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Second Report on Compliance by Yale-New Haven Health Services Corporation (“YNHHSC”), Lawrence + Memorial Corporation (“L+M”) and LMW Healthcare, Inc. d/b/a Westerly Hospital (“Westerly Hospital”) (collectively “the Transacting Parties”).

On September 1, 2016, the Rhode Island Department of the Attorney General (“Attorney General”) approved the Expedited Review Hospital Conversion Application of YNHHSC, L+M and the Westerly Hospital with conditions (the “HCA Decision”).

On May 21, 2018, I entered into a Retainer Agreement with the Attorney General to provide assistance in reviewing certain conditions of the HCA Decision on an annual basis between the Transacting Parties, as well as provide a report on my findings relative to the Transacting Parties’ compliance with those conditions. I also agreed to provide expert witness testimony, if required.

This is the second such report under the Retainer Agreement. My first report dated October 15, 2019, concluded that condition #8 of the HCA Decision was met as of September 2018. Consequently, this report will focus on condition # 9 of the HCA decision.

Specially, the detailed Scope of Work is outlined in Schedule A of the Retainer Agreement pertaining to condition # 9 is as follows:

In connection with the \$300 million resource commitment as referenced in the Affiliation, for the five (5) years after closing, assist the Attorney General in obtaining an annual capital report from YNHHSC which shall include the total amount of expenditures to date, the amount allocated to Westerly Hospital, the specific purpose of each expenditure, and the overall total amount of the resource commitment as of that date showing the differential between the total to date and the outstanding commitment remaining. These reports shall include any and all supporting documentation used to justify the expenditures (e.g., master facilities plans, strategic plans, etc.). In addition, obtain any further information as necessary to

confirm that the capital commitment as outlined in the Affiliation Agreement is being met.

The original deadline date for condition #9 was September 30, 2021. However, on June 5, 2023, the parties agreed to an extension through July 31, 2022 (See Exhibit A). This reason for this extension was to provide a reasonable amount of extra time due to the financial and logistical challenges created by the Covid-19 pandemic.

My work on this assignment was not an audit and the purpose of this memorandum is to summarize my procedures and findings on information provided to us through September 30, 2023.

The cooperation and input of the Transacting Parties' representatives who provided documents and participated in meetings and discussions concerning the contents of this report is recognized and appreciated.

I. Initial Document Review:

The initial documents that I received and reviewed included the HCA Decision. As stated previously, the HCA Decision approved the Transacting Parties' application with a number of conditions. My primary focus was on condition #9, the \$300 million resource commitment referenced in the Affiliation Agreement for five years after closing. Also included were the interim capital reports to the Attorney General, the June 2023 Addendum to the Decision, the revised final annual investment report, the August 2022 report on detailed expenditures through July 31, 2022, and the August 2023 request from the Attorney General for additional detail on specific line items and YHNNSC response to that request.

II. Additional Information Required:

YNHHSC, through its attorney, Steven Zubiago of Nixon Peabody, LLP provided additional material to the Attorney General and me pertaining to Condition #9. They have also responded to requests for information initiated by me. I have reviewed all the information closely.

In addition, we spoke multiple times with the representatives of YHNNSC responsible for the reporting requirements along with their legal counsel. Any documentation or clarification requested was provided to us on a timely basis.

On December 18, 2023, YNHHSC provided a signed and notarized affidavit of Joshua W. Morris, V.P. Finance, YNHHSC attached as Exhibit B to support the document

submission and reporting on condition #9 through July 31, 2022, and the additional document submission and reporting through October 2023.

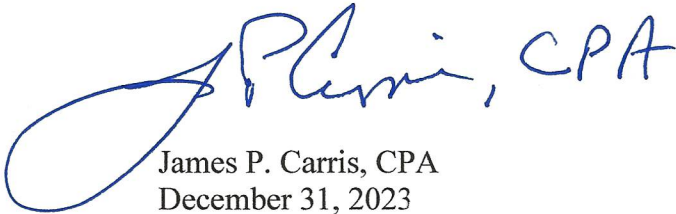
III. Findings:

As I stated previously, I did not perform an audit of the financial information provided by YNHHSC.

However, the documentation provided by YNHHSC shows a total resource commitment for Westerly Hospital and L&M Hospital through July 31, 2022, totaled \$318,139,219. Exhibit C details this resource commitment by category, location and time-period. This amount exceeds the total commitment required under condition #9 (as amended) of \$300 million.

Therefore, based on my review of the information, discussions with representatives of YNHHSC and the affidavit provided, it is my conclusion that YNHHSC has met condition #9 (as amended) of the HCA Decision as of July 31, 2022.

Respectfully submitted,

A handwritten signature in blue ink that reads "James P. Carris, CPA". The signature is stylized with a large, looping initial "J".

James P. Carris, CPA
December 31, 2023

EXHIBIT A

STATE OF RHODE ISLAND
OFFICE OF THE ATTORNEY GENERAL

June 5, 2023

ADDENDUM TO DECISION

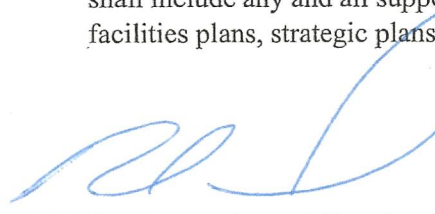
In Re: Expedited Review Hospital Conversion Initial Application of Yale-New Haven Health Services Corporation, Lawrence + Memorial Corporation and LMW Healthcare, Inc. d/b/a Westerly Hospital

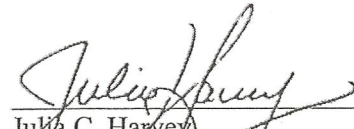
This addendum (“Addendum”) supplements and is made part of the Office of the Attorney General’s initial decision regarding the HCA application of Yale-New Haven Health Services Corporation, Lawrence + Memorial Corporation, and LMW Healthcare, Inc., dated September 1, 2016, (“Decision”). This Addendum is effective as of the date specified above.

This Addendum serves to amend the term of the monitoring period for Condition 9 to the Decision. Condition 9 originally required a five-year period within which Yale-New Haven Health Services Corporation (“YNHHSC”) would provide annual capital reports to the Attorney General demonstrating expenditures made toward the \$300 million resource commitment specified in the Affiliation Agreement. The Office of the Attorney General acknowledges the financial and logistical challenges created by the COVID-19 pandemic, which inhibited YNHHSC’s ability to meet this \$300 million resource commitment within 5 years after the closing of the transaction between the parties. Therefore, the Attorney General will allow and consider reporting of expenditures made between the original deadline and July 31, 2022. As amended, Condition 9 now reads:

“In connection with the \$300 million resource commitment as referenced in the Affiliation Agreement, for the five (5) years after closing, YNHHSC shall provide an annual capital report to the Attorney General which shall include the total amount of expenditures to date, the amount allocated to Westerly Hospital, the specific purpose of each expenditure, and the overall total amount of the resource commitment as of that date showing the differential between the total to date and the outstanding commitment remaining. These reports shall include any and all supporting documentation used to justify the expenditures (e.g. master facilities plans, strategic plans, etc.).

By May 1, 2023, YNHHSC shall also provide a capital report to the Attorney General for the period beginning October 1, 2021 and ending July 31, 2022 which shall include the total amount of expenditures to date, the amount allocated to Westerly Hospital, the specific purpose of each expenditure, and the overall total amount of the resource commitment as of that date showing the differential between the total to date and the outstanding commitment remaining. This report shall include any and all supporting documentation used to justify the expenditures (e.g. master facilities plans, strategic plans, etc.).”


Peter F. Neronha
Attorney General
State of Rhode Island


Julia C. Harvey
Health Care Advocate
Special Assistant Attorney General

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EXHIBIT B

In Re: Final reporting pursuant to the Attorney General’s September 1, 2016 Hospital Conversion Act Decision on the Expedited Review Application of Yale New Haven Health Services Corporation (“YNHHSC”), Lawrence + Memorial Corporation (“L+M”) and LMW Healthcare, Inc. d/b/a Westerly Hospital (the “Westerly Hospital”) (the “Decision”)

Affidavit of Joshua W. Morris

On behalf of YNHHSC, I, Joshua W. Morris, do hereby attest to the truthfulness and accuracy of the following statements:

1. I am currently Vice President, Finance at YNHHSC.
2. I have read and am familiar with the Conditions of the Decision, specifically:

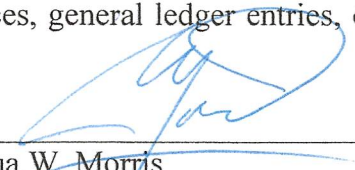
Condition #9: *In connection with the \$300 million resource commitment as referenced in the Affiliation Agreement, for the five (5) years after closing, YNHHSC shall provide an annual capital report to the Attorney General which shall include the total amount of expenditures to date, the amount allocated to Westerly Hospital, the specific purpose of each expenditure, and the overall total amount of the resource commitment as of that date showing the differential between the total to date and the outstanding commitment remaining. These reports shall include any and all supporting documentation used to justify the expenditures (e.g. master facilities plans, strategic plans, etc.).*

3. I am familiar with the information and documents submitted to the Attorney General to evidence compliance with the above referenced condition for the period beginning September 1, 2016 and ending July 31, 2022.
4. To the best of my knowledge and belief, all information and documents provided to the Attorney General to evidence compliance with the above referenced condition for the period beginning September 1, 2016 and ending July 31, 2022, are true, accurate, and complete.¹
5. As to Condition #9, as of July 31, 2022, YNHHSC has committed resources as referenced in the Affiliation Agreement totaling \$318,139,219. This amount exceeds the total commitment required under Condition #9 of \$300 million.
6. The information provided to the Attorney General by YNHHSC with the letter dated August 25, 2021, attached hereto as Exhibit A, detailing the above-described resource commitments is true,

¹ The Affiant became employed by YNHHSC as of November 2021, following the retirement and departure of health system leaders previously involved with compliance reporting, and therefore refers to the Affidavit of Stephen Allegretto, former Senior VP Finance L+M, VP YNHHS dated October 10, 2019, which immediately preceded the RIAG’s First Report on Compliance. In addition, the Affiant refers to resource investment reports signed submitted to the Connecticut Office of Health Strategy and shared with the RIAG dated May 31, 2020 – signed by Patrick Green, former CEO L+M Healthcare and Executive VP YNHHS and Stephen Allegretto; November 30, 2020 – signed by Stephen Allegretto; May 27, 2021 signed by Patrick Green and Stephen Allegretto; and November 30, 2021 (replaced by December 7, 2021 report) signed by Vincent Tamaro, former Executive VP and CFO YNHHS.

accurate and supported by detailed invoices, general ledger entries, or other supporting documentation.


7. The information provided to the Attorney General by YNHHSO with the letter dated August 31, 2023, attached hereto as Exhibit B, detailing certain categories of spending reported in Exhibit A is true, accurate, and supported by detailed invoices, general ledger entries, or other supporting documentation.



Joshua W. Morris
VP Finance, YNHHSO

State of Connecticut
County of New London

On this 18th day of December, 2023, before me, the undersigned notary public, personally appeared Joshua W. Morris, personally known to the notary or proved to be the person who signed the attached document in my presence, and who swore or affirmed to the notary that the contents of the document are truthful and accurate to the best of his knowledge and belief.



Notary Public
My Commission expires on: 03-31-2026

EXHIBIT C

**Yale New Haven, L+M, Westery Hospital
Resource Commitment**

October 1, 2016 through September 30, 2021

Category	Location	10/01/16 - 03/31/17	04/01/17 - 09/30/17	10/01/17 - 03/31/18	04/01/18 - 09/30/18	10/01/18 - 03/31/19	04/01/19 - 09/30/19	Total Through 09/30/19	10/01/19 - 03/31/20	04/01/20 - 09/30/20	10/01/20 - 03/31/21	04/01/21 - 09/30/21	Total 10/01/19 - 09/30/21	Total 10/01/16 - 09/30/21
Primary Care Clinical Services	Western RI	-	106,001	282,376	342,165	362,534	418,273	1,511,349	647,548	656,238	867,598	768,097	2,919,481	4,430,830
Specialty Clinical Services	Western RI	168,202	230,588	725,520	894,324	850,021	359,629	3,228,284	756,463	2,717,292	2,948,456	3,177,535	9,599,746	12,828,030
Ambulatory Services	Western RI	-	-	-	18,606	-	-	18,606	-	-	-	-	-	18,606
Post Acute Services	Western RI	-	5,000	17,754	11,254	41,922	16,578	181,254	1,039,906	3,498,412	(334,763)	1,815,632	6,019,187	181,254
Infrastructure within LMHC Facilities	Western RI	1,086,849	758,744	476,173	868,759	578,692	2,701,060	6,470,277	403,669	455,444	10,363	425,566	12,489,464	12,489,464
Information Technology	Western RI	1,569,119	718,511	303,362	340,257	270,117	498,617	3,699,983	403,669	455,444	10,363	425,566	12,489,464	12,489,464
Population Health	Western RI	44,408	311,846	178,127	178,127	178,127	178,127	1,068,762	178,127	178,127	178,127	178,127	1,712,508	1,781,270
Branding	Western RI	412,301	438,142	286,257	217,940	220,649	89,633	1,664,922	269,498	198,556	169,570	202,434	840,058	2,504,980
Operational Improvements	Western RI	2,025,759	1,725,516	1,166,251	2,977,143	3,664,517	11,363,746	22,972,932	4,399,848	1,806,700	892,480	3,701,884	10,800,912	33,773,844
Community Need/Community Building	Western RI	-	-	52,000	-	-	-	52,000	-	-	-	-	-	52,000
Total	Western RI	5,306,638	4,289,348	3,475,066	5,985,075	6,166,579	15,625,663	40,818,369	7,694,459	9,490,769	4,731,833	10,269,275	32,186,336	73,004,705
Annual Total	Western RI	9,595,986	9,430,141	21,792,242	40,818,369	171,852,228	15,001,108	32,186,336	1,151,192	1,176,955	1,661,086	1,432,718	5,421,951	8,121,355
Primary Care Clinical Services	Eastern CT	-	136,725	322,618	545,027	760,182	934,852	2,699,404	1,151,192	1,176,955	1,661,086	1,432,718	5,421,951	8,121,355
Specialty Clinical Services	Eastern CT	1,457,485	1,513,180	2,404,985	4,257,127	4,720,982	7,008,671	21,362,430	4,041,009	8,022,375	7,935,047	7,045,295	27,043,726	48,406,156
Ambulatory Services	Eastern CT	-	-	763,344	91,552	76,676	48,325	979,897	78,255	65,650	75,981	67,347	287,233	1,267,130
Post Acute Services	Eastern CT	-	5,000	17,754	11,254	41,922	16,578	181,254	22,273	1,023,886	275,145	20,757	1,342,061	1,523,315
Infrastructure within LMHC Facilities	Eastern CT	874,583	3,803,474	1,427,134	6,318,631	3,752,390	5,291,054	21,467,268	4,198,707	6,865,048	2,531,795	18,825,283	32,420,833	53,888,101
Information Technology	Eastern CT	9,934,718	5,220,500	1,391,690	1,488,166	1,448,502	1,866,269	21,349,845	1,725,373	1,575,349	47,824	1,963,553	5,312,099	26,661,944
Population Health	Eastern CT	204,896	1,438,851	821,873	821,873	821,873	821,873	4,931,239	821,873	821,873	821,873	821,873	3,287,492	6,218,731
Branding	Eastern CT	412,301	900,562	648,029	412,075	491,852	201,984	3,066,803	645,512	933,544	408,453	1,119,254	3,106,763	6,173,566
Operational Improvements	Eastern CT	5,433,462	6,355,775	5,567,556	9,508,428	4,829,948	5,722,668	37,217,837	4,025,284	4,546,049	4,165,855	4,915,005	17,652,193	54,870,030
Community Need/Community Building	Eastern CT	54,898	67,457	82,480	18,420	-	74,423	297,658	-	55,608	-	39,968	95,576	393,234
Total	Eastern CT	18,372,345	19,436,504	13,234,709	23,579,053	16,944,327	21,986,697	113,553,635	16,709,478	25,086,337	17,932,059	36,251,053	95,969,927	209,523,562
Annual Total	Eastern CT	37,808,849	36,813,762	38,931,024	113,553,635	41,795,915	54,174,112	95,969,927	1,798,740	1,813,193	2,528,684	2,200,815	8,341,432	12,552,185
Primary Care Clinical Services	Combined	-	242,726	604,994	887,192	1,122,716	1,335,125	4,210,753	1,798,740	1,813,193	2,528,684	2,200,815	8,341,432	12,552,185
Specialty Clinical Services	Combined	1,625,687	1,743,768	3,130,505	5,151,451	5,571,003	7,368,300	24,590,714	4,797,472	10,739,667	10,883,503	10,222,830	36,643,472	61,234,186
Ambulatory Services	Combined	-	-	763,344	110,158	76,676	48,325	998,503	78,255	65,650	75,981	67,347	287,233	1,285,736
Post Acute Services	Combined	-	10,000	235,508	83,844	33,156	362,508	362,508	22,273	1,023,886	275,145	20,757	1,342,061	1,704,569
Infrastructure within LMHC Facilities	Combined	1,961,434	4,562,218	1,903,307	7,187,390	4,331,082	7,992,114	27,937,545	5,238,613	10,363,860	2,197,032	20,640,915	38,440,020	66,377,565
Information Technology	Combined	11,503,837	5,939,011	1,695,052	1,828,423	1,718,619	2,364,886	25,049,828	2,128,442	2,030,793	58,189	2,389,119	6,606,543	31,656,371
Population Health	Combined	249,304	1,750,697	1,000,000	1,000,000	1,000,000	1,000,000	6,000,001	1,000,000	1,000,000	1,000,000	1,000,000	4,000,000	10,000,001
Branding	Combined	824,602	1,338,704	934,286	630,015	712,501	291,617	4,731,725	915,010	1,132,100	578,023	1,321,688	3,946,821	8,678,546
Operational Improvements	Combined	7,459,221	8,081,291	6,533,807	12,485,571	8,494,465	17,086,414	60,140,769	8,425,132	6,352,749	5,058,335	8,616,889	28,453,105	88,593,874
Community Need/Community Building	Combined	54,898	67,457	134,480	18,420	-	74,423	349,658	-	55,608	-	39,968	95,576	445,234
Sub Total	Combined	23,678,983	23,725,852	16,709,775	29,534,128	23,110,906	37,612,360	154,372,004	24,403,937	34,577,106	22,654,892	46,520,328	128,156,263	282,528,267
Annual Total	Combined	47,404,835	46,243,903	60,723,266	154,372,004	58,981,043	69,175,220	128,156,263	5,038,191	11,522,271	299,088,729	19,050,494	318,139,223	
Covid-19 Investment	Western RI	-	-	-	-	-	-	-	-	-	-	-	-	-
Sub total with Covid-19 through 9/30/21	Eastern CT	-	-	-	-	-	-	-	-	-	-	-	-	-
Power Grid/ED Project 10/1/21 to 7/31/22	Eastern CT	-	-	-	-	-	-	-	-	-	-	-	-	-
Revised Total through 7/31/22	Combined	-	-	-	-	-	-	-	-	-	-	-	-	-

Source: Resource Commitment Report Documents Provided by Yale New Haven