason of: (i) a breach of any representation or warranty made by Seller in Section 3.1 hereof, or (ii) a failure to perform any agreement or covenant made by Seller anywhere else in this Agreement, or (iii) any liability that is an Excluded Liability; provided, however, that no indemnification shall be payable by Seller with respect to any claim for breach of any representation or warranty made by Seller in Section 3.1 hereof, asserted by Buyer after the expiration or termination date, if any, prescribed for such representation or warranty in the proviso of the first sentence of Section 10.1 hereof.

(b) Subject to Section 11.5, SCA agrees to defend, indemnify and hold Buyer, its members and managers, employees and agents, harmless from and against any claims by third persons, damages, liabilities, losses and expenses (including, without limitation, reasonable attorneys’ fees incurred in seeking indemnification hereunder or defending any claim by a third person, amounts paid in settlement of any claim or suit), taxes, fines, penalties and interest, of any kind or nature whatsoever, which may be sustained or suffered by Buyer or its members and managers, employees or agents, arising out of, based upon, or by reason of: (i) a breach of any representation or warranty made by SCA in Section 3.2, or (ii) a failure to perform any agreement or covenant made by SCA anywhere else in this Agreement, provided, however, that no indemnification shall be payable by SCA with respect to any claim for breach of any representation or warranty made by SCA in Section 3.2 hereof asserted by Buyer after the expiration or termination date, if any, prescribed for such representation or warranty in the proviso of the first sentence of Section 10.1 hereof.



11.2 Indemnification by Buyer. Subject to Section 11.5, Buyer agrees to defend, indemnify and hold Seller, its General Partner, employees and agents, harmless from and against any claims by third persons, damages, liabilities, losses and expenses (including, without limitation, reasonable attorneys' fees incurred in seeking indemnification hereunder or defending any claim by a third person, and amounts paid in settlement of any claim or suit) of any kind or nature whatsoever which may be sustained or suffered by Seller or its General Partner, employees or agents, arising out of, based upon, or by reason of: (a) a breach of any representation or warranty made by Buyer in Sections 4.1 through 4.5 hereof, inclusive, or (b) a failure to perform any agreement or covenant made by Buyer anywhere else in this Agreement, or (c) any liability that is an Assumed Liability, or (d) any liability arising out of Buyer's use of Seller's policies and policy manuals, provided, however, that no indemnification shall be payable by Buyer with respect to any claim for breach of any representation or warranty made by Buyer in Sections 4.1 through 4.5 hereof, asserted by Seller after the expiration or termination date, if any, prescribed for such representation or warranty in the proviso of the first sentence of Section 10.1 hereof.

11.3 Notice, Defense of Claims. Each of Buyer, Seller and SCA shall give prompt written notice to the other party to this Agreement of each claim for indemnification hereunder specifying the amount and nature of the claim, and of any matter which is likely to give rise to an indemnification claim. Failure to give timely notice of a matter which may give rise to an indemnification claim shall not affect the rights of the indemnified party to collect such claim from the indemnifying party except to the extent that failure to so notify materially adversely affects the indemnifying party's ability to defend such claim against a third party. In any case in which a claim for indemnification involves a claim brought by a third party, the indemnified party shall have the right (but not the obligation) to assume and control the defense of any such matter or its settlement at the indemnifying party's expense, provided that the indemnifying party may participate in the defense at its own expense and provided, further, that the indemnified party will keep the indemnifying party informed as to the status of the defense and will not take any significant action in the defense thereof or consent to entry of judgment or enter into any settlement thereof without the consent of the indemnifying party which shall not be unreasonably withheld or delayed. Notwithstanding the foregoing, the indemnified party, having assumed the defense of any such matter, may at any time thereafter tender the defense thereof to the indemnifying party, and the indemnified party shall thereafter have the right to participate in the defense at its own expense. No indemnifying party, in the defense of any claim or litigation, shall, except with the consent of the indemnified party, which consent shall not be unreasonably withheld or delayed, consent to entry of any judgment or enter into any settlement which does not include as an unconditional term thereof the giving by the claimant or plaintiff to such indemnified party of a release from all liability in respect of such claim or litigation.

11.4 No Tax Effect; Insurance Effect.

(a) Indemnification for damages, liabilities, losses and expenses payable pursuant to the indemnification provisions in this ARTICLE XI shall be on a dollar for dollar basis and shall be determined without regard to deductibility for tax purposes or other tax benefits to the indemnified party or any other person or entity resulting therefrom.

(b) The Seller shall make any indemnification payments determined to be payable to Buyer hereunder promptly after such determination is made, without delay, and

without regard to any expectation that Buyer will recover insurance proceeds as a direct result of the matter giving rise to the claim for which indemnification payments are to be made. Buyer shall have no obligation whatsoever to seek to recover or make a claim for insurance proceeds as a result of any matter giving rise to an indemnification claim of Buyer against the Seller. Notwithstanding the foregoing, if Buyer receives any insurance proceeds as a result of the matter giving rise to any indemnification claim of Buyer against the Seller prior to the date upon which the Seller is given notice of the claim, Seller's indemnification obligation with respect to such claim shall be reduced by the amount of any such insurance proceeds actually received by Buyer. If Buyer receives any insurance proceeds as a direct result of the matter giving rise to any indemnification claim of Buyer against the Seller after the Seller has paid such indemnification claim to Buyer, then Buyer shall promptly turn over any such insurance proceeds received to Seller to the extent of the payments made by Seller to Buyer on the claim.

11.5 Limitation of Damages. Notwithstanding any provision of this Agreement to the contrary, except for the liability of each of Seller and SCA related to breach of the Stark Law, Anti-Kickback Statute, and fraud, the total liability for each of Seller, SCA and Buyer for indemnification under Sections 11.1(a)(i), 11.1(b)(i) and 11.2(a), respectively, shall not exceed twenty percent (20%) of the Purchase Price, and the total liability for each of Seller, SCA and Buyer for indemnification under Sections 11.1(a)(ii) and (iii), 11.1(b)(ii), and 11.2(b), (c), and (d), respectively, shall not exceed the Purchase Price.

11.6 Offset Rights. In accordance with the terms of the Escrow Agreement, prior to the one (1) year anniversary of the Closing Date, in the event Buyer becomes entitled to indemnification hereunder with respect to any damages, liabilities, losses and expenses ("Losses") incurred by it, or in the event Seller or SCA becomes liable to Buyer for any other amounts or for any other reason under this Agreement, Buyer shall first satisfy such amounts owed by application of the Escrow Amount. The parties hereby acknowledge that: (a) Buyer has not hereby made an election of remedies in reserving such offset rights, or in exercising any such offset rights from time to time; (b) Seller and SCA are and shall remain liable for any and all of their obligations pursuant to this Agreement; and (c) Buyer may, with respect to any Losses or claimed Losses, pursue any other remedy at law or equity directly against Seller or SCA. Buyer's offset rights herein set forth represent neither a liquidation of damages nor a limitation of liability, but a source of funds which may, but need not, be utilized in satisfaction of any Loss or claimed Loss or any other obligation of Seller or SCA under this Agreement in favor of Buyer.

11.7 AFTER THE CLOSING, THE REMEDIES CONTAINED IN THIS ARTICLE XI SHALL CONSTITUTE THE SOLE AND EXCLUSIVE REMEDIES OF THE SELLER INDEMNIFIED PARTIES AND THE BUYER INDEMNIFIED PARTIES, WHETHER IN CONTRACT, TORT OR OTHER APPLICABLE LAW, FOR RECOVERIES AGAINST THE OTHER WITH RESPECT TO CLAIMS FOR BREACH OF ANY COVENANT, AGREEMENT, REPRESENTATION OR WARRANTY CONTAINED IN THIS AGREEMENT OR IN THE EXHIBITS OR SCHEDULES ATTACHED THERETO OR IN THE RELATED AGREEMENTS OR TRANSACTIONS, OR ANY OTHER CLAIM ARISING IN CONNECTION WITH THE TRANSACTIONS, EXCEPT THAT NOTHING SHALL LIMIT THE RIGHT OF THE BUYER INDEMNIFIED PARTIES OR SELLER INDEMNIFIED PARTIES TO BRING AN ACTION TO RECOVER DAMAGES FOR FRAUD OR A KNOWING OR WILLFUL MISREPRESENTATION OR TO BRING AN ACTION FOR INJUNCTIVE RELIEF.

## 12. TERMINATION OF AGREEMENT.

12.1 Termination. At any time prior to the Closing Date, this Agreement may be terminated (i) by the mutual consent of Buyer and Seller; (ii) by Seller if there has been a material misrepresentation, breach of warranty or breach of agreement or covenant by Buyer in its representations, warranties, agreements and covenants set forth herein; (iii) by Buyer if there has been a material misrepresentation, breach of warranty or breach of agreement or covenant by Seller in its representations, warranties, agreements and covenants set forth herein; (iv) by Seller if the conditions stated in ARTICLE IX have not been satisfied on or prior to the Closing Date; (v) by Buyer if the conditions stated in ARTICLE VIII have not been satisfied on or prior to the Closing Date; or (vi) by Buyer or Seller if the Closing has not occurred on or before the close of business on that date which is ninety (90) days following the date of CEC Approval.

12.2 Effect of Termination. If this Agreement shall be terminated as above provided, all obligations of the parties hereunder shall terminate without liability of any party to the other; provided however, that nothing in this Section 12.2 shall prevent any party from seeking or obtaining damages or appropriate equitable relief for the breach of any representation, warranty, agreement or covenant made by any other party hereto.

12.3 Right to Proceed. Anything in this Agreement to the contrary notwithstanding, if any of the conditions specified in ARTICLE VIII hereof have not been satisfied at or prior to the Closing, Buyer shall have the right to proceed with the transactions contemplated hereby without waiving any of its rights hereunder, and if any of the conditions specified in ARTICLE IX hereof have not been satisfied at or prior to the Closing, Seller shall have the right to proceed with the transactions contemplated hereby without waiving any of its rights hereunder.

## 13. COVENANTS OF SELLER AND SCA.

13.1 Non-Competition. Each of Seller and SCA covenants and agrees with Buyer that Seller and SCA and their affiliates will not directly or indirectly, during the period commencing on the Closing Date and expiring on the second (2<sup>nd</sup>) anniversary of the Closing Date (the "Restrictive Period"): (a) interfere with or attempt to interfere with any employees of Buyer working at the Surgicenter, or induce or attempt to induce any of them to leave the employ or relationship with Buyer, or violate the terms of their contract with any of them; or (b) directly solicit or encourage any member of the medical staff of the Surgicenter who utilized the Surgicenter at any time during the one (1) year period preceding the Closing Date to have an ownership or financial interest in another surgicenter or to perform services at any other surgicenter.

13.2 Release. In consideration of the payment of the Purchase Price and except with respect to the indemnification rights set forth in ARTICLE XII, effective as of the Closing Date, Seller and SCA release and discharge Buyer, the Surgicenter, the Business and the Acquired Assets from any and all claims, contentions, demands, causes of action at law or in equity, debts, liens, agreements, notes, obligations or liabilities of any nature, character or description whatsoever, whether known or unknown, which they or any of them individually may now or hereafter have against the Surgicenter, the Business and the Acquired Assets by reason of any matter, event, thing or state of facts occurring, arising, done, omitted or suffered to be done prior

to the Closing Date. It is understood by Seller and SCA that the facts in respect of which this release is given may hereafter turn out to be other than or different from the facts in that connection known or believed by them to be true. Seller and SCA therefore expressly assume the risk of the facts turning out to be so different and agree that the foregoing release shall be in all respects effective and not subject to termination or rescission by any such difference in facts.

13.3 Confidentiality. Subject to any obligation to comply with any applicable law, any rule or regulation of any authority or securities exchange or any subpoena or other legal process to make information available to the persons entitled thereto, from and after the date hereof, whether or not the Closing shall occur, all information obtained by Seller or SCA, on the one hand, or Buyer, on the other hand (each, a "Party"), about the other and all of the terms and conditions of this Agreement (collectively, "Confidential Information") shall be kept in confidence by each Party, and each Party shall cause its Affiliates, shareholders, members, partners, directors, officers, managers, employees, agents and attorneys to hold such information confidential; provided, however, that the foregoing disclosure restrictions shall not apply to any Confidential Information (i) that, at the time of disclosure, is generally known to others engaged in the trade or business of the Party to which such Confidential Information relates or (ii) that is obtained by a Party through its own independent investigations of the other or received by a Party from a source not known by that Party to be bound by a confidentiality agreement with, or other contractual, legal or fiduciary obligation of confidentiality to, the other (but once the other Party is advised that such information is indeed confidential, this Section 13.3 shall apply). In the event either Party becomes legally compelled to disclose any such Confidential Information, it shall promptly provide the other with written notice of such requirement so that it may seek a protective order or other remedy or waive compliance with this Section 13.3.

13.4 Injunctive Relief. The parties hereto acknowledge and agree that any breach by Seller or SCA of the restrictive covenant contained in this ARTICLE XIII would cause irreparable injury to Buyer and that the remedy at law for any such breach would be inadequate, and each of Seller and SCA agrees and consents that, in addition to any other available remedy, temporary and permanent injunctive relief may be granted in any proceeding which may be brought by Buyer to enforce such restrictive covenant without necessity of proof that any other remedy at law is inadequate.

13.5 Enforcement. Buyer and Seller intend that the covenants of Section 13.1 shall be deemed to be a series of separate covenants, one for each month of the Restrictive Period. If, in any judicial proceeding, a court shall refuse to enforce any one or more of such separate covenants because the total time thereof is deemed to be excessive or unreasonable, then it is the intent of the parties hereto that such covenants, which would otherwise be unenforceable due to such excessive or unreasonable period of time, be in force for such lesser period of time as shall be deemed reasonable and not excessive by such court.

#### 14. MISCELLANEOUS.

14.1 Expenses. Buyer, Seller and SCA shall pay the fees and expenses of their respective accountants and legal counsel incurred in connection with the transactions contemplated by this Agreement.

14.2 Notices. Any notice or other communication required or permitted to be given to any party hereunder shall be in writing and shall be given to such party at such party's address set forth below or such other address as such party may hereafter specify by notice in writing to the other party. Any such notice or other communication shall be addressed as aforesaid and given by (1) certified mail, return receipt requested, with first class postage prepaid, (2) hand delivery, or (3) reputable overnight courier. Any notice or other communication will be deemed to have been duly given (1) on the fifth day after mailing, provided receipt of delivery is confirmed, if mailed by certified mail, return receipt requested, with first class postage prepaid, (2) on the date of service if served personally, (3) on the business day after delivery to an overnight courier service, provided receipt of delivery has been confirmed or (4) on the date of transmission if sent via e-mail transmission, provided confirmation of receipt is obtained promptly after completion of transmission.

To Seller or SCA: Blackstone Valley Surgicare Acquisition, L.P.  
c/o Surgical Care Affiliates, LLC  
569 Brookwood Village  
Birmingham, Alabama 35209  
**Attention: Legal Department**

With a Copy to: Bradley Arant Boult Cummings LLP  
1600 Division Street, Suite 700  
Nashville, Tennessee 37203  
**Attention: Lauren B. Jacques, Esq.**

To Buyer: Prospect Blackstone Valley Surgicare, LLC  
c/o Prospect CharterCare, LLC  
825 Chalkstone Avenue  
Providence, Rhode Island 02908  
**Attention: CEO**

With a Copy to: Prospect Medical Holdings, Inc.  
3415 South Sepulveda Boulevard, 9<sup>th</sup> Floor  
Los Angeles, CA 90034  
**Attention: CEO**

And a Copy to: Adler Pollock & Sheehan P.C.  
One Citizens Plaza, 8<sup>th</sup> Floor  
Providence, Rhode Island 02903-1345  
**Attention: Sarah T. Dowling, Attorney**

14.3 Waiver. The failure of any party hereto at any time or times hereafter to exercise any right, power, privilege or remedy hereunder or to require strict performance by the other or another party of any of the provisions, terms or conditions contained in this Agreement or in any other document, instrument or agreement contemplated hereby or delivered in connection herewith shall not waive, affect, or diminish any right, power, privilege or remedy of such party at any time or times thereafter to demand strict performance thereof; and no rights of any party hereto shall be deemed to have been waived by any act or knowledge of such party, or any of its agents,

officers or employees, unless such waiver is contained in an instrument in writing, signed by such party. No waiver by any party hereto of any of its rights on any one occasion shall operate as a waiver of any of its other rights or any of its rights on a future occasion.

14.4 Section Headings. The section headings in this Agreement are for convenience of reference only and shall not be deemed to be a part of this Agreement or to alter or affect any provisions, terms or conditions contained herein.

14.5 Exhibits and Schedules. Any exhibits, schedules, financial statements and other documents referenced herein shall be deemed to be attached hereto and made a part hereof.

14.6 Severability. Wherever possible, each provision of this Agreement shall be interpreted in such a manner as to be effective and valid under applicable law. If any provision of this Agreement is declared illegal, invalid or unenforceable for any reason in any jurisdiction, then such declaration shall have no effect upon the remaining provisions of this Agreement which shall continue in full force and effect as if this Agreement had been executed with the invalid provision hereof deleted. Furthermore, the entirety of this Agreement shall continue in full force and effect in all other jurisdictions.

14.7 Entire Understanding. This Agreement sets forth the entire agreement and understanding between the parties with respect to the subject matter hereof and merges any and all discussions, negotiations, letters of intent or agreements in principle between them. Neither of the parties shall be bound by any conditions, warranties, understandings or representations with respect to such subject matter other than as expressly provided herein or therein, or as duly set forth on or subsequent to the date hereof in writing and signed by a duly authorized officer of the party to be bound thereby.

14.8 Binding Effect. This Agreement shall be binding upon and shall inure to the exclusive benefit of the parties hereto and their respective legal representatives, successors and permitted assigns. Except as otherwise expressly provided in this Agreement, this Agreement is not intended to, nor shall it, create any rights in any other person.

14.9 Governing Law. This Agreement is and shall be deemed to be a contract entered into and made pursuant to the laws of the State of Rhode Island, U.S.A. and shall in all respects be governed, construed, applied and enforced in accordance with the laws of said State, without reference to its conflict of laws principles.

14.10 Choice of Forum and Consent to Jurisdiction. Any action arising out of or under this Agreement, any other document, instrument or agreement contemplated herein or delivered pursuant hereto, or the transactions contemplated by this Agreement or any of such other documents, instruments or agreements, shall be brought only in a federal or state court having jurisdiction and venue in Providence, Rhode Island U.S.A., and each of the parties hereto hereby irrevocably submits to the jurisdiction of such courts and agrees that venue in [Rhode Island] is proper. Each of the parties hereby specifically agrees that it shall not bring any actions, suits or proceedings arising out of or under this Agreement, any other document, instrument or agreement contemplated herein or delivered pursuant hereto, or the transactions contemplated by this Agreement or any of such other documents, instruments or agreements, in the courts of any

jurisdiction other than the above-named courts of Rhode Island, that any such action brought by either party shall be dismissed upon the basis of the agreements, terms and provisions set forth in this Section 14.10, and that any order or judgment obtained in any such action from a court other than the courts of Rhode Island shall be void ab initio provided that, notwithstanding the foregoing provisions of this Section 14.10, either party may bring and enforce an action seeking injunctive or other equitable relief in any court of competent jurisdiction.

14.11 Assignability. Neither party may assign all or any of its rights and/or obligations hereunder without the prior written consent of the other party except that Buyer may at any time, without the consent of Seller, assign all or any part of its rights and/or obligations under this Agreement to any Affiliate of Buyer, and any such assignee of Buyer shall succeed to and be possessed of the rights of Buyer hereunder to the extent of the assignment made, provided that any such assignment shall not relieve Buyer of its obligations hereunder.

14.12 No Payments for Referrals. Seller and Buyer acknowledge and agree that the Purchase Price has been determined to be consistent with the fair market value of the Acquired Assets and that no portion of the Purchase Price or any other benefit granted to any party under this Agreement is conditioned on any requirement that Seller make referrals to, be in a position to make or influence referrals to, or otherwise generate business for, Buyer.

14.13 Counterparts; Delivery by Electronic Means. This Agreement may be executed in counterparts and by each party hereto on a separate counterpart, all of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement. Delivery of an executed counterpart of a signature page to this Agreement by telecopier or electronic mail transmission shall be effective as delivery of a manually executed counterpart of this Agreement.

14.14 Certain Definitions. For the purposes of this Agreement: (a) an “affiliate” or “Affiliate” of any specified natural person shall mean and include the members of such person’s immediate family, (b) an “affiliate” or “Affiliate” of any specified other person shall mean and include any person that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, such person, and (c) a “person” shall mean and include any natural person, firm, partnership, association, corporation, limited liability company, company, unincorporated organization, trust, public body or government or any department, board, commission or agency thereof.

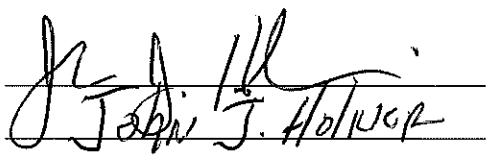
14.15 Pronouns and Plurals. All pronouns used herein shall be deemed to refer to the masculine, feminine, neuter, singular or plural as the identity of the person or persons may require in the context, and the singular form of nouns, pronouns and verbs will include the plural, and vice versa, whichever the context may require.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement by their duly authorized officers or signatories as of the date first written above.

**BUYER:**

**PROSPECT BLACKSTONE VALLEY  
SURGICARE, LLC**

By: Prospect CharterCARE, LLC  
Manager

By:   
Name: John J. Holweg  
Title: CEO

**SELLER:**

**BLACKSTONE VALLEY SURGICARE  
ACQUISITION, L.P.**

By: Its General Partner, Blackstone  
Valley Surgicare GP, LLC

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**SCA:**

**SURGICAL CARE AFFILIATES, LLC**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_



IN WITNESS WHEREOF, the parties hereto have executed this Agreement by their duly authorized officers or signatories as of the date first written above.

**BUYER:**

**PROSPECT BLACKSTONE VALLEY  
SURGICARE, LLC**

By: Prospect CharterCARE, LLC  
Manager

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**SELLER:**

**BLACKSTONE VALLEY SURGICARE  
ACQUISITION, L.P.**

By: Its General Partner, Blackstone  
Valley Surgicare GP, LLC

By:  \_\_\_\_\_

Name: Richard L. Sharff, Jr.

Title: VP

**SCA:**

**SURGICAL CARE AFFILIATES, LLC**

By:  \_\_\_\_\_

Name: Richard L. Sharff, Jr.

Title: EVP

## SCHEDULES

1.1(a)	Machinery and Equipment
1.1(e)	Assumed Contracts
1.1(g)	Other Assets
1.2(d)	Excluded Contracts
1.2(m)	Other Excluded Assets
1.6	Allocation of Purchase Price
3.1(c)	Seller Conflicts
3.1(d)(ii)	Machine and Equipment Condition and Repair
3.1(d)(iii)	Good and Marketable Title
3.1(d)(iv)	Assets Not on the Premises
3.1(d)(v)	Seller Personal Property Leases
3.1(e)	Premises
3.1(f)	Conduct of Business
3.1(g)	Permits and Licenses
3.1(h)	Compliance with Laws
3.1(i)	Contracts
3.1(j)	Litigation
3.1(k)	Insurance
3.1(o)	Labor Relations
3.1(r)	Healthcare Events
3.1(s)	Financial Statements
3.2(c)	SCA Conflicts
3.2(d)	Employee Benefit Plans
5.1(j)	Liens
8.6	Consents
10.9	Assumed Employees

**CLOSING STATEMENT**

**Payment of Purchase Price  
pursuant to the  
Asset Purchase Agreement (the "Purchase Agreement")  
by and among  
Prospect Blackstone Valley Surgicare, LLC ("Buyer"), Blackstone Valley Surgicare Acquisition, L.P.  
("Seller") and Surgical Care Affiliates, LLC ("SCA")**

**AMOUNT DUE FROM BUYER AT CLOSING:**

<b>GROSS PURCHASE PRICE, per Section 1.5 of the Purchase Agreement</b>	\$	1,500,000.00
<b>Plus: Certain Payroll Costs, per Section 2.4 of the Purchase Agreement</b>	\$	67,000.00
<b>TOTAL AMOUNT DUE FROM BUYER AT CLOSING:</b>	\$	<u>1,567,000.00</u>

**AMOUNT DUE TO SELLER AT CLOSING:**

<b>TOTAL AMOUNT DUE FROM BUYER AT CLOSING (from above)</b>	\$	1,567,000.00
<b>Less: The Escrow Amount, per Section 2.2 of the Purchase Agreement</b>	\$	(100,000.00)
<b>NET PROCEEDS DUE TO SELLER:</b>	\$	<u>1,467,000.00</u>

**DISBURSEMENTS AT CLOSING:**

Pay To	Amount
Blackstone Valley Surgicare Acquisition, L.P. Bank: Bank of America ABA No.: 026009593 Account Name: Surgical Care Affiliates, LLC Account No.: 4426418395 Reference: Blackstone Valley Surgicenter	\$ 1,467,000.00
First Commercial Bank, a division of Synovus Bank Bank: Synovus Bank ABA No.: 061100606 Account Name: Synovus Bank-Columbus, GA Account No.: 1060065932 Attention: FCB Bham-Corp Trust Reference: SCA-Blackstone Escrow Fund	\$ 100,000.00
<b>TOTAL:</b>	\$ <u>1,567,000.00</u>

35.7988 RWA FM PUTNAM PIKE	16-Oct	16-Nov	16-Dec	17-Jan	17-Feb	17-Mar	17-Apr	17-May	17-Jun	17-Jul	17-Aug	17-Sep	FYTD-17
21 Standard RVU excl GPCI	629	467	643	617	480	562	616	764	660	575	381	304	6,698
23 Custom RVU excl GPCI	641	473	647	639	490	582	624	772	678	584	385	304	6,819
25 Cash Collections	42,380	51,331	35,079	40,626	31,127	49,120	36,593	52,069	45,997	46,120	37,424	20,573	488,439
Gross Revenue	112,343	76,910	103,671	100,192	76,321	92,106	95,024	118,440	105,220	91,245	61,601	48,443	1,081,516
Contractuals	(68,112)	(41,852)	(62,570)	(59,147)	(43,957)	(54,218)	(54,509)	(69,253)	(55,812)	(48,359)	(35,438)	(29,408)	(622,635)
Net Revenue Before Bad Debt	44,231	35,058	41,101	41,045	32,364	37,888	40,515	49,187	49,408	42,886	26,163	19,035	458,881
PAF%	39.4%	45.6%	39.6%	41.0%	42.4%	41.1%	42.6%	41.5%	47.0%	47.0%	42.5%	39.3%	42.4%
Bad Debt	(1,874)	(534)	4,463	1,483	(1,781)	40	1,159	524	(75)	(105)	194	(167)	3,327
Net Patient Revenue	42,357	34,524	45,564	42,528	30,583	37,928	41,674	49,711	49,333	42,781	26,357	18,868	462,208
Medical Records Retrieval	0	0	10	0	0	45	15	15	0	0	15	55	155
CTC Program Revenue	0	0	0	0	0	0	0	0	0	0	0	0	0
Managed Care Bonus	0	0	0	0	0	0	0	0	0	0	0	0	0
Facility Rentals	0	0	0	0	0	0	0	0	0	0	0	0	0
Miscellaneous Revenue	0	45	0	30	15	37	0	0	0	0	0	0	127
Other Revenue	0	45	10	30	15	82	15	15	0	0	15	55	282
Total Revenue	42,357	34,569	45,574	42,558	30,598	38,010	41,689	49,726	49,333	42,781	26,372	18,923	462,490
Salaries and Wages	15,272	15,681	13,553	16,487	14,183	14,068	15,778	14,983	14,571	15,292	13,709	8,015	171,592
Provider Salaries & Wages	21,229	18,345	23,452	18,690	17,767	18,929	21,034	21,173	18,094	20,218	6,481	6,414	211,826
ET Accrual	4,931	3,668	2,880	3,069	2,851	3,144	3,051	3,149	3,047	3,144	1,839	1,538	36,311
Overtime	317	58	626	283	16	178	451	544	356	559	(58)	372	3,702
Bonuses	0	0	0	0	0	0	0	0	0	0	0	0	0
Temporary Help	0	0	0	0	0	0	0	0	0	0	0	0	0
Teaching Offset	0	0	0	0	0	0	0	0	0	0	0	0	0
Subtotal-Salaries	41,749	37,752	40,511	38,529	34,817	36,319	40,314	39,849	36,068	39,213	21,971	16,339	423,431
Fringe Benefits	7,357	5,533	3,377	5,479	4,887	5,390	5,366	5,688	5,452	5,336	7,102	7,367	68,334
Subtotal-Fringes	7,357	5,533	3,377	5,479	4,887	5,390	5,366	5,688	5,452	5,336	7,102	7,367	68,334
Professional Liability Insurance	2,979	846	1,912	474	1,553	1,553	1,553	1,553	1,553	1,553	188	(628)	15,089
CME	108	446	108	185	530	185	185	185	185	0	5	0	2,122
Travel & Entertainment	22	8	18	28	(6)	6	21	57	31	(8)	33	28	238
Subtotal-Provider Direct	3,109	1,300	2,038	687	2,077	1,744	1,759	1,795	1,769	1,545	226	(600)	17,449
Insurance Other	0	0	0	0	0	0	0	0	0	0	0	0	0
Rents, Leases, & Property Taxes	5,510	5,510	6,236	5,510	5,510	6,236	5,510	5,510	5,527	5,515	5,515	6,968	69,057
Repairs & Maintenance	0	0	0	0	0	0	0	0	0	0	0	0	0
Telephone	0	0	0	0	0	0	0	0	0	0	0	0	0
Utilities	588	408	458	448	428	444	488	385	424	521	499	(409)	4,682
Subtotal-Occupancy Cost	6,098	5,918	6,694	5,958	5,938	6,680	5,998	5,895	5,951	6,036	6,014	6,559	73,739
Advertising	0	0	0	0	0	0	0	0	0	0	0	0	0
Maintenance Contracts	0	0	0	0	0	0	0	0	0	0	0	0	0
Professional Services	106	0	0	74	0	0	0	0	0	0	0	0	180
Purchased Services	4,304	3,031	5,520	4,605	4,016	5,107	3,899	5,568	5,903	3,713	4,808	4,285	54,759
Subtotal-Purchase Services	4,410	3,031	5,520	4,679	4,016	5,107	3,899	5,568	5,903	3,713	4,808	4,285	54,939
Medical Supplies	79	361	588	501	355	363	247	159	514	363	578	906	5,014
Office Supplies	195	339	0	0	0	0	146	155	129	74	157	101	1,296
Other Expenses	0	0	66	45	66	45	45	125	0	0	69	0	461
Pharmaceuticals	0	226	0	0	0	30	142	298	0	91	124	0	911
Subtotal-Office Supplies & Expenses	274	926	654	546	421	438	580	737	643	528	928	1,007	7,682
Total Expenses	62,997	54,460	58,794	55,878	52,156	55,678	57,916	59,532	55,786	56,371	41,049	34,957	646,574
Income/Loss before Overhead Allocation	(20,640)	(19,891)	(13,220)	(13,320)	(21,558)	(17,668)	(16,227)	(9,806)	(6,453)	(13,590)	(14,677)	(16,034)	(183,084)
EBITA Adjustments													
Adjusted Direct Margin	(20,640)	(19,891)	(13,220)	(13,320)	(21,558)	(17,668)	(16,227)	(9,806)	(6,453)	(13,590)	(14,677)	(16,034)	(183,084)
Profit/Loss before Allocation	(20,640)	(19,891)	(13,220)	(13,320)	(21,558)	(17,668)	(16,227)	(9,806)	(6,453)	(13,590)	(14,677)	(16,034)	(183,084)
CCMA Overhead Allocation	2,400	2,300	2,296	1,845	2,031	1,955	2,111	2,333	2,526	2,250	1,146	801	23,994
CCHP Overhead Allocation	5,937	2,539	3,704	5,090	4,035	3,625	5,708	5,008	6,155	5,398	3,713	2,344	53,256
Athena Billing Fee	0	0	0	0	0	0	0	0	0	0	0	0	0
Other Overhead	0	0	0	0	0	0	0	0	0	0	0	0	0
Prospect Management Fee	820	747	866	797	578	893	926	967	1,028	855	555	403	9,435
Total Coporate Allocation	9,157	5,586	6,866	7,732	6,644	6,473	8,745	8,308	9,709	8,503	5,414	3,548	86,685
Adjusted EBITDA	(29,797)	(25,477)	(20,086)	(21,052)	(28,202)	(24,141)	(24,972)	(18,114)	(16,162)	(22,093)	(20,091)	(19,582)	(269,769)
Depreciation & Amortization	798	798	798	798	798	798	798	799	798	798	798	799	9,578
Interest	0	0	0	0	0	0	0	0	0	0	0	0	0
Net Revenue Per RVU	67	74	71	69	64	67	68	65	75	74	69	62	69
Net Direct Expenses Per RVU	100	117	91	91	109	99	94	78	85	98	108	115	96
Net Revenue Per Custom RVU	66	73	70	67	62	65	67	64	73	73	68	62	68
Net Direct Expenses Per Custom RVU	98	115	91	87	106	96	93	77	82	97	107	115	95

Rhode Island

Date Prepared: 2/10/15

A. Membership:

Rhode Island	Membership	MM
Commercial	-	-
POS	-	-
Healthy Families	-	-
MediCal	-	-
Seniors (5)-Medicare Advantage	6,542	78,504
<b>Total</b>	<b>6,542</b>	<b>78,504</b>

B. Prospect MSO estimated cost ( incremental cost)

Operating Cost:	<u>Incremental FTE</u>		<u>Incremental cost</u>	<u>Notes</u>
	<u>Override</u>	<u>Rate</u>		
Administration /MSO Ops	1.00	55,000	55,000	1 Network manager
Claims	-	40,000	-	
Contracting	-	50,000	-	
Credentialing	1.00	40,000	40,000	1 coordinator
Customer Service	-	40,000	-	
DSS	0.25	60,000	15,000	
Eligibility	0.25	50,000	12,500	
Facilities	-	40,000	-	
Finance	-	50,000	-	
HMO Contracting	-	70,000	-	
Human Resources	-	45,000	-	
IDX Database	3.00	45,000	135,000	1 contract, 1 benefit, 1 IDX
Information Tech	1.75	70,000	122,500	1 SQL, .25 Business Ast, .25project mgt, .25 QA
Marketing	-	70,000	-	
Medical Management	7.00	70,000	490,000	1 impatient nurse,1 imp coor, 2 high intensity, 1 referral nurse, 1 ref coor, 1 Rx coor every 3000 SR members = 1 FTE
Member Relations	2.50	45,000	112,500	
Network Management	-	60,000	-	
Performance Programs	2.00	45,000	90,000	1 HCC coding, 1 Quality coor
<b>Subtotal</b>	<b>18.75</b>		<b>1,072,500</b>	
<b>Benefits and PR taxes for salaries identified above @ 20%</b>			<b>214,500</b>	

C. Implementation/Set Up Cost

	<u>Hours</u>	<u>Rate</u>	<u>Cost</u>
Administration /MSO Ops	-	25.00	-
Claims	-	25.00	-
Contracting	-	25.00	-
Credentialing	320	25.00	8,000
Customer Service	-	25.00	-
DSS	-	25.00	-
Eligibility	-	25.00	-
Facilities	-	25.00	-
Finance	-	25.00	-
HMO Contracting	-	25.00	-
Human Resources	-	25.00	-
IDX Database	-	25.00	-
Information Tech	-	25.00	-
Marketing	-	25.00	-
Medical Management	-	25.00	-
Member Relations	-	25.00	-
Network Management	-	25.00	-
Performance Programs	-	25.00	-
<b>Subtotal - Implementation/Setup Cost</b>	<b>320</b>		<b>8,000</b>

D. Other

Equipment(1500/FTE)	28,125
Travel & Business Development	10,000
Other Overhead factor (Prospect YTD 123114 Operating supply/ total salary= 7%)	75,075
<b>Total Cost</b>	<b>1,408,200</b>

<i>Capital/Business Development Committed (over 4 years)</i>	Splash Requirement		Routine Requirement		EEC /Fruit Hill Sale		Total JV Requirement	
	\$	50,000,000	\$	40,000,000	\$	12,475,444	\$	102,475,444
<b>Actual Spend</b>								
<b>Facility Related Splash Capital</b>								
Main Entrance - RWMC		4,056,965						
Main Entrance - Curtain Wall - RWMC		2,296,836						
Main Entrance Redesign Add/Alt Scope - RWMC		17,121						
Emergency Room Renovation - RWMC		12,275,642						
Cancer Center Expansion/USP 800 - 50 Maude RWMC		29,449						
RWMC Pharmacy USP 800		87,703						
Rosebank Parking Lot - RWMC		-						
Upgrade OR HVAC System - RWMC		208,643						
Main Corridor / Central Registration Renovations - OLF		609,187						
Central Registration Renovations / Entrance - OLF		1,662,373						
Main Entrance Infrastructure Repair - OLF		-						
Emergency Room Expansion/Upgrade Phase 1 - OLF		4,274,470						
OLF Pharmacy USP 800		23,830						
Upgrade OR HVAC System - OLF		45,630						
Omnicell Pharmacy Equipment - RWMC & OLF		3,247,932						
Subtotal - Facilities (Capital)		<b>28,835,781</b>						
<b>Business Development</b>								
Capital Infusion		6,000,000						
Physician Practice Acquisitions - CCMA		3,270,000		3,277,526				
Radiation Therapy Joint Venture		367,000						
Blackstone Valley Surgicare		1,567,000						
(A) PMH Capital Contribution/Mgmt Fees		20,000,000						
(A) PMH Reduction of Intercompany		4,700,000						
(B) Creation of CRC - FY14		1,408,200						
Subtotal - Business Development		<b>37,312,200</b>		<b>3,277,526</b>				
<b>Routine Capital Expenditures</b>								
Fiscal Year 14				1,374,575				
Fiscal Year 15				9,677,607				
Fiscal Year 16				8,551,269				
Fiscal Year 17				7,145,868				
Fiscal Year 18				9,218,872				
Fiscal Year 19				754,284		2,706,316		
Subtotal - Routine Capital				<b>36,722,474</b>		<b>2,706,316</b>		
<b>Total Actual Spend</b>	<b>** \$</b>	<b>66,147,981</b>	<b>\$</b>	<b>40,000,000</b>	<b>\$</b>	<b>2,706,316</b>	<b>\$</b>	<b>108,854,298</b>
<b>Remaining Commitment to spend</b>	<b>\$</b>	<b>(16,147,981)</b>	<b>\$</b>	<b>(0)</b>	<b>\$</b>	<b>9,769,128</b>	<b>\$</b>	<b>(6,378,854)</b>

(A) - Revised from prior submission. The PMH forgiveness of intercompany debt covers the cost of the University Medical Group acquisition of \$7,451,602 and the Acquired Practice Losses of \$14,580,133. Section 4.4(a) of the LLC Agreement allows debt forgiveness to constitute a contribution to the required capital commitment.

(B) - As part of its Coordinate Regional Care Strategy, Prospect devoted considerable man power to create an Independent Physician Association ("IPA"). This task required the creation of an entity and contracting with physicians and health plans as well as setting up systems and processes that would enable the IPA to become a part of integrated delivery system at CharterCARE capable of taking risk and capitation payments and to participate in Medicare Accountable Care Organizations.

<i>Capital/Business Development Committed (over 4 years)</i>	Long-Term Capital Requirement Per APA	EEC /Fruit Hill Sale Proceeds	Total Long-Term Capital Requirement	Routine Equipment and Infrastructure	Routine CCHP Directly Acquired Physician Practices (B)	Routine Software Capital for clinical, financial and office functions	Total Routine Requirement	Total JV Requirement
	\$ 50,000,000	\$ 12,475,444	\$ 62,475,444				\$ 40,000,000	\$ 102,475,444
<b>Actual Spend</b>								
<b>Facility Related Splash Capital</b>								
Main Entrance - RWMC			4,056,965					
Main Entrance - Curtain Wall - RWMC			2,296,836					
Main Entrance Redesign Add/Alt Scope - RWMC			17,121					
Emergency Room Renovation - RWMC			12,275,642					
Cancer Center Expansion/USP 800 - 50 Maude RWMC			29,449					
RWMC Pharmacy USP 800			87,703					
Rosebank Parking Lot - RWMC			-					
Upgrade OR HVAC System - RWMC			208,643					
Main Corridor / Central Registration Renovations - OLF			609,187					
Central Registration Renovations / Entrance - OLF			1,662,373					
Main Entrance Infrastructure Repair - OLF			-					
Emergency Room Expansion/Upgrade Phase 1 - OLF			4,274,470					
OLF Pharmacy USP 800			23,830					
Upgrade OR HVAC System - OLF			45,630					
Omicell Pharmacy Equipment - RWMC & OLF			3,247,932					
Subtotal - Facilities (Capital)			<b>28,835,781</b>					
<b>Business Development</b>								
Capital Infusion			6,000,000					
(B) Physician Practice Acquisitions - CCMA			3,270,000					
Radiation Therapy Joint Venture			367,000					
Blackstone Valley Surgicare			1,567,000					
PMH Capital Contribution/Mgmt Fees			20,000,000					
PMH Reduction of Intercompany			4,700,000					
(A) Creation of CRC - FY14			1,408,200					
Subtotal - Business Development			<b>37,312,200</b>					
<b>Routine Capital Expenditures</b>								
Fiscal Year 14				1,374,575			1,374,575	
Fiscal Year 15				9,677,607	847,749	2,963,408	13,488,764	
Fiscal Year 16				8,551,269	373,377	3,275,542	12,200,188	
Fiscal Year 17				7,145,868	1,080,000	3,168,859	11,394,727	
Fiscal Year 18				9,218,872	976,000	3,288,301	13,483,173	
Subtotal - Routine Capital				<b>35,968,191</b>	<b>3,277,126</b>	<b>12,696,110</b>	<b>51,941,427</b>	
<b>Total Actual Spend</b>			<b>\$ 66,147,981</b>	<b>\$ 35,968,191</b>	<b>\$ 3,277,126</b>	<b>\$ 12,696,110</b>	<b>\$ 51,941,427</b>	<b>\$ 118,089,408</b>
<b>Remaining Commitment to spend</b>			<b>\$ (3,672,537)</b>				<b>\$ (11,941,427)</b>	<b>\$ (15,613,964)</b>

(A) - As part of its Coordinate Regional Care Strategy, Prospect devoted considerable man power to create an Independent Physician Association ("IPA"). This task required the creation of an entity and contracting with physicians and health plans as well as setting up systems and processes that would enable the IPA to become a part of integrated delivery system at CharterCARE capable of taking risk and capitation payments and to participate in Medicare Accountable Care Organizations.

(B) - Neither Section 2.5 of the APA or 4.2 of the LLC Agreement defines routine capital investments of at least \$10 million per year. While APA Section 2.5 defines Long-Term Capital Commitment to include "the development and implementation of physician engagement strategies" there is no prohibition from including physician practice acquisition costs as part of the required route capital investment. Accordingly, the \$3,270,000 expended by PMH to secure providers and capitation of lives for purposes of the CRC is authorized as a Long-Term Capital Commitment. Likewise, the \$3,277,126 expended by CCHP to acquire physician practices for the operation and growth of CRC is also authorized as a routine capital investment.

1024708v1

## MANAGEMENT SERVICES AGREEMENT

This MANAGEMENT SERVICES AGREEMENT (this "Agreement") is made and entered into as of the 20<sup>th</sup> day of June, 2014 (the "Effective Date") by and between Prospect East Hospital Advisory Services, LLC, a Delaware limited liability company (collectively with its Affiliates, "Manager"), and Prospect CharterCare, LLC, a Rhode Island limited liability company (the "Company").

### RECITALS

A. The Company operates a healthcare system comprised of the Affiliates (as defined in ARTICLE I below) and facilities set forth on Exhibit A attached hereto, as it may be updated from time to time as and if additional facilities are acquired or developed (each, a "Facility" and, collectively, the "Facilities") (the Company and its Affiliates, hereafter, collectively, the "Company").

B. Manager, through its executives and other personnel, has certain experience and expertise in the management, operations, financial and administrative aspects of businesses like that of the Company.

C. The Company desires to engage Manager to provide certain administrative and management services set forth on Exhibit B hereto (the "Management Services") on behalf of the Company for the Facilities as its agent, and Manager desires to provide the Management Services on behalf of the Company for the Facilities as its agent, pursuant to the terms and conditions contained in this Agreement.

NOW, THEREFORE, in consideration of the premises and mutual covenants set forth herein and other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and for their mutual reliance, the parties agree as follows:

### ARTICLE I RECITALS; AFFILIATES

1.1 Recitals. The recitals set forth above are hereby incorporated into this Agreement as if fully set forth in this Section 1.1.

1.2 Affiliate. As used herein, "Affiliate" means, as to the Company or Manager, any person or entity that directly or indirectly controls, is controlled by, or is under common control with, as applicable, the Company or Manager and any successors or assigns of such person or entity; and the term "control" means possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of, as applicable, the Company or Manager whether through ownership of voting securities, by appointment of trustees, directors, and/or officers, by contract or otherwise.



ARTICLE II  
APPOINTMENT AND ACCEPTANCE; CONTROL

2.1 Appointment. For and during the Term (as defined in ARTICLE VI below), the Company grants to Manager, upon the terms and conditions as set forth herein, the sole and exclusive right to manage the operations of the Company's business at, and with respect to, the Facilities (the "Business"). Throughout the Term, Manager shall be vested, to the fullest extent permitted by applicable law and subject to the terms hereof, with authority over the business, operations and assets of the Business.

2.2 Acceptance. Manager hereby accepts such appointment by the Company and agrees that it will faithfully perform its duties and responsibilities hereunder, and will consult with the Company from time to time relating to the operation of the Business.

2.3 Maintenance of Control. Nothing in this Agreement is intended to alter, weaken, displace or modify the ultimate authority of the Board of Directors of the Company as set forth in the Amended & Restated Limited Liability Company Agreement of the Company (the "Operating Agreement"), dated as of the Effective Date, by and among the Company, and each of Prospect East Holdings, Inc. and Prospect CharterCare, LLC (collectively, the "Members"). During the Term, the Board of Directors of the Company shall exercise ultimate authority, supervision, direction and control over the business, policies, operation and assets of the Company, and shall retain the ultimate authority and responsibility regarding the powers, duties and responsibilities vested in the Board of Directors of the Company by any and all applicable laws and regulations. Nothing in this Agreement is intended to alter, weaken, displace or modify the responsibility of the Board of Directors of the Company for the Company's direction and control.

ARTICLE III  
RIGHTS AND RESPONSIBILITIES OF MANAGER

Subject to the provisions of this Agreement and the Operating Agreement, Manager shall provide, in the name of and on behalf of the Company, the Management Services set forth on Exhibit B.

ARTICLE IV  
RIGHTS AND RESPONSIBILITIES OF THE COMPANY

Subject to the provisions of this Agreement and the Operating Agreement, the Company shall have the following duties, responsibilities and authority:

4.1 Designated Liaison Person. The Company shall direct all inquiries regarding operations, procedures, policies, employee relations, patient care and all other matters concerning the Business to such person as Manager may from time to time designate.

4.2 Cooperation with Manager. The Company will fully cooperate with Manager in operating and managing the operations of the Business. The Company shall provide timely responses to Manager's requests and inquiries to enable Manager to perform the Management Services hereunder. All of the Members shall fully cooperate with Manager in the fulfillment of

its duties hereunder, including, without limitation, attending (or sending representatives to attend) committee meetings, providing information and input to Manager, being available for consulting and signing documents and providing information with regard to Medicare certification and state licensing.

4.3 Work Space; Equipment. At each Facility, the Company shall provide Manager with sufficient working space and other reasonable physical accommodations, as well as access to telephones, facsimile machines, internet connections and copiers, to enable Manager to fulfill its duties and responsibilities hereunder.

4.4 Required Funds. The Company shall provide Manager with access to such funds as may be required for the operation of the Business and to pay the Management Fee (as defined in Section 5.2(a)), any other amounts due to Manager under this Agreement, and all other amounts payable by the Company in accordance with this Agreement.

4.5 Access of Manager; Patient Records.

(a) During the Term, Manager shall be given complete access to the Company's records (including Patient Records as defined below), offices and Facilities, in order that it may carry out its obligations hereunder, subject to the confidentiality requirements relating to Patient Records.

(b) The Company shall maintain, to the fullest extent of the law, sole and exclusive responsibility for the preparation, storage and destruction of all patient medical records, clinical treatment plans, charts and similar documents generated in connection with the operation of the Business (collectively, the "Patient Records"). Subject to the responsibilities of Manager hereunder, the Company shall assure that the Patient Records are prepared in compliance with all applicable federal, state and local laws and regulations. All Patient Records will be maintained by the Company and shall remain the property of the Company.

(c) To the extent permitted by law including, but not limited to, the Health Insurance Portability and Accountability Act of 1996 ("HIPAA") and the standards or regulations promulgated thereunder, including the Privacy Standards and the Security Standards, as well as the federal Health Information Technology for Economic and Clinical Health Act (including any and all standards and regulations promulgated thereunder) and professional ethics regarding confidentiality and disclosure of medical information, the Company shall make such information available to Manager to enable Manager to perform its duties hereunder and for any and all other reasonable purposes. For the purposes of this Section 4.5, Manager shall be referred to as the Company's Business Associate ("Business Associate"). As a Business Associate, Manager agrees to enter into the Business Associate Agreement with the Company, attached hereto as Exhibit C.

## ARTICLE V FEES; EXPENSES

5.1 Reimbursement of Expenses. Except as otherwise expressly provided in this Agreement, the Company shall be solely, fully and individually financially responsible for all liabilities arising out of the ownership, operation or maintenance of the Business (including,

without limitation, the Management Fee and any other amounts due to Manager or any of its Affiliates in connection with this Agreement). The Company shall, within ten (10) days after its receipt of a demand from Manager for reimbursement, reimburse Manager for all costs, expenses and liabilities incurred, paid or satisfied by Manager in connection with the performance of its obligations under this Agreement or otherwise arising out of the operation or maintenance of the Business (including, without limitation, all travel and out of pocket expenses incurred by Manager); provided, however, that the Company shall not be responsible for general corporate overhead costs of Manager, other than those variable costs directly attributable to services provided to the Company, such as the compensation and other costs of executives hired by Manager but who work exclusively for the Company (including, without limitation, the CEO and other management personnel), which shall not constitute general corporate overhead and shall be reimbursed to the Manager on a pass-through basis.

**5.2 Management Fee.**

(a) As consideration for the Management Services rendered by Manager hereunder, for each full or partial calendar month during the Term, the Company shall pay to Manager a monthly fee equal to two percent (2%) of the Net Revenues (as defined below) during such calendar month (or portion thereof) (the "Management Fee").

(b) As used herein, "Net Revenues" means total operating revenues derived, directly or indirectly, by the Company with respect to the Business, whether received on a cash or on a credit basis, paid or unpaid, collected or uncollected, as determined in accordance with generally accepted accounting principles ("GAAP") net of (A) allowances for third party contractual adjustments and (B) discounts and charity care amounts (not including any bad debt amounts), in each case as determined in accordance with GAAP.

**5.3 Billing.**

(a) On or before the tenth (10th) day of each month, Manager shall send the Company an invoice for the Management Fee and any expenses incurred by Manager in performing the Management Services during the prior month. The Company shall pay to Manager the amount shown on such invoice via wire transfer of immediately available funds within five (5) days of receipt of the invoice. Manager's wire transfer information is as follows:

WIRE INTO:					FBO		
Institution	ABA Number	Swift Number	Address of Branch	Tel No.	Account Number	Account Name	Contact
City National Bank	122016066	CINAUS6L	Los Angeles Main Office 525 S. Flower Street Los Angeles, CA 90071	213-673-7700	113047844	Prospect Medical Holding Operating	Ken Wong 714-796-4233

(b) The Company shall pay to Manager interest calculated at the then current prime rate plus one percent (1%) on all delinquent invoiced amounts.

## ARTICLE VI TERM

The term of this Agreement shall commence on the Effective Date and shall continue until the twentieth (20<sup>th</sup>) anniversary of the Effective Date (the "Initial Term"), unless earlier terminated pursuant to the terms set forth in ARTICLE VII below. At the end of the Initial Term, this Agreement shall automatically renew without any further action by either party for successive ten (10) year terms, unless terminated pursuant to ARTICLE VII. The Initial Term and any renewal terms are collectively referred to in this Agreement as the "Term."

## ARTICLE VII TERMINATION

7.1 Termination by Either Party for Cause. If either party materially defaults in the performance of any material covenant, agreement, term or provision of this Agreement to be performed by it and such material default continues for a period of ninety (90) days after written notice is delivered to the breaching party from the other party stating the specific default, then the non-breaching party may terminate this Agreement by giving written notice thereof to the breaching party; provided, however, that the non-breaching party shall not have the right to terminate under this Section 7.1 at the end of such ninety (90) day period so long as the breaching party has commenced a cure within such ninety (90) day period and thereafter diligently pursues such cure to completion, which shall be no later than one hundred eighty (180) days after the initial written notice.

7.2 Termination Upon Bankruptcy, Etc. If either party shall apply for or consent to the appointment of a receiver, trustee or liquidator for it or for all or substantially all of its assets, file a voluntary petition in bankruptcy or admit in writing its inability to pay its debts as they become due, make a general assignment for the benefit of creditors, file a petition or any answer seeking reorganization or arrangement with creditors or to take advantage of any insolvency law, or if an order, judgment or decree shall be entered by a court of competent jurisdiction, on the application of a creditor, adjudicating either party to be bankrupt or appointing a receiver, trustee or liquidator of either party with respect to all or substantially all of the assets of either party, and such order, judgment or decree shall continue unstayed and in effect for any period of ninety (90) consecutive days, then this Agreement shall automatically terminate.

7.3 Termination upon Closure, Abandonment or Dissolution. This Agreement shall terminate immediately and automatically if the Business and the Facilities are closed (for any reason whatsoever) or abandoned by the Company or if the Company files for dissolution.

7.4 Termination by Manager for Failure to Pay or Provide Funding. Manager shall have the right to terminate this Agreement upon ten (10) days written notice to the Company if the Company fails to pay any amounts when due to Manager under this Agreement, or fails to provide funding needed for it to comply with any other requirements hereunder.

7.5 Regulatory Matters. If the performance by either party of any material covenant, agreement, term or provision of this Agreement would (a) result in the de-certification of a Facility under any federal government or any state government program or by any other

regulatory agency that would have a material adverse effect on the operation of the Business, (b) result in the loss of any Facility's accreditation, or (c) be in violation of any statute or regulation, or for any other reason be or become illegal and such violation or illegality would have a material adverse effect on the operation of the Business, and in any such event, the reason therefor cannot be corrected by good faith negotiations and effort of the parties hereto within sixty (60) days after written notice thereof (with the objective of keeping the financial intent of the parties hereunder materially the same), then either party may at its option terminate this Agreement.

7.6 Rights Upon Termination. In the event of the termination of this Agreement for any reason, Manager shall immediately be paid any accrued and unpaid Management Fees and reimbursed for all expenses incurred for which reimbursement is required hereunder. The right to terminate this Agreement, and to receive payment of any amounts owing as of the effective date of termination, shall be in addition to any other remedy available pursuant to the provisions hereof. The termination of this Agreement for any reason shall be without prejudice to any payments or obligations that may have accrued or become due hereunder prior to the effective date of termination, or that may become due after such termination.

7.7 Cessation of Use of Proprietary Rights Upon Termination. Upon termination of this Agreement, the each party shall immediately discontinue the use of, and will promptly return to the other party, as applicable, all Confidential Information (to the extent in tangible format) that was made available to such party by reason of its participation in this Agreement, including any copies that it may have in its possession or control.

7.8 Failure to Terminate. Failure to terminate this Agreement shall not waive any breach of this Agreement.

7.9 Survival. To the extent set forth or contemplated in this Agreement, provisions of this Agreement shall survive the termination of this Agreement.

ARTICLE VIII  
LIABILITY, INDEMNIFICATION, PROFITABILITY  
AND INDEPENDENT CONTRACTOR

8.1 Limitation of Liability. Except for Manager's gross negligence or willful misconduct, Manager shall not by reason of this Agreement or any Management Services rendered pursuant to this Agreement have any liability in connection with the operation of the Business or be deemed to have assumed any liabilities associated with or incident to the operation of the Business. All such liabilities shall remain with the Company. Without limiting the generality of the foregoing, Manager shall have no liability for any breach of any obligation under this Agreement unless such breach shall constitute gross negligence or willful misconduct; it being understood that in such case of a breach of an obligation that does not constitute gross negligence or willful misconduct, the Company's sole remedies shall be to obtain damages and/or to terminate this Agreement as provided herein.

## 8.2 Indemnification.

(a) The Company hereby agrees to defend, indemnify and hold Manager and its Affiliates, and their respective officers, directors, managers, members, employees, shareholders, agents, successors and assigns (each, an "Manager Indemnified Party") harmless, from and against any and all liabilities, causes of action, damages, losses, demands, claims, penalties, judgments, costs and expenses (including, without limitation, reasonable attorneys' fees and related costs) of any kind or nature whatsoever that may be sustained or suffered by any Manager Indemnified Party in any way relating to, arising out of or resulting from (i) the management, ownership, operation or maintenance of the Business, except to the extent caused by Manager's gross negligence or willful misconduct, or (ii) any breach by the Company of any of its representations, warranties, covenants, obligations or duties under this Agreement.

(b) Manager hereby agrees to defend, indemnify and hold the Company, and its Affiliates, and their respective officers, directors, managers, members, employees, shareholders, agents, successors and assigns (each a "Company Indemnified Party") harmless, from and against any and all liabilities, causes of action, damages, losses, demands, claims, penalties, judgments, costs and expenses (including, without limitation, reasonable attorneys' fees and related costs) of any kind or nature whatsoever that may be sustained or suffered by any Company Indemnified Party in any way caused by Manager's gross negligence or willful misconduct related to the management of the Business.

(c) The provisions of this Section 8.2 shall survive the termination of this Agreement.

8.3 No Representation of Profitability, Etc. Manager does not guarantee or represent that operation of the Business will be profitable, or have a certain amount of revenues or cash flow. Manager shall not be liable for the Company's losses, whether from operation of the Business or otherwise.

8.4 Independent Contractor Status. Manager does not under this Agreement act in any other capacity, except as an independent contractor and does not, under this Agreement, act as principal in the operation of the Facilities. The Company acknowledges that Manager or one of its Affiliates is also a Member of the Company and is the "manager" under the Operating Agreement, and that such does not impact the forgoing sentence.

## ARTICLE IX REPRESENTATIONS AND WARRANTIES

9.1 Of Manager. Manager represents and warrants to the Company as follows:

(a) Manager has been duly organized and is validly existing as a corporation in good standing under the laws of the State of Delaware, with full corporate power to own its properties and to conduct its business under such laws.

(b) Manager has the full corporate power and authority to execute and deliver this Agreement and to perform its obligations hereunder, and all necessary actions for the due authorization, execution, delivery and performance of this Agreement by Manager have been

duly taken. The individual executing this Agreement on behalf of Manager is duly authorized and has the requisite power and authority to execute this Agreement.

(c) Neither the execution of this Agreement, the performance by Manager under this Agreement, nor compliance by Manager with any provision of this Agreement will conflict with or violate Manager's certificate of incorporation or bylaws, any agreements to which Manager is a party, or any material provision of applicable federal, state and local laws, rules and regulations.

(d) Upon Manager's execution of this Agreement, this Agreement shall constitute a valid and binding obligation of Manager, enforceable in accordance with its terms.

(e) Neither Manager, nor its Affiliates, employees, and agents (i) is currently excluded, debarred or otherwise ineligible to participate in any federal or state health care program, (ii) has been convicted of a criminal offense related to the provision of healthcare items and services and (iii) is a Specially Designated National or a Blocked Person by the Office of the Foreign Asset Control of the U.S. Department of Treasury.

9.2 Of the Company. The Company represents and warrants to Manager as follows:

(a) The Company has been duly organized and is validly existing as a limited liability company in good standing under the laws of the State of Rhode Island, with full limited liability company power to own its properties and to conduct its business under such laws.

(b) The Company has the full power and authority as a limited liability company to execute and deliver this Agreement and to perform its obligations hereunder, and all necessary actions for the due authorization, execution, delivery and performance of this Agreement by the Company have been duly taken. The individual executing this Agreement on behalf of the Company is duly authorized and has the requisite power and authority to execute this Agreement.

(c) Neither the execution of this Agreement, the performance by the Company under this Agreement, nor compliance by the Company with any provision of this Agreement will conflict with or violate the Company's certificate of formation or the Operating Agreement, any agreements to which the Company is a party, or any material provision of applicable federal, state and local laws, rules and regulations.

(d) Upon the Company's execution of this Agreement, this Agreement shall constitute a valid and binding obligation of the Company, enforceable in accordance with its terms.

(e) Neither the Company nor its Affiliates, employees, and agents (i) is currently excluded, debarred or otherwise ineligible to participate in any federal or state health care program, (ii) has been convicted of a criminal offense related to the provision of healthcare items and services and (iii) is a Specially Designated National or a Blocked Person by the Office of the Foreign Asset Control of the U.S. Department of Treasury.

## ARTICLE X INSURANCE

10.1 Manager's Required Coverage. During the Term hereof, Manager shall maintain, at its own expense, workers' compensation coverage in accordance with statutory requirements for Manager's employees who provide services under this Agreement, and commercial general liability insurance in an amount not less than One Million Dollars (\$1,000,000) per occurrence and Three Million Dollars (\$3,000,000) in the annual aggregate. The limits above may be satisfied by any combination of self insurance or umbrella policies, and Manager may carry any insurance required by this Agreement under a blanket policy. The Company shall be an additional named insured under Manager's general liability insurance policy.

10.2 The Company's Required Coverage. The Company shall maintain, at the Company's expense, at all times during the Term: (a) workers' compensation coverage in accordance with statutory requirements for the Company's employees; (b) commercial property damage and fire/hazard insurance written on full replacement value basis for all of the Company's assets and real property; (c) professional liability insurance covering the Company's employees who perform any work, duties, or obligations against claims for bodily injury, death, malpractice and property damage, which insurance shall provide coverage on a claims-made or occurrence basis with a per occurrence limit of not less than One Million Dollars (\$1,000,000) per occurrence and Three Million Dollars (\$3,000,000) in the annual aggregate; and (d) comprehensive commercial general liability insurance in an amount not less than One Million Dollars (\$1,000,000) per occurrence and Three Million Dollars (\$3,000,000) in the annual aggregate. The above limits may be satisfied by any combination of primary and excess or umbrella policies. The Company may carry any insurance required by this Agreement under a blanket policy. Manager shall be an additional named insured under the Company's general liability insurance policy.

10.3 Certificates of Insurance. On the Effective Date and at any time upon request, each party shall provide the other party certificates of insurance evidencing the coverages required hereby, and shall notify the other party immediately of the cancellation, termination, or non-renewal of, or material change in, such insurance coverage.

## ARTICLE XI ARMS-LENGTH BARGAINING

The parties agree that the compensation provided herein has been determined in arm's-length bargaining and is consistent with fair market value in arm's length transactions and is not and has not been determined in a manner that takes into account the volume or value of any referrals or business otherwise generated for or with respect to the Facilities or between the parties or any of the undersigned persons or equity holders thereof for which payment may be made in whole or in part under Medicare or any state health care program or under any other payor program.



ARTICLE XII  
ASSIGNMENT

The Company shall not, directly or indirectly, assign or otherwise transfer this Agreement, or any interest herein or obligation hereunder, without the prior written consent of Manager, which may be withheld in Manager's sole discretion. In no event may the Company assign this Agreement unless the assignee shall have executed and delivered to Manager a written assumption of this Agreement in form and substance satisfactory to Manager in its sole discretion. Manager shall be permitted, without the consent of the Company, to assign this Agreement: (a) upon the purchase or sale of fifty percent (50%) or more of the assets of Manager to the purchaser of such assets; or (b) to any Affiliate of Manager.

ARTICLE XIII  
NOTICES

All notices required or permitted hereunder shall be given in writing by actual delivery or by certified mail, postage prepaid or by nationally recognized overnight courier service. Notice shall be deemed given upon delivery, or if given by mail, upon receipt or if sent by next day delivery by a nationally recognized overnight courier service, on the next business day. Notice shall be delivered or mailed to the parties at the following addresses or at such other places as a party shall designate in writing:

- If to the Company: Prospect CharterCare, LLC  
825 Chalkstone Avenue  
Providence, RI 02908  
Attention: Ken Belcher, President and Chief Executive Officer
  
- with a copy to: Sills Cummis & Gross P.C.  
One Riverfront Plaza  
Newark, NJ 07102  
Attention: Gary W. Herschman, Esq
  
- with a copy to: Prospect Medical Holdings, Inc.  
10780 Santa Monica Boulevard, Suite 400  
Los Angeles, CA 90025  
Attention: Samuel S. Lee, Chief Executive Officer

If to Manager: Prospect East Hospital Advisory Services, LLC  
10780 Santa Monica Boulevard, Suite 400  
Los Angeles, CA 90025  
Attention: Ellen J. Shin, General Counsel

with a copy to: Sills Cummis & Gross P.C.  
One Riverfront Plaza  
Newark, NJ 07102  
Attention: Gary W. Herschman, Esq.

#### ARTICLE XIV RECORD ACCESS AND RETENTION

14.1 Access to Records. Each party hereto shall permit, and shall ensure that any subcontractor retained by it permits, the United States Department of Health and Human Services and General Accounting Office to review appropriate books and records relating to the performance hereunder to the extent required under Section 1861(v)(1) of the Social Security Act, 42 U.S.C. Section 1395x(v)(1)(I), or any successor law or regulation for a period of four (4) years following the last day Manager provided services hereunder. The access shall be provided in accordance with the provisions of Title 42, Code of Federal Regulations, Part 420, Subpart D.

14.2 Notification. Each party shall notify the other party immediately of the nature and scope of any request for access to books and records described above and shall provide copies of any books, records or documents to the other party prior to the provision of same to any governmental agent to give such other party an opportunity to lawfully oppose such production of documents. Nothing herein shall be deemed to be a waiver of any applicable privilege (such as the attorney-client privilege) by either party.

#### ARTICLE XV MISCELLANEOUS

##### 15.1 Choice of Law; Dispute Resolution.

(a) Choice of Law. The parties agree that this Agreement shall be governed by and construed in accordance with the Laws of the State of Rhode Island, without giving effect to any choice or conflict of law provision or rule thereof that would require the application of any other law.

(b) Dispute Resolution. All disputes, controversies or claims that may arise among the parties, including any dispute, controversy or claim arising out of this Agreement, or any other relevant document, or the breach, termination or invalidity thereof (a "Dispute"), shall be settled solely and finally pursuant to the procedures set forth in this Section 15.1.

(i) The parties shall attempt in good faith to resolve any Dispute of whatever nature arising between the parties, promptly by negotiation (including at least one in person meeting). If the Dispute has not been resolved within thirty (30) days after delivery of a

notice of a Dispute by one party to the other party, any of such parties may initiate arbitration of the Dispute as provided below.

(ii) If the Dispute has not been resolved by negotiation as provided above, then either party may submit the Dispute to binding arbitration. Such arbitration shall be conducted by JAMS pursuant to its Comprehensive Arbitration Rules and Procedures, by one neutral arbitrator, which shall be selected from a list of ten (10) potential candidates provided by JAMS' office in New York City (none of whom work or reside in Rhode Island or California, or any State contiguous to either of the foregoing). The award made by the arbitrator shall be final and binding upon the parties thereto and the subject matter, and judgment upon the award rendered by the arbitrator may be entered by any court having jurisdiction thereof. Unless otherwise agreed by the parties, the arbitration shall be held in Providence, Rhode Island. The arbitrator shall not have the authority to award punitive or exemplary damages. Each party shall be responsible for the costs and fees of the arbitration and for its own attorneys' fees; provided, however, that the prevailing party in any such arbitration shall be entitled to recover its reasonable attorneys' fees, expert witness fees, costs and expenses (including arbitration fees) incurred in connection with the arbitration to the extent such recovery is permitted by the law(s) governing the claim(s) asserted.

(c) EACH PARTY HEREBY IRREVOCABLY WAIVES ALL RIGHT TO TRIAL BY JURY AND BY JUDGE IN ANY ACTION, PROCEEDING OR COUNTERCLAIM (WHETHER BASED ON CONTRACT, TORT OR OTHERWISE) ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE RELATED AGREEMENTS OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY.

15.2 Severability. Should any provision of this Agreement be found void or unenforceable, the remainder hereof nevertheless shall continue in full force and effect. A new provision shall be amended to this Agreement that is similar to the provision found unenforceable but which is enforceable.

15.3 Approval or Consent. Except as otherwise provided herein, whenever under any provisions of this Agreement, the approval or consent of either party is required, such approval or consent shall not be unreasonably withheld, conditioned or delayed.

15.4 Entire Agreement. This Agreement contains the entire agreement between the parties with respect to the subject matter hereof, and the parties expressly agree that this Agreement supersedes and rescinds any prior agreement between them (verbal or written) pertaining to the subject matter hereof.

15.5 No Third Party Beneficiary. Except as expressly provided in this Agreement, no person or entity that is not a party to this Agreement shall be a third party beneficiary of any rights or obligations hereunder or be entitled to enforce any of said rights or obligations.

15.6 Interpretation. The article and paragraph headings contained herein are for convenience of reference only, do not constitute part of this Agreement, and are not intended to define, limit or describe the scope of intent of any provision of this Agreement. All gender

references used in this Agreement shall include all genders, and the singular shall include the plural and the plural shall include the singular whenever and as often as may be appropriate.

15.7 Force Majeure. Manager shall not be deemed to be in violation of this Agreement, and shall not be liable for any resulting claims, losses, damages, expenses and liabilities if it is prevented, hindered or delayed, either directly or indirectly, from performing any of its obligations hereunder for any reason beyond its reasonable control, including, without limitation, shortages, lack of the Company's financial resources, labor disputes, fires, storms, earthquakes, acts of God, or any statute, regulation or rule of the federal government, any state or local government or any agency thereof.

15.8 Amendments; Course of Dealing. This Agreement may only be amended or supplemented if in a writing signed by both parties. The failure of any party to enforce at any time any of the provisions of this Agreement shall in no way be construed to be a waiver of any such provision, nor in any way to affect the validity of this Agreement or any part hereof or the right of any party thereafter to enforce each and every such provision. No waiver of any breach of this Agreement shall be held to be a waiver of any other or subsequent breach.

15.9 Cooperation; Further Assistance. From time to time, as and when reasonably requested by either party hereto, the other party will (at the expense of the requesting party) execute and deliver, or cause to be executed or delivered, all such documents, instruments and consents and will use reasonable efforts to take all such action as may be reasonably requested or necessary to carry out the intent and purpose of this Agreement.

15.10 Counterparts. The parties may execute this Agreement in two (2) or more counterparts, which shall, in the aggregate, be signed by all the parties; each counterpart shall be deemed an original instrument as against any party who has signed it.

IN WITNESS WHEREOF, the parties have executed this Agreement, through their duly authorized representatives, effective as of the date first above written.

MANAGER:

PROSPECT EAST HOSPITAL ADVISORY SERVICES, LLC,  
a Delaware limited liability company

By: Prospect Medical Holdings, Inc., its Manager

By: \_\_\_\_\_  
Name: *Sam Lee*  
Title: *CEO*

THE COMPANY:

PROSPECT CHARTERCARE, LLC,  
a Rhode Island limited liability company

By: \_\_\_\_\_  
Name: *Ellen Shin*  
Title: *Secretary*

**EXHIBIT A  
FACILITIES**

**Exhibit A  
Facilities**

ADDRESS	USE
825 Chalkstone Avenue Providence, RI 02908	Hospital
Elmhurst Nursing Home and Extended Care 50 Maude Street Providence, RI 02908	Nursing home and extended care facility
Cancer Center 50 Maude Street Providence, RI 02908	Outpatient Cancer Center
200 High Service Ave., North Providence, RI	Hospital, School of Nursing, Physician Office, Outpatient Services
21 Peace St., Providence, RI (Including parking lots and other improvements located on property townod by SJHSRI on Plenty Street, Wesleyan Avenue, Peace Street, Broad Street and Whitmarsh Street).	Clinics (including Dental)
214 High Service Ave., North Providence, RI	Rental/Business
577 Fruit Hill Ave., North Providence, RI	Rental/House
868 Admiral St., Providence, RI	Business/Rental
872 Admiral St., Providence, RI	Business/Occupancy
50 Maude Street Providence, RI 02908	Rental Property (Physicians' Offices), Research Space, Home Care, Other Hospital Functions, Ground Lease for Radiation Therapy Services
32 Winrooth Avenue Providence, RI 02908	Housing for BU Medical Residents
65 Winrooth Avenue Providence, RI 02908	Residence
21 Winrooth Avenue Providence, RI 02908	Employee Parking Lot
32 Rosebank Avenue Providence, RI 02908	Employee Parking Lot
33 Rosebank Avenue Providence, RI 02908	Employee Parking Lot
37 Rosebank Avenue Providence, RI 02908	Employee Parking Lot

ADDRESS	USE
41-43 Rosebank Avenue Providence, RI 02908	Employee Parking Lot
45 Rosebank Avenue Providence, RI 02908	Employee Parking Lot
49 Rosebank Avenue Providence, RI 02908	Employee Parking Lot
55 Rosebank Avenue Providence, RI 02908	Employee Parking Lot
881 Chalkstone Avenue Providence, RI 02908	Employee Parking Lot
17 Parkway Avenue Providence, RI 02908	Employee Parking Lot
877 Chalkstone Avenue Providence, RI 02908	Medical Office Building for University Medical Group
895 Chalkstone Avenue Providence, RI 02908	Medical Office Building
1500 Pontiac Ave., Cranston, RI	Physician Office
1018 Waterman Avenue East Providence, RI	Drawing Site
1539 Atwood Ave., Johnston, RI	Sleep Lab
70 Kenyon Ave, Ste 216, Wakefield, RI	Physician Office
1 Office Parkway, East Providence, RI	Lab, Drawing Site, Infusion Suite, Physician Office
639 Metacom Avenue Warren, RI	Drawing Site
1637 Mineral Spring Avenue North Providence, RI	Drawing Site
1351 S. County Trail East Greenwich, RI	Drawing Site
251 Park Ave., Cranston, RI	Drawing Site
466 Putnam Pike Greenville, RI	Drawing Site
387 Waterman Avenue East Providence RI	Drawing Site
1526 Atwood Avenue Suite 105 Johnston, RI	Drawing Site
1524 Atwood Avenue Suite 133 Johnston, RI	Drawing Site
1300 Mineral Spring Avenue North Providence, RI	Drawing Site



ADDRESS	USE
148 West River Street Suite #3 Providence, RI	Drawing Site
2138 Mendon Road Suite 103 Cumberland, RI	Drawing Site
1524 Atwood Avenue Suite 110 Johnston, RI	Drawing Site
2295 Diamond Hill Road Cumberland, RI	Drawing Site
1681 Cranston Street Cranston, RI	Drawing Site
770 North Main Street Providence, RI	Drawing Site
1302 Elmwood Avenue Cranston, RI	Drawing Site
1524 Atwood Avenue Suite 333 Johnston, RI	Drawing Site
310 Maple Avenue Barrington, RI	Drawing Site
2756 Post Road Warwick RI	Drawing Site
1 Randall Square Suite 401 Providence, RI	Drawing Site
725 Reservoir Avenue Cranston, RI	Drawing Site
655 Broad Street Providence, RI	Drawing Site
525 Taunton Avenue Providence, RI	Drawing Site
176 Tollgate Road Suite 301 Warwick, RI	Drawing Site
2 Wake Robin Road Lincoln, RI	Drawing Site
1370 Cranston Street Cranston, RI	Drawing Site
40 Broad Street Pawtucket, RI	Clinics (including Dental)
1637 Mineral Spring Avenue North Providence, RI	Outpatient Rehab
2 Wake Robin Road	Physician Office

ADDRESS	USE
Suite 204 Lincoln , RI	
2761 Pawtucket Avenue East Providence, RI	Drawing Site
1090 Cranston Street Cranston , RI	Drawing Site
191 MacArthur Boulevard Coventry, RI	Drawing Site
226 Buttonwoods Avenue Warwick, RI	Drawing Site
677 Atwood Avenue Cranston, RI	Drawing Site
1637 Mineral Spring Avenue North Providence, RI	Drawing Site
1596 Broad Street Cranston, RI	Drawing Site
1351 South County Trail East Greenwich, RI	Drawing Site
1681 Cranston Street Cranston, RI	Physician Office
1524 Atwood Avenue Suite 444 Johnston, RI	Physician Office
235 Plain Street Suite 305 Providence, RI	Physician Office
2138 Mendon Road Suite 102 Cumberland, RI	Physician Office
1524 Atwood Avenue Suite 125 Johnston, RI	Drawing Station
All other diagnostic, surgical and/or treatment facilities, medical office buildings, pharmacies, physician practice sites and/or health care service and educational sites or facilities, and related health care business in Providence, RI and surrounding communities, as well as the businesses conducted therein or thereby by the Company or any Affiliate of the Company.	

## **EXHIBIT B MANAGEMENT SERVICES**

In consideration of the payments to be made hereunder, Manager shall from time to time and as appropriate provide, or may provide through one or more of its Affiliates, the following Management Services to Company:

### **Definitions.**

The terms used herein are management terms and cannot be construed to usurp the authority of the Company's Board of Directors as set forth in the Amended and Restated Operating Agreement (the "Operating Agreement") of the Company. Any conflict between the management services set forth herein and the Operating Agreement shall be resolved in favor of the Operating Agreement. Accordingly, the terms utilized herein which include but are not limited to "supervise", "shall cause", "shall provide", "oversee" and "shall have authority/responsibility" are management terms utilized herein and are expressly subject to the powers and authority of the Company's Board of Directors as set forth in the Operating Agreement, including but not limited to Section 8 thereof, and the powers and authorities specifically reserved to the Board of Directors by R23-17.14-HCA of the Rules and Regulations Pertaining to Hospital Conversions.

### **Management Oversight.**

Manager shall supervise and manage the day-to-day business affairs and operations of the Company and such other health care facilities as the parties may from time to time agree. Manager shall use commercially reasonable efforts to cause the Company's business to be conducted in a manner consistent with best practices.

### **Chief Executive Officer of the Facilities.**

Ken Belcher shall be the Chief Executive Officer (the "CEO") of the Facilities and shall perform all functions and shall otherwise have all duties associated with such office. Mr. Belcher shall be subject to the supervision of senior management of Manager and shall serve as CEO until his (i) death, disability or resignation, or (ii) termination of employment in accordance with the Amended and Restated Limited Liability Company Agreement of the Company.

### **Business Development/Strategy**

Manager shall with assistance of local Company management assist to develop short, medium and long-range plans, objectives and goals for the Company and shall present the plans, objectives and goals to Company for review and approval. Upon such approval, Manager shall

cause Company to be operated in compliance with such plans, objectives and goals. Included in such plans, objectives and goals will be:

- Consideration of trends in the industry, make recommendations, regarding new and/or expanded services and programs, physician alignment & recruitment, IT/EMR capabilities and improvements, technology implementation, ACOs and other reform-driven strategies, and managed care strategies
- Review, assessment and recommendations of potential service consolidation and restructurings to achieve efficiencies
- Review, assessment and recommendations of new clinical service lines, programs and locations
- Review, assessment and recommendations of physician-alignment strategies, joint ventures and other strategic initiatives

### Operations

Manager shall cause local Company Management to develop policies and operating procedures for the Company and each of its facilities (including all departments, divisions, service lines, programs and initiatives).

- Expenditures and Contracts. Manager will work with local Company management to analyze the Company's expenditure and spending patterns, evaluate standard procurement lifecycle methodologies including working cash vs. discount modeling, invoice synchronization and vendor payment management. Manager shall oversee local management's negotiation and execution of agreements, contracts and orders and causing local Company management to make such expenditures as Manager may deem necessary or advisable for the operation and maintenance of the Company in amounts and of the types consistent with the Company's annual budget, operational requirements and based upon sound business practices. Such expenditures and contracts would include without limitation:
  - Third party service providers
  - Supply contracts
  - Contracts with outside contractors or consultants
  - Preventive maintenance with respect to equipment and building
  - Upkeep and maintenance of the physical facilities
- Capital Expenditure Management. Manager shall cause local Company Management to provide capital expenditure evaluation and procurement including pro forma modeling, return on investment calculations, bench marking, and assumption testing.

- **Supply Chain Management** Manager shall provide Company access to participate in one or more of Manager's volume purchasing programs and systems to the extent that such participation does not result in a breach of the Company's existing agreements or contractual obligations. Company-related rebates/discounts will accrue to the Company.
- **Reimbursement**. Manager shall from time-to-time and as appropriate provide third party reimbursement strategies and consultation on strategy and compliance with all applicable reimbursement rules. Manager shall cause local Company management to prepare and submit all required cost reports and shall coordinate and file on a timely basis any appeals and/or audits. If Manager or Company determines that an outside third party is required to prepare such cost reports or that legal action is required in connection with such matters, the cost of such action is not included in the Management Fee, and any such legal action shall be paid for by Company.
- **Audit**. Manager shall as appropriate and its discretion conduct periodic audits of the Company and shall report the results thereof to Company. During the course of the audit, Company's local management shall provide all data as requested by Manager and/or its consultants. If Manager hires others to perform audit functions, the costs of such audit functions shall not be included in the Management Fee and shall be paid by Company. In conjunction with the audit, Manager shall provide recommendations to help ensure financial data integrity, reduce expenses, capture additional revenues, and improve cash flow.
- **Legal**. Manager shall provide access to its staff attorneys who shall assist Company with operational issues relating to the Company as reasonably necessary, including assistance with contract preparation and review, consultation regarding regulatory issues, transactions and litigation oversight and management. It is not intended that the Manager's or the Company's in-house legal staff handle all legal matters of the Company, and Manager shall determine when outside legal counsel would be desirable for a specific issue or matter. In such event, the Manager's in-house legal staff shall select and oversee the work of outside legal counsel so engaged. The costs of outside counsel are not included in the Management Fee and shall be paid by Company. In general, the costs of transactions and/or litigation (including the fees and costs of outside counsel relating to the evaluation of a claim, matter or dispute prior to the implementation of formal litigation) are not covered by the Management Fee.
- **Compliance Programs**. Manager shall cause local Company management to develop, implement and maintain a compliance program that is committed to promoting, preventing, detecting and resolving instances of conduct that do not conform to federal or state laws.
- **Treasury**. Manager may at its discretion and as appropriate review cash account and bank fees for cost savings opportunities, recommend cash receipt and disbursement processes to improve efficiencies, identify and assess risk and reward profiles associated with incremental investment activities and assist management to identify and select treasury and finance system selection and systems implementation..

- **Financial/Accounting.** Manager shall cause local Company management to establish, maintain, and supervise the Company's accounting systems and supervise the preparation of monthly and annual statements of income and loss. Manager shall have the overall oversight and authority to make all decisions as to accounting principles and elections, whether for book or tax purposes (and such decisions may be different for each purpose) and to set up or modify record keeping, billing, and accounts payable accounting systems. Manager shall prepare the Company's annual tax return by an outside third party (the cost of which shall be the responsibility of the Company).
- **Revenue Cycle Management** Manager shall oversee the business operations of the Company, which shall include but not be limited to, providing recommendations regarding patient accounting and receivables management, clinical documentation, and managed care contracting. Upon Company's request, Manager shall provide additional, specialized services to focus on specific areas of revenue cycle. If such additional, specialized services require outside resources, the cost of those resources shall be a cost of the Company.

**Human Resources** Manager shall provide advice and recommendations to the Company's human resources functions and provide employee benefits to all personnel who provide services at the Company. The cost of such benefits shall be the responsibility of the Company. Manager shall:

- Develop strategies with respect to the Company's unions, CBAs, negotiations, and other labor relations matters
- Develop and administer employee benefit plans and conditions of employment for Company
- Provide assistance with personnel, including without limitation the recruitment and retention of physicians, executive management and other medical and non-medical personnel
- Provide assistance the development and administration of human resource and payroll policies.

**Insurance** Manager shall have the responsibility and authority to enter into or cause local Company management to acquire, and enter into any contract of insurance that Manager deems necessary and proper for the protection of Company, for the conservation of Company's assets, or for any purpose convenient or beneficial to Company.

**Public Affairs**

- **Public Relations.** Manager shall provide Company with assistance in such issues as crisis communications and local and national media relations services as may be necessary to operate the public relations functions of the Company. To the extent an

outside third party is used, the cost of those services shall be the responsibility of the Company.

**Additional Management Services**

The Company and Manager expressly recognize that there may be additional services provided by Manager that are not specifically set forth herein, it being the intent of the parties that all other management, financial, operations and administrative services relating to the Company provided by the Manager shall be included in "Management Services" pursuant to the provisions of this Agreement.

## MANAGEMENT SERVICES AGREEMENT

This MANAGEMENT SERVICES AGREEMENT (this "Agreement") is made and entered into as of the 20<sup>th</sup> day of June, 2014 (the "Effective Date") by and between Prospect East Hospital Advisory Services, LLC, a Delaware limited liability company (collectively with its Affiliates, "Manager"), and Prospect CharterCare, LLC, a Rhode Island limited liability company (the "Company").

### RECITALS

A. The Company operates a healthcare system comprised of the Affiliates (as defined in ARTICLE I below) and facilities set forth on Exhibit A attached hereto, as it may be updated from time to time as and if additional facilities are acquired or developed (each, a "Facility" and, collectively, the "Facilities") (the Company and its Affiliates, hereafter, collectively, the "Company").

B. Manager, through its executives and other personnel, has certain experience and expertise in the management, operations, financial and administrative aspects of businesses like that of the Company.

C. The Company desires to engage Manager to provide certain administrative and management services set forth on Exhibit B hereto (the "Management Services") on behalf of the Company for the Facilities as its agent, and Manager desires to provide the Management Services on behalf of the Company for the Facilities as its agent, pursuant to the terms and conditions contained in this Agreement.

NOW, THEREFORE, in consideration of the premises and mutual covenants set forth herein and other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and for their mutual reliance, the parties agree as follows:

### ARTICLE I RECITALS; AFFILIATES

1.1 Recitals. The recitals set forth above are hereby incorporated into this Agreement as if fully set forth in this Section 1.1.

1.2 Affiliate. As used herein, "Affiliate" means, as to the Company or Manager, any person or entity that directly or indirectly controls, is controlled by, or is under common control with, as applicable, the Company or Manager and any successors or assigns of such person or entity; and the term "control" means possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of, as applicable, the Company or Manager whether through ownership of voting securities, by appointment of trustees, directors, and/or officers, by contract or otherwise.



ARTICLE II  
APPOINTMENT AND ACCEPTANCE; CONTROL

2.1 Appointment. For and during the Term (as defined in ARTICLE VI below), the Company grants to Manager, upon the terms and conditions as set forth herein, the sole and exclusive right to manage the operations of the Company's business at, and with respect to, the Facilities (the "Business"). Throughout the Term, Manager shall be vested, to the fullest extent permitted by applicable law and subject to the terms hereof, with authority over the business, operations and assets of the Business.

2.2 Acceptance. Manager hereby accepts such appointment by the Company and agrees that it will faithfully perform its duties and responsibilities hereunder, and will consult with the Company from time to time relating to the operation of the Business.

2.3 Maintenance of Control. Nothing in this Agreement is intended to alter, weaken, displace or modify the ultimate authority of the Board of Directors of the Company as set forth in the Amended & Restated Limited Liability Company Agreement of the Company (the "Operating Agreement"), dated as of the Effective Date, by and among the Company, and each of Prospect East Holdings, Inc. and Prospect CharterCare, LLC (collectively, the "Members"). During the Term, the Board of Directors of the Company shall exercise ultimate authority, supervision, direction and control over the business, policies, operation and assets of the Company, and shall retain the ultimate authority and responsibility regarding the powers, duties and responsibilities vested in the Board of Directors of the Company by any and all applicable laws and regulations. Nothing in this Agreement is intended to alter, weaken, displace or modify the responsibility of the Board of Directors of the Company for the Company's direction and control.

ARTICLE III  
RIGHTS AND RESPONSIBILITIES OF MANAGER

Subject to the provisions of this Agreement and the Operating Agreement, Manager shall provide, in the name of and on behalf of the Company, the Management Services set forth on Exhibit B.

ARTICLE IV  
RIGHTS AND RESPONSIBILITIES OF THE COMPANY

Subject to the provisions of this Agreement and the Operating Agreement, the Company shall have the following duties, responsibilities and authority:

4.1 Designated Liaison Person. The Company shall direct all inquiries regarding operations, procedures, policies, employee relations, patient care and all other matters concerning the Business to such person as Manager may from time to time designate.

4.2 Cooperation with Manager. The Company will fully cooperate with Manager in operating and managing the operations of the Business. The Company shall provide timely responses to Manager's requests and inquiries to enable Manager to perform the Management Services hereunder. All of the Members shall fully cooperate with Manager in the fulfillment of

its duties hereunder, including, without limitation, attending (or sending representatives to attend) committee meetings, providing information and input to Manager, being available for consulting and signing documents and providing information with regard to Medicare certification and state licensing.

4.3 Work Space; Equipment. At each Facility, the Company shall provide Manager with sufficient working space and other reasonable physical accommodations, as well as access to telephones, facsimile machines, internet connections and copiers, to enable Manager to fulfill its duties and responsibilities hereunder.

4.4 Required Funds. The Company shall provide Manager with access to such funds as may be required for the operation of the Business and to pay the Management Fee (as defined in Section 5.2(a)), any other amounts due to Manager under this Agreement, and all other amounts payable by the Company in accordance with this Agreement.

4.5 Access of Manager; Patient Records.

(a) During the Term, Manager shall be given complete access to the Company's records (including Patient Records as defined below), offices and Facilities, in order that it may carry out its obligations hereunder, subject to the confidentiality requirements relating to Patient Records.

(b) The Company shall maintain, to the fullest extent of the law, sole and exclusive responsibility for the preparation, storage and destruction of all patient medical records, clinical treatment plans, charts and similar documents generated in connection with the operation of the Business (collectively, the "Patient Records"). Subject to the responsibilities of Manager hereunder, the Company shall assure that the Patient Records are prepared in compliance with all applicable federal, state and local laws and regulations. All Patient Records will be maintained by the Company and shall remain the property of the Company.

(c) To the extent permitted by law including, but not limited to, the Health Insurance Portability and Accountability Act of 1996 ("HIPAA") and the standards or regulations promulgated thereunder, including the Privacy Standards and the Security Standards, as well as the federal Health Information Technology for Economic and Clinical Health Act (including any and all standards and regulations promulgated thereunder) and professional ethics regarding confidentiality and disclosure of medical information, the Company shall make such information available to Manager to enable Manager to perform its duties hereunder and for any and all other reasonable purposes. For the purposes of this Section 4.5, Manager shall be referred to as the Company's Business Associate ("Business Associate"). As a Business Associate, Manager agrees to enter into the Business Associate Agreement with the Company, attached hereto as Exhibit C.

## ARTICLE V FEES; EXPENSES

5.1 Reimbursement of Expenses. Except as otherwise expressly provided in this Agreement, the Company shall be solely, fully and individually financially responsible for all liabilities arising out of the ownership, operation or maintenance of the Business (including,

without limitation, the Management Fee and any other amounts due to Manager or any of its Affiliates in connection with this Agreement). The Company shall, within ten (10) days after its receipt of a demand from Manager for reimbursement, reimburse Manager for all costs, expenses and liabilities incurred, paid or satisfied by Manager in connection with the performance of its obligations under this Agreement or otherwise arising out of the operation or maintenance of the Business (including, without limitation, all travel and out of pocket expenses incurred by Manager); provided, however, that the Company shall not be responsible for general corporate overhead costs of Manager, other than those variable costs directly attributable to services provided to the Company, such as the compensation and other costs of executives hired by Manager but who work exclusively for the Company (including, without limitation, the CEO and other management personnel), which shall not constitute general corporate overhead and shall be reimbursed to the Manager on a pass-through basis.

**5.2 Management Fee.**

(a) As consideration for the Management Services rendered by Manager hereunder, for each full or partial calendar month during the Term, the Company shall pay to Manager a monthly fee equal to two percent (2%) of the Net Revenues (as defined below) during such calendar month (or portion thereof) (the "Management Fee").

(b) As used herein, "Net Revenues" means total operating revenues derived, directly or indirectly, by the Company with respect to the Business, whether received on a cash or on a credit basis, paid or unpaid, collected or uncollected, as determined in accordance with generally accepted accounting principles ("GAAP") net of (A) allowances for third party contractual adjustments and (B) discounts and charity care amounts (not including any bad debt amounts), in each case as determined in accordance with GAAP.

**5.3 Billing.**

(a) On or before the tenth (10th) day of each month, Manager shall send the Company an invoice for the Management Fee and any expenses incurred by Manager in performing the Management Services during the prior month. The Company shall pay to Manager the amount shown on such invoice via wire transfer of immediately available funds within five (5) days of receipt of the invoice. Manager's wire transfer information is as follows:

WIRE INTO:					FBO		
<u>Institution</u>	<u>ABA Number</u>	<u>Swift Number</u>	<u>Address of Branch</u>	<u>Tel No.</u>	<u>Account Number</u>	<u>Account Name</u>	<u>Contact</u>
City National Bank	122016066	CINAUS6L	Los Angeles Main Office 525 S. Flower Street Los Angeles, CA 90071	213-673-7700	113047844	Prospect Medical Holding Operating	Ken Wong 714-796-4233

(b) The Company shall pay to Manager interest calculated at the then current prime rate plus one percent (1%) on all delinquent invoiced amounts.

## ARTICLE VI TERM

The term of this Agreement shall commence on the Effective Date and shall continue until the twentieth (20<sup>th</sup>) anniversary of the Effective Date (the "Initial Term"), unless earlier terminated pursuant to the terms set forth in ARTICLE VII below. At the end of the Initial Term, this Agreement shall automatically renew without any further action by either party for successive ten (10) year terms, unless terminated pursuant to ARTICLE VII. The Initial Term and any renewal terms are collectively referred to in this Agreement as the "Term."

## ARTICLE VII TERMINATION

7.1 Termination by Either Party for Cause. If either party materially defaults in the performance of any material covenant, agreement, term or provision of this Agreement to be performed by it and such material default continues for a period of ninety (90) days after written notice is delivered to the breaching party from the other party stating the specific default, then the non-breaching party may terminate this Agreement by giving written notice thereof to the breaching party; provided, however, that the non-breaching party shall not have the right to terminate under this Section 7.1 at the end of such ninety (90) day period so long as the breaching party has commenced a cure within such ninety (90) day period and thereafter diligently pursues such cure to completion, which shall be no later than one hundred eighty (180) days after the initial written notice.

7.2 Termination Upon Bankruptcy, Etc. If either party shall apply for or consent to the appointment of a receiver, trustee or liquidator for it or for all or substantially all of its assets, file a voluntary petition in bankruptcy or admit in writing its inability to pay its debts as they become due, make a general assignment for the benefit of creditors, file a petition or any answer seeking reorganization or arrangement with creditors or to take advantage of any insolvency law, or if an order, judgment or decree shall be entered by a court of competent jurisdiction, on the application of a creditor, adjudicating either party to be bankrupt or appointing a receiver, trustee or liquidator of either party with respect to all or substantially all of the assets of either party, and such order, judgment or decree shall continue unstayed and in effect for any period of ninety (90) consecutive days, then this Agreement shall automatically terminate.

7.3 Termination upon Closure, Abandonment or Dissolution. This Agreement shall terminate immediately and automatically if the Business and the Facilities are closed (for any reason whatsoever) or abandoned by the Company or if the Company files for dissolution.

7.4 Termination by Manager for Failure to Pay or Provide Funding. Manager shall have the right to terminate this Agreement upon ten (10) days written notice to the Company if the Company fails to pay any amounts when due to Manager under this Agreement, or fails to provide funding needed for it to comply with any other requirements hereunder.

7.5 Regulatory Matters. If the performance by either party of any material covenant, agreement, term or provision of this Agreement would (a) result in the de-certification of a Facility under any federal government or any state government program or by any other

regulatory agency that would have a material adverse effect on the operation of the Business, (b) result in the loss of any Facility's accreditation, or (c) be in violation of any statute or regulation, or for any other reason be or become illegal and such violation or illegality would have a material adverse effect on the operation of the Business, and in any such event, the reason therefor cannot be corrected by good faith negotiations and effort of the parties hereto within sixty (60) days after written notice thereof (with the objective of keeping the financial intent of the parties hereunder materially the same), then either party may at its option terminate this Agreement.

7.6 Rights Upon Termination. In the event of the termination of this Agreement for any reason, Manager shall immediately be paid any accrued and unpaid Management Fees and reimbursed for all expenses incurred for which reimbursement is required hereunder. The right to terminate this Agreement, and to receive payment of any amounts owing as of the effective date of termination, shall be in addition to any other remedy available pursuant to the provisions hereof. The termination of this Agreement for any reason shall be without prejudice to any payments or obligations that may have accrued or become due hereunder prior to the effective date of termination, or that may become due after such termination.

7.7 Cessation of Use of Proprietary Rights Upon Termination. Upon termination of this Agreement, the each party shall immediately discontinue the use of, and will promptly return to the other party, as applicable, all Confidential Information (to the extent in tangible format) that was made available to such party by reason of its participation in this Agreement, including any copies that it may have in its possession or control.

7.8 Failure to Terminate. Failure to terminate this Agreement shall not waive any breach of this Agreement.

7.9 Survival. To the extent set forth or contemplated in this Agreement, provisions of this Agreement shall survive the termination of this Agreement.

#### ARTICLE VIII LIABILITY, INDEMNIFICATION, PROFITABILITY AND INDEPENDENT CONTRACTOR

8.1 Limitation of Liability. Except for Manager's gross negligence or willful misconduct, Manager shall not by reason of this Agreement or any Management Services rendered pursuant to this Agreement have any liability in connection with the operation of the Business or be deemed to have assumed any liabilities associated with or incident to the operation of the Business. All such liabilities shall remain with the Company. Without limiting the generality of the foregoing, Manager shall have no liability for any breach of any obligation under this Agreement unless such breach shall constitute gross negligence or willful misconduct; it being understood that in such case of a breach of an obligation that does not constitute gross negligence or willful misconduct, the Company's sole remedies shall be to obtain damages and/or to terminate this Agreement as provided herein.

## 8.2 Indemnification.

(a) The Company hereby agrees to defend, indemnify and hold Manager and its Affiliates, and their respective officers, directors, managers, members, employees, shareholders, agents, successors and assigns (each, an "Manager Indemnified Party") harmless, from and against any and all liabilities, causes of action, damages, losses, demands, claims, penalties, judgments, costs and expenses (including, without limitation, reasonable attorneys' fees and related costs) of any kind or nature whatsoever that may be sustained or suffered by any Manager Indemnified Party in any way relating to, arising out of or resulting from (i) the management, ownership, operation or maintenance of the Business, except to the extent caused by Manager's gross negligence or willful misconduct, or (ii) any breach by the Company of any of its representations, warranties, covenants, obligations or duties under this Agreement.

(b) Manager hereby agrees to defend, indemnify and hold the Company, and its Affiliates, and their respective officers, directors, managers, members, employees, shareholders, agents, successors and assigns (each a "Company Indemnified Party") harmless, from and against any and all liabilities, causes of action, damages, losses, demands, claims, penalties, judgments, costs and expenses (including, without limitation, reasonable attorneys' fees and related costs) of any kind or nature whatsoever that may be sustained or suffered by any Company Indemnified Party in any way caused by Manager's gross negligence or willful misconduct related to the management of the Business.

(c) The provisions of this Section 8.2 shall survive the termination of this Agreement.

8.3 No Representation of Profitability, Etc. Manager does not guarantee or represent that operation of the Business will be profitable, or have a certain amount of revenues or cash flow. Manager shall not be liable for the Company's losses, whether from operation of the Business or otherwise.

8.4 Independent Contractor Status. Manager does not under this Agreement act in any other capacity, except as an independent contractor and does not, under this Agreement, act as principal in the operation of the Facilities. The Company acknowledges that Manager or one of its Affiliates is also a Member of the Company and is the "manager" under the Operating Agreement, and that such does not impact the forgoing sentence.

## ARTICLE IX REPRESENTATIONS AND WARRANTIES

9.1 Of Manager. Manager represents and warrants to the Company as follows:

(a) Manager has been duly organized and is validly existing as a corporation in good standing under the laws of the State of Delaware, with full corporate power to own its properties and to conduct its business under such laws.

(b) Manager has the full corporate power and authority to execute and deliver this Agreement and to perform its obligations hereunder, and all necessary actions for the due authorization, execution, delivery and performance of this Agreement by Manager have been

duly taken. The individual executing this Agreement on behalf of Manager is duly authorized and has the requisite power and authority to execute this Agreement.

(c) Neither the execution of this Agreement, the performance by Manager under this Agreement, nor compliance by Manager with any provision of this Agreement will conflict with or violate Manager's certificate of incorporation or bylaws, any agreements to which Manager is a party, or any material provision of applicable federal, state and local laws, rules and regulations.

(d) Upon Manager's execution of this Agreement, this Agreement shall constitute a valid and binding obligation of Manager, enforceable in accordance with its terms.

(e) Neither Manager, nor its Affiliates, employees, and agents (i) is currently excluded, debarred or otherwise ineligible to participate in any federal or state health care program, (ii) has been convicted of a criminal offense related to the provision of healthcare items and services and (iii) is a Specially Designated National or a Blocked Person by the Office of the Foreign Asset Control of the U.S. Department of Treasury.

9.2 Of the Company. The Company represents and warrants to Manager as follows:

(a) The Company has been duly organized and is validly existing as a limited liability company in good standing under the laws of the State of Rhode Island, with full limited liability company power to own its properties and to conduct its business under such laws.

(b) The Company has the full power and authority as a limited liability company to execute and deliver this Agreement and to perform its obligations hereunder, and all necessary actions for the due authorization, execution, delivery and performance of this Agreement by the Company have been duly taken. The individual executing this Agreement on behalf of the Company is duly authorized and has the requisite power and authority to execute this Agreement.

(c) Neither the execution of this Agreement, the performance by the Company under this Agreement, nor compliance by the Company with any provision of this Agreement will conflict with or violate the Company's certificate of formation or the Operating Agreement, any agreements to which the Company is a party, or any material provision of applicable federal, state and local laws, rules and regulations.

(d) Upon the Company's execution of this Agreement, this Agreement shall constitute a valid and binding obligation of the Company, enforceable in accordance with its terms.

(e) Neither the Company nor its Affiliates, employees, and agents (i) is currently excluded, debarred or otherwise ineligible to participate in any federal or state health care program, (ii) has been convicted of a criminal offense related to the provision of healthcare items and services and (iii) is a Specially Designated National or a Blocked Person by the Office of the Foreign Asset Control of the U.S. Department of Treasury.

## ARTICLE X INSURANCE

10.1 Manager's Required Coverage. During the Term hereof, Manager shall maintain, at its own expense, workers' compensation coverage in accordance with statutory requirements for Manager's employees who provide services under this Agreement, and commercial general liability insurance in an amount not less than One Million Dollars (\$1,000,000) per occurrence and Three Million Dollars (\$3,000,000) in the annual aggregate. The limits above may be satisfied by any combination of self insurance or umbrella policies, and Manager may carry any insurance required by this Agreement under a blanket policy. The Company shall be an additional named insured under Manager's general liability insurance policy.

10.2 The Company's Required Coverage. The Company shall maintain, at the Company's expense, at all times during the Term: (a) workers' compensation coverage in accordance with statutory requirements for the Company's employees; (b) commercial property damage and fire/hazard insurance written on full replacement value basis for all of the Company's assets and real property; (c) professional liability insurance covering the Company's employees who perform any work, duties, or obligations against claims for bodily injury, death, malpractice and property damage, which insurance shall provide coverage on a claims-made or occurrence basis with a per occurrence limit of not less than One Million Dollars (\$1,000,000) per occurrence and Three Million Dollars (\$3,000,000) in the annual aggregate; and (d) comprehensive commercial general liability insurance in an amount not less than One Million Dollars (\$1,000,000) per occurrence and Three Million Dollars (\$3,000,000) in the annual aggregate. The above limits may be satisfied by any combination of primary and excess or umbrella policies. The Company may carry any insurance required by this Agreement under a blanket policy. Manager shall be an additional named insured under the Company's general liability insurance policy.

10.3 Certificates of Insurance. On the Effective Date and at any time upon request, each party shall provide the other party certificates of insurance evidencing the coverages required hereby, and shall notify the other party immediately of the cancellation, termination, or non-renewal of, or material change in, such insurance coverage.

## ARTICLE XI ARMS-LENGTH BARGAINING

The parties agree that the compensation provided herein has been determined in arm's-length bargaining and is consistent with fair market value in arm's length transactions and is not and has not been determined in a manner that takes into account the volume or value of any referrals or business otherwise generated for or with respect to the Facilities or between the parties or any of the undersigned persons or equity holders thereof for which payment may be made in whole or in part under Medicare or any state health care program or under any other payor program.



ARTICLE XII  
ASSIGNMENT

The Company shall not, directly or indirectly, assign or otherwise transfer this Agreement, or any interest herein or obligation hereunder, without the prior written consent of Manager, which may be withheld in Manager's sole discretion. In no event may the Company assign this Agreement unless the assignee shall have executed and delivered to Manager a written assumption of this Agreement in form and substance satisfactory to Manager in its sole discretion. Manager shall be permitted, without the consent of the Company, to assign this Agreement: (a) upon the purchase or sale of fifty percent (50%) or more of the assets of Manager to the purchaser of such assets; or (b) to any Affiliate of Manager.

ARTICLE XIII  
NOTICES

All notices required or permitted hereunder shall be given in writing by actual delivery or by certified mail, postage prepaid or by nationally recognized overnight courier service. Notice shall be deemed given upon delivery, or if given by mail, upon receipt or if sent by next day delivery by a nationally recognized overnight courier service, on the next business day. Notice shall be delivered or mailed to the parties at the following addresses or at such other places as a party shall designate in writing:

- If to the Company: Prospect CharterCare, LLC  
825 Chalkstone Avenue  
Providence, RI 02908  
Attention: Ken Belcher, President and Chief Executive Officer
  
- with a copy to: Sills Cummis & Gross P.C.  
One Riverfront Plaza  
Newark, NJ 07102  
Attention: Gary W. Herschman, Esq
  
- with a copy to: Prospect Medical Holdings, Inc.  
10780 Santa Monica Boulevard, Suite 400  
Los Angeles, CA 90025  
Attention: Samuel S. Lee, Chief Executive Officer

If to Manager: Prospect East Hospital Advisory Services, LLC  
10780 Santa Monica Boulevard, Suite 400  
Los Angeles, CA 90025  
Attention: Ellen J. Shin, General Counsel

with a copy to: Sills Cummis & Gross P.C.  
One Riverfront Plaza  
Newark, NJ 07102  
Attention: Gary W. Herschman, Esq.

#### ARTICLE XIV RECORD ACCESS AND RETENTION

14.1 Access to Records. Each party hereto shall permit, and shall ensure that any subcontractor retained by it permits, the United States Department of Health and Human Services and General Accounting Office to review appropriate books and records relating to the performance hereunder to the extent required under Section 1861(v)(1) of the Social Security Act, 42 U.S.C. Section 1395x(v)(1)(I), or any successor law or regulation for a period of four (4) years following the last day Manager provided services hereunder. The access shall be provided in accordance with the provisions of Title 42, Code of Federal Regulations, Part 420, Subpart D.

14.2 Notification. Each party shall notify the other party immediately of the nature and scope of any request for access to books and records described above and shall provide copies of any books, records or documents to the other party prior to the provision of same to any governmental agent to give such other party an opportunity to lawfully oppose such production of documents. Nothing herein shall be deemed to be a waiver of any applicable privilege (such as the attorney-client privilege) by either party.

#### ARTICLE XV MISCELLANEOUS

##### 15.1 Choice of Law; Dispute Resolution.

(a) Choice of Law. The parties agree that this Agreement shall be governed by and construed in accordance with the Laws of the State of Rhode Island, without giving effect to any choice or conflict of law provision or rule thereof that would require the application of any other law.

(b) Dispute Resolution. All disputes, controversies or claims that may arise among the parties, including any dispute, controversy or claim arising out of this Agreement, or any other relevant document, or the breach, termination or invalidity thereof (a "Dispute"), shall be settled solely and finally pursuant to the procedures set forth in this Section 15.1.

(i) The parties shall attempt in good faith to resolve any Dispute of whatever nature arising between the parties, promptly by negotiation (including at least one in person meeting). If the Dispute has not been resolved within thirty (30) days after delivery of a

notice of a Dispute by one party to the other party, any of such parties may initiate arbitration of the Dispute as provided below.

(ii) If the Dispute has not been resolved by negotiation as provided above, then either party may submit the Dispute to binding arbitration. Such arbitration shall be conducted by JAMS pursuant to its Comprehensive Arbitration Rules and Procedures, by one neutral arbitrator, which shall be selected from a list of ten (10) potential candidates provided by JAMS' office in New York City (none of whom work or reside in Rhode Island or California, or any State contiguous to either of the foregoing). The award made by the arbitrator shall be final and binding upon the parties thereto and the subject matter, and judgment upon the award rendered by the arbitrator may be entered by any court having jurisdiction thereof. Unless otherwise agreed by the parties, the arbitration shall be held in Providence, Rhode Island. The arbitrator shall not have the authority to award punitive or exemplary damages. Each party shall be responsible for the costs and fees of the arbitration and for its own attorneys' fees; provided, however, that the prevailing party in any such arbitration shall be entitled to recover its reasonable attorneys' fees, expert witness fees, costs and expenses (including arbitration fees) incurred in connection with the arbitration to the extent such recovery is permitted by the law(s) governing the claim(s) asserted.

(c) EACH PARTY HEREBY IRREVOCABLY WAIVES ALL RIGHT TO TRIAL BY JURY AND BY JUDGE IN ANY ACTION, PROCEEDING OR COUNTERCLAIM (WHETHER BASED ON CONTRACT, TORT OR OTHERWISE) ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE RELATED AGREEMENTS OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY.

15.2 Severability. Should any provision of this Agreement be found void or unenforceable, the remainder hereof nevertheless shall continue in full force and effect. A new provision shall be amended to this Agreement that is similar to the provision found unenforceable but which is enforceable.

15.3 Approval or Consent. Except as otherwise provided herein, whenever under any provisions of this Agreement, the approval or consent of either party is required, such approval or consent shall not be unreasonably withheld, conditioned or delayed.

15.4 Entire Agreement. This Agreement contains the entire agreement between the parties with respect to the subject matter hereof, and the parties expressly agree that this Agreement supersedes and rescinds any prior agreement between them (verbal or written) pertaining to the subject matter hereof.

15.5 No Third Party Beneficiary. Except as expressly provided in this Agreement, no person or entity that is not a party to this Agreement shall be a third party beneficiary of any rights or obligations hereunder or be entitled to enforce any of said rights or obligations.

15.6 Interpretation. The article and paragraph headings contained herein are for convenience of reference only, do not constitute part of this Agreement, and are not intended to define, limit or describe the scope of intent of any provision of this Agreement. All gender

references used in this Agreement shall include all genders, and the singular shall include the plural and the plural shall include the singular whenever and as often as may be appropriate.

15.7 Force Majeure. Manager shall not be deemed to be in violation of this Agreement, and shall not be liable for any resulting claims, losses, damages, expenses and liabilities if it is prevented, hindered or delayed, either directly or indirectly, from performing any of its obligations hereunder for any reason beyond its reasonable control, including, without limitation, shortages, lack of the Company's financial resources, labor disputes, fires, storms, earthquakes, acts of God, or any statute, regulation or rule of the federal government, any state or local government or any agency thereof.

15.8 Amendments; Course of Dealing. This Agreement may only be amended or supplemented if in a writing signed by both parties. The failure of any party to enforce at any time any of the provisions of this Agreement shall in no way be construed to be a waiver of any such provision, nor in any way to affect the validity of this Agreement or any part hereof or the right of any party thereafter to enforce each and every such provision. No waiver of any breach of this Agreement shall be held to be a waiver of any other or subsequent breach.

15.9 Cooperation; Further Assistance. From time to time, as and when reasonably requested by either party hereto, the other party will (at the expense of the requesting party) execute and deliver, or cause to be executed or delivered, all such documents, instruments and consents and will use reasonable efforts to take all such action as may be reasonably requested or necessary to carry out the intent and purpose of this Agreement.

15.10 Counterparts. The parties may execute this Agreement in two (2) or more counterparts, which shall, in the aggregate, be signed by all the parties; each counterpart shall be deemed an original instrument as against any party who has signed it.

IN WITNESS WHEREOF, the parties have executed this Agreement, through their duly authorized representatives, effective as of the date first above written.

MANAGER:

PROSPECT EAST HOSPITAL ADVISORY SERVICES, LLC,  
a Delaware limited liability company

By: Prospect Medical Holdings, Inc., its Manager

By: \_\_\_\_\_  
Name: *Sam Lee*  
Title: *CEO*

THE COMPANY:

PROSPECT CHARTERCARE, LLC,  
a Rhode Island limited liability company

By: \_\_\_\_\_  
Name: *Ellen Shin*  
Title: *Secretary*

PCC				
Journal Entry Form				
			Eff. Date -	5/31/19
			End Date -	
1st day of following month			Reverse Date -	
RECORD PMH CONTRIBUTED CAPITAL			Balance	0.00
			TOTAL..	24,738,051
			Debit	Credit
Account No.	Description		Debit	Credit
13.1300.1385	PCC Due To/From PEHAS		24,738,051	
13.2900.2900	PCC Net Assets Common Stock			21,027,343
13.2900.2901	PCC Net Assets Paid In Capital			3,710,708
<p>ENTRY ORIGINALLY BOOKED TO APRIL 19; PMH DID NOT BOOK THEIR SIDE OF THE ENTRY UNTIL MAY 19; PER DAVE RAGOSTA'S DISCUSSION WITH S. COLLINS, WE SHOULD BOOK THE ENTRY IN MAY SO WE AGREE ON A CONSOLIDATED BASIS</p>				
			Prepared by:	A. Perry
			Approved by:	<i>[Signature]</i>

# Prospect CharterCARE, LLC

## Consolidated Financial Statements

As of and for the Years Ended  
September 30, 2018 and 2017

# Prospect CharterCARE, LLC

---

## Consolidated Financial Statements

As of and for the Years Ended September 30, 2018 and 2017



# Prospect CharterCARE, LLC

## Contents

---

	Page
Independent Auditor's Report	3
<b>Consolidated Financial Statements</b>	
Consolidated Balance Sheets	4 - 5
Consolidated Statements of Operations	6
Consolidated Statements of Members' Equity	7
Consolidated Statements of Cash Flows	8
Notes to Consolidated Financial Statements	9 - 30



## Independent Auditor's Report

Board of Directors  
Prospect CharterCARE, LLC  
Los Angeles, California

We have audited the accompanying consolidated financial statements of Prospect CharterCARE, LLC, which comprise the consolidated balance sheets as of September 30, 2018 and 2017, and the related consolidated statements of operations, members' equity, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

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

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

### *Auditor's Responsibility*

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### *Opinion*

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Prospect CharterCARE, LLC and its subsidiaries as of September 30, 2018 and 2017, and the results of their operations and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### *Emphasis of Matter*

As discussed in Note 1, the Company is financially dependent on its parent company which has agreed to provide the financial support necessary for the operations of the Company. The accompanying financial statements do not reflect any adjustments or disclosures that would be required should the parent company discontinue its financial support.

**BDO USA, LLP**

July 18, 2019

# Prospect CharterCARE, LLC

## Consolidated Balance Sheets (in thousands)

<i>September 30,</i>	2018	2017
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents	\$ -	\$ -
Restricted cash	433	3,028
Patient accounts receivable, less allowance for doubtful accounts of \$11,141 and \$7,245	46,076	42,427
Other receivables	3,306	12,295
Due from government payers	5,533	5,143
Inventories	5,590	5,805
Prepaid expenses and other current assets	2,188	3,286
<b>Total current assets</b>	<b>63,126</b>	<b>71,984</b>
Property, improvements and equipment, net	59,780	53,850
Goodwill	-	5,822
Intangible assets, net	1,211	2,854
Equity method investments	4,088	4,357
Other assets	2,302	1,473
<b>Total assets</b>	<b>\$ 130,507</b>	<b>\$ 140,340</b>

*See accompanying notes to consolidated financial statements.*

# Prospect CharterCARE, LLC

## Consolidated Balance Sheets (in thousands)

<i>September 30,</i>	2018	2017
<b>Liabilities and Members' Equity</b>		
<b>Current liabilities</b>		
Accounts payable and other accrued liabilities	\$ 35,590	\$ 26,881
Accrued salaries, wages and benefits	17,696	16,589
Deferred revenue	170	170
Due to government payers	4,796	4,505
Due to affiliated companies, net	26,377	20,056
Current portion of capital leases	798	1,475
<b>Total current liabilities</b>	<b>85,427</b>	<b>69,676</b>
Capital leases, net of current portion	92	895
Asset retirement obligations	2,623	2,438
Deferred revenue, net of current portion	2,270	2,891
Other long-term liabilities	12,674	10,673
<b>Total liabilities</b>	<b>103,086</b>	<b>86,573</b>
<b>Commitments, contingencies, and subsequent events</b>		
<b>Members' equity</b>		
Member contributions	92,108	82,261
Accumulated deficit	(64,687)	(28,494)
<b>Total members' equity</b>	<b>27,421</b>	<b>53,767</b>
<b>Total liabilities and members' equity</b>	<b>\$ 130,507</b>	<b>\$ 140,340</b>

*See accompanying notes to consolidated financial statements.*

**Prospect CharterCARE, LLC**  
**Consolidated Statements of Operations**  
(in thousands)

<i>For the Years Ended September 30,</i>	2018	2017
<b>Revenues</b>		
Net patient service revenues	\$ 354,578	\$ 343,050
Provision for bad debts	(12,598)	(11,936)
Net patient service revenues less provision for bad debts	341,980	331,114
Other revenues	8,102	7,678
<b>Total net revenues</b>	<b>350,082</b>	<b>338,792</b>
<b>Operating Expenses</b>		
Salaries, wages and benefits	196,794	186,382
Supplies	62,507	60,005
Taxes and licenses	22,309	25,581
Purchased services	24,125	21,542
Depreciation and amortization	15,096	13,843
Professional fees	10,988	10,535
Other	11,287	7,277
Insurance	4,620	5,659
Management fees	7,298	7,033
Utilities	4,771	3,993
Lease and rental	5,438	4,792
Research grant expense	2,503	2,231
Repairs and maintenance	2,675	2,315
Registry	887	713
<b>Total operating expenses</b>	<b>371,298</b>	<b>351,901</b>
Operating income from unconsolidated equity method investments	589	605
<b>Operating loss</b>	<b>(20,627)</b>	<b>(12,504)</b>
Other expense (income):		
Interest expense	955	1,131
Goodwill impairment	14,228	-
Other expense (income), net	282	(98)
<b>Net loss from continuing operations</b>	<b>(36,092)</b>	<b>(13,537)</b>
(Loss) Income from discontinued operations	(101)	9,411
<b>Net loss</b>	<b>\$ (36,193)</b>	<b>\$ (4,126)</b>

*See accompanying notes to consolidated financial statements.*

**Prospect CharterCARE, LLC**  
**Consolidated Statements of Members' Equity**  
(in thousands)

	Member Contributions	Accumulated Deficit	Total Members' Equity
<b>Balance at October 1, 2016</b>	\$ 71,645	\$ (24,368)	\$ 47,277
Member contributions	10,616	-	10,616
Net loss	-	(4,126)	(4,126)
<b>Balance at September 30, 2017</b>	82,261	(28,494)	53,767
Member contributions	9,847	-	9,847
Net loss	-	(36,193)	(36,193)
<b>Balance at September 30, 2018</b>	\$ 92,108	\$ (64,687)	\$ 27,421

*See accompanying notes to consolidated financial statements.*

**Prospect CharterCARE, LLC**  
**Consolidated Statements of Cash Flows**  
**(in thousands)**

<i>For the Years Ended September 30,</i>	2018	2017
<b>Operating activities</b>		
Net loss	\$ (36,193)	\$ (4,126)
Adjustments to reconcile net loss to net cash provided by (used in) operating activities:		
Depreciation and amortization	15,094	13,843
Provision for bad debts	12,598	11,936
Accretion of interest for asset retirement obligations	185	158
Operating income from equity method investments, net of distributions	(11)	254
Gain on sale of property, improvements and equipment	-	(2,891)
Goodwill impairment	14,228	-
Write-off of investment	280	-
Write-off of asset retirement obligation	-	(272)
Changes in operating assets and liabilities, net of business combinations:		
Change in restricted cash	2,595	(830)
Patient accounts receivable and other receivables	(16,247)	(15,852)
Due to/from government payers, net	(99)	22
Inventories	215	765
Prepaid expenses and other current assets	2,704	(3,324)
Other assets	(829)	(268)
Accounts payable and other accrued liabilities	10,381	8,401
Net cash and cash equivalents used in operating activities from discontinued operations	-	(10,967)
<b>Net cash provided by (used in) operating activities</b>	<b>4,901</b>	<b>(3,151)</b>
<b>Investing activities</b>		
Purchases of property, improvements and equipment	(8,973)	(7,043)
Cash paid for acquisitions	(736)	(2,268)
Proceeds from sale of property, improvements and equipment	-	6,498
Net cash and cash equivalents provided by investing activities from discontinued operations	-	5,882
<b>Net cash (used in) provided by investing activities</b>	<b>(9,709)</b>	<b>3,069</b>
<b>Financing activities</b>		
Member contributions	-	4,153
Increase (decrease) in due to affiliated companies, net	6,288	(7,950)
Repayments of capital leases	(1,480)	(2,036)
Proceeds from financing hospital facility	-	1,824
<b>Net cash provided by (used in) financing activities</b>	<b>4,808</b>	<b>(4,009)</b>
Decrease in cash and cash equivalents	-	(4,091)
Cash and cash equivalents, beginning of year	-	4,091
Cash and cash equivalents, end of year	\$ -	\$ -
<b>Supplemental disclosure of cash flow information</b>		
Interest paid	\$ 955	\$ 975
<b>Schedule of non-cash investing and financing activities</b>		
Equipment acquired under capital leases	\$ -	\$ 366
Non-cash acquisitions	\$ 7,692	\$ -
Non-cash contributions (Note 7)	\$ 9,847	\$ 6,463

*See accompanying notes to consolidated financial statements.*

# Prospect CharterCARE, LLC

## Notes to Consolidated Financial Statements

---

### 1. Organization

Prospect CharterCARE, LLC (“PCC” or the “Company”) was formed on August 21, 2013 and is owned 85% by Prospect East Holdings, Inc. (“Prospect East”), a wholly-owned subsidiary of Prospect Medical Holdings, Inc. (“Prospect”) and 15% by CharterCARE Community Board.

PCC’s operating subsidiaries include Prospect CharterCARE RWMC, LLC (“RWMC”, dba Roger Williams Medical Center), Prospect CharterCARE SJHSRI, LLC (“SJHSRI”, dba St. Joseph Health Center and Our Lady of Fatima Hospital), Prospect CharterCARE Elmhurst, LLC (“Elmhurst Extended Care”, sold in fiscal 2017, see Note 5), Prospect CharterCARE Physicians, LLC (“CharterCARE Physicians”), Prospect CharterCARE Ancillary Services, Inc., and New University Medical Group, LLC (“New UMG”), which collectively consist of hospitals, medical centers. The Company provides a comprehensive range of services at Roger Williams Medical Center, St. Joseph’s Health Center, and Our Lady of Fatima Hospital. During the year ended September 30, 2018, two new entities were created, Prospect RI Home Health and Hospice, LLC (“PRIHHH”), which is owned by RWMC, and Prospect CharterCARE Home Health and Hospice, LLC (“PCCHHH”), which is owned by PRIHHH and, effective May 1, 2018, the operations of the home health business were transferred from RWMC to PCCHHH.

Admitting physicians are primarily practitioners in the local area. The hospitals have payment arrangements with Medicare, Medicaid and other third-party payers, including commercial insurance carriers, health maintenance organizations (“HMOs”) and preferred provider organizations (“PPOs”).

At September 30, 2018, the Company had negative working capital in the amount \$22,301,000. The Company is dependent on Prospect to fund ongoing operations. As of September 30, 2018, the Company had a liability of \$26,377,000 due to Prospect and its subsidiaries, which is payable on demand, does not bear interest, and is included in due to affiliated companies, net in the accompanying consolidated balance sheets. Prospect does not intend to have the Company repay the liability in a manner which would impair the Company’s ability to maintain sufficient liquidity to sustain ongoing operations. Subsequent to year end, Prospect converted approximately \$24,700,000 of liabilities into a capital contribution (see Note 12).

### 2. Significant Accounting Policies

#### *Principles of Consolidation and Basis of Presentation*

The consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (“GAAP”) and include the accounts of all wholly-owned subsidiaries, but do not include the accounts of the parent companies, Prospect or CharterCARE Community Board.

Operating results for the Company’s subsidiaries are consolidated with the Company’s financial statements from their acquisition dates. All significant intercompany balances and transactions have been eliminated in consolidation.



# Prospect CharterCARE, LLC

## Notes to Consolidated Financial Statements

---

### Revenues

#### Net Patient Service Revenues

Operating revenue consists primarily of net patient service revenues. The Company reports net patient service revenues at the estimated net realizable amounts from patients and third-party payers and others in the period in which services are rendered. The Company has agreements with third-party payers, including Medicare, Medicaid, managed care and other insurance programs that are paid at negotiated rates. These payment arrangements include prospectively determined rates per discharge, reimbursed costs, discounted charges and per diem payments, as further described below. Estimates of contractual allowances are based upon the payment terms specified in the related contractual agreements. The Company accrues for amounts that it believes may ultimately be due to or from the third-party payers. Normal estimation differences between final settlements and amounts accrued in previous years are reported as changes in estimates in the current year. Outstanding receivables, net of allowances for contractual discounts and bad debts, are included in patient accounts receivable in the accompanying consolidated balance sheets.

The following is a summary of sources of patient service revenues (net of contractual allowances and discounts) before provision for doubtful accounts and exclude revenues for discontinued operations (in thousands):

<i>For the Years Ended September 30,</i>	2018	2017
Medicare	\$ 165,882	\$ 152,240
Medicaid	74,710	72,948
Managed Care	80,605	74,920
Self-Pay/Other	33,381	42,942
Total	\$ 354,578	\$ 343,050

A summary of the payment arrangements with major third-party payers follows:

*Medicare:* Medicare is a federal program that provides certain hospital and medical insurance benefits to persons aged 65 and over, some persons with end-stage renal disease and certain other beneficiary categories, including eligible disabled persons. Most inpatient hospital services rendered to Medicare program beneficiaries are paid on a fee-for-service basis at prospectively determined rates per discharge, according to a patient classification system based on clinical, diagnostic, and other factors. Most outpatient services also are paid on a fee-for-service basis generally using prospectively determined rates. The Company receives, as appropriate, Medicare disproportionate share hospital ("DSH") and bad debt payments at tentative rates, with final settlement determined after submission of the annual Medicare cost report and audit thereof by the Medicare Administrative Contractor. The Company also receives, as appropriate, Medicare uncompensated care DSH payments, which are generally not subject to cost report audit except to determine eligibility for Medicare DSH. The Company also receives Medicare outlier payments on an ongoing basis during the year for cases that are unusually costly, and under certain circumstances these payments may be reconciled to more closely reflect the costs in excess of outlier thresholds after the submission and audit of the annual Medicare cost report. Normal estimation differences between filed settlements and amounts accrued are reflected in net patient service revenue.

# Prospect CharterCARE, LLC

## Notes to Consolidated Financial Statements

---

The Company is reimbursed by Medicare for cost reimbursable items at a tentative rate with final settlement determined after submission of annual cost reports and audits thereof by the Medicare Administrative Contractor. The estimated amounts due to or from the program are reviewed and adjusted annually based on the status of such audits and any subsequent appeals. Differences between final settlements and amounts accrued in previous years are reported as adjustments to net patient service revenue in the year that examination is substantially completed.

Although services for most Medicare beneficiaries are paid by the Federal government on a fee-for-service basis, approximately one-third of Medicare beneficiaries are enrolled in a "Medicare Advantage" plan, which is a type of health plan that contracts with the Medicare program to provide hospital and medical benefits to Medicare beneficiaries. Medicare Advantage Plans include Health Maintenance Organizations, Preferred Provider Organizations, Private Fee-For-Service Plans, Special Needs Plans, and Medicare Medical Savings Account Plans. For Medicare beneficiaries enrolled in a Medicare Advantage plan, most Medicare services are covered by the plan and are not paid for under fee-for-service Medicare. Certain Medicare Advantage plans make capitation payments to the Company using a "Risk Adjustment model," which compensates providers based on the health status (acuity) of each enrollee. Providers with higher acuity enrollees generally will receive more and those with healthier enrollees will receive less.

*Medicaid:* Medicaid is a joint federal-state funded healthcare benefit program that is administered by states to provide benefits to qualifying individuals who are unable to afford care. The Company receives reimbursements under the Medicaid program at prospectively determined rates for both inpatient and outpatient services. Similar to Medicare, cost report settlements are recorded based upon as-filed cost reports and adjusted for tentative and final settlements, if any.

RWMC and SJHSRI are participants in the State of Rhode Island's Disproportionate Share Hospital ("DSH") program, which assists hospitals that provide a disproportionate amount of uncompensated care. Under the program, Rhode Island hospitals, including RWMC and SJHSRI, receive federal and state Medicaid funds as additional reimbursement for treating a disproportionate share of low-income patients. RWMC and SJHSRI recognized revenue related to DSH and Upper Payment Limit ("UPL") reimbursement of \$19,035,000 and \$24,402,000 for the years ended September 30, 2018 and 2017, respectively. DSH and UPL payments received were \$17,704,000 and \$20,249,000 for the years ended September 30, 2018 and 2017, respectively. RWMC and SJHSRI recorded license fee expenses of \$16,815,000 and \$20,137,000 for the years ended September 30, 2018 and 2017, respectively, which is included within taxes and licenses expense within the accompanying consolidated statements of operations.

*Managed Care:* The Company has also entered into payment agreements with certain commercial insurance carriers, HMOs, and PPOs. The basis for payment under these agreements is in accordance with negotiated contracted rates or at the Company's standard charges for services provided.

*Self-Pay:* Self-pay patients represent those patients who do not have health insurance and are not covered by some other form of third-party arrangement. Such patients are evaluated, at the time of services or shortly thereafter, for their ability to pay based upon federal and state poverty guidelines, qualifications for Medicaid, as well as the Company's local hospital's indigent and charity care policy.

# Prospect CharterCARE, LLC

## Notes to Consolidated Financial Statements

---

Laws and regulations governing the third-party payor arrangements are extremely complex and subject to interpretation. As a result, there is at least a reasonable possibility that recorded estimates will change by a material amount in the near term. Normal estimation differences between subsequent cash collections on patient accounts receivable and net patient accounts receivable estimated in the prior year are reported as adjustments to net patient service revenue in the current period.

The Company is not aware of any material claims, disputes, or unsettled matters with any payers that would affect revenues that have not been adequately provided for and disclosed in the accompanying consolidated financial statements.

### *Charity Care*

The Company provides charity care to patients who lack financial resources and are deemed to be medically indigent based on criteria established under the Company's charity care policy. This care is provided without charge or at amounts less than the Company's established rates. Because the Company does not pursue collection of amounts determined to qualify as charity care, such amounts are not reported as revenue. The direct and indirect costs related to this care totaled approximately \$772,000 and \$833,000 for the years ended September 30, 2018 and 2017, respectively. Direct and indirect costs for providing charity care are estimated by calculating a ratio of cost to gross charges and then multiplying that ratio by the gross uncompensated charges associated with providing care to charity patients. In addition, the Company provides services to other medically indigent patients under various state Medicaid programs. Such programs pay amounts that are less than the cost of the services provided to the recipients. The Company has not changed its charity care or uninsured discount policies during the years ended September 30, 2018 or 2017.

### *Provisions for Contractual Allowances and Doubtful Accounts*

Collection of receivables from third-party payers and patients is the Company's primary source of cash and is critical to its operating performance. The Company closely monitors its historical collection rates, as well as changes in applicable laws, rules and regulations and contract terms, to assure that provisions for contractual allowances are made using the most accurate information available. However, due to the complexities involved in these estimations, actual payments from payers may be materially different from the amounts management estimates and records. The Company's primary collection risks relate to uninsured patients and the portion of the bill which is the patient's responsibility, primarily co-payments and deductibles. Payments for services may also be denied due to issues over patient eligibility for medical coverage, the Company's ability to demonstrate medical necessity for services rendered and payer authorization of hospitalization.

*The remainder of this page intentionally left blank.*

# Prospect CharterCARE, LLC

## Notes to Consolidated Financial Statements

---

Accounts receivable are reduced by an allowance for doubtful accounts. Valuation of the collectability of accounts receivable and provision for bad debts is based on historical collection experience, payer mix and the age of the receivables. Management routinely reviews accounts receivable balances in conjunction with these factors and other economic conditions which might ultimately affect the collectability of the patient accounts, and makes adjustments to the Company's allowances as warranted. For receivables associated with services provided to patients who have third-party coverage, management analyzes contractually due amounts and subsequently calculates an allowance for doubtful accounts and provision for bad debts once the age of the accounts reaches a specific age category based on historical experience. For receivables associated with self-pay patients, management records a significant provision for bad debts beginning in the period services were provided based on past experience that many patients are unable or unwilling to pay the portion of their bill for which they are financially responsible. The allowance for doubtful accounts was 20% and 15% of gross accounts receivable as of September 30, 2018 and 2017, respectively.

### *Legislation*

All of the Company's hospital facilities are subject to the Emergency Medical Treatment and Active Labor Act ("EMTALA"). This federal law requires any hospital that participates in the Medicare program to conduct an appropriate medical screening examination of every person who presents to the hospital's emergency department for treatment and, if the patient is suffering from an emergency medical condition, to either stabilize that condition or make an appropriate transfer of the patient to a facility that can handle the condition. The obligation to screen and stabilize emergency medical conditions exists regardless of a patient's ability to pay for treatment. There are severe penalties under EMTALA if a hospital fails to screen or appropriately stabilize or transfer a patient or if the hospital delays appropriate treatment in order to first inquire about the patient's ability to pay. Penalties for violations of EMTALA include civil monetary penalties and exclusion from participation in the Medicare program. In addition, an injured patient, the patient's family or a medical facility that suffers a financial loss as a direct result of another hospital's violation of the law can bring a civil suit against that other hospital. The Company believes that it is in compliance with EMTALA and is not aware of any pending or threatened EMTALA investigations involving allegations of potential wrongdoing that would have a material effect on the Company's consolidated financial statements.

### *Other Revenues*

Other revenues totaled \$8,102,000 and \$7,678,000 for the years ended September 30, 2018 and 2017, respectively. A summary of the principal components of other revenues is as follows:

**Tuition Revenue:** Tuition revenues include student fees and outside course reimbursement and are recognized ratably during the approximately seven months of instruction provided per year. The Company recorded tuition revenues of \$2,155,000 and \$2,002,000 for the years ended September 30, 2018 and 2017, respectively.

**Grant Revenue:** The Company receives grant revenue for direct research from the federal government, other institutions and other sources for a range of research areas including oncology, cardiology, HIV and diabetes. The Company recorded grant revenue of \$1,925,000 and \$1,841,000 for the years ended September 30, 2018 and 2017, respectively.

# Prospect CharterCARE, LLC

## Notes to Consolidated Financial Statements

---

Rental Revenue: Rental revenue from operating leases is recorded based on the fixed, minimum required rents (base rents) per the lease agreements. Rental revenue from base rents is recorded on the straight-line method over the terms of the related lease agreements. The Company recorded rental revenues of \$494,000 and \$704,000 for the years ended September 30, 2018 and 2017, respectively.

### *Property, Improvements and Equipment*

Property, improvements and equipment are stated on the basis of cost or, in the case of acquisitions, at their acquisition date fair values. Depreciation is provided using the straight-line method over the estimated useful lives of the assets, and amortization of leasehold improvements is provided using the straight-line basis over the shorter of the remaining lease period or the estimated useful lives of the leasehold improvements. Building improvements are generally depreciated over seven years, buildings are depreciated over 10 years, equipment is depreciated over three to seven years and furniture and fixtures are depreciated over five to seven years. Equipment capitalized under capital lease obligations are amortized over the lesser of the life of the lease or the useful life of the asset.

### *Goodwill*

Goodwill represents the excess of the consideration paid and liabilities assumed over the fair value of the net assets acquired, including identifiable intangible assets.

Goodwill is not amortized; rather it is reviewed annually for impairment for each reporting unit, or more frequently if impairment indicators arise. Impairment is the condition that exists when the carrying amount of goodwill exceeds its implied fair value.

Through the year ended September 30, 2017, the Company tested for goodwill impairment as of September 30 each year. During the year ended September 30, 2018, the Company changed the date of the annual goodwill impairment test to July 1. The Company does not believe that the change in assessment date represents a material change in the application of applicable accounting literature. Impairment of goodwill is tested at the reporting unit level, by comparing the reporting unit's carrying amount, including goodwill, to the fair value of the reporting unit. The fair value of the reporting units are estimated. In evaluating whether indicators of impairment exist, the Company considers adverse changes in market value, laws and regulations, profitability, cash flows, ability to maintain enrollment and renew payer contracts at favorable terms, among other factors. The Company has adopted new literature during the year ended September 30, 2018 which changes the goodwill impairment test from a two-step process to a one-step process, which consists of estimating based on a weighted combination of (i) the guideline company method that utilizes revenue or earnings multiples for comparable publicly-traded companies, and (ii) a discounted cash flow model. If the estimated fair value of the reporting unit is less than its carrying value, this indicates that goodwill is impaired, and impairment is recorded based on the deficiency of fair value compared to the carrying value. The Company's impairment test related to goodwill during the year ended September 30, 2018 resulted in a full impairment of goodwill. There were no impairment charges during the year ended September 30, 2017.

# Prospect CharterCARE, LLC

## Notes to Consolidated Financial Statements

---

### *Intangible Assets*

Intangible assets include trade names. The Company reviews long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying value of such assets may not be recoverable. The Company considers assets to be impaired and writes them down to fair value if estimated undiscounted cash flows associated with those assets are less than their carrying amounts. Fair value is based upon the present value of the associated cash flows. Changes in circumstances (for example, changes in laws or regulations, technological advances or changes in strategies) may also reduce the useful lives from initial estimates. Changes in planned use of intangibles may result from changes in customer base, contractual agreements, or regulatory requirements. In such circumstances, management will revise the useful life of the long-lived asset and amortize the remaining net book value over the adjusted remaining useful life. There were no impairments recorded during the years ended September 30, 2018 and 2017.

### *Insurance Reserves*

#### *Medical Malpractice Liability Insurance*

The Company carries professional and general liability insurance to cover medical malpractice claims under claims-made policies. Under the policies, insurance premiums cover only those claims actually reported during the policy term. Should the claims-made policy not be renewed or replaced with equivalent insurance, claims related to occurrences during the policy term but reported subsequent to the policy's termination may be uninsured. The Company was included in Prospect's consolidated medical malpractice insurance policy effective June 20, 2014 (inception). Assets and liabilities related to malpractice insurance related to events prior to June 20, 2014 (inception) were not assumed by the Company.

GAAP requires that a health care organization record and disclose the estimated costs of medical malpractice claims in the period of the incident of malpractice, if it is reasonably possible that liabilities may be incurred and losses can be reasonably estimated. The Company recognizes an estimated liability for incurred but not reported claims and the self-insured risks (including deductibles and potential claims in excess of policy limits) based upon an actuarial valuation of the Company's historical claims experience of the Company's hospitals. The Company's gross claims liability was \$9,943,000 and \$7,591,000 as of September 30, 2018 and 2017, respectively, and insurance receivables were \$2,220,000 and \$1,316,000 as of September 30, 2018 and 2017, respectively. The gross claims liability and insurance receivables were estimated using a discount factor of 4% and are included within long-term assets and long-term liabilities, respectively, in the accompanying consolidated balance sheets.

#### *Workers' Compensation Insurance*

The Company was fully insured for workers' compensation claims with no deductible during the years ended September 30, 2018 and 2017.

# Prospect CharterCARE, LLC

## Notes to Consolidated Financial Statements

---

### *Reserve Methodology*

The claims reserve is based on the best data available to the Company. The estimate, however, is subject to a significant degree of inherent variability. The estimate is continually monitored and reviewed, and as the reserve is adjusted, the difference is reflected in current operations. While the ultimate amount of medical malpractice liability is dependent on future developments, management is of the opinion that the associated liabilities recognized in the accompanying consolidated financial statements are adequate to cover such claims. Management is not aware of any potential medical malpractice claims whose settlement, if any, would have a material adverse effect on the Company's consolidated financial position, results of operations or cash flows.

### *Asset Retirement Obligations*

The Company recognizes the fair value of a liability for legal obligations associated with asset retirements in the period in which it is incurred, if a reasonable estimate of the fair value of the obligation can be made. Over time, the liability is accreted to its present value each period. Upon settlement of the obligation, any difference between the cost to settle the asset retirement obligation and the liability recorded is recognized as a gain or loss in the statements of operations. The Company has accrued \$2,623,000 and \$2,438,000 related to asbestos remediation as of September 30, 2018 and 2017, respectively. The liability was estimated using a discount factor which ranged from 7% - 9%.

### *Cash and Cash Equivalents*

The Company considers all highly liquid debt instruments with initial maturities of 90 days or less to be cash equivalents. Cash and cash equivalents are primarily comprised of deposits with banks. The Company maintains its cash at banks with high credit-quality ratings.

### *Restricted Cash*

The Company held restricted cash of \$433,000 and \$3,028,000 as of September 30, 2018 and 2017, respectively, which was restricted for research at the Company's hospitals as well as for School of Nursing grants.

### *Inventories*

Inventories of supplies are valued at the lower of amounts that approximate the weighted average cost or market. Inventories consist primarily of medical and surgical supplies and pharmaceuticals.

### *Income Taxes*

For tax reporting purposes, the Company is treated as a Partnership. PCC and its wholly-owned subsidiaries are pass-through entities. Therefore, no provision is made in the accompanying consolidated financial statements for liabilities for federal, state or local income taxes since such liabilities are the responsibility of the Company's parent companies. The Company periodically evaluates its tax positions, including its status as a pass-through entity, to evaluate whether it is more likely than not that such positions would be sustained upon examination by a tax authority for all open tax years, as defined by the statute of limitations, based on its technical merits.

# Prospect CharterCARE, LLC

## Notes to Consolidated Financial Statements

---

As of September 30, 2018 and 2017, the Company has not established a liability for uncertain tax positions. The Company files income tax returns in the U.S. federal jurisdiction and the state of Rhode Island. Generally, the Company is subject to examination by U.S. federal (or state and local) income tax authorities for three to four years from the filing of a tax return.

### *Fair Value of Financial Instruments*

Financial instruments consist primarily of cash and cash equivalents, restricted cash, patient and other accounts receivables, accounts payable and accrued expenses, accrued salaries and benefits, amounts due from/to government payers, capital lease obligations, and other liabilities. The carrying amounts of current assets and liabilities approximate their fair value due to the relatively short period of time between the origination of the instruments and their expected realization.

Nonfinancial assets such as goodwill and identifiable intangible assets are measured at fair value when there is an indicator of impairment and recorded at fair value only when impairment is recognized. The Company performs an annual impairment test on the goodwill, and performs an impairment test on the intangible assets when there are indications of impairment.

During the year ended September 30, 2018, the Company recorded approximately \$14.2 million of impairment relating to goodwill, which is reflected in the accompanying consolidated statements of operations.

The Company uses the discounted cash flow approach, the guideline public company approach and the guideline transactions approach to estimate the residual value of the Company's goodwill. The measurement of goodwill is a Level 3 measurement. The following table provides quantitative information related to the significant unobservable inputs to determine fair value and impairment of goodwill as of September 30, 2018:

Residual Value of Goodwill	Valuation Technique	Unobservable Input	Rates
\$ -	Discounted Cash Flow	Weighted average cost of capital	9.3%
		Revenue growth rate	2.1% - 2.5%
	Guideline Public Company	LTM EBITDA multiple	7.0x

There were no nonrecurring measurements as of September 30, 2018 and 2017.

### *Concentrations of Credit Risk*

Cash and cash equivalents are maintained at financial institutions and, at times, balances may exceed federally insured limits of \$250,000 per depositor of each financial institution. The Company has not experienced any losses to date related to these balances.



# Prospect CharterCARE, LLC

## Notes to Consolidated Financial Statements

---

Financial instruments that potentially subject the Company to concentrations of credit risk consist of receivables due from Medicare and Medicaid. The Company received revenues from Medicare and Medicaid as follows (excluding revenues for discontinued operations, in thousands):

<i>Years Ended September 30,</i>		<b>% of Total Revenues</b>		<b>% of Total Revenues</b>
	<b>2018</b>		<b>2017</b>	
Medicare	\$ 165,882	47 %	\$ 152,240	44 %
Medicaid	74,710	21 %	72,948	21 %
Total	\$ 240,592	68 %	\$ 225,188	65 %

### *Use of Estimates*

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses, and the disclosure of contingent assets and liabilities at the dates, and for the periods, that the consolidated financial statements are prepared. Actual results could materially differ from those estimates. Principal areas requiring the use of estimates include amounts due from/to government payers, allowances for contractual discounts and doubtful accounts, professional and general liability claims, long-lived assets, intangible assets and asset retirement obligations.

### *Subsequent Events*

The Company has evaluated subsequent events through July 18, 2019, the date the Company's consolidated financial statements were available for issuance.

### *Recent Accounting Pronouncements*

In May 2014, the Financial Accounting Standards Board ("FASB") issued ASU 2014-09, "Revenue from Contracts with Customers (Topic 606)," which defers the effective date of the revenue standard ASU 2015-14. The core principle of ASU 2014-09 is built on the contract between a vendor and a customer for the provision of goods and services, and attempts to depict the exchange of rights and obligations between the parties in the pattern of revenue recognition based on the consideration to which the vendor is entitled. To accomplish this objective, the standard requires five basic steps: (i) identify the contract with the customer, (ii) identify the performance obligations in the contract, (iii) determine the transaction price, (iv) allocate the transaction price to the performance obligations in the contract, (v) recognize revenue when (or as) the entity satisfies a performance obligation. Nonpublic entities will apply the new standard for annual periods beginning after December 15, 2018, including interim periods therein. Three basic transition methods are available – full retrospective, retrospective with certain practical expedients, and a cumulative effect approach. Under the third alternative, an entity would apply the new revenue standard only to contracts that are incomplete under legacy U.S. GAAP at the date of initial application (e.g. October 1, 2019) and recognize the cumulative effect of the new standard as an adjustment to the opening balance of retained earnings. That is, prior years would not be restated and additional disclosures would be required to enable users of the financial statements to understand the impact of adopting the new standard in the current year compared to prior years that are presented under legacy U.S. GAAP. The Company is currently evaluating the standard and the impact on its consolidated financial statements and footnote disclosures.

# Prospect CharterCARE, LLC

## Notes to Consolidated Financial Statements

---

In February 2016, the FASB issued ASU 2016-02, "Leases (Topic 842)." The core principle of ASU 2016-02 is that a lessee should recognize the assets and liabilities that arise from leases, including operating leases. Under the new requirements, a lessee will recognize in the statement of financial position a liability to make lease payments (the lease liability) and the right-of-use asset representing the right to the underlying asset for the lease term. For leases with a term of 12 months or less, the lessee is permitted to make an accounting policy election by class of underlying asset not to recognize lease assets and lease liabilities. The recognition, measurement, and presentation of expenses and cash flows arising from a lease by a lessee have not significantly changed from previous GAAP. The standard is effective for nonpublic entities for fiscal years beginning after December 15, 2019. Early application of the amendment is permitted. The Company is currently evaluating the standard and the impact on its consolidated financial statements and footnote disclosures.

In August 2016, the FASB issued ASU 2016-15, "Statement of Cash Flows (Topic 230)." The updated standard addresses eight specific cash flow issues with the objective of reducing diversity in practice. ASU 2016-15 is effective for non-public business entities for annual reporting periods beginning after December 15, 2018, including interim periods within those annual reporting periods. Early adoption is permitted. The Company is currently evaluating the standard and the impact on its consolidated financial statements and footnote disclosures.

In January 2017, the FASB issued ASU 2017-01, "Business Combinations (Topic 805): Clarifying the Definition of a Business." These amendments clarify the definition of a business. The amendments affect all companies and other reporting organizations that must determine whether they have acquired or sold a business. The definition of a business affects many areas of accounting including acquisitions, disposals, goodwill, and consolidation. The amendments are intended to help companies and other organizations evaluate whether transactions should be accounted for as acquisitions (or disposals) of assets or businesses. This update is effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2018. Early adoption is permitted under certain circumstances. The amendments should be applied prospectively as of the beginning of the period of adoption. The Company is evaluating the effect that this update will have on its consolidated financial statements and related disclosures.

In January 2017, the FASB issued ASU 2017-04, "Intangibles-Goodwill and Other (Topic 350): Simplifying the Test for Goodwill Impairment)." The new guidance is effective for fiscal years beginning after December 15, 2019 and interim periods within those fiscal years, and should be applied on a prospective basis. Early adoption is permitted for interim or annual goodwill impairment tests performed on testing dates after January 1, 2017, and the Company will adopt this standard effective for the year ending September 30, 2018. The new guidance simplifies the current two-step goodwill impairment test by eliminating Step 2 of the test. The new guidance requires a one-step impairment test in which an entity compares the fair value of a reporting unit with its carrying amount and recognizes an impairment charge for the amount by which the carrying amount exceeds the reporting unit's fair value, if any. The Company early adopted this standard in the current fiscal year.

*The remainder of this page intentionally left blank.*

# Prospect CharterCARE, LLC

## Notes to Consolidated Financial Statements

---

### 3. Property, Improvements and Equipment

Property, improvements and equipment, consisted of the following (in thousands):

<i>September 30,</i>	2018	2017
Property, improvements and equipment:		
Land and land improvements	\$ 7,471	\$ 7,468
Buildings and improvements	39,359	35,598
Leasehold improvements	4,334	3,394
Equipment	39,400	35,541
	90,564	82,001
Less: accumulated depreciation	(44,869)	(32,035)
	45,695	49,966
Construction in progress	14,085	3,884
Property, improvements and equipment, net	\$ 59,780	\$ 53,850

At September 30, 2018 and 2017, the Company had assets under capitalized leases of approximately \$4,292,000 and \$4,697,000, respectively, and related accumulated depreciation of \$1,917,000 and \$1,792,000, respectively.

Depreciation expense, excluding discontinued operations, was \$13,222,000 and \$12,200,000 for the years ended September 30, 2018 and 2017, respectively.

### 4. Acquisitions

In December 2017, New UMG entered into a Second Closing to acquire the remaining assets of University Medical Group ("UMG") that were not acquired in the initial acquisition in December 2014. As consideration for the acquisition, New UMG has assumed certain designated liabilities of the practice, which consists of various loans payable to subsidiaries of the Company, totaling approximately \$7.5 million. Post-acquisition, these liabilities are eliminated on consolidation. There was no cash consideration related to the transaction. The remaining assets and liabilities acquired were immaterial and no value was assigned to them in the purchase price allocation, and accordingly goodwill of \$7.5 million arises from the acquisition. The goodwill is deductible for tax purposes at Prospect, with PCC acting as a flow through entity. New UMG's parent company, Prospect CharterCARE Physicians, LLC, dba CharterCARE Medical Associates ("CCMA"), entered into a Post Closing Administrative Services Agreement pursuant to which CCMA and its affiliates provide services to the seller of the practice in connection with its termination of all operations and the wind up its affairs and operations.

Additionally during the year ended September 30, 2018, CharterCARE Physicians entered into asset purchase agreements to acquire three medical practices with primary care physicians. Total cash consideration for the medical practices was \$976,000, of which \$240,000 was included in accounts payable in the accompanying consolidated balance sheets and paid in October 2018.

# Prospect CharterCARE, LLC

## Notes to Consolidated Financial Statements

---

During the year ended September 30, 2017, CharterCARE Physicians entered into asset purchase agreements to acquire two medical practices with primary care physicians. Total cash consideration for the medical practices was \$1.1 million.

On May 1, 2017, the Company's wholly-owned subsidiary, Prospect Blackstone Valley Surgicare, LLC ("Prospect Blackstone"), completed an asset acquisition of a freestanding ambulatory surgery center located near the CharterCARE facilities in Rhode Island, in exchange for cash consideration of \$1.6 million.

The acquisitions were accounted for as business combinations using purchase accounting. Under the purchase accounting method, assets acquired and liabilities assumed are recorded based on their estimated fair values. As asset purchases, goodwill acquired is expected to be deductible for tax purposes.

The following table summarizes the assets acquired and liabilities assumed in connection with the acquisitions (in thousands):

<i>For the Years Ended September 30,</i>	2018	2017
Inventories	\$ -	\$ 374
Improvements and equipment	22	813
Goodwill	8,406	2,048
Capital leases	-	(588)
Accrued purchase consideration due to seller	(240)	(379)
Liabilities assumed	(7,452)	-
Net cash consideration	\$ 736	\$ 2,268

As mentioned at Note 2, on July 1, 2018, the Company tested for goodwill impairment which resulted in a full impairment of goodwill. This includes the goodwill presented in the table above (see Note 6).

### 5. Discontinued Operations

During the year ended September 30, 2016, the Company determined that it would discontinue the operations of Prospect CharterCARE Elmhurst Extended Care, LLC (dba Elmhurst Extended Care). The Company's decision to discontinue the operations of each of the entities was based on the Company's management's strategy in their respective markets and financial results. The results of Elmhurst Extended Care's operations are included within loss from discontinued operations in the accompanying consolidated statements of operations.

*The remainder of this page intentionally left blank.*

**Prospect CharterCARE, LLC**  
**Notes to Consolidated Financial Statements**

---

Summarized financial information for discontinued operations is included below (in thousands):

<i>For the Years Ended September 30,</i>	2018	2017
Major line items constituting pretax loss of discontinued operations:		
Net revenues	\$ (10)	\$ 4,324
Operating expenses	91	5,403
Loss on discontinued operation	(101)	(1,079)
Gain from sale of discontinued operations	-	10,490
(Loss) income on discontinued operations	\$ (101)	\$ 9,411

## 6. Goodwill and Intangible Assets

Goodwill and intangible assets relate to the Prospect CharterCARE and CharterCARE Physicians medical practices acquisitions. The following is a roll-forward of goodwill for the years ended September 30, 2018 and 2017, respectively (in thousands):

<i>September 30,</i>	2018	2017
Balance, beginning of year	\$ 5,822	\$ 3,774
Acquisitions	8,406	2,048
Impairment	(14,228)	-
Balance, end of year	\$ -	\$ 5,822

Identifiable intangible assets are comprised of the following (in thousands):

	Amortization Period	September 30, 2018	September 30, 2017
Trade names	5 years	\$ 8,130	\$ 8,130
Other	5 years	97	97
Total acquisition cost of intangible assets		8,227	8,227
Less accumulated amortization		(7,016)	(5,373)
Intangible assets, net		\$ 1,211	\$ 2,854

Amortization is recognized on a straight-line basis (management's best estimate of the period of economic benefit) over the respective useful lives. Amortization expense was \$1,643,000 and \$1,643,000 for the years ended September 30, 2018 and 2017, respectively.

# Prospect CharterCARE, LLC

## Notes to Consolidated Financial Statements

Estimated amortization expense for each future fiscal year is as follows (in thousands):

<i>Years ended September 30,</i>	
2019	\$ 1,190
2020	19
<b>Total</b>	<b>\$ 1,209</b>

The weighted-average remaining useful life for the intangible assets was approximately one year as of September 30, 2018.

### 7. Members' Equity

In accordance with the Amended & Restated Limited Liability Company Agreement of PCC ("LLC Agreement"), the profit or loss of PCC is to be allocated to the members based on their Adjusted Capital Contribution, as defined in the LLC Agreement. Total member contributions were \$9,847,000 and \$10,616,000 for the years ended September 30, 2018 and 2017, respectively. All of these contributions were made by Prospect and are accounted for as additional member contributions, however, in accordance with the LLC Agreement, the contributions were allocated 85% to Prospect and 15% to CharterCARE Community Board, consistent with their ownership percentages.

The following table breaks out total member non-cash and cash contribution:

<i>September 30,</i>	2018	2017
Cash contributions	\$ -	\$ 4,153
Non-cash contributions	9,847	6,463
<b>Total</b>	<b>\$ 9,847</b>	<b>\$ 10,616</b>

The following is a summary of the members' capital accounts (in thousands):

	Prospect	CharterCARE Community Board	Total
<b>Balance at October 1, 2016</b>	\$ 40,185	\$ 7,092	\$: 47,277
Allocated contributions	9,024	1,592	10,616
Net loss	(3,507)	(619)	(4,126)
<b>Balance at September 30, 2017</b>	45,702	8,065	53,767
Allocated contributions	8,370	1,477	9,847
Net loss	(30,764)	(5,429)	(36,193)
<b>Balance at September 30, 2018</b>	<b>\$ 23,308</b>	<b>\$ 4,113</b>	<b>\$ 27,421</b>

# Prospect CharterCARE, LLC

## Notes to Consolidated Financial Statements

---

### 8. Related Party Transactions

The Company and Prospect East Hospital Advisory Services, LLC ("PEHAS"), a wholly-owned subsidiary of Prospect, entered into a Management Services Agreement ("MSA") as of June 20, 2014, under which PEHAS provides certain administrative and management services to PCC and its Subsidiaries. Management fees due to PEHAS under the MSA consist of 2% of net revenues monthly. The Company recognized management fees of \$7,298,000 and \$7,033,000 for the years ended September 30, 2018 and 2017, respectively, which is included within management fees expense in the accompanying consolidated statements of operations. As of September 30, 2018 and 2017, the Company had liabilities related to the MSA due PEHAS of \$30,568,000 and \$23,270,000, respectively. Subsequent to year-end, Prospect converted the unpaid management fees and certain unpaid payables to Members' Equity (see Note 12).

### 9. Commitments and Contingencies

#### Leases

The Company leases various office facilities and equipment from third parties under non-cancelable operating and capital lease arrangements expiring at various dates through 2023. Capital leases bear interest at rates ranging from 4.0% to 6.0% per annum.

The future minimum annual lease payments (net of anticipated sublease income) required under leases in effect at September 30, 2018, are as follows (in thousands):

<i>For the Years ending September 30,</i>	Capital Leases	Operating Leases
2019	\$ 829	\$ 452
2020	51	350
2021	44	288
2022	-	283
2023	-	283
Total minimum lease payments	924	\$ 1,656
Less: amounts representing interest	(34)	
	890	
Less: current portion	(798)	
	\$ 92	

Lease and rental expense was \$5,438,000 and \$4,792,000 for the years ended September 30, 2018 and 2017, respectively.

# Prospect CharterCARE, LLC

## Notes to Consolidated Financial Statements

---

### *Contingent Liability for Borrowings by Prospect*

The Company and its Subsidiaries are contingently liable as a guarantor among others for amounts borrowed by Prospect on senior secured borrowings and credit facilities as of September 30, 2018 and 2017. The obligations and related interest expense related to these credit facilities are not reflected in the Company's consolidated financial statements as of September 30, 2018 and 2017, as the borrowings are reflected in the separate consolidated financial statements of Prospect.

Total borrowings outstanding as of September 30, 2018 and 2017, reflected in the consolidated financial statements of Prospect, but for which the Company is contingently liable as a guarantor, were (in thousands):

<i>September 30,</i>	<b>2018</b>	<b>2017</b>
Senior secured term notes (net of discount of \$20,085 and \$7,374)	\$ 1,094,315	\$ 609,813
Less: deferred financing costs	(16,214)	(9,906)
	<b>\$ 1,078,101</b>	<b>\$ 599,907</b>

---

On June 30, 2016, Prospect entered into a six-year \$625 million senior secured term loan B (the "Original Term Loan"), the proceeds of which were used to repay \$425 million of PMH's existing 8.375% senior secured notes due during 2019; to repay \$60 million of borrowings under the Prospect's existing revolving credit facility (the "Replaced Revolver"); to fund acquisitions, including the acquisition of a fellow subsidiary; and to finance transaction fees and expenses. The Original Term Loan bore interest at LIBOR (subject to a 1.0% floor) plus 6.0%. The Original Term Loan was issued with an original discount of 1.5%, or \$9,375,000. Additionally, the Company refinanced the Replaced Revolver with a new \$100 million asset-based revolving credit facility ("Original ABL Facility" and together with the Original Term Loan, the "New Senior Secured Credit Facilities"). Pursuant to various amendments from August 2016 through October 2017, the aggregate commitment amount under the Original ABL facility was increased in stages to \$175 million. The maturity date for the Original ABL Facility was June 30, 2021, and the maturity date for the Term Loan was June 30, 2022.

On February 22, 2018, the Company refinanced and replaced both the Original Term Loan and the Original ABL Facility, and entered into an Amended and Restated Term Loan Credit Agreement (the "Amended TL Agreement"), by and among the Company (as the borrower), the lenders party thereto and JPMorgan Chase Bank, N.A. ("JPMorgan"), as administrative agent and collateral agent. The Amended TL Agreement replaced the Original Term Loan with a new Term B-1 Loan ("Term B-1 Loan"). The principal amount of the Term B-1 Loan is \$1,120 million and such loan bears interest at LIBOR (subject to a 1.0% floor) plus 5.5%, which as of September 30, 2018 was 7.625%. The Term B-1 Loan was issued with an original discount of 2% and matures on February 22, 2024.



# Prospect CharterCARE, LLC

## Notes to Consolidated Financial Statements

---

Additionally, on February 22, 2018, Prospect entered into an Amended and Restated ABL Credit Agreement (the "Amended ABL Agreement"), by and among the Company (as the borrower), the lenders party thereto and JPMorgan, as administrative agent and collateral agent. The Amended ABL Agreement replaced the Original ABL Facility. Under the Amended ABL Agreement, the maximum revolving commitment is \$250.0 million with ability to expand the facility to \$325.0 million, and the new ABL facility (the "New ABL Facility") bears interest at a variable base rate plus an applicable spread that is based on excess availability under the New ABL Facility, as further described in the Amended ABL Agreement, which was 3.875% as of September 30, 2018. The New ABL Facility matures on February 22, 2023. As of September 30, 2018, the available balance on the new ABL facility was \$41.0 million.

### *Letter of Credit*

As of September 30, 2018, Prospect secured an irrevocable letter of credit for \$733,000 on behalf of the Company for its School of Nursing ("School") as required by the U.S. Department of Education. The purpose of the letter of credit is to (i) pay refunds of charges owed on behalf of current or former students, whether or not the School remains open; (ii) to provide for the "teach-out" of currently enrolled students if the School closes; and (iii) to pay any liabilities owed to the U.S. Department of Education.

### *Other Commitments*

The Company has additional commitments for reagents that are based on tests performed. They are non-cancelable agreements but the future dollar commitments are not quantifiable as they are volume-driven.

### *Litigation*

The Company is subject to a variety of claims and suits that arise from time to time in the ordinary course of its business, acquisitions, or other transactions. While the Company's management currently believes that resolving all of these matters, individually or in the aggregate, will not have a material adverse impact on the Company's consolidated financial position or results of operations, the litigation and other claims that the Company faces are subject to inherent uncertainties and management's view of these matters may change in the future. Should an unfavorable final outcome occur, there exists the possibility of a material adverse impact on the Company's consolidated financial position, results of operations and cash flows for the period in which the effect becomes probable and reasonably estimable.

### *Legislation and HIPAA*

The healthcare 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 healthcare program participation requirements, reimbursement for patient services, and Medicare and Medicaid fraud and abuse. Government activity has continued with respect to investigations and allegations concerning possible violations of fraud and abuse statutes and regulations by healthcare providers. Violations of these laws and regulations could result in expulsion from government healthcare programs together with the imposition of significant fines and penalties, as well as significant repayments for patient services previously billed.

# Prospect CharterCARE, LLC

## Notes to Consolidated Financial Statements

---

The Company believes that it 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 Health Insurance Portability and Accountability Act ("HIPAA") assures health insurance portability, reduces healthcare fraud and abuse, guarantees security and privacy of health information, and enforces standards for health information. The Health Information Technology for Economic and Clinical Health Act ("HITECH Act") expanded upon HIPAA in a number of ways, including establishing notification requirements for certain breaches of protected health information. In addition to these federal rules, states have also developed their own standards for the privacy and security of health information as well as for reporting certain violations and breaches which in some cases are more stringent. Other federal privacy laws may also apply to certain services provided by the Company, including 42 C.F.R. Part 2, which addresses the confidentiality of substance use disorder records. The Company may be subject to significant fines and penalties if found not to be compliant with these state or federal provisions.

### *Affordable Care Act*

The Patient Protection and Affordable Care Act ("PPACA") has made significant changes to the United States health care system. The legislation impacted multiple aspects of the health care system, including many provisions that change payments from Medicare, Medicaid and insurance companies. Under this legislation, 33 states have expanded their Medicaid programs to cover previously uninsured childless adults, and four additional states voted in 2018 to expand Medicaid or to elect a governor that pledged to expand Medicaid. In addition, many uninsured individuals have had the opportunity to purchase health insurance via state-based marketplaces, state-based marketplaces using a federal platform, state-partnership marketplaces or the federally-facilitated marketplace. PPACA also implemented a number of health insurance market reforms, such as allowing children to remain on their parents' health insurance until age 26 or prohibiting certain plans from denying coverage based on pre-existing conditions. Nationally, these reforms have reduced the number of uninsured individuals.

It is unclear what changes may be made to PPACA with the divided Congress, current presidential administration, and pending litigation over the validity of PPACA. The Administration has promulgated rules to broaden the availability of coverage options that do not comply with the full range of PPACA requirements for individual market coverage, namely Association Health Plans and Short-Term Limited-Duration Insurance. The Administration has also provided additional guidance on state PPACA waivers. These executive actions have been or may be challenged in court. In addition, the Tax Cuts and Jobs Act ("TCJA"), passed in December 2017, eliminates the individual mandate penalty under PPACA, effective January 1, 2019. The individual mandate penalty was included in PPACA to address concerns that other market reforms expanding access to coverage might produce adverse selection and higher premiums. The extent to which the repeal of the individual mandate penalty will impact the uninsured rate and 2019 premiums is unclear at this juncture. On December 14, 2018, the United States District Court for the Northern District of Texas ruled that the individual mandate without the penalty is unconstitutional and that PPACA is therefore invalid in its entirety. Litigation on this issue is ongoing, with the Administration indicating it will continue implementing PPACA pending any appeals, the court ordering expedited briefing on a potential stay and certification of an interlocutory appeal, and pending litigation in the United States District Court for the District of Maryland to ensure continued implementation of PPACA. This litigation along with any future legislative changes to

# Prospect CharterCARE, LLC

## Notes to Consolidated Financial Statements

---

PPACA or other federal and state legislation could have a material impact on the operations of the Company. The Company is continuing to monitor the legislative environment and developments in pending litigation for risks and uncertainties.

### *Collective Bargaining Agreements*

Approximately 316 employees at SJHSRI are subject to a collective bargaining agreement with United Nurses and Allied Professionals (“UNAP”), which was effective beginning September 2016 and expires July 2019. During April 2015, a hospital unit consisting of approximately 400 service employees of SJHSRI elected to be represented by UNAP. The parties entered into a collective bargaining agreement which expired in October 2018 and is currently in the process of renegotiations. A small number of employees are subject to a collective bargaining agreement with the Federation of Nurses and Health Professionals (“FNHP”), which expires on July 30, 2021.

### *Provider Contracts*

Many of the Company’s payer and provider contracts are complex in nature and may be subject to differing interpretations regarding amounts due for the provision of medical services. Such differing interpretations may not come to light until a substantial period of time has passed following contract implementation. Liabilities for claims disputes are recorded when the loss is probable and can be estimated. Any adjustments to reserves are reflected in current operations.

## **10. Defined Contribution Plan**

The Company sponsors a defined contribution plan (the “Plan”) covering substantially all employees who meet certain eligibility requirements. Under the Plan, employees can contribute up to 100% of their compensation up to the IRS deferred annual maximum. Effective May 1, 2018, the plans covering employees at ECHN, Waterbury and Crozer were merged into the plan covering employees at CharterCARE, and the two remaining plans were renamed and segregated between union and non-union employees. The Company may make discretionary matching contributions to the Plan. Employer contributions to the Plan were \$1,925,000 and \$839,000 for the years ended September 30, 2018 and 2017, respectively.

## **11. Equity Method Investments**

Roger Williams Medical Center and an unrelated third party are owners of Roger Williams Radiation Therapy (“RWRT”) and Southern New England Regional Cancer Center, LLC (“SNERCC”), which provide radiation therapy services. Roger Williams accounts for these investments using the equity method of accounting.

RWMC is not liable for any obligations insured by RWRT or SNERCC nor is it obligated to make any further capital contributions or lend funds to RWRT or SNERCC. As of September 30, 2018 and 2017, the Company’s investments in RWRT, SNERCC, and other minor investments under the equity method were approximately \$4,088,000 and \$4,357,000, respectively, and are included in equity method investments in the accompanying consolidated balance sheets. For the years ended September 30, 2018 and 2017, the Company recognized approximately \$589,000 and \$605,000, respectively, as its share of the financial results of RWRT, SNERCC, and other minor investments and received \$614,000 and \$836,000, respectively, in distributions.

# Prospect CharterCARE, LLC

## Notes to Consolidated Financial Statements

Summarized combined unaudited financial information for RWRT and SNERCC as of and for the years ended September 30, 2018 and 2017 is as follows (in thousands):

<i>September 30,</i>	<b>2018</b>	<b>2017</b>
Cash	\$ 2,515	\$ 1,549
Receivables and other current assets	3,756	2,121
Total current assets	6,271	3,670
Property, improvements and equipment, net	3,502	6,104
Goodwill	7,142	7,142
Intangible assets	851	882
Other long-term assets	1,569	1,603
Total assets	\$ 19,335	\$ 19,401
Accounts payable and accrued liabilities	\$ 1,052	\$ 1,201
Other long-term liabilities	420	400
Equity	17,863	17,800
Total liabilities and partner's capital	\$ 19,335	\$ 19,401
<i>For the Years Ended September 30,</i>		
Revenues	\$ 17,278	\$ 16,387
Net income	\$ 2,953	\$ 2,941
Income from equity method investments	\$ 589	\$ 507

### 12. Subsequent Events (Unaudited)

On March 1, 2019, Prospect entered into Amendment No. 2 to the Amended and Restated ABL Credit Agreement, by and among Prospect (as the borrower), the lenders party thereto and JPMorgan, as administrative agent and collateral agent. Under this amendment, the maximum revolving commitment is increased from \$250.0 million to \$280.0 million, and the maximum expansion of the facility has been reduced from \$325.0 million to \$285.0 million. Additionally, the amendment provides for \$40.0 million of a "first in first out" revolving facility, which bears interest at either 2.5% or 3.5% per annum depending on whether they are Eurodollar loans or ABR loans.

# Prospect CharterCARE, LLC

## Notes to Consolidated Financial Statements

---

Further, on March 25, 2019, Prospect entered into Amendment No. 3 to the Amended and Restated ABL Credit Agreement, by and among Prospect (as the borrower), the lenders party thereto and JPMorgan, as administrative agent and collateral agent. Under this amendment, the maximum revolving commitment is increased from \$280.0 million to \$285.0 million.

In May 2019, Prospect East, which owns 85% of the Company, made a non-cash capital contribution in the amount of approximately \$24.7 million, which consisted of converting unpaid management fees due to PEHAS of approximately \$20.0 million and approximately \$4.7 million of unpaid invoices that Prospect paid on behalf of the Company at April 30, 2019, into equity.

JUN 2014 - SEP 2014  
 FINAL

ACCOUNT	JOURNAL	DATE	BCH ENTRY	DEBITS	CREDITS	DESCRIPTION	OPEN	TOTAL DEBITS	TOTAL CREDITS	NET CHANGE	CLOSE
10.1100.1021 - CHP PAYROLL ACCOUNT-CITIZENS (cont'd)											
PP		09/26/14	2 2		100.00	CCHP SPECIAL CHECK PAYMENTS					
AP		09/26/14	1 2		16,458.80	AP payments					
AP		09/29/14	2 5		35,527.02	AP payments					
GEN.CCHP		10/14/14	16 1-2		27,000.00	51 ADJ TRANSAMER WITHDRAWAL					
GEN.CCHP		10/15/14	11 3-2		0.75	58 ADJ PRO LEGACY ACCT					
				3,847,282.49	1,373,549.07						
JUN 2014 - SEP 2014							0.00	7,310,436.14	8,742,145.49	-1,431,709.35	-1,431,709.35

10.1100.1050 - CHP PROSPECT CASH AP											
JUN 2014							0.00	12,187,665.22	6,352,724.22	5,834,941.00	5,834,941.00
AP		06/20/14	2 3		45,790.93	AP payments					
AP		06/23/14	1 3		39,500.22	AP payments					
AP		06/24/14	2 1		4,664.26	AP payments					
AP		06/25/14	2 1		2,452.32	AP payments					
AP		06/26/14	2 3		45,790.92	AP payments					
AP		06/27/14	2 7		259,492.92	AP payments					
AP		06/30/14	1 2		120,091.51	AP payments					
GEN.CCHP		07/10/14	9 10-1	79,781.57		83 CORRECT 6/14/14 WIRE					
GEN.CCHP		07/11/14	1 2-1	14,796.65		86 CORRECT CCHP DEPOSIT DEPOSITED TO CONCENTR					
GEN.CCHP		07/11/14	4 3-1	258,146.00		91 TO RECORD WIRE OUT TO CORRECT GL					
GEN.CCHP		07/11/14	10 1-1	6,000,000.00		96 RECORD PROSPECT CASH PAYMENT					
PMHCNV		08/12/14	10 1		5,834,941.14	CCHP GL CONVERSION BATCH					
FPA		08/13/14	7 2	5,834,941.00		41 CHANGE IN BALANCE SHEET					
				12,187,665.22	6,352,724.22						
JUL 2014							5,834,941.00	819,139.04	1,806,075.43	-986,936.39	4,848,004.61
AP		07/03/14	2 1		132,366.81	AP payments					
AP		07/08/14	1 5		9,835.27	AP payments					
AP		07/09/14	1 1		24,768.05	AP payments					
AP		07/10/14	2 2		146,724.26	AP payments					
AP		07/14/14	2 1		2,837.50	AP payments					
AP		07/15/14	1 140	365,000.00		V# A012B47 I# 071514CCHP_PROSPECTCCHP F# CCHP Vendor: CHARTER CARE HEALTH PARTNERS					
AP		07/15/14	3 1	391,148.07		VOID - Bank: CCHP-WIRE Check: 000254 F#: CCHP					
AP		07/15/14	3 2		756,148.07	AP payments					
AP		07/17/14	2 1		450.03	AP payments					
AP		07/18/14	1 3		18,057.21	AP payments					
AP		07/21/14	2 3		2,026.33	AP payments					
AP		07/22/14	2 3		374,783.44	AP payments					
AP		07/23/14	1 10	6,543.25		VOID - Bank: CCHP-BANK Check: 107121 F#: CCHP					
AP		07/23/14	1 13		116,123.68	AP payments					
AP		07/24/14	1 3		5,327.95	AP payments					
AP		07/25/14	1 5		346.67	AP payments					
AP		07/29/14	1 2		35,348.96	AP payments					
AP		07/31/14	3 17	2,657.94		VOID - Bank: CCHP-BANK Check: 107117 F#: CCHP					
AP		07/31/14	3 18	946.75		VOID - Bank: CCHP-BANK Check: 107119 F#: CCHP					
AP		07/31/14	3 19	2,178.75		VOID - Bank: CCHP-BANK Check: 107120 F#: CCHP					
AP		07/31/14	3 20	878.50		VOID - Bank: CCHP-BANK Check: 107122 F#: CCHP					
AP		07/31/14	3 21	787.50		VOID - Bank: CCHP-BANK Check: 107123 F#: CCHP					

**AMENDED & RESTATED  
LIMITED LIABILITY COMPANY AGREEMENT**

**OF**

**PROSPECT CHARTERCARE, LLC  
(a Rhode Island Limited Liability Company)**

**June 20, 2014**

THE MEMBERSHIP INTERESTS IN PROSPECT CHARTERCARE, LLC HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR UNDER THE SECURITIES LAWS OF ANY STATE AND ARE BEING OFFERED AND SOLD IN RELIANCE ON EXEMPTIONS FROM THE REGISTRATION REQUIREMENTS OF SUCH ACTS. EXCEPT AS SPECIFICALLY OTHERWISE PROVIDED IN THIS AGREEMENT, THE INTERESTS MAY NOT BE SOLD, TRANSFERRED, PLEDGED OR HYPOTHECATED WITHOUT REGISTRATION UNDER SUCH ACTS OR AN OPINION OF COUNSEL THAT SUCH TRANSFER MAY BE LEGALLY EFFECTED WITHOUT SUCH REGISTRATION. ADDITIONAL RESTRICTIONS ON TRANSFER AND SALE OF SUCH MEMBERSHIP INTERESTS ARE SET FORTH IN THIS AGREEMENT.

[Table of Contents and Pages 1-9 omitted]

3.3 Powers. Subject to the limitations contained in this Agreement and in the Act, the Company purposes and nature of the business as defined in Sections 3.1 and 3.2 (collectively, the “Company Purposes”) may be accomplished by the Manager or the Board of Directors taking any action permitted under this Agreement that is customary or reasonably related to accomplishing such Company Purposes.

3.4 Conflicts of Interest Policy. The Board of Directors and the Manager shall cause the Company to adopt and maintain the policy concerning conflicts of interest attached as Exhibit C hereto (or any new and/or amended conflicts policies or practices hereafter adopted by the Board of Directors).

3.5 Conduct of Operations. The Company shall conduct its activities and those of the Company Subsidiaries consistent with the operating commitments set forth in Sections 13.13 through 13.17 of the Purchase Agreement, and in a manner that materially complies with all applicable Law.

#### IV. CAPITAL CONTRIBUTIONS, LOANS, CAPITAL ACCOUNTS.

4.1 Capital Contributions. The interests of the Members shall be divided into Units. Each of the Members and other Persons who may, from time to time, become Members has contributed to the capital of the Company the amount listed on Exhibit B attached hereto, as the same may be amended from time to time pursuant to Section 17.11 to reflect the admission of new Members, transfers and other appropriate revisions to the information set forth therein. Each of the Members has been issued the number of Units listed on Exhibit B.

##### 4.2 Additional Capital Contributions.

(a) The Company and the Company Subsidiaries shall fund additional capital expenditures related to the Hospitals and their facilities in an annual amount of at least \$10,000,000 per year, or such greater amount as Approved by the Board.

(b) The Prospect Member hereby commits to make additional Capital Contributions to the Company in an aggregate amount of the Long-Term Capital Commitment, to be made within four (4) years of the date of this Agreement at such times and in such increments as the Board of Directors causes the Manager to request. With respect to each request for a Capital Contribution from the Prospect Member pursuant to the Long-Term Capital Commitment: (i) such request shall be supported by a return-on-investment calculation or a material needs assessment (in each case, acceptable to both Members); and (ii) the Capital Contributions shall neither reduce CCHP’s interest or Units in the Company nor increase the Prospect Member’s interest or Units in the Company. Subject to the foregoing, and except as otherwise provided in Sections 4.2(c) and (d) below, the Company shall cause the Long-Term Capital Commitment to be used by the Company or the Company Subsidiaries on (x) the development and implementation of physician engagement strategies, and (y) projects related to facilities and equipment (“Capital Projects”). Capital Projects currently identified include the following: expansion of the cancer center at Roger Williams; expanding the emergency department at Roger Williams; renovating and/or reconfiguring the emergency department at Fatima Hospital; renovating the operating rooms at Roger Williams; converting all patient rooms



to private rooms at the Hospitals; renovating and expanding the ambulatory care center at Fatima Hospital; installing new windows at the Hospitals; installing a new generator at Fatima Hospital; providing a face lift for the facades at the Hospitals; and constructing handicap access at the front entrances of the Hospitals (with the specific Capital Projects to be funded as determined by the Board).

(c) Notwithstanding Section 4.2(b) above:

(i) In the event that, during the period between execution of the Purchase Agreement and the date hereof, Prospect or a Prospect Affiliate has advanced to CCHP any amounts pursuant to that certain Interim Management Advisory Agreement between Prospect and CCHP entered into concurrently with the Purchase Agreement, as of the date hereof, such amounts shall be treated as partial satisfaction of the Long-Term Capital Commitment;

(ii) In the event that, during the period commencing as of the date hereof and continuing for a period of up to three (3) months following the effective date hereof, the Company (including the Company Subsidiaries, for purposes of this Section 4.2(c)) requires cash to fund operations and the Prospect Member determines to provide such cash, then: (x) such amount shall not exceed Ten Million Dollars (\$10,000,000); (y) the aggregate amount of cash provided by the Prospect Member (the "Initial Working Capital Amount") shall be treated as partial satisfaction of the Long-Term Capital Commitment; and (z) for a period of up to four (4) years after the effective date hereof, if and as the Company and the Company Subsidiaries accrue excess cash beyond their collective budgeted operating and capital needs, including Reserves, such excess cash, in an amount (to the extent of such excess cash) equal to the amount of the Initial Working Capital Amount, shall be made available to be used for Capital Projects described in Section 4.2(b) above (and subject to the process and requirements therein). The foregoing shall be in addition to the annual commitment of the Company and the Company Subsidiaries to fund Capital Projects set forth in Section 4.2(a) above. The Company shall periodically report to the Board amounts provided by the Prospect Member which are included in the Initial Working Capital Amount, and the subsequent use of excess cash by the Company and the Company Subsidiaries for other Capital Projects as described in subpart (z) above; and

(iii) With respect to that certain capital lease obligation entered into by and between Roger Williams and Philips Medical dated December 27, 2012, with respect to Sellers' cardiac catheterization laboratory, which capital lease obligation is being assumed by the Company as of the effective date hereof pursuant to the Purchase Agreement, the long-term portion of such lease as of the date of the Purchase Agreement (*i.e.*, \$558,288), shall be treated as partial satisfaction of the Long-Term Capital Commitment.

(d) Outside of the circumstances contemplated by Section 4.2(c) above, if funds are required for any expenditure of the Company (including the Company Subsidiaries, for purposes of this Section 4.2(d)) necessary for the operation of the Company and/or any expansion of the Company as Approved by the Board, the Company shall seek such funds from sources in the following order of priority: (A) cash generated by the operations of the Company and the Company Subsidiaries; (B) from the Prospect Member pursuant to the Prospect Member's Long-Term Capital Commitment; (C) commercial loans from third parties on

mutually agreeable terms (and in compliance with the Indenture, the Credit Agreement and any other debt agreements of Prospect or an applicable Prospect Affiliate); (D) loans from Prospect or any Prospect Affiliate to the extent available at market rates and on mutually agreeable terms (and in compliance with the Indenture, the Credit Agreement and any other debt agreements of Prospect or such Prospect Affiliate); and (E) if the Company has made commercially reasonable efforts to obtain the needed funds as set forth above and has been unable to obtain such funds and the Prospect Member's Long-Term Capital Commitment has been fully satisfied, the Manager, with Approval of the Board, shall have the right to request that the Members make additional Capital Contributions pro rata in accordance with each Member's Sharing Percentage ("Additional Capital Contributions").

(e) Subject to (d) above, if the Manager, as Approved by the Board, makes a request to the Members for an Additional Capital Contribution, no Member shall be required to make such Additional Capital Contribution, provided that if any Member elects not to make a portion or all of the Additional Capital Contribution (a "Noncontributing Member"), the other Members (the "Contributing Members") shall have the right, but not the obligation, to contribute to the Company the amount of cash that the Noncontributing Member or Members failed to contribute. The Members shall have thirty (30) days after the Manager's request in which to elect to make or not make such Additional Capital Contributions. Effective as the end of such thirty (30)-day period, if some but not all of the Members make such Additional Capital Contributions, then the Members' Sharing Percentages shall be adjusted as follows (and a pro rata adjustment shall also be made to each Member's Units): Each Member's Sharing Percentage thereafter shall be equal to a fraction (converted to a percentage), the numerator of which is the amount of such Member's (including its predecessors in interest) Adjusted Capital Contributions (including the Additional Capital Contributions just made by such Member, if any) and the denominator of which is the aggregate amount of all Members' (including their predecessors in interest) Adjusted Capital Contributions (including the Additional Capital Contributions just made); provided that no change in Sharing Percentages shall occur by reason of the Prospect Member's Long-Term Capital Commitment; and provided further that in no event may the Sharing Percentage of CCHP be diluted to less than five percent (5%), and if CCHP's Sharing Percentage equals 5%, then any additional amounts contributed by the Prospect Member shall be treated as loans from the Prospect Member to the Company. The number of Units held by each Member shall be adjusted automatically to reflect any change in the Members' Sharing Percentages under this Section 4.2(e). No person other than a Member or Manager of the Company may enforce any provision of this Agreement relating to the payment of additional capital.

4.3 Capital Accounts. A capital account ("Capital Account") shall be established and maintained for each Member for the full term of this Agreement in accordance with the capital account maintenance rules of Section 1.704-1(b)(2)(iv) of the Regulations. The initial Capital Accounts of the Members are set forth on Exhibit B attached hereto. Each Member shall have only one Capital Account, regardless of the number or classes of Units or other interests in the Company owned by such Member and regardless of the time or manner in which such Units or other interests were acquired by such Member. Pursuant to the basic capital account maintenance rules of Section 1.704-1(b)(2)(iv) of the Regulations, the balance of each Member's Capital Account shall be:

[Pages 13-17 omitted]

(b) The existence or nonexistence of any fact or facts that constitute a condition precedent to acts by the Manager or which are in any other manner germane to the affairs of the Company or the Company Subsidiary;

(c) The Persons who are authorized to execute and deliver any instrument document of the Company or the Company Subsidiary; or

(d) Any act or failure to act by the Company or a Company Subsidiary on any other matter whatsoever involving the Company, any Member thereof, or a Company Subsidiary.

8.3 Specific Limitations on the Manager. Notwithstanding anything to the contrary in the Management Agreement, this Agreement, the Act or the Articles, each of the following actions shall require Approval of the Board:

(a) Adopting any new and/or modified purposes, mission and values statement for the Company or any Company Subsidiary;

(b) Development and approval of a strategic plan for the Company (including the Company Subsidiaries), including any and all strategic initiatives and objectives;

(c) Approving the annual operating and capital budgets of the Company (including the Company Subsidiaries), which shall be consistent with the Company's strategic plan;

(d) Changing the charity care policy of the Company and the Company Subsidiaries, and overseeing the record of its implementation;

(e) Approving the appointment of the Chief Executive Officer of the Company recommended by the Manager;

(f) Approving the Manager's recommendation to terminate the employment of the Chief Executive Officer of the Company at any time prior to the second (2<sup>nd</sup>) anniversary of the date of this Agreement;

(g) Appointing individuals to serve on the Local Boards of the Hospitals (as per Section 12.4 below);

(h) Approving Medical Staff credentialing, other Medical Staff related decisions, and quality assurance and accreditation matters, all as per recommendations of the Local Boards of the Hospitals (subject to Section 12.4 below);

(i) Approving the process for managing conflicts among leadership groups at the Hospitals;

(j) Approving any reduction in Essential Services at either Hospital, if and as provided in Section 13.15 of the Purchase Agreement;

(k) Approving any change in the medical staff bylaws and structure of the Hospitals, if and as provided in Section 13.17 of the Purchase Agreement;

(l) Approving any change of a Hospital's name;

(m) Requests for the Prospect Member to make an additional Capital Contribution to the Company in connection with its Long-Term Capital Commitment, as provided in Section 4.2(b) above;

(n) Requests for the Members to make Additional Capital Contributions to the Company, as provided in Section 4.2(e) above;

(o) Decisions to make Certificate of Need Filings or reverse Certificate of Need Filings;

(p) Entering into a contract to incur an obligation to repay borrowed money; provided that Approval of the Board is not required for the Manager to cause the Company to borrow funds up to the Borrowing Limit;

(q) Electing to distribute or not distribute the Distributable Cash;

(r) Entering into or modifying any agreement, arrangement or business dealings between the Company (and/or any Company Subsidiary) and the Prospect Member or any Prospect Affiliate; provided, however, that such action shall require the approval of only the Category A Directors;

(s) Admitting any additional Members or issuing additional Units, except in accordance with the provisions of Article XIII hereof;

(t) Recognizing the transfer of a Member's interest in the Company, unless such transfer is in compliance with the provisions of Article XIII hereof;

(u) Acquiring or disposing of any health care related facility and its related assets in a single transaction or series of related transactions;

(v) Engaging in any merger, consolidation, share exchange or reorganization of the Company or any Company Subsidiary, or sale of all or substantially all of the assets of the Company or any Company Subsidiary;

(w) Amendments to the Articles, this Agreement and other governing documents of the Company (except as otherwise expressly provided in Section 17.11 below or where required by Law); and

(x) Approving a decision to dissolve or liquidate the Company or any Company Subsidiary.

8.4 Management Obligations of the Manager. Subject to the terms and conditions of the Management Agreement, the Manager shall devote such time to the Company and the



*Attorneys At Law*  
*A Limited Liability Partnership*

September 13, 2018

**REGISTERED MAIL**  
**RETURN RECEIPT REQUESTED**

CharterCARE Community Board  
c/o Richard L. Land, Esq.  
One Park Row, Suite 300  
Providence, RI 02903

David Hirsch, President  
CharterCARE Community Board  
50 South Main Street  
Providence, RI 02903

**Re: Notice of Dispute**

Dear Mr. Hirsch:

This firm represents Prospect East Holdings, Inc. (“Prospect East”) in connection with the Amended & Restated Limited Liability Company Agreement of Prospect Chartercare, LLC, as amended (the “LLC Agreement”). We are writing to provide you with notice pursuant to the LLC Agreement and to initiate the dispute resolution process set forth in Section 17.4 of the LLC Agreement.

Prospect East is in receipt of the Settlement Agreement executed by CharterCARE Community Board (“CCCB”), Stephen DelSesto, as Receiver and Administrator of the St. Joseph Health Services of Rhode Island Retirement Plan (the “Receiver”) and other parties, dated on or about August 31, 2018 (the “Settlement Agreement”). As it relates to Prospect East, CCCB and their respective obligations under the LLC Agreement, the Settlement Agreement provides:

1. That CCCB will hold its 15% membership interest in Prospect Chartercare, LLC in trust for the Receiver and that the Receiver will have the full beneficial interests therein. Settlement Agreement, paragraph 17;
2. That the Receiver will have the power to direct and control CCCB’s future exercise of the put option set forth in the LLC Agreement. Settlement Agreement, paragraph 18;

1080 Main Street  
Pawtucket, Rhode Island 02860  
p 401.272.1400 f 401.272.1403  
www.shslawfirm.com

PCC-000780

3. That the Receiver shall have the right to sue in the name of CCCB to collect or otherwise obtain the value of the beneficial interest in Prospect Chartercare LLC. Settlement Agreement, Paragraph 19;
4. That upon the Receiver's written demand, CCCB file a petition for its Judicial Liquidation and follow the requests of the Receiver to marshal its assets and oppose claims of other creditors. Settlement Agreement, Paragraph 24; and
5. That CCCB grant the Receiver a security interest in its assets, investment property and general intangibles, which would include its membership interest in Prospect Chartercare LLC. Settlement Agreement, Paragraph 29.

Prospect East considers each of the above provisions in the Settlement Agreement to be in violation of the LLC Agreement. Section 13.1 of the LLC Agreement provides, in pertinent part, as follows:

...[A] member may not sell, assign (by operation of Law or otherwise), transfer, pledge or hypothecate ("Transfer") all or any part of its interest in the Company (either directly or indirectly through the transfer of the power to control, or to direct or cause the direction of the management and policies, of, such Member.

The above-referenced provisions of the Settlement Agreement plainly include a hypothecation of CCCB's interest, by the granting of a security interest, by the transfer of CCCB's beneficial interest and by the transfer to the Receiver of the power to control and direct CCCB. As such, the purported transfers contemplated by the Settlement violate the LLC Agreement and constitute invalid transfers under Section 13.6 of the LLC Agreement.

We are prepared to meet with you in an effort to negotiate a resolution to this dispute. Please contact me with a date and time when you are available to meet.

Very truly yours,

*Preston Halperin*

Preston W. Halperin

Cc: Prospect East Holdings, LLC

Robert B. Berkelhammer<sup>††</sup>  
Nathan W. Chace  
Douglas J. Emanuel<sup>\*‡</sup>  
Robert D. Fine<sup>\*</sup>  
Carl I. Freedman  
Macrina G. Hjerpe<sup>\*\*</sup>  
Bret W. Jedele  
Drew P. Kaplan  
Richard J. Land<sup>\*</sup>  
Allan M. Shine<sup>\*</sup>  
Don E. Wineberg<sup>\*</sup>

LuAnn Cserr<sup>‡</sup>  
Andre S. Digou<sup>\*</sup>  
Jared R. Sugerman<sup>\*</sup>

Bruce R. Ruttenberg, *retired*

\* Also admitted in Massachusetts  
† Also admitted in Connecticut  
‡ Also admitted in New York  
‡ Also admitted in Washington, D.C.  
\* Admitted in California  
‡ Admitted U.S. Patent & Trademark Office

## PRESERVATION NOTICE

November 8, 2017

Moshe Berman, Esq.  
General Counsel  
CharterCARE Health Partners  
825 Chalkstone Avenue  
Providence, RI 02908  
moshe.berman@chartercare.org

Re: Preservation Notice

Dear Moshe:

I am writing to you on behalf of our clients, St Joseph Health Services of Rhode Island, CharterCare Community Board, and Roger Williams Medical Center (collectively "Clients"). Our office has been discussing with you for several months the existence and location of records and information relating to our Clients. While you have undertaken to preserve such records without formal notice, please consider this letter our formal notice to preserve.

As you know, SJHSRI is engaged in a receivership proceeding captioned as St Joseph Health Services of Rhode Island, Inc. v. St. Joseph Health Services of Rhode Island Retirement Plan, PC2017-3856, currently pending in the Rhode Island Superior Court. As a party to this suit, our Clients may be obligated to take steps to preserve all potentially relevant evidence. This can include evidence in the possession, custody or control of CharterCARE Health Partners.

CR & F

Accordingly, please take all necessary steps to preserve any documents or electronically stored information (ESI) that could be considered relevant to this dispute, including but not limited to, all corporate, financial and transactional documents, ESI and information. All emails and ESI should be preserved in electronic form. To the extent that you have any other emails, ESI or documents that may be relevant, please preserve those as well. I will follow up with you as the case progresses to determine how best to retrieve what you are preserving.

I appreciate your prompt attention to this matter. Please do not hesitate to contact me if you have any questions.

Sincerely,



Andre S. Digou





*Attorneys At Law*  
*A Limited Liability Partnership*

*Preston W. Halperin, Esq.*  
*phalperin@shslawfirm.com*

June 27, 2019

**REGISTERED MAIL**  
**RETURN RECEIPT REQUESTED**  
**(9590926699042145734985-Land)**  
**(9590926699042145734992-Hirsch)**

CharterCARE Community Board  
c/o Richard L. Land, Esq.  
One Park Row, Suite 300  
Providence, RI 02903

David Hirsch, President  
CharterCARE Community Board  
50 South Main Street  
Providence, RI 02903

**Re: Demand for Indemnification**

Dear Mr. Hirsch:

This firm represents Prospect Medical Holdings, LLC (“Prospect”) and Prospect East Holdings, Inc. (the “Prospect Member”) in connection with the Amended & Restated Limited Liability Company Agreement of Prospect Chartercare, LLC, as amended (the “LLC Agreement”) and the Asset Purchase Agreement among Chartercare Health Partners, et al and Prospect, the Prospect Member, et al, dated as of September 24, 2013 (the “APA”).

We are writing pursuant to Section 17.2 (a) the LLC Agreement to demand that you comply with the indemnification provisions of the APA by making payment to Prospect and the Prospect Member for Damages (as that term is defined in Section 14.2 of the APA) arising from or in connection with the St. Joseph Health Services of Rhode Island Retirement Plan (the “Retirement Plan”) which is one of the “Excluded Liabilities” under the APA. You are further notified that Prospect and the Prospect Member are entitled to indemnification pursuant to Sections 14.2(d) and 14.5 of the APA based upon Damages incurred in connection with the civil actions entitled, *St. Joseph Health Services of Rhode Island, Inc. v. St. Josephs Health Services of Rhode Island Retirement Plan*, C.A. No. PC-2017-3856, Providence Superior Court and *Stephen DelSesto, as Receiver and Administrator of the St. Joseph Health Services of Rhode*

1080 Main Street  
Pawtucket, Rhode Island 02860  
p 401.272.1400 f 401.272.1403  
www.shslawfirm.com

PCC-000784

Richard L. Land, Esq.  
David Hirsch, President  
June 27, 2019  
Page two

*Island Retirement Plan v. Prospect Chartercare, LLC*, et al, Case No. 1:18-cv-00328-WES-LDA, United States District Court, District of Rhode Island.

To date, Prospect and the Prospect Member have sustained Damages in the amount of at least \$2,018,597.35 as a result of their costs of investigation and defense and reasonable attorneys' fees and expenses relating to claims against them arising out of the Retirement Plan. Because these actions are ongoing, Prospect and the Prospect Member anticipate that they will incur substantial additional Damages. Pursuant to Section 17.2 (a) of the LLC Agreement, Prospect and the Prospect Member reserve all rights and remedies, including, without limitation those set forth in the aforesaid Section 17.2 (a) should you fail to pay all of such amount within thirty (30) days from your receipt of this demand.

Very truly yours,

*Preston Halperin*

Preston W. Halperin

Cc: Prospect East Holdings, LLC  
Prospect Medical Holdings, LLC

March 21, 2018

**VIA HAND DELIVERY and EMAIL**

CharterCARE Community Board  
c/o Richard J. Land, Esq.  
Chace Ruttenberg & Freedman, LLP  
One Park Row, Suite 300  
Providence, RI 02903

**Re: Notice of and demand for indemnification pursuant to the Asset Purchase Agreement dated as of September 24, 2013 (as amended, the “Purchase Agreement”), by and among CharterCARE Health Partners, various other entities listed therein as “Sellers,” Prospect Medical Holdings, Inc., Prospect East Holdings, Inc., Prospect CharterCare, LLC and various other entities listed therein as “Company Subsidiaries.”**

Dear Rick:

Please be advised that Adler Pollock & Sheehan P. C. represents Prospect Medical Holdings, Inc. (“Prospect”), Prospect East Holdings, Inc., Prospect Charter Care, LLC (“Company”) and the various entities referred to as the “Company Subsidiaries” in the Purchase Agreement. Capitalized terms used in this letter not otherwise defined shall have the meanings assigned to them in the Purchase Agreement.

On behalf of the above referenced entities, we hereby formally notify you that Prospect and certain affiliates have received a Letter of Responsibility dated December 20, 2017 (“Letter of Responsibility”) from the Rhode Island Department of Environmental Management (“DEM”) with respect to being “Potentially Responsible Parties” under DEM regulations regarding the remediation and clean-up of the so-called “Truk-Away Landfill” in Warwick, Rhode Island, further designated as Plat 326, Lots 22, 23, 28, 73 and Plat 342, Lots 2, 3, 5, and 429 of the City of Warwick’s Tax Assessor Plat Maps. The Letter of Responsibility has been provided as a result of the alleged disposal of waste at the Truk-Away Landfill by certain of the Sellers prior to the consummation of the transactions contemplated by the Purchase Agreement. Based upon our prior discussions, it is our understanding that you have already received a copy of the Letters of Responsibility from DEM.

Any loss, liability, claim, damage or expense (including costs of investigation and defense and reasonable attorneys’ fees and expenses) (collectively, “Losses”) resulting from or evidenced by the matters set forth in the Letter of Responsibility is an “Excluded Liability” under Section 2.4

of the Asset Purchase Agreement for which the Sellers retained responsibility. In accordance with Section 14.2(c) of the Asset Purchase Agreement, we hereby advise you and the other Sellers on behalf of Prospect, Prospect Member, Company, the Company Subsidiaries and their respective Affiliates, officers, directors, trustees, employees, stockholders, partners, members, agents, representatives, successors and permitted assigns (collectively, the Company/Prospect Indemnified Persons”) that Sellers are jointly and severally obligated to indemnify and hold Company/Prospect Indemnified Persons harmless from and against any and all Losses arising out of, by reason of, or relating to this Excluded Liability. At present, it is not possible to definitively quantify the full amount of the Losses that have been and may be incurred by the Company/Prospect Indemnified Persons as a result thereof.

As we have already discussed and consistent with Section 14.5(g) of the Purchase Agreement, AP&S will continue to represent Prospect Medical Holdings and CharterCARE Health Partners and forward our invoices to you for payment.<sup>1</sup>

All rights are reserved and none are waived.

Should you have any questions or wish to discuss this matter any further, please do not hesitate to contact me.

Very truly yours,



PATRICIA K. ROCHA

cc: Keith R. Anderson, Esq.  
Drinker Biddle & Reath LLP  
191 North Wacker Drive, Suite 3700  
Chicago, IL 60606-1699

892206v1

---

<sup>1</sup> Jennifer Cervenka is representing SJHSRI and Roger Williams Hospital.

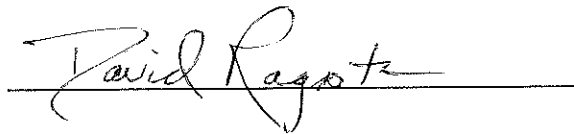


**Attestation**

I, David Ragosta, hereby attest as follows:

1. I am the Chief Financial Officer of Prospect CharterCARE, LLC ("PCC"). I make this attestation on my personal knowledge and on the basis of my review of the business records of PCC.
2. There has been no change in Prospect Medical Holding Inc.'s 85% ownership of PCC.

I hereby certify that the information contained in this attestation is complete, accurate and true to the best of my knowledge and information. Executed on July 15, 2020

  
\_\_\_\_\_

CharterCARE  
Health Partners  
825 Chalkstone Avenue  
Providence, RI 02908-4135  
(401) 456-2001

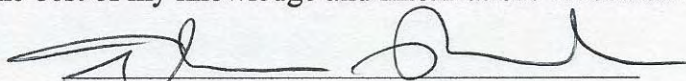
**Attestation**

I, Thomas Reardon, hereby attest as follows:

1. I am the President of Prospect Medical Holdings East, LLC. I make this attestation on my personal knowledge and on the basis of my review of the business records of Prospect CharterCARE, LLC.

2. The proceeds from the sales of the Fruit Hill Avenue property, the Peace Street property, and Elmhurst Extended Care Facility have been used entirely for the benefit of Prospect CharterCARE SJHSRI, LLC d/b/a Our Lady of Fatima Hospital and Prospect CharterCARE RWMC LLC, d/b/a Roger Williams Medical Center.

I hereby certify that the information contained in this attestation is complete, accurate and true to the best of my knowledge and information. Executed on July 16, 2020

A handwritten signature in black ink, appearing to read 'Thomas Reardon', is written over a horizontal line.



SINGLE FAMILY PURCHASE AND SALES AGREEMENT  
Rhode Island Association of REALTORS®



**1. SALES AGREEMENT**

This ("Agreement") made between ("Seller"): PROSPECT CHARTERCARE SJSRI, LLC  
Attn: LESTER SCHINDEL CEO

Mailing Address: 825 Chalkstone Avenue Providence RI 02908  
and ("Buyer"): Conray Anderson

Mailing Address: 28 Steere Avenue North Providence RI 02911

Seller agrees to SELL and Buyer to BUY, upon the price and terms below, the following property (the "Property"):  
Property Address 577 Fruit Hill Avenue Assessor's Plat 17 Lot 4  
Block \_\_\_\_\_ in the City/Town of North Providence, State of Rhode Island, Zip code 02911

**2. DATE OF THIS AGREEMENT**

The Date of this Agreement shall be the later of: (a) the date on which Buyer signs this Agreement, or (b) the date on which Seller signs this Agreement.

**3. PURCHASE PRICE**

Buyer agrees to pay Seller a Purchase Price for the Property in the amount of:  
Two Hundred Thirty Thousand Dollars (\$ 230,000.00) ("Purchase Price") of which:  
\$ 1,000.00 has been paid as a deposit.  
\$ \_\_\_\_\_ Additional deposit to be paid on or before \_\_\_\_\_  
\$ 229,000.00 Balance due at closing by cash, certified check, wire transfer and/or bank check.  
\$ 230,000.00 TOTAL PURCHASE PRICE.

**4. CLOSING DATE/PLACE**

Closing is to be held on July 6th, 2016 at 10:00 A.M. at the office of the Registry of Deeds or at such other time and place as may be agreed to by Buyer and Seller. Delivery of deed shall occur at the closing. Buyer and Seller authorize the closing agent to release to Broker(s) signed copies of the closing statement(s).

**5. DEPOSITS**

All deposits shall be held in an escrow account by the Listing Brokerage Firm named in Section 18, unless mutually agreed otherwise in writing by Buyer and Seller, and applied to the Purchase Price, except as otherwise provided.

- (a) The release of all deposits shall be upon execution of a written release by Buyer and Seller or as otherwise provided in Commercial Licensing Regulation 11.
- (b) In the event of a dispute between Seller and Buyer as to the performance of any provision of this Agreement, the holder of the deposits shall transfer the deposits to the General Treasurer of Rhode Island after 100 calendar days from the date of the original deposit, in accordance with the above regulation.

**6. WAIVER OF MORTGAGE CONTINGENCY**

If initialed by Buyer, this Agreement is not contingent upon financing and Section 7 of this Agreement shall not apply. \_\_\_\_\_ (Initials of Buyer)

**7. MORTGAGE CONTINGENCY**

This Agreement is subject to Buyer obtaining a commitment letter issued by an institutional mortgage lender or mortgage broker ("Lender") on or before 6/9/2016 ("Mortgage Contingency Deadline") under the following terms: an amount not to exceed \$ 210,000.00 at an initial rate of interest not to exceed 4.5 % per year, for a term of at least 30 years, with a maximum of -0- points. Buyer authorizes Seller and/or Listing Licensee to contact any such Lender(s) to confirm the status of Buyer's application.

- (a) Satisfaction of Contingency: Once Buyer delivers a commitment letter to Seller or Listing Licensee in accordance with Section 18, this Contingency is deemed satisfied, regardless of whether the stipulations and conditions in the commitment letter are met. Buyer assumes all obligations in fulfilling any and all conditions of the commitment letter.
- (b) Denial of Mortgage: If Buyer applies for a mortgage as described above and receives a written denial for such mortgage, then, upon delivering a copy of the denial to Seller or Listing Licensee in accordance with Section 18 on or before the Mortgage Contingency Deadline or extensions, this Agreement shall be declared null and void and Buyer shall have the right to the Deposits in accordance with Section 5 unless Buyer waives the mortgage contingency in writing.
- (c) Extension: If Buyer has received neither a commitment letter nor a denial for such mortgage on or before the Mortgage Contingency Deadline, Buyer may request, on or before the Mortgage Contingency Deadline, and by written notice to Seller or Listing Licensee in accordance with Section 18, to extend the time by which a copy of the commitment letter or denial must be delivered, or waive the Mortgage Contingency by written notice in accordance with Section 18. In response to Buyer's request, Seller may, on or before the Mortgage Contingency Deadline, and by written agreement with Buyer, extend the time by which a copy of the written denial must be delivered. If Seller does not extend the Mortgage Contingency Deadline, this Agreement shall be null and void and Buyer shall have the right to the Deposits in accordance with Section 5 unless Buyer waives the Mortgage Contingency in writing.
- (d) Buyer's Breach of Contingency: If, on or before the Mortgage Contingency Deadline, Buyer fails to deliver a copy of the commitment letter, or fails to deliver a written denial for such mortgage to Seller or Listing Licensee in accordance with Section 18, or fails to request an extension as stated in (c) above, the Mortgage Contingency shall be deemed waived. If Buyer fails to purchase Property on Closing Date, Buyer shall be in default of this Agreement; Seller shall have the right to the Deposits and other remedies provided in Section 19.
- (e) Insurance Notice: A mortgage is usually contingent on an insurance binder; therefore, Buyer is highly advised to seek a quote or binder for insurance including, but not limited to, flood, dwelling, and wind, on or before the Mortgage Contingency Deadline. Insurance availability and cost may vary based upon factors including but not limited to, location, age, condition, and past history of the property.

BUYER'S INITIALS

CA  
04/11/16  
9:53PM EDT

SELLER'S INITIALS

LS

Copyright © 2014 Rhode Island Association of REALTORS®

copyright protected form was produced using Instant Solutions' Instant Forms service.

Rev. 12/14

Page 1 of 4

InstantFORMS®

**8. PERSONAL PROPERTY AND FIXTURES**

All fixtures and other improvements that are permanently attached to the building, structures, or land as of the date Buyer signed this Agreement are included in this sale as part of the Property, including, but not limited to, landscaping, lighting fixtures, screen doors, storm windows, garage door openers and controls, flagpoles, fences, and any other items that are built in, including, but not limited to air conditioning equipment, garbage disposals, and dishwashers. Any and all items associated with the use, control, or operation of the fixtures or additional items stated below are also included. Additional items included in the sale:

KITCHEN APPLIANCES (REFRIGERATOR, RANGE, DISHWASHER, MICROWAVE)

The following items, including leased or tenant-owned items, are excluded from the sale:

NONE

**9. TITLE AND DEED**

- (a) Seller shall convey Property by a WARRANTY deed conveying a good, clear, insurable, and marketable title to the Property, free from all encumbrances, except easements and restrictions of record, and governmental regulations, provided they do not affect the marketability of the title and are satisfactory to Buyer, and Buyer's Lender, if any. Seller warrants that Seller has no notice of any outstanding violation order from a governmental entity relating to the Property.
- (b) Buyer may conduct a title examination of the Property at Buyer's expense.
- (c) If Seller cannot convey marketable title as described above, Buyer may (1) elect to accept such title as Seller can convey, or (2) reject the unmarketable title, by notifying Seller in accordance with Section 18, then this Agreement shall be deemed null and void and Buyer shall have the right to the Deposits in accordance with Section 5.

**10. TAXES, ADJUSTMENTS, OTHER ASSESSMENTS**

- (a) Taxes: Real estate taxes and fire district taxes shall be prorated on a calendar year basis, except in those towns in which taxes are prorated on a municipal fiscal year basis, with Seller paying for the period prior to the date of delivery of the deed and Buyer paying the balance of taxes due. All other taxes which are a lien upon the Property shall be paid by Seller at the time of the delivery of the deed.
- (b) Adjustments: Rents, fuels, water charges, association fees and sewer usage charges shall be apportioned as of the date of the delivery of the deed at the current price as calculated by the Seller's supplier.
- (c) Assessments: All assessments, including sewer, which are payable over a period of more than one year and constitute a lien on the Property shall be paid as follows: At closing, Seller shall pay installments due during the municipal years prior to the year in which the deed is delivered; the installments due in that year shall be prorated in the same manner as above provided for taxes, and (check one)
  - the Seller shall pay the balance of the assessment in full or acknowledge that there is no assessment, or
  - the Buyer shall pay the balance of the assessment in full, if any, or assume the balance of the assessment where permitted by law.

04/11/16  
BUYER'S INITIALS: CR  
SELLER'S INITIALS: [Signature]

**11. ADDITIONAL OBLIGATIONS**

- (a) Smoke/Carbon Monoxide Detectors: Seller shall deliver the Property at the closing with a smoke detector and carbon monoxide detector certificate dated no earlier than 120 calendar days before the closing.
- (b) Non-Resident Withholding Requirement: If Seller is not a resident of the State of Rhode Island or will not be a resident at the time of the closing, Buyer must withhold six (6%) percent of Seller's net proceeds (9% if Seller is a corporation), in accordance with R.I.G.L. § 44-30-71.3, and pay such amount to the Division of Taxation as a non-resident withholding requirement. In order to have such withholding based on gain rather than net proceeds of sale, Seller must submit an election form to the Division of Taxation at least twenty (20) calendar days prior to closing. Seller agrees to pay to Buyer the entire amount of such withholding found to be due at or after the closing. Buyer's responsibility shall survive the transfer of title to the Property and shall be a lien against the Property. Seller and Buyer are advised to consult with the appropriate legal, tax, or financial professionals and/or the Rhode Island Division of Taxation.
- (c) Non-Resident Landlord: R.I.G.L. § 34-18-22.3 requires a residential landlord who is not a resident of the state of Rhode Island to designate an agent for "service of process" who is a resident of Rhode Island or corporation authorized to do business in Rhode Island. This designation must be filed with the Secretary of State and the clerk of the municipality where the property is located.

**12. POSSESSION AND CONDITION OF PROPERTY**

Seller shall deliver to Buyer at closing full occupancy and possession of the Property, in "broom clean" condition, free and clear of personal possessions (except those that are listed in Section 8 as included with the sale), tenants, and occupants except as agreed below. At closing, Seller shall convey the Property in the same condition in which it is on the Date of this Agreement, except for reasonable use and wear and/or any improvements or repairs required by this Agreement. Buyer shall be entitled to a final walkthrough of the Property prior to the delivery of the deed in order to determine whether the condition of the Property complies with the terms of this section.

EXCEPTIONS: (subject to assumption of leases)

NONE

**13. RECEIPT AND ACKNOWLEDGMENT OF RI DISCLOSURE FORMS**

Buyer acknowledges that Buyer has received the following forms (unless exempted by law): (Initial all that apply)

- Rhode Island Real Estate Sales Disclosure Form prepared by Seller
- Mandatory Real Estate Relationship Disclosure
- Seller's Lead Disclosure which is incorporated in this Agreement by reference
- Pamphlet "Protect Your Family from Lead in Your Home" that includes R.I. section "What You Should Know About the RI Lead Law"

04/11/16 9:53PM EDT  
BUYER'S INITIALS: CR  
04/11/16 9:53PM EDT  
SELLER'S INITIALS: [Signature]



**14. BUYER'S RIGHTS**

- (a) Inspections: R.I.G.L. § 5-20.8-4 states, "Every contract for the purchase and sale of real estate shall provide that a potential purchaser or potential purchasers shall be permitted a ten (10) day period, *exclusive of Saturdays, Sundays and holidays* to conduct inspections of the property and any structures thereon before the purchaser(s) becomes obligated under the contract to purchase. The parties have the right to mutually agree upon a different period of time; provided, a potential purchaser may waive this right to inspection in writing."
- (b) Notice of State Inspections: In addition to the rights stated in subsection (a) above, a potential purchaser(s) shall be permitted a period of ten (10) days to conduct the following:
  - (1) Lead Inspection: R.I.G.L. § 5-20.8-11 gives a potential purchaser the right to conduct a lead inspection. "Every Purchaser of any interest in residential real property on which a residential dwelling was built prior to 1978 is notified that such property may present exposure to lead from lead-based paint that may place young children at risk of developing lead poisoning. Lead poisoning in young children may produce permanent neurological damage, including learning disabilities, reduced Intelligence Quotient, behavioral problems, and impaired memory. Lead poisoning also poses a particular risk to pregnant women. The Seller of any interest in residential real property is required to provide the Buyer with any information on lead-based paint hazards from risk assessments or inspections in the Seller's possession and notify the Buyer of any known lead-based paint hazards. A risk assessment or inspection for possible lead-based paint hazards is recommended prior to purchase."
  - (2) Private Well Water Inspection: R.I.G.L. § 5-20.8-12 provides the right to test the water quality of a private well in accordance with RI Department of Health regulations.
  - (3) Cesspool Inspection: R.I.G.L. § 5-20.8-13 provides the right to inspect the property's on-site sewage system to determine if a cesspool exists and whether it is subject to the phase-out requirements as stated in R.I.G.L. § 23-19.15.

**15. WAIVER OF INSPECTIONS CONTINGENCY (Initial all that apply)**

- BUYER'S INITIALS \_\_\_\_\_ (a) If Initialed by Buyer, Buyer waives all rights to inspections, including the 10-day period, *exclusive of Saturdays, Sundays and holidays*, in R.I.G.L. § 5-20.8-4, § 5-20.8-12 and § 5-20.8-13; this Agreement is not contingent on inspections, and Section 16 of this Agreement shall not apply.
- BUYER'S INITIALS \_\_\_\_\_ (b) Lead: If Initialed by Buyer, this Agreement is not contingent on a lead inspection, and Buyer waives Buyer's 10-day right to test/inspect for the presence of lead.

**16. INSPECTIONS CONTINGENCY: Time is of the essence as it applies to Section 16.**

- (a) Buyer shall have a ten (10) day period, *exclusive of Saturdays, Sundays and holidays* ("Inspections Contingency Deadline"), from the date of this Agreement to conduct and complete inspections, obtain inspection reports, deliver to Seller or Listing Licensee any and all requests relating to inspections, obtain Seller's response, and resolve all such requests with Seller in writing or this contingency shall be deemed waived.
- (b) The inspections shall be conducted at Buyer's expense by a recognized inspector(s) or inspection company of Buyer's choice. Inspections may include, but are not limited to, pest, cesspool/septic/sewer, radon, well water, lead, physical/mechanical, hazardous substances, wetlands and flood plain.
- (c) If Buyer wishes to terminate this Agreement because of the following:
  - (1) Buyer is not satisfied with the results of the inspections; or
  - (2) Buyer and Seller have not resolved any and all issues relating to inspections to Buyer's satisfaction; or
  - (3) Seller has not responded to Buyer's requests on or before the Inspections Contingency Deadline, then Buyer shall deliver a written notice of termination to Seller or Listing Licensee on or before the Inspections Contingency Deadline or any mutually agreed extensions of such Deadline. If Buyer fails to deliver such notice, this Contingency shall be deemed waived and Buyer will forfeit Buyer's right to terminate this Agreement based on the Inspections Contingency.

**Additional Provisions:**

10 BUSINESS DAY INSPECTION PERIOD TO START THE FIRST FULL DAY AFTER SELLER GIVES WRITTEN NOTICE OF SUBDIVISION OF LOT BEING COMPLETE

**17. CORRECTION OF ERRORS**

Buyer and Seller agree to execute and deliver such other documents, instruments, and affidavits as may reasonably be required to complete the transaction including, but not limited to, any affidavits and agreements which may be required by the Lender(s) or the title insurance company.

**18. NOTICES**

All notices as required in specific Sections of this Agreement shall be in writing. All notices are to be conveyed by mail, personal delivery, electronic transmission, or fax. Notices shall be effective when postmarked, upon personal delivery, upon electronic transmittal date, or upon fax transmittal date. Notices to Seller, Buyer, Listing Licensee and Cooperating Licensee shall be sent or delivered to the address(es) below.

**SELLERS:**  
 Name(s): SJH&RI, LLC Prospect Chartercare  
LESTER SCHINDEL, CEO

Mailing Address: 825 Chalkstone Avenue Providence RI 02908  
 Fax: \_\_\_\_\_ Email: \_\_\_\_\_

**Listing Brokerage**  
 Firm Name: KELLER WILLIAMS REALTY Mailing Address: 1725 MENDON ROAD CUMBERLAND  
 Name of Licensee: KYLE SNEYBOTH License #: \_\_\_\_\_ RI 02865  
 Status:  Designated Seller Representative  Transaction Facilitator  Dual Facilitator  
 Fax: \_\_\_\_\_ Email: THESEYBOTHTEAM@GMAIL.COM Phone: 508-726-3492

BUYER'S INITIALS CS  
 04/11/16 9:53PM EDT

SELLER'S INITIALS [Signature]

**BUYERS:**  
 Name(s): Contray Anderson

Mailing Address: 28 Stearns Avenue North Providence RI 02911  
 Fax: \_\_\_\_\_ Email: \_\_\_\_\_

Cooperating Brokerage:  
 Firm Name: KELLER WILLIAMS REALTY Mailing Address: 1725 MENDON ROAD CUMBERLAND  
 Name of Licensee: SPECTRUM REAL ESTATE CONSULTANTS License #: 832454 RI 02865  
 Status:  Designated Buyer Representative  Transaction Facilitator  
 Fax: \_\_\_\_\_ Email: SOLUTIONS@SPECTRUMREC.COM Phone: 401-480-8990

**19. DEFAULT**

Upon default by Buyer, Seller shall have the right to the Deposits in accordance with Section 5, such right to be without prejudice to the right of Seller to require specific performance and payment of other damages, or to pursue any remedy, legal or equitable, which shall accrue by reason of such default. If Seller defaults in the performance of this Agreement, Buyer shall have the right to the Deposits in accordance with Section 5, and Buyer may pursue any and all remedies available at law or equity, including but not limited to specific performance. All disputes between Buyer and Seller over the disposition of the Deposits shall be governed by Section 5.

**20. ASSIGNMENT**

This Agreement may be assigned by either party without written consent of the other, and shall be binding upon the assigns of Buyer and Seller. However, this Agreement may not be assigned without the express written consent of Seller, if it contains a provision for Seller financing.

**21. ACCURATE DISCLOSURE OF SELLING PRICE**

Buyer and Seller certify that this Agreement and all Addenda accurately reflect the gross sales price as indicated in Section 3 of this Agreement. Buyer and Seller understand and agree that this information shall be disclosed to the Internal Revenue Service as required by law.

**22. ADDENDUM/ADDENDA**

The following addendum/addenda are made a part of this Agreement:  
First Right of Refusal

**23. ADDITIONAL PROVISIONS**

**SELLER TO CONTRIBUTE \$5,000.00 TOWARDS BUYER'S CLOSING COSTS, ESCROW AND PREPAID ITEMS.**

**SUBJECT TO LOT BEING 8,000 SQFT OR MORE.**  
 Seller to provide Survey at or prior to closing.

**24. PREPARATION OF DOCUMENT CONFIRMATION CLAUSE**

This Agreement was prepared by (check one):  Listing Licensee  Cooperating Licensee  Other (please complete below)  
 Name: SPECTRUM REAL ESTATE CONSULTANTS Address: 1725 MENDON ROAD CUMBERLAND, RHODE ISLAND 02865

**25. CONSTRUCTION OF AGREEMENT**

If two or more persons are named as Seller or Buyer, their obligations shall be joint and several. Dates and deadlines are important. The Buyer and Seller are advised to act within the time required.

**26. ENTIRE AGREEMENT**

Buyer and Seller agree that this Agreement contains the entire agreement between us, subject to no understandings, conditions, or representations other than those expressly stated. Buyer represents that Buyer has not relied on the oral representations of Seller, or Broker(s) or their affiliated licensees as to the character or quality of the Property. This Agreement may not be changed, modified, or amended in whole or in part except in writing, signed by all parties.

NOTICE: THIS IS A LEGAL DOCUMENT THAT CREATES BINDING OBLIGATIONS.  
 IF NOT UNDERSTOOD, CONSULT AN ATTORNEY.

Contray Anderson dotloop verified 04/17/16 9:53PM EDT QY06LHG-1631-2R1E [Signature]  
 Buyer CONTRAY ANDERSON Date Seller BUBRI, LLC Prospect Chartercare Date

Buyer \_\_\_\_\_ Date \_\_\_\_\_ Seller \_\_\_\_\_ Date \_\_\_\_\_

Buyer \_\_\_\_\_ Date \_\_\_\_\_ Seller \_\_\_\_\_ Date \_\_\_\_\_

*This form is protected by the federal copyright laws and is for exclusive use by Rhode Island REALTORS®.*



**EXTENSION TO PURCHASE AND SALES AGREEMENT**  
Rhode Island Association of REALTORS®



**SELLER(S):** PROSPECT CHARTERCARE SJHSRI, LLC ATTN: LESTER SCHINDEL  
825 CHALKSTONE AVE  
PROVIDENCE, RI 02908

**BUYER(S):** CONTRAY ANDERSON  
28 STEERE AVE  
NORTH PROVIDENCE, RI 02911

**PROPERTY:** 577 FRUIT HILL AVE NORTH PROVIDENCE RI 02911

**SALE PRICE:** \$ 230,000.00 Two Hundred Thirty Thousand

In reference to the above Purchase and Sales Agreement ("Agreement"), the undersigned Seller(s) and Buyer(s) agree to extend the time for performance of the following: *(Check all that apply)*

**Closing Date/Place Section 4:**

- Seller and Buyer agree to extend the Closing Date until 09/30/2016
- Time is of the essence as it applies to this Section.

**Mortgage Contingency Section \_\_\_\_\_:**

- Seller and Buyer agree to extend the Mortgage Contingency until \_\_\_\_\_
- Time is of the essence as it applies to this Section.

**Inspections Contingency Section \_\_\_\_\_:**

- Seller and Buyer agree to extend the Inspections Contingency until \_\_\_\_\_
- Time is of the essence as it applies to this Section.

**Other: (please specify) \_\_\_\_\_ Section \_\_\_\_\_:**

- Seller and Buyer agree to extend the \_\_\_\_\_ until \_\_\_\_\_
- Time is of the essence as it applies to this Section.

**Additional Provisions:**

N/A

All other terms and conditions of the Agreement shall remain in full force. This Extension, upon its execution by all parties to the Agreement, is made an integral part of the Agreement.

**NOTICE: THIS IS A LEGAL DOCUMENT THAT CREATES BINDING OBLIGATIONS.  
IF NOT UNDERSTOOD, CONSULT AN ATTORNEY.**

<u>Contray Anderson</u>	<small>doLoop Verified 06/23/16 8:14AM EDT IGMK-DRZY-9ABE-GHND</small>	<b>CONTRAY ANDERSON</b>	_____
Buyer		Printed Name	Date
_____		Printed Name	Date
Buyer		Printed Name	Date
<u>[Signature]</u>		<u>Lester P Schindel</u>	<u>7/14/16</u>
Seller		Printed Name	Date
_____		Printed Name	Date
Seller		Printed Name	Date
_____		Printed Name	Date

*This form is protected by the federal copyright laws and is for exclusive use by Rhode Island REALTORS®.*



**EXTENSION TO PURCHASE AND SALES AGREEMENT**  
Rhode Island Association of REALTORS®



**SELLER(S):** PROSPECT CHARTER CARE SJHSRI, LLC ATTN: LESTER SCHINDEL  
825 CHALKSTONE AVE  
PROVIDENCE RI, 02908

**BUYER(S):** CONTRAY ANDERSON  
28 STEERE AVE  
NORTH PROVIDENCE, RI 02911

**PROPERTY:** 577 FRUIT HILL AVE NORTH PROVIDENCE RI 02911

**SALE PRICE:** \$ 230,000.00 Two Hundred Thirty Thousand

In reference to the above Purchase and Sales Agreement ("Agreement"), the undersigned Seller(s) and Buyer(s) agree to extend the time for performance of the following: *(Check all that apply)*

**Closing Date/Place Section \_\_\_\_\_:**

- Seller and Buyer agree to extend the Closing Date until \_\_\_\_\_.
- Time is of the essence as it applies to this Section.

**Mortgage Contingency Section 7 \_\_\_\_\_:**

- Seller and Buyer agree to extend the Mortgage Contingency until JULY 13, 2016.
- Time is of the essence as it applies to this Section.

**Inspections Contingency Section \_\_\_\_\_:**

- Seller and Buyer agree to extend the Inspections Contingency until \_\_\_\_\_.
- Time is of the essence as it applies to this Section.

**Other: (please specify) \_\_\_\_\_ Section \_\_\_\_\_:**

- Seller and Buyer agree to extend the \_\_\_\_\_ until \_\_\_\_\_.
- Time is of the essence as it applies to this Section.

**Additional Provisions:**

N/A

All other terms and conditions of the Agreement shall remain in full force. This Extension, upon its execution by all parties to the Agreement, is made an integral part of the Agreement.

**NOTICE: THIS IS A LEGAL DOCUMENT THAT CREATES BINDING OBLIGATIONS.  
IF NOT UNDERSTOOD, CONSULT AN ATTORNEY.**

<u>Contray Anderson</u>	<small>dotloop verified 06/23/16 8:17AM EDT GVY-058V-WFJF-R6CQ</small>	<u>CONTRAY ANDERSON</u>
Buyer	Printed Name	Date
Buyer	Printed Name	Date
Buyer <u>[Signature]</u>	Printed Name <u>Lecher P Schindel</u>	Date <u>7/15/16</u>
Seller	Printed Name	Date
Seller	Printed Name	Date
Seller	Printed Name	Date

*This form is protected by the federal copyright laws and is for exclusive use by Rhode Island REALTORS®.*



Rhode Island Association of REALTORS®  
REPAIR ADDENDUM



SELLER(S): PROSPECT CHARTER CARE S/H/SRI, LLC ATTN: LESTER SCHINDEL  
 BUYER(S): CONTRAY ANDERSON  
 PROPERTY: 577 FRUIT HILL AVEENUE NORTH PROVIDENCE RI, 02911  
 SALE PRICE: 230,000

The undersigned Seller(s) and Buyer(s) hereby agree to the following:

Pursuant to the Inspections Section:

(Initial all that apply):

All inspections have been completed to Buyer's satisfaction, and Buyer agrees to purchase the property "as is" as defined in the Possessions section of the Purchase and Sales Agreement.

CR  
06/07/16  
6:18PM EDT

The Seller agrees to have the following repairs made prior to the Closing Date section of the Purchase and Sales Agreement. All work is to be performed to accepted industry standards by a recognized and reputable contractor or as otherwise mutually agreed:

Treat for powder post beetles, Replace deck supports  
 Repair foundation at bulkhead, Repair first floor heat not operating, Repoint, Repair, and line chimney, Repair front steps

Other:

CR  
06/07/16  
5:18PM EDT

The Buyer has the right to have the work inspected within 7 calendar days after Seller notifies Buyer in writing that the work has been completed, or prior to closing, whichever comes first. If Buyer fails to reinspect, Buyer accepts the work in its repaired condition "as is" and waives his right to reinspect.

NOTICE: THIS IS A LEGAL DOCUMENT THAT CREATES BINDING OBLIGATIONS.  
 IF NOT UNDERSTOOD, CONSULT AN ATTORNEY.

<i>Conray Anderson</i>	date loop verified 06/07/16 6:18PM EDT LQ3B-FDAR-SLCK-WLLP		
BUYER	DATE	SELLER <i>Lester Schindel</i>	DATE 7/1/16
BUYER	DATE	SELLER	DATE
BUYER	DATE	SELLER	DATE

NOTICE: FROM THE SELLER TO THE BUYER

Seller hereby notifies the Buyer that the agreed upon repairs are completed.

BUYER	DATE	SELLER	DATE
BUYER	DATE	SELLER	DATE
BUYER	DATE	SELLER	DATE

SATISFACTION OF REINSPECTION INSPECTION CONTINGENCY

Seller and Buyer agree that any and all repairs have been completed, and Buyer and Seller will consider the Inspections Section of the Purchase and Sales Agreement satisfied. Buyer agrees to accept the property in its current condition "as is."

BUYER	DATE	SELLER	DATE
BUYER	DATE	SELLER	DATE
BUYER	DATE	SELLER	DATE

# Wood Destroying Insect Inspection Report

Notice: Please read important consumer information on page 2.

## Section I. General Information

Inspection Company, Address & Phone  
Full Disclosure Home Inspections, Inc  
200 Bald Hill Road  
Warwick, Rhode Island 02886  
(401) 921-4954

Company's Business Lic. No.

Date of Inspection

06/01/2016

Address of Property Inspected

577 Fruit Hill Avenue  
North Providence, RI

Inspector's Name, Signature & Certification, Registration, or Lic. #

Steven J Roberts SJR

Structure(s) Inspected

Single Family Dwelling

**Section II. Inspection Findings** This report is indicative of the condition of the above identified structure(s) on the date of inspection and is not to be construed as a guarantee or warranty against latent, concealed, or future infestations or defects. Based on a careful visual inspection of the readily accessible areas of the structure(s) inspected:

A. No visible evidence of wood destroying insects was observed.

B. Visible evidence of wood destroying insects was observed as follows:

1. Live insects (description and location): \_\_\_\_\_

2. Dead insects, insect parts, frass, shelter tubes, exit holes, or staining (description and location): frass and exit holes from prior powder post beetle activity

3. Visible damage from wood destroying insects was noted as follows (description and location): \_\_\_\_\_

**NOTE: This is not a structural damage report.** If box B above is checked, it should be understood that some degree of damage, including hidden damage, may be present. If any questions arise regarding damage indicated by this report, it is recommended that the buyer or any interested parties contact a qualified structural professional to determine the extent of damage and the need for repairs.

Yes  No  It appears that the structure(s) or a portion thereof may have been previously treated. Visible evidence of possible previous treatment:

The inspecting company can give no assurances with regard to work done by other companies. The company that performed the treatment should be contacted for information on treatment and any warranty or service agreement which may be in place.

## Section III. Recommendations

No treatment recommended: (Explain if Box B in Section II is checked)

no visible evidence of current or recent activity

Recommend treatment for the control of: \_\_\_\_\_

## Section IV. Obstructions and Inaccessible Areas

The following areas of the structure(s) inspected were obstructed or inaccessible:

- Basement \_\_\_\_\_
- Crawlspace \_\_\_\_\_
- Main Level 1,3,4,6,9
- Attic 10
- Garage \_\_\_\_\_
- Exterior \_\_\_\_\_
- Porch \_\_\_\_\_
- Addition \_\_\_\_\_
- Other \_\_\_\_\_

The Inspector may write out obstructions or use the following optional key:

- |                         |  |
|-------------------------|--|
| 1. Fixed ceiling        | 13. Only visual access                 |
| 2. Suspended ceiling    | 14. Cluttered condition                |
| 3. Fixed wall covering  | 15. Standing water                     |
| 4. Floor covering       | 16. Dense vegetation                   |
| 5. Insulation           | 17. Exterior siding                    |
| 6. Cabinets or shelving | 18. Window well covers                 |
| 7. Stored items         | 19. Wood pile                          |
| 8. Furnishings          | 20. Snow                               |
| 9. Appliances           | 21. Unsafe conditions                  |
| 10. No access or entry  | 22. Flgld foam board                   |
| 11. Limited access      | 23. Synthetic stucco                   |
| 12. No access beneath   | 24. Duct work, plumbing, and/or wiring |

## Section V. Additional Comments and Attachments (these are an integral part of the report)

The seller disclosed prior termite treatment. It is recommended that you consult the seller regarding the treatment and warrantee information.

The seller disclosed prior termite

Attachments \_\_\_\_\_

**Signature of Seller(s) or Owner(s)** if refinancing. Seller acknowledges that all information regarding W.D.I. infestation, damage, repair, and treatment history has been disclosed to the buyer.

X

**Signature of Buyer.** The undersigned hereby acknowledges receipt of a copy of both page 1 and page 2 of this report and understands the information reported.

X

*Conrady Anderson*

dotloop verified  
06/23/16 8:16AM  
EDT  
06CS-1XJ1-CCVT-9920

**D'Ellena Law Office, Ltd**  
**ALTA Universal ID 1149454**  
**700 Main Street**  
**East Greenwich, RI 02818**

**File No./Escrow No.:** ANDERSON PURCH 16  
**Print Date & Time:** December 15, 2016 at 04:54 PM  
**Officer/Escrow Officer:** D'Ellena Law Office, Ltd.  
**Settlement Location:** 700 Main Street, East Greenwich, RI 02818  
**Property Address:** 577 Fruit Hill Avenue  
North Providence, RI 02911  
**Borrower:** CONTRAY ANDERSON and CATHERINE M. ANDERSON  
**Seller:** PROSPECT CHARTERCARE SJHSRI  
**Lender:** Home Point Financial  
**Settlement Date:** December 15, 2016  
**Disbursement Date:** December 15, 2016

Seller		Description	Borrower/Buyer	
Debit	Credit		Debit	Credit
<b>Financial</b>				
	\$ 230,000.00	Sale Price of Property	\$ 230,000.00	
		Deposit		\$ 1,000.00
		Loan Amount		\$ 225,834.00
\$ 4,960.66		Seller Credit		\$ 4,960.66
		Lender Credits		\$ 535.23
<b>Prorations/Adjustments</b>				
\$ 1,149.01		Town Taxes 10/01/16 to 12/15/16		\$ 1,149.01
<b>Loan Charges to Home Point Financial</b>				
		Origination Fee	\$ 1,245.00	
		Appraisal Fee	\$ 485.00	
		Credit Report	\$ 80.00	
		\$ 5.97 Paid by Home Point Financial		
		Mortgage Insurance Premium	\$ 3,884.13	
		Prepaid Interest \$23.91002 per day from 12/15/16 to 01/01/17	\$ 407.66	
<b>Other Loan Charges</b>				
		Final Inspection / Appraisal Fee	to Nation Wide	
		\$ 200.00 Paid by Home Point Financial		

**ALTA Settlement Statement Combined - Continued**

Seller		Borrower/Buyer	
Debit	Credit	Debit	Credit
<b>Impounds</b>			
	Homeowner's Insurance	\$ 456.75	
	3 mo @ \$ 152.25 /mo		
	Property Taxes	\$ 919.72	
	2 mo @ \$ 459.86 /mo		
	Aggregate Adjustment	\$ -764.36	
<b>Title Charges &amp; Escrow / Settlement Charges</b>			
	Title- Lenders Title Insurance	to Commonwealth Land Title Insurance Company	\$ 615.00
	Title- Settlement Fee	to DEllena Law Office, Ltd	\$ 900.00
	Title-Owner's Title Insurance (optional)	to Commonwealth Land Title Insurance Company	\$ 290.00
<b>Commission</b>			
\$ 11,250.00	Commission	to Keller Williams Realty	
<b>Government Recording and Transfer Charges</b>			
	Recording Fees	to Town of North Providence	\$ 183.00
	Deed:\$85.00 Mortgage:\$90.00 MLC:\$8.00		
\$ 114.00	Recording Fee	to Town of North Providence	
	Discharge:\$57.00 Discharge :\$57.00		
\$ 1,058.00	Transfer Taxes	to Town of North Providence	
<b>Payoffs</b>			
<b>Miscellaneous</b>			
\$ 21.94	Final Water Bill	to Providence Water	
\$ 87.41	Final Sewer Bill	to Narragansett Bay Commission	
\$ 1,379.57	3rd QTR 2016 Real Estate Taxes	to Town of North Providence	
\$ 2,500.00	Chimney Repair	to A-Tec Chimney Sweep	
<b>ESCROW</b>			
\$ 75.00	Disbursement Fee	to DEllena Law Office, Ltd	
	Homeowner's Insurance	to Narragansett	\$ 1,827.00



**ALTA Settlement Statement Combined - Continued**

Seller		Borrower/Buyer	
Debit	Credit	Debit	Credit
			Premium Bay (12 mo.)
\$ 22,595.59	\$ 230,000.00	\$ 240,528.90	\$ 233,478.90
\$ 207,404.41			\$ 7,050.00
\$ 230,000.00	\$ 230,000.00	\$ 240,528.90	\$ 240,528.90
			<b>Subtotals</b>
			<b>Balance Due FROM</b>
			<b>Balance Due TO</b>
			<b>TOTALS</b>

**Acknowledgement**

We/I have carefully reviewed the ALTA Settlement Statement and find it to be a true and accurate statement of all receipts and disbursements made on my account or by me in this transaction and further certify that I have received a copy of the ALTA Settlement Statement. We/I authorize DEllena Law Office, Ltd to cause the funds to be disbursed in accordance with this statement.

CONTRAY ANDERSON

*Catherine Anderson*  
 CATHERINE M. ANDERSON

*Margaret Allman*  
 MARGARET ALLMAN, FCA

PROSPECT CHARTERED SERVICES  
*DeEllena*  
 DEELLENA LAW OFFICE, LTD., FLOW OFFICER

**A Settlement Statement**

**U.S. Department of Housing  
And Urban Development**

OMB No. 2502-0265

<b>B Type of Loan</b>							
1. <input type="checkbox"/> FHA	2. <input type="checkbox"/> FmlHA	3. <input type="checkbox"/> CONV. UNINS.	6. File Number: 16-Fruit Hill 0	7. Loan Number:	8. Mortgage Ins. Case No.:		
4. <input type="checkbox"/> VA	5. <input type="checkbox"/> CONV. INS.						
<p><b>C. Note:</b> This form is furnished to give you a statement of actual settlement costs. Amounts paid to and by the settlement agent are shown. Items marked "(p.o.c.)*" were paid outside the closing; they are shown here for informational purposes and are not included in the totals.</p>							
<b>D. Name and Address of Borrowers:</b>				<b>F. Name and Address of Lender:</b>			
IMPERIAL INVESTMENTS, INC  P.O BOX 4450  PROVIDENCE, RI 02940				None			
<b>E. Name and Address of Seller:</b>				<b>H. Settlement Agent:</b>			
PROSPECT Chartercare, SJSRI, LLC  825 CHALKSTONE AVENUE  PROVIDENCE, RI 02908				TOMASSO & TOMASSO, INC.  1258 Elmwood Avenue  Providence, RI 02907			
<b>G. Property Location:</b>			<b>I. Settlement Date:</b>		<b>Place of Settlement:</b>		
0 Fruit Hill  North Providence, RI 029			01/17/2017		TOMASSO & TOMASSO, INC 1258 ELMWOOD AVENUE PROVIDENCE, RI 02907		
<b>G. Disbursement Date:</b>			01/17/2017				
<b>J. Summary of Borrower's Transaction</b>				<b>K. Summary of Seller's Transaction</b>			
<b>100. Gross Amount Due From Borrower</b>				<b>400. Gross Amount Due To Seller</b>			
101. Contract sales price			292,500.00	401. Contract sales price			292,500.00
102. Personal property				402. Personal property			
103. Settlement charges to borrower (line 1400)			2,749.50	403.			
104.				404.			
105.				405.			
<b>Adjustments for items paid by seller in advance</b>				<b>Adjustments for items paid by seller in advance</b>			
106. City/town taxes	to			406. City/town taxes	to		
107. County taxes	to			407. County taxes	to		
108. Assessments	to			408. Assessments	to		
109.				409.			
110.				410.			
111.				411.			
112.				412.			
<b>120. Gross Amount Due From Borrower</b>			<b>\$294,749.50</b>	<b>420. Gross Amount Due To Seller</b>			<b>\$292,500.00</b>
<b>200. Amounts Paid By Or In Behalf Of Borrower</b>				<b>500. Reductions in Amount Due To Seller</b>			
201. Deposit or earnest money				501. Excess deposit (see instructions)			
202. Principal amount of new loan(s)				502. Settlement charges to seller (line 1400)			15,970.50
203. Existing loan(s) taken subject to				503. Existing loan(s) taken subject to			
204.				504. Payoff 1			
205.				505. Payoff 2			
206.				506.			
207.				507.			
208.				508.			
209. R.E.Taxes 10/1/2016 - 12/31/2016 -4th Qtr			1,379.58	509. R.E.Taxes 10/1/2016 - 12/31/2016 -4th Qtr			1,379.58
<b>Adjustments for items unpaid by seller</b>				<b>Adjustments for items unpaid by seller</b>			
210. City/town taxes	01/01/2017 to 01/17/2017		241.92	510. City/town taxes	01/01/2017 to 01/17/2017		241.92
211. County taxes	to			511. County taxes	to		
212. Assessments	to			512. Assessments	to		
213.				513.			
214.				514.			
215.				515.			
216.				516.			
217.				517.			
218.				518.			
219.				519.			
<b>220. Total Paid By/For Borrower</b>			<b>\$1,621.50</b>	<b>520. Total Reductions Amount Due Seller</b>			<b>\$17,592.00</b>
<b>300. Cash At Settlement From/To Borrower</b>				<b>600. Cash At Settlement To/From Seller</b>			
301. Gross amount due from borrower (line 120)			\$294,749.50	601. Gross amount due to seller (line 420)			\$292,500.00
302. Less amount paid by/for borrower (line 220)			(\$1,621.50)	602. Less reductions in amount due seller (line 520)			(\$17,592.00)
<b>303. CASH <input checked="" type="checkbox"/> FROM <input type="checkbox"/> TO BORROWER:</b>			<b>\$293,128.00</b>	<b>603. CASH <input checked="" type="checkbox"/> TO <input type="checkbox"/> FROM SELLER:</b>			<b>\$274,908.00</b>

Buyer's Initials SS

Seller's Initials MM

Section 5 of the Real Estate Settlement Procedures Act (RESPA) requires the following: ? HUD must develop a Special Information Booklet to help persons borrowing money to finance the purchase of residential real estate to better understand the nature and costs of real estate settlement services; ? Each lender must provide the booklet to all applicants from whom it receives or for whom it prepares a written application to borrow money to finance the purchase of residential real estate; ? Lenders must prepare and distribute with the Booklet a Good Faith Estimate of the settlement costs that the borrower is likely to incur in connection with the settlement. These disclosures are mandatory.

Section 4(a) of RESPA mandates that HUD develop and prescribe this standard form to be used in the loan settlement to provide full disclosure of all charges imposed upon the borrower and seller. These are 1811 party disclosures that are designed to provide the borrower with pertinent information during the settlement process in order to be a better shopper. The Public Reporting Burden for this collection of information is estimated to average one hour per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. This agency may not collect this information, and you are not required to complete this form, unless it displays a currently valid OMB control number.

L Settlement Charges				Paid From Borrower's Funds at Settlement	Paid From Seller's Funds at Settlement
700. Total Sales/Broker's Commission based on price	\$ 292,500.00	@	5.0000 % = 14,625.00		
Division of Commission (line 700) as follows:					
701. 14,625.00	to Keller Williams Realty Leading Edge				
702.	to				
703. Commission paid at Settlement					14,625.00
704.					
<b>800. Items Payable In Connection With Loan</b>					
801. Loan Origination Fee	%				
802. Loan Discount	%				
803. Appraisal Fee					
804. Credit Report					
805. Lender's Inspection Fee					
806. Mortgage Insurance Application Fee					
807. Assumption Fee					
808. Flood Certification					
809.					
810.					
811.					
812.					
813.					
814.					
815.					
<b>900. Items Required By Lender To Be Paid In Advance</b>					
901. Interest From 01/17/2017 to @ \$ /day for days					
902. Mortgage Insurance Premium for	mo. to				
903. Hazard Insurance Premium for	yrs. to				
904.	yrs. to				
<b>1000. Reserves Deposited With Lender</b>					
1001. Hazard insurance	months @	per month			
1002. Mortgage insurance	months @	per month			
1003. City property taxes	months @	459.86	per month		
1004.	months @	per month			
1005.	months @	per month			
1006.	months @	per month			
1007.	months @	per month			
1008. Aggregate Adjustment					
<b>1100. Title Charges</b>					
1101. Settlement or closing fee to	TOMASSO & TOMASSO, INC				
1102. Abstract or title search to				495.00	
1103. Title examination to	TOMASSO & TOMASSO, INC			265.00	
1104. Title insurance binder to	FIRST AMERICAN TITLE INS CO			195.00	
1105. Document preparation to					
1106. Notary fees to					
1107. Attorney's fees to					
(includes above item numbers: )					
1108. Title insurance to	First American Title Insurance Company			1,025.50	
(includes above item numbers: )					
1109. Lender's coverage					
1110. Owner's coverage	292,500.00	Owner's Premium: 51,025.50			
1111. UPDATE & RECORDING to	TOMASSO & TOMASSO, INC			99.00	
1112.					
1113. Title Agent Commission \$717.85	70%				
<b>1200. Government Recording and Transfer Charges</b>					
1201. Recording fees:	Deed	Mortgage	Releases	125.00	
1202. City/county tax stamps:	Deed	Mortgage			0.00
1203. State tax/stamps:	1,345.50	Mortgage			1,345.50
1204.					
<b>1300. Additional Settlement Charges</b>					
1301. Survey to					
1302. Pest Inspection to					
1303.					
1304. OBTAIN & RECORD MLC to NORTH PROVIDENCE				45.00	
1305.					
1306.					
1307.					
1400. Total Settlement Charges (enter on lines 103, Section J and 502, Section K)				\$2,249.50	\$15,970.50

I have carefully reviewed the HUD-1 Settlement Statement and to the best of my knowledge and belief, it is a true and accurate statement of all receipts and disbursements made on my account or by me in this transaction. I further certify that I have received a copy of the HUD-1 Settlement Statement (pages 1 and 2).

Borrower: John P. Tomasso Seller: [Signature]  
 IMPERIAL INVESTMENTS, INC PROSPECT Charter and SJRSRI, LLC

The HUD-1 Settlement Statement which I have prepared is a true and accurate account of this transaction. I have caused or will cause the funds to be disbursed in accordance with this statement.

Settlement Agent: John P. Tomasso Date: 01/17/2017

WARNING: It is a crime to knowingly make false statements to the United States on this or any other similar form. Penalties upon conviction can include a fine and imprisonment. For details see: Title 18 U.S. Code Section 1004 and Section 1010. Previous editions are obsolete.



**CLOSING INVOICE**

**PROPERTY**

Address 0 Fruit Hill Avenue  
North Providence RI 02911

**DATE of CLOSING**

1/13/2017

**SELLERS**

Prospect CharterCARE SJHSRI

**BUYERS**

Imperial Investments, LLC

**COMMISSION BREAKDOWN**

<b>SALES PRICE</b>	<u>\$292,500.00</u>
<b>TOTAL COMMISSION</b>	<u>\$14,625.00</u>
<b>AMOUNT HELD IN ESCROW</b>	<u>                    </u>
<b>EXCESS DEPOSIT DUE SELLER</b>	<u>                    </u>
<b>BALANCE DUE KELLER WILLIAMS</b>	<u>\$14,625.00</u>

*Please make checks payable to:*

Federal ID# 20-5512965  
Broker License # B14022

Keller Williams Realty Leading Edge  
Attention: Market Center Administrator  
Office Code: **KELW03** *Cumberland*  
Office Code: **KELW05** *Providence*

**Agent Name:** Kyle Seyboth

*Please send all checks to the address below - Thank you!*

**Keller Williams Realty Leading Edge**  
**1725 Mendon Road, Suite 201 Cumberland RI 02864**

**Office: (401) 333-4900**

Each Office is Independently Owned and Operated

**D'Amico Engineering Technology, Inc.**

**INVOICE**

"Improve Your World"



2080 Mineral Spring Ave.  
North Providence, RI 02911  
Phone 401-622-1470 Fax 401-353-1190

**DATE:** December 21, 2016  
**INVOICE #** 3  
**Period:** 19/5/16 - 12/20/16  
**Job No.** 16-0002-01

**Bill To:**

Mr. Steven Salisbury  
Prospect CharterCARE  
825 Chalkstone Avenue  
Providence, RI 02908

**FOR: Professional Engineering Services for a  
Major Subdivision - Preliminary and Final Design  
577 Fruit Hill Ave. - AP 17, Lot 4  
North Providence, Rhode Island**

DESCRIPTION	% Complete	Contract Amount	Amount Completed this Period
<b>Professional Engineering Services performed this period:</b>			
Site due diligence and Conceptual Layout	100%	\$ 1,250.00	\$ -
<b>Final and Preliminary Design:</b>			
1. Task 1 - Class I Property Line and Class III Topographic Survey - <b>Complete</b>	100%	\$32,100.00	\$ 4,815.00
2. Task 2 - Site Layout - <b>Complete</b>			
3. Task 3 - Grading, Drainage and Hydrology - <b>Complete</b>			
4. Task 4 - Water and Sewer Design - <b>Complete</b>			
5. Task 5 - Electric and Gas Coordination - <b>Complete</b>			
6. Task 6 - Professional Testimony - <b>Complete</b>			
Out-of-Pocket Expenses - Printing - Mylar Plans and Bond Sets for Town Recording			\$ 305.00
Estimate Contract Amount		\$33,350.00	
Contact Amount Remaining			\$ -
AMOUNT DUE THIS INVOICE			\$ 5,120.00
TOTAL AMOUNT PREVIOUSLY INVOICED			\$ 30,804.00
AMOUNT PAID TO DATE			\$ (30,804.00)
<b>TOTAL FEE DUE</b>			<b>\$ 5,120.00</b>

Make all checks payable to **D'Amico Engineering Technology, Inc.**  
If you have any questions concerning this invoice, please do not hesitate to call David D'Amico, P.E.  
Due Upon Receipt

Certification

THANK YOU FOR YOUR BUSINESS! IT'S A PLEASURE TO SERVE YOU.

~~01.5800.5832~~

Jan 8 70  
01.5805.5869  
John 1/31/17

pd - Jan  
REC-600803