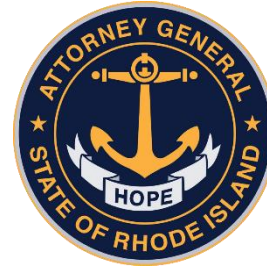




Rhode Island Department of Health  
Hospital Conversions/Mergers Program  
Three Capitol Hill, Room 410  
Providence, RI 02908-5097  
Phone: (401) 222-2788



Rhode Island Department of Attorney General  
Office of Health Care Advocate  
150 South Main Street  
Providence, RI 02903-2907  
Phone: 401-274-4400

## **INITIAL APPLICATION**

(Pursuant to R.I. Gen. Laws § 23-17.14-6)

Revised 2023

### **Instructions**

#### **Format:**

Each and every hospital that is a Transacting Party or an affiliate of a Transacting Party, shall provide complete responses to each question.

Two (2) copies of the Initial Application must be submitted:

- One (1) copy shall be provided in an electronic format acceptable to the Rhode Island Department of Health and the Office of Attorney General; and
- One (1) copy shall be provided only to the Rhode Island Department of Health (not the Office of the Attorney General), in a 3 ring binder with a spine label setting forth the volume number and the range of the sequential unique identifier and tab for each question.

For both the electronic formatted version and the hard copy of the Initial Application, each page submitted as part of the Initial Application shall be labeled with a sequential unique identifier, such as the Bates system, beginning with the first number matching the question. For example, the response to Question 13 would provide a unique identifier beginning with 13- followed by the page number. In addition, a complete index of pages of the Initial Application, setting forth the unique identifier for each page and a description of the document shall be provided. Responses to each question shall begin on a page separate from the prior response.

References to the other responses contained in the Initial Application shall be accepted. Attachments must be listed under an individual tab at the end of the application form. Applications should not include the instruction pages or appendices not applicable to the proposal. All Appendices must be completed.

All information submitted as part of the Initial Application shall be public except for information determined to be confidential pursuant to R.I. Gen. Laws §§ 23-17.14-6 (31) and 23-17.14-6 (c). If the Transacting Parties seek a determination by the Attorney General that any information submitted as part of the Initial Application should be deemed confidential and/or proprietary or otherwise required by law to be maintained as confidential, the Transacting Parties shall submit such information, in a separate package clearly labeled "Request for Confidentiality." For both the electronic version and the hard copy, the Transacting Parties shall submit the request(s) for a determination that the information is confidential including the legal citation and/or explanation for the reason that the information should be deemed confidential. One (1) copy of the information shall be clearly marked as confidential on the top and contain the redactions that the Transacting Parties seek to be deemed confidential by using a black marker to strike those words/section, and one (1) copy of the information shall be clearly marked as confidential on the top in an unredacted version of the identical document.

The Transacting Parties shall update and/or supplement responses up and until the time of the issuance of a Decision.

Change in Effective Control Application(s) must be filed with the Rhode Island Department of Health pursuant to R.I. Gen. Law § 23-17 *et al.* simultaneously with this HCA Application.

**Definitions:**

Words and terms used in these instructions that are defined by the Hospital Conversions Act, R.I. Gen. Laws § 23-17.14-1, *et seq.*, shall have the meaning contained in the Hospital Conversions Act. Additionally, the following terms used in these instructions are defined as follows:

The term "Affiliate" means: an entity that directly or indirectly through one or more intermediaries controls or is controlled by, or is under common control with the Transacting Parties.

The term "document," as used herein, includes, but is not limited to, the following items, whether created, printed or recorded or reproduced by any other mechanical or electronic process, or written or produced by hand and/or any electronic device, and whether sent or received or neither; namely, contracts, agreements and understandings, communications, including intracompany communications, memoranda, statements, handwritten or other types of notes, correspondence, telegrams, notices, books, diaries, forecasts, financials, statistical statements, ledgers, journals, books or records of account, desk calendars and appointment books.

The term "Effective Date" shall mean the date upon which the proposed conversion will become effective.

The word "or" as used herein, means and/or. Whenever a request asks to "describe" a fact, event, or item, or any variation thereof, please provide a detailed description of the fact, event or item requested.

Whenever a request asks to "identify" a fact, event or item, or any variation thereof, designate the fact, event or item and provide such descriptive information so as to enable the fact, etc. to be ascertained.

When appropriate in this Initial Application, the singular form shall be interpreted as plural and vice versa, and the present tense includes the past tense and vice versa, and the neuter includes the masculine and feminine.

**Reports, use of experts, costs:**

The Office of Attorney General and Department of Health may engage experts or consultants including, but not limited to, actuaries, investment bankers, accountants, attorneys, or industry analysts. All copies of final reports prepared by experts and consultants, and costs associated therewith, shall be made available to the Transacting Parties and to the public.<sup>1</sup> All costs incurred under this provision shall be the responsibility of one (1) or more of the Transacting Parties in an amount to be determined by the Attorney General or the Director, as he/she deems appropriate. No Initial Application for a conversion shall be considered complete unless an agreement has been executed with the Director and the Attorney General for the payment of costs, pursuant to R.I. Gen. Laws §§ 23-1-53 and 23-17.14, *et seq.*

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<sup>1</sup> If any recitation in a report contains information that is confidential by law or Court order, it may be redacted.

**HOSPITAL CONVERSION APPLICATION**  
**Revised 2022**

Please provide the following information (please replicate as needed):

Name of Transacting Parties:
Date Application Submitted/Resubmitted:
Date of Agreement Execution with the Director for Payment of Costs*:
Date of Agreement Execution with the Attorney General for Payment of Costs*:

\* Please provide copies of the responsive documents.

**All questions concerning this application should be directed to:**

**Office of Health Care Advocate (401) 274-4400  
and  
Office of Health Systems Development (401) 222-2788**

**CERTIFICATION**

Please provide the attestation/verification for each of the Transacting Parties and licensed hospital affiliates. (Please replicate as needed):

*I hereby certify under penalty of perjury that the information contained in this application is complete, accurate and true.*

\_\_\_\_\_  
Signed by the President or Chief Executive Officer

\_\_\_\_\_  
Entity

Subscribed and sworn to before me on this \_\_\_\_ day of \_\_\_\_\_ 20\_\_.

\_\_\_\_\_  
**Notary Public**  
My Commission Expires:

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APPENDIX A

APPENDIX B

APPENDIX C

APPENDIX D

APPENDIX E

APPENDIX F

1. Please provide an executive summary of the proposed conversion which shall include a discussion of the date of implementation, purchase price, source of funds, debt, commitments for and development of new services and/or facilities, and reduction of existing services and/or facilities that are associated with the proposed conversion.

2. Please provide the following:

a. Contact information of President or CEO of each Transacting Party (Please replicate as needed):

Name:	Telephone:	
Address:	State:	Zip:
E-mail:	Fax:	

b. Name, title, address, phone, fax and e-mail of one contact person for each Transacting Party for this application process (only if different from the President/CEO in Question 2) (Please replicate as needed):

Name:	Telephone:	
Address:	State:	Zip:
E-Mail:	Fax:	

3. For each existing affiliate hospital of the Transacting Parties, please provide the following information (Please replicate as needed):

Name of Facility:	License #:	
Address:	State:	Zip:
Telephone:		
Type of Ownership: ___Individual ___Partnership ___Corporation ___LLC		
Tax Status: ___For-profit ___Non-Profit		
Please identify any changes that will occur in the information provided above as a result of the implementation of the conversion.		



4. Please provide the following:
  - a. With regard to the officers, members of the boards of directors, trustees, executives, and senior managers of each of the Transacting Parties and their Affiliates, please provide the following for the past 2 years: (a) name; (b) address; (c) phone number; (d) occupation; and (e) tenure.
  - b. The (a) name; (b) address; (c) phone number; and (d) occupation of the proposed members of the board of directors, trustees, executives and senior managers after the conversion of the Transacting Parties and their Affiliates, identifying any additional members or removal of members.
  - c. A description of the governance structure of the New Hospital(s) after conversion, including a description of how members of any board of directors, trustees or similar type group will be chosen.
  
5. Please provide a list of all current committees, subcommittees, task forces, or similar entities of the board of directors or trustees. With regard to each please include:
  - a. a short description of the purpose of each committee; and
  - b. the name, address, phone number, occupation, and tenure of each current committee member.
  
6. Please provide agenda and minutes of all meetings of the board of directors or trustees and any of its committees, subcommittees, task forces related to the conversion, or similar entities (excluding those focused on peer review and confidential medical matters) that occurred within the two (2) year period (24 months) prior to submission of the application to the present in identifiable format. Please note, meeting packages may also be requested in order to complete the Initial Application. Included in this response, please provide a detailed index of all minutes and organize according to entity and committee (i.e., all minutes for an entity or committee for the relevant time period should be together, along with all applicable attachments), using the following format:

Bates Number	Date	Committee	Title of Document	Attachments Included

7. Please provide each of the following applicable documents and amendments for each of the Transacting Parties and affiliated hospital(s):
  - a. Charter;
  - b. Certificate and Articles of Incorporation and By-laws;
  - c. Certificate of Partnership and Partnership Agreement;
  - d. Certificates or Articles of Organization and Operating Agreement; and
  - e. Other organizational documents.

If any of the above documents are proposed to be revised or modified in any way as a result of the proposed conversion, include the proposed revisions or modifications.

8. Please provide the name and mailing address of all licensed facilities in which the Transacting Parties maintain an ownership interest or controlling interest or operating authority.
9. Please provide the following:
  - a. Organizational charts for the existing and post-conversion Transacting Parties and each partner, affiliate, parent, subsidiary or related legal entity in which either Transacting Party has a twenty percent (20%) or greater ownership or membership interest or control; and
  - b. A detailed narrative that describes the existing and proposed post-conversion organizational structure for the Transacting Parties and each partner, affiliate, parent, subsidiary or related legal entity in which either Transacting Party has a twenty percent (20%) or greater ownership or membership interest or control.
10. Please provide the following:
  - a. A description of criteria established by the board of directors of the Transacting Parties for pursuing a proposed conversion with one or more health care providers; and
  - b. Explain whether the board considers the proposed transaction as the only alternative or the best alternative in carrying out its mission and purposes.
11. Please provide a description of the request(s) for proposals issued by the Transacting Parties relating to pursuing a proposed conversion.
12. Please provide the names, addresses and phone numbers of all professional consultants engaged by the Transacting Parties in connection with the proposed conversion.
13. Please provide a copy of any agreement(s) outlining the scope of services to be rendered by any consultant or expert engaged by the Transacting Parties in connection with the proposed transaction, including the cost thereof.
14. Please provide copies of current conflict of interest forms from all incumbent or recently incumbent officers, directors, members of the board of directors or trustees, and senior management, including the medical directors of the Transacting Parties, and experts and consultants engaged by the Transacting Parties in connection with the proposed transaction, on a form acceptable to the Attorney General (“incumbent or recently incumbent” means those individuals holding the position at the time the application is submitted and any individual who held a similar position within one year prior to the application’s acceptance).
15. Please provide conflict of interest statements, policies and procedures for each of the Transacting Parties.

16. Please provide the binding transaction documents, such as an asset purchase and/or transfer agreement, affiliation agreement and/or memorandum of understanding and all exhibits and schedules thereto (including any updates or supplements as they occur).
17. Please identify and describe all government (including local, state, or federal) permits, licenses, or other approvals necessary to implement the proposed conversion and the status thereof.
18. Please provide a list of pending, adjudicated, or threatened citations, violations, de-certifications, revocations, suspensions, terminations, or charges against the Transacting Parties and their Affiliates brought by any governmental agency or accrediting agency (including Medicaid/Medicare programs) within the past three (3) years and the status or disposition of each.
19. Please provide a description of any current or impending litigation and/or investigations by foreign, federal, state or municipal boards or governments, and administrative agencies (including Medicaid/Medicare programs) against each Transacting Party and its Affiliates. For each claim, include the nature, an estimate of the amount, the status, and whether it is covered by any applicable insurance.
20. Please provide a list with detailed descriptions of all agreements executed or anticipated to be executed by any of the Transacting Parties in connection with the proposed conversion.
21. Please provide copies of reports of any due diligence review performed by each Transacting Party in relation to the proposed conversion. These reports are to be held by the Attorney General and Department of Health as confidential and not released to the public regardless of any determination made pursuant to R.I. Gen. Laws § 23-17.14-32 and notwithstanding any other provision of the general laws. Please include a description of the plans for ongoing due diligence efforts by the Transacting Parties and their Affiliates throughout the proposed conversion review and other regulatory reviews, up to and including the Effective Date.
22. Please provide copies of any report(s) analyzing any affiliation, merger, or other similar transaction considered by any of the Transacting Parties during the past three (3) years, including the proposed transaction, including but not limited to, any report by any appraiser, accountant, consultant, investment banker, actuary, other expert, or any committee investigating the proposed conversion and any and all recommendations from the committee to the board of directors for each of the Transacting Parties and each of its Affiliates.
23. Please provide copies of IRS Form 990 for any Transacting Party and its Affiliates required by federal law to file such a form, for each of the three (3) years prior to the submission of the application.
24. Please provide copies of audited income statements, balance sheets, other financial statements, and management and discussion letters for the past three (3) years, audited interim financial statements and income statements, together with a detailed description of the financing structure of the proposed conversion including equity contribution, debt restructuring, stock issuance, partnership interests, stock offerings and the like, and unaudited financial statements (where audited financial statements are unavailable), including all financial reports showing all employment costs and expenses.
25. Please provide any and all assessments, reports or evaluations, financial or otherwise, of the Transacting Parties and/or their Affiliates performed in anticipation of any proposed affiliation, purchase, merger, or other such transaction for the prior three (3) fiscal years, by whomever prepared

(internal or external experts or consultants, or in combination), including, but not limited to, analyses of financial strengths, weaknesses and/or viability.

26. Please provide a list of insurance contracts in full force and effect for each Transacting Party and their Affiliates, including professional, directors and officers and comprehensive general liability, including coverage limits, purpose of insurance, and duty of coverage, both currently and post conversion. Please provide detailed information concerning any and all coverage provided by self-insured funds and/or captive insurance companies to provide coverage for risks, including but not limited to the amount of the self-insurance fund, claims paid, or claims pending.
27. Please provide copies of documents or descriptions of any proposed plan for any entity to be created for charitable assets, including but not limited to, endowments, restricted, unrestricted and specific purpose funds, the proposed articles of incorporation, by-laws, mission statement, program agenda, method of appointment of board members, qualifications of board members, duties of board members, and conflict of interest policies.
28. Please provide a *Cy Pres* Petition for the proposed conversion(s) of affiliate hospitals, other affiliate 501(c)(3) entities, and all that will be affected by the proposed conversion.
29. Please provide the following information regarding all donor restricted gifts received by the Transacting Parties and their Affiliates and attach copies of any legal documents that created each gift:

<b>Date of Gift</b>	<b>Name of Gift/ Instrument</b>	<b>Restriction(s)</b>	<b>Value of Gift at time of Gift</b>	<b>Current Value of Gift</b>

30. Please provide copies of all documents related to:
  - a. Identification of all charitable assets;
  - b. Accounting of all charitable assets for the past three (3) years;
  - c. Distribution of the charitable assets including, but not limited to, endowments, restricted, unrestricted and specific purpose funds as each relates to the proposed transaction; and
  - d. Please list all current donations that include naming privileges relating to the donation.
31. Please complete the following chart for the previous three (3) fiscal years and year to date:

<b>Year</b>	<b>Total Endowment</b>	<b>Restricted</b>	<b>Unrestricted</b>
	\$	\$	\$
	\$	\$	\$
	\$	\$	\$
Year to Date __ / __ / __	\$	\$	\$

32. Please provide the names of persons currently holding a position as an officer, director, board member, or senior manager who will or will not maintain any position with the New Hospital(s) post conversion and whether any said person will receive any salary, severance, stock offering or any financial gain current or deferred as a result of or in relation to the proposed conversion.
33. Please provide a list with detailed descriptions of all agreements or proposed agreements reflecting any current and/or future employment or compensated relationship between the acquiror (or any related entity) and any officer, director, board member, trustee, or senior manager of the acquiree (or any related entity).
34. Please provide any and all severance packages, contracts or any other documents relating to same, given, negotiated or renegotiated with any employee or former employee of the Transacting Parties and their Affiliates for the prior three (3) years from the date of the application through the present. Please include in your response any agreements to provide consulting services and/or covenants to not compete following completion of the proposed conversion.
35. Please provide a copy of proposed contracts or description of proposed arrangements with senior managers, board members, officers, or directors of the Transacting Parties for severance, consulting services or covenants not to compete following completion of the proposed conversion.
36. Please provide an itemization of all loans outstanding and their current balances, given, and/or forgiven in the last three (3) years to any executive, board member, employee or consultant of the Transacting Parties and/or their Affiliates, including the terms of such loan.
37. Please provide all documents related to the resignations of any directors, board members, senior managers and officers of each of the Transacting Parties and/or their Affiliates within the prior year.
38. Please provide a detailed description of the real estate issues including title reports for land owned and lease agreements concerning the proposed conversion.
39. Please provide a detailed description as each relates to the proposed transaction for equipment leases, insurance, regulatory compliance, tax status, pending litigation or pending regulatory citations, pension plan descriptions and employee benefits, environmental reports, assessments, and organizational goals.

40. Please provide a description and quantification of the outstanding debts of acquiree and/or their Affiliates, both between and among acquiree and/or their Affiliates, and the plans for the disposition of each such debt if the proposed conversion is approved.
41. Please provide copies of any opinions or memoranda addressing the state and federal tax consequences of the proposed conversion prepared for a Transacting Party by an attorney, accountant, or other expert.
42. Please provide a description of the manner in which the price was determined including which methods of valuation and what data were used, and the names and addresses of persons preparing the documents.
43. Please provide a copy of the Transacting Parties' affiliated hospital's Credentialing Committee Guidelines, Policies and/or Procedures, including any contemplated changes thereto. Please describe any arrangements for cross-privileging of medical staff affiliated with either of the Transacting Parties and their Affiliates before and after the proposed conversion.
44. Please provide the following information:
  - a. A list of the amounts of uncompensated care provided over the past three (3) years by each Hospital and a description as to how that amount was calculated;
  - b. A description of charity care and uncompensated care provided by the Hospital(s) for the previous three (3) year period to the present, including a dollar amount and a description of services provided to patients;
  - c. A description of bad debt incurred by the Hospital(s) for the previous three (3) years for which payment was anticipated but not received; and
  - d. Identify the reasons for any discrepancies between responses to sections (a) through (c) above, if any.
45. Please provide the following:
  - a. A description of the plan as to how the Transacting Parties and their Affiliates will provide community benefit and charity care during the first three (3) years of operation after the proposed transaction is completed.
  - b. A description of how the Transacting Parties and their Affiliates will monitor and value charity care services and community benefit after the proposed transaction is completed.
46. Please provide a list of all agreements of the Transacting Parties and/or their affiliated medical providers with third party payors and the annual commercial and non-commercial revenue generated by each agreement for each of the last three (3) years.
47. Please provide patient statistics for the past three (3) years and patient projections for the next year including patient visits, admissions, emergency room visits, clinical visits, and visits to each department of the hospital, admissions to nursing care or visits by affiliated home health entities.
48. Please provide a board approved Integration Plan for the proposed conversion (if any).

- a. Please provide both draft and final copies of any report or presentation prepared by any consultant or expert engaged by the Transacting Parties in connection with the proposed transaction, including but not limited to any Integration Plan regardless of whether such Integration Plan has been approved by the boards of the respective Transacting Parties.
49. Please identify (using Bates stamp coordinates) where in the minutes previously provided in response to Question 6 above, there is discussion of all studies, reports, analyses, and plans regarding: (a) integration or coordination of clinical programs and related administrative functions post conversion; and (b) the extent to which the clinical and administrative services provided by the Transacting Parties and their affiliate entities do and/or do not overlap and/or are complementary of one another.
  50. Please provide all summary reports concerning patient satisfaction surveys for the Transacting Parties and/or its Affiliates for the last three (3) years.
  51. Please describe how the Transacting Parties will make investments to support primary care within the geographical area for which the facility or facilities provide(s) services.
  52. Please provide the following:
    - a. A description of staffing levels for the first five (5) years of all categories of employees, including full-time, part-time, and contract employees currently working at, or providing services to the existing hospital(s) and a description of and copy of any plans of any anticipated or proposed changes in current staffing levels, including, any reduction in staffing, relocation of staffing, or additional staffing affecting the new hospital(s) and the existing hospital(s).
    - b. A list of all union contracts, including detailed descriptions.
    - c. A list of all medical services, departments and clinical services, and administrative services which will be maintained at the new hospital(s), including staffing levels.
    - d. A description of retirement plan(s) for all employees, full-time or part-time, including any supplemental executive retirement plans.
    - e. Copies of retirement plans accounting, management letters, and reports, including unfunded liabilities for retirement plans for the last five (5) years.
    - f. Copies of plans to fund unfunded liabilities for pension and retirement plans.
    - g. Copies of any impact analysis for the affected communities both before conversion and after proposed conversion, including benefits to the community, economic impact, and staffing.
  53. Please provide descriptions of the plan(s) as to how the Affiliated Hospital(s) will provide consolidated health care services and administrative services during the first five (5) years following the conversion.
  54. Please identify whether or not The Joint Commission accreditation is currently in good standing for each of the Transacting Parties and each of their Affiliate Hospital(s). If not, then please discuss in detail the reasons and provide copy of The Joint Commission survey.

55. Please provide details as to how the Transacting Parties will aim to address the Rhode Island Department of Health's *Three Leading Priorities*, and give specific examples as to how the Transacting Parties will do the following:
- a. Address the socio-economic and environmental determinants of health in the affected communities of the new hospital;
  - b. Promote health equity in the affected communities of the new hospital; and
  - c. Promote and ensure access to comprehensive, high-quality health services for Rhode Islanders, including vulnerable populations.
56. The Rhode Island Department of Health defines health disparities as inequalities in health status, disease incidence, disease prevalence, morbidity, or mortality rates between populations as impacted by access to services, quality of services, and environmental triggers. Disparately affected populations may be described by race and ethnicity, age, disability status, level of education, gender, geographic location, income, or sexual orientation.
- a. Please describe all health disparities in the service area(s) of the new hospital. Please provide all appropriate documentation to substantiate your response including any assessments and data that describe the health disparities.
  - b. Please discuss the impact of the proposal on reducing and/or eliminating health disparities in the service area(s) of the new hospital.
57. Please provide specific details as to how the Transacting Parties will do the following:
- a. Commit to providing and achieving higher quality health care including:
    - i. A foundation of longer-term planning for an effective health system that melds payment and delivery reforms with investments in health care quality improvement and the health workforce (such as Rhode Island's inter-professional training initiatives).
    - ii. Focusing on provider satisfaction and avoiding provider burn-out.
  - b. Commit to providing and achieving improved health outcomes including:
    - i. Focusing on population health outcomes and disparities across the life course, focusing on equity and the integration of behavioral health (including mental health and substance use) with physical health (including oral health).
    - ii. Promoting social cohesion and connectedness to achieve active patient engagement and support recovery from addiction.
  - c. Commit to smarter spending including:
    - i. Addressing the differences between short-term and long-term cost savings, noting that long-term savings require investments that are often reflected in different areas than the initial expense.
    - ii. Focusing on retaining investments that improve social services, supporting place-based community infrastructure to address socio-economic and environmental determinants of health, and investing in our children for long-term health improvements and returns.



58. Please confirm that the New Hospital(s) will continue to participate in the Rhode Island Cancer Registry and the Rhode Island Regional Health Information Organization after the implementation of the proposed conversion and, if not, please explain why not.
59. Please provide a list of all professional memberships/associations and community collaborations that the Existing Hospital(s) are currently members of or participants in and, of those, please identify any that will not be maintained after the implementation of the proposed conversion.
60. Please identify each individual officer, director, board member or member of senior level management who engaged legal counsel to consider their individual rights or duties in acting in their capacity as a fiduciary in connection with the proposed conversion.
61. Please provide copies of any opinions or memoranda addressing the propriety of the proposed conversion under the Rhode Island Nonprofit Corporation Act, R.I. Gen. Laws § 7-6-1 *et seq.*
62. Provide a copy of FTC Form C4 and any attachments to that Form filed with the FTC in connection with this transaction OR provide or identify information sufficient to satisfy the requests or answer the questions contained in FTC Form C4 (rev. 01/02/2017) Items 1 through 8.
63. Please provide a detailed summary as to why the Proposed Conversion is proper under the Rhode Island Antitrust Act, R.I. Gen. Laws § 6-36 *et seq.*
64. If the acquiror is a for-profit corporation that has previously acquired a not-for-profit hospital under the provisions of the Hospital Conversions Act, the application shall also include a complete statement of performance during the preceding one year with regard to the terms and conditions of approval of conversion and each projection, plan, or description submitted as part of the application for any conversion completed under an application submitted pursuant to the Hospital Conversions Act and made a part of an approval for the conversion pursuant to R.I. Gen. Law §§ 23-17.14-7, 23-17.14-8, or 23-17.14-19.
65. Please provide a copy of the Change in Effective Control Application(s) filed with the Rhode Island Department of Health pursuant to R.I. Gen. Law § 23-17 *et al.* All Change in Effective Control Applications must be filed simultaneously with this HCA Application.
66. Please answer the additional questions attached hereto as Appendix F to the Initial Application.



**APPENDIX A (CONT.)**

2. Please complete the following table for each Existing and New Hospital for each year indicated.

	Past Three Fiscal Years			Budgeted Current Fiscal Year	Projected Three Fiscal Years (if approved)		
	FY:	FY:	FY:	FY:	FY:	FY:	FY:
<b>REVENUES</b>							
Net Patient Revenue							
Other: (_____)							
<b>Total Revenue</b>							
<b>EXPENSES</b>							
Payroll w/Fringes							
Bad Debt							
Supplies							
Office Expenses							
Utilities							
Insurance							
Interest							
Depreciation/Amortization							
Leasehold Expenses							
Other: (_____)							
Other: (_____)							
<b>Total Expenses</b>							
<b>OPERATING PROFIT/LOSS</b>							
<b># of Admissions</b>							
<b># of ED Visits</b>							

**APPENDIX A (CONT.)**

3. Please complete the table below for each Existing and New Hospital for each year indicated.

	Past Three Fiscal Years (Actual)						Budgeted Current Year		Projected First Three Operating Years (if approved)					
	FY:		FY:		FY:		FY:		FY:		FY:		FY:	
<b>PAYOR SOURCE:</b>	\$	%	\$	%	\$	%	\$	%	\$	%	\$	%	\$	%
Medicare														
Medicaid														
Blue Cross														
Commercial														
HMO's														
Self Pay														
Other:														
<b>TOTAL</b>														
Charity Care*														

\*Charity Care does not include bad debt, and is based on costs (not charges).

4. Please complete the table below for the New Hospital(s)' substantial capital needs.

Capital Needs	Source of Funding for Capital Needs	Cost of Satisfying Capital Needs	Date of Projected Completion

**APPENDIX B**

Please provide the total cost necessary to implement this proposal and allocate this amount to the sources of funds categories listed below:

TOTAL PROJECT COST: \$ \_\_\_\_\_ \*

<u>SOURCE OF FUNDS</u>	<u>AMOUNT</u>
a. Funded depreciation	\$ _____
b. Other restricted funds (specify)	_____
c. Unrestricted funds (specify)	_____
d. Owner's equity	_____
e. Cash (If different from owner's equity)	_____
f. Unrestricted donations or gifts	_____
g. Restricted donations or gifts	_____
h. Other non-debt funds (specify)	_____
<b>i. Sub-Total Equity Funds</b>	_____
j. Subsidized loan (e.g. FHA etc.)	_____
k. Tax-exempt bonds (specify)	_____
l. Conventional mortgage	_____
m. Lease or rental	_____
n. Other debt funds	_____
<b>o. Sub-Total Debt Funds</b>	_____
<b>p. Total Source of Funds</b>	_____

\* Should equal the response for line "p"

\*\* Equity means non-debt funds contributed towards the capital cost related to a conversion of a hospital which funds are free and clear of any repayment or liens against the assets of the proposed owner and/or licensee and that result in a like reduction in the portion of the capital cost that is required to be financed or mortgaged.

\*\*\* If debt financing is indicated, please complete Appendix C.

## APPENDIX C

### **Debt Financing**

Name of Acquiror(s): \_\_\_\_\_

1. Describe the proposed debt by completing the following:
  - a. type of debt contemplated;
  - b. term (month or years);
  - c. principal amount borrowed;
  - d. probable interest rate;
  - e. points, discounts, origination fees;
  - f. likely security;
  - g. disposition of property (if a lease is revoked);
  - h. prepayment penalties or call features;
  - i. front-end costs (e.g. underwriting spread);
  - j. feasibility study, legal and printing expense;
  - k. points, etc.; and
  - l. debt service reserve fund.
  
2. If this proposal involves refinancing of existing debt l, please indicate the original principal, the current balance, the interest rate, the years remaining on the debt and a justification for the refinancing contemplated.
  
3. Please present a debt service schedule for the chosen method of financing, which clearly indicates the total amount borrowed and the total amount to be repaid per year. Of the amount to be repaid per year, the total dollars applied to principal and total dollars applied to interest must be shown.
  
4. Please provide an annual cash flow statement for the period between approval of the application and through the third full FY year after implementation of the proposed conversion.

## APPENDIX D

### **CHANGE, ELIMINATION OR REDUCTION IN SERVICES**

Please provide a written plan describing the proposed change, reduction or elimination that shall include, at a minimum, the following information:

1. A list of all medical services, departments, clinical services, and administrative services;
2. A description of all departments, clinical, social, or other services or medical services (including emergency and primary care) that will be changed, eliminated, or significantly reduced by transacting parties at either the New Hospital(s) or the Existing Hospital(s);
3. The proposed change(s) in hours of operation, if any;
4. The proposed change(s) in staffing, if any;
5. The documented length of time the services to be changed, reduced or eliminated have been available at the Existing Hospital(s);
6. The number of patients utilizing those services that are to be changed, reduced or eliminated annually during the most recent 3 years;
7. Aggregate data delineating the insurance status of the individuals served by the Existing Hospital(s) during the most recent 3 years;
8. Data describing the insurance status of those individuals utilizing those services that are to be changed, reduced or eliminated annually during the most recent 3 years;
9. The geographical area for which the Existing Hospital(s) provides services; and
10. Identification and description, including supporting data and statistical analyses, of the impact of the proposed change, elimination or reduction on:
  - a. access to health care services for traditionally underserved populations, including but not limited to, Medicaid, uninsured and underinsured patients, and racial and ethnic minority populations;
  - b. the delivery of such services on the affected community in the cities and towns whose residents are regularly served by the Existing Hospital(s) (the “affected” cities and towns);
  - c. other licensed hospitals or health care providers in the affected community or cities and towns; and
  - d. other licensed hospitals or health care providers in the state.

## APPENDIX E

### DISCLOSURE OF OWNERSHIP AND CONTROL INTEREST

All Transacting Parties must complete this Appendix.

Please answer the following questions by checking either “Yes” or “No.” If any of the questions are answered “Yes,” please list the names and addresses of individuals or corporations on an attached sheet (identify each answer with the appropriate number of the question). If yes, please provide details.

1. If the proposed conversion is approved, will there be any individuals (or organizations) having a direct (or indirect) ownership or control interest of 5 percent or more in the acquiror or acquiree, that have been convicted of a criminal offense related to the involvement of such persons or organizations in any of the programs established by Title XVIII, XIX of the Social Security Act?

Yes\_\_\_ No\_\_\_

2. If the proposed conversion is approved, will there be any directors, officers, agents, or managers of the acquiror or acquiree who have ever been convicted of a felony offense or any other offenses related to their involvement in such programs established by Titles XVIII, XIX of the Social Security Act?

Yes\_\_\_ No\_\_\_

3. Are there (or will there be) any individuals employed by the acquiror or acquiree in a managerial, accounting, auditing, or similar capacity who were employed by the applicant’s fiscal intermediary within the past 12 months (Title XVIII providers only)?

Yes\_\_\_ No\_\_\_

4. If the proposed conversion is approved, will there be any individuals (or organizations) having direct (or indirect) ownership interests, separately or in combination, of 5 percent or more in the acquiror? (Indirect ownership interest is ownership in any entity higher in a pyramid than the applicant.)

Yes\_\_\_ No\_\_\_ (Note, if the applicant is a subsidiary of a “parent” corporation, the response is “Yes”)

5. If the proposed conversion is approved, will there be individuals (or organizations) that have an ownership interest (equal to at least 5 percent of any facility’s assets) in a mortgage or other obligation secured by any facility?

Yes\_\_\_ No\_\_\_



6. If the proposed conversion is approved, will there be any individuals (or organizations) that have an ownership or control interest of 5 percent or more in a subcontractor in which the acquiror or acquiree has a direct or indirect ownership interest of 5 percent or more (please also identify those subcontractors)?

Yes\_\_\_ No\_\_\_

7. If the proposed conversion is approved, will there be any individuals (or organizations) having a direct (or indirect) ownership or control interest of 5 percent or more in the acquiror or acquiree, who have been direct (or indirect) owners or employees of a health care facility against which sanctions (of any kind) were imposed by any governmental agency?

Yes\_\_\_ No\_\_\_

8. If the proposed conversion is approved, will there be any individuals (or organizations) having a direct (or indirect) ownership or control interest of 5 percent or more in the acquirer or acquiree, that have been convicted of a felony or any crime arising out of the delivery of any health care item or service?

Yes\_\_\_ No\_\_\_

**APPENDIX F**

(Transaction-specific Questions)