

Roberts, Karen

From: Roberts, Karen
Sent: Thursday, November 07, 2013 12:24 PM
To: 'cdurand@lmhosp.org'
Subject: FW: L&M
Attachments: l m.pdf

Dear Ms. Durand – please see attached an OHCA inquiry regarding the removal of the Joslin Diabetes Center satellite location in Mystic from the hospital license.

Sincerely,

Karen Roberts
Principal Health Care Analyst
Department of Public Health
Office of Health Care Access
(860) 418-7041
karen.roberts@ct.gov



STATE OF CONNECTICUT
DEPARTMENT OF PUBLIC HEALTH
Office of Health Care Access

November 7, 2013

Sent by Facsimile and Email

Ms. Crista Durand, Vice President
Strategic Planning, Marketing and New Business Development
Lawrence & Memorial Hospital
365 Montauk Avenue
New London, CT 06320

RE: Removal of Joslin Diabetes Center satellite location in Mystic from the Hospital license
Lawrence & Memorial Hospital

Dear Ms. Durand:

It has come to the attention of the Office of Health Care Access ("OHCA") that Lawrence & Memorial Hospital ("Hospital") recently made a change to its license by removing a satellite called Joslin Diabetes Center located at 14 Clara Drive in Mystic effective November 5, 2013. In order for OHCA to determine whether the removal of this satellite service location is a termination of service requiring OHCA authorization pursuant to General Statute §19a-638(a)(4), please respond to the following questions.

1. It appears that Joslin Diabetes Center is still listed on the Hospital website as a service available at the Mystic Outpatient Services center. As such, please fully describe the removal of this satellite from the Hospital's license and list the specific services that were or are provided at this location.
2. Has any service line or cost center been discontinued as a result of this action?
3. Previous to the change to the licensed satellite, did Lawrence & Memorial Hospital record all associated utilization, revenues, expenses and reimbursement for this service as a hospital service on its books? If not, please identify what legal entity which recorded volumes, revenues, expenses and reimbursement.
4. Subsequent to the change to the licensed satellite, does Lawrence & Memorial Hospital continue to record all of the services at the location in question as hospital services on its books? If not, please identify what legal entity now records volumes, revenues, expenses and reimbursement on its books.

An Equal Opportunity Provider

(If you require aid/accommodation to participate fully and fairly, contact us either by phone, fax or email)
410 Capitol Ave., MS#13HCA, P.O.Box 340308, Hartford, CT 06134-0308
Telephone: (860) 418-7001 Fax: (860) 418-7053 Email: OHCA@ct.gov

5. Does this change result in any reduced availability of the outpatient diabetes services (hours of operation, staffing, etc.)? If so, please discuss.
6. Please indicate how the Hospital has provided necessary information to the patient population it serves and where those patients must now seek comparable services. If any services have been discontinued, how is the Hospital following up with patients to determine on-going patient service needs and issues if service changes have occurred?

Please provide a response to the above OHCA inquiry by November 29, 2013. Please contact me at 860-418-7041 if you have any questions on the above.

Sincerely,



Karen Roberts
Principal Health Care Analyst

*** TX REPORT ***

TRANSMISSION OK

TX/RX NO 3824
RECIPIENT ADDRESS 98602714474
DESTINATION ID
ST. TIME 11/07 13:24
TIME USE 00'26
PAGES SENT 3
RESULT OK



STATE OF CONNECTICUT
DEPARTMENT OF PUBLIC HEALTH
OFFICE OF HEALTH CARE ACCESS

FAX SHEET

TO: CRISTA DURAND

FAX: 860 271-4474

AGENCY: LAWRENCE & MEMORIAL HOSPITAL

FROM: OHCA

DATE: 11/7/13 Time: _____

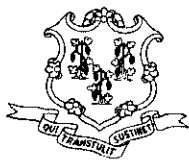
NUMBER OF PAGES: 3

(including transmittal sheet)



Comments:

Regarding removal of Jolin Diabetes Center satellite location in Mystic from the Hospital license



STATE OF CONNECTICUT
DEPARTMENT OF PUBLIC HEALTH
OFFICE OF HEALTH CARE ACCESS

FAX SHEET

TO: CRISTA DURAND

FAX: 860 271-4474

AGENCY: LAWRENCE & MEMORIAL HOSPITAL

FROM: OHCA

DATE: 11/7/13 Time: _____

NUMBER OF PAGES: 3
(including transmittal sheet)

Comments:

Regarding removal of Jolin Diabetes Center satellite location in Mystic from the Hospital license

PLEASE PHONE Barbara K. Olejarz IF THERE ARE ANY TRANSMISSION PROBLEMS.

Phone: (860) 418-7001

Fax: (860) 418-7053

*410 Capitol Ave., MS#13HCA
P.O.Box 340308
Hartford, CT 06134*

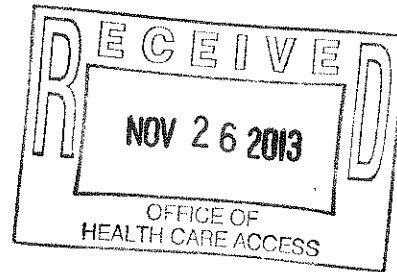


365 Montauk Avenue | New London, CT 06320
860.442.0711 | lmhospital.org

Via Facsimile 860-418-7053
Via FedEx Early AM Delivery

November 26, 2013

Karen Roberts
Principle Health Care Analyst
Office of Health Care Access
410 Capitol Avenue, MS#13HCA
P.O. Box 340308
Hartford, Connecticut 06134-0308



Re: Removal of Joslin Diabetes Center satellite location in Mystic
from the Hospital license
Lawrence & Memorial Hospital

Dear Ms. Roberts:

Lawrence and Memorial Hospital ("L+M") respectfully requests an additional 10 business days from the response deadline to respond to the Department of Public Health division of Office of Health Care Access's ("OHCA's") letter dated November 7, 2013 regarding the removal of the Joslin Diabetes Center satellite in Mystic from its hospital license.

Thank you.

Very truly yours,

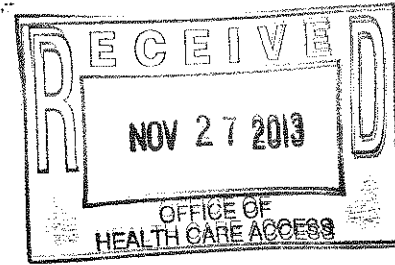
Crista Durand
Vice President, Strategic Planning

Cc: Bruce Cummings, President and Chief Executive Officer
Michele M. Volpe, Esq.

Via Facsimile 860-418-7053
Via FedEx Early AM Delivery

November 26, 2013

Karen Roberts
Principle Health Care Analyst
Office of Health Care Access
410 Capitol Avenue, MS#13HCA
P.O. Box 340308
Hartford, Connecticut 06134-0308



Re: Removal of Joslin Diabetes Center satellite location in Mystic
from the Hospital license
Lawrence & Memorial Hospital

Dear Ms. Roberts:

Lawrence and Memorial Hospital ("L+M") respectfully requests an additional 10 business days from the response deadline to respond to the Department of Public Health division of Office of Health Care Access's ("OHCA's") letter dated November 7, 2013 regarding the removal of the Joslin Diabetes Center satellite in Mystic from its hospital license.

Thank you.

Very truly yours,

A handwritten signature in cursive script, appearing to read "Crista Durand".

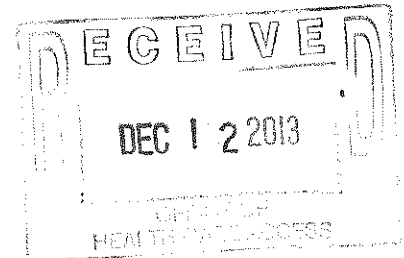
Crista Durand
Vice President, Strategic Planning

Cc: Bruce Cummings, President and Chief Executive Officer
Michele M. Volpe, Esq.

December 12, 2013

Via Facsimile 860-418-7053.
VIA FedEx

Karen Roberts
Principle Health Care Analyst
Office of Health Care Access
410 Capitol Avenue, MS#13HCA
P.O. Box 340308
Hartford, Connecticut 06134-0308



Re: Removal of Joslin Diabetes Center satellite location in Mystic from the Hospital license
Lawrence & Memorial Hospital

Dear Ms. Roberts:

Below are the responses to the Department of Public Health Office of Health Care Access's ("OHCA's") letter dated November 7, 2013.

1. It appears that Joslin Diabetes Center is still listed on the Hospital website as a service available at the Mystic Outpatient Services center. As such, please fully describe the removal of this satellite from the Hospital's license and list the specific services that were or are provided at this location.

Lawrence + Memorial Hospital (the Hospital) removed the Joslin Diabetes Center in Mystic (Joslin Mystic) from its Hospital license because Joslin Mystic services have not been provided or billed by the Hospital since 2008. The Hospital requested the Department of Public Health remove Joslin Mystic to accurately list its satellite locations.

2. Has any service line or cost center been discontinued as a result of this action?

No services lines or cost centers have been discontinued as a result of the removal of the Joslin Diabetes Center in Mystic from the Hospital license.

3. Previous to the change to the licensed satellite, did Lawrence & Memorial Hospital record all associated utilization, revenues, expenses and reimbursement for this service as a hospital service on its books? If not, please identify what legal entity which recorded volumes, revenues, expenses, and reimbursement.

Previous to the removal of Joslin Mystic from the Hospital license, the Hospital did not record associated utilization, revenues, expenses and reimbursement for the Joslin Mystic services as a hospital service on its books. ASSECT is the legal entity that records volumes, revenues, expenses and reimbursement on its books. Joslin Diabetes services have been provided by Associated Specialists of Southeastern Connecticut, Inc. (ASSECT) since 2008.



365 Montauk Avenue | New London, CT 06320
860.442.0711 | lmhospital.org

4. Subsequent to the change to the licensed satellite, does Lawrence & Memorial Hospital continue to record all of the services at the location in question as hospital services on its books? If not, please identify what legal entity now records volumes, revenues, expenses and reimbursement on its books.

Subsequent to the change to the licensed satellite, the Hospital does not record the services at the location in question as hospital services on its books. ASSECT is the legal entity that records volumes, revenues, expenses and reimbursement on its books.

5. Does this change result in any reduced availability of the outpatient diabetes services (hours of operation, staffing, etc.)? If so, please discuss.

The removal of Joslin Mystic from the Hospital license does not result in any reduced availability of outpatient diabetes services, hours of operation or staffing.

6. Please indicate how the Hospital has provided necessary information to the patient population it serves and where those patients must now seek comparable services. If any services have been discontinued, how is the Hospital following up with patients to determine on-going patient service needs and issues if service changes have occurred?

ASSECT is providing necessary information to the patient population it serves, where patients can seek comparable services and following up with patients to determine on-going patient service needs and issues.

Please contact the undersigned at (860) 442-0711 extension 2073 if you have any questions or require additional information.

Thank you.

Very truly yours,

A handwritten signature in black ink, appearing to read 'Crista Durand'.

Crista Durand

Vice President, Strategic Planning, Marketing and New Business Development

Cc: Bruce Cummings, President and Chief Executive Officer

Roberts, Karen

From: Roberts, Karen
Sent: Monday, December 30, 2013 12:18 PM
To: 'Durand, Crista'
Cc: Martone, Kim
Subject: RE: OHCA Inquiry regarding Joslin satellite location

Tracking:	Recipient	Delivery
	'Durand, Crista'	
	Martone, Kim	Delivered: 12/30/2013 12:19 PM

Hi Crista:

Thank you for submitting the Hospital's response to OHCA's inquiry on December 13, 2013. I have a couple of further clarification questions regarding this matter.

- 1) The Mystic location of the Joslin Diabetes Center received CON authorization in 2002 under Docket Number 02-541. This location is also described by the Hospital as a hospital service in its CON in 2006 under Docket Number 06-30710-CON for the Old Saybrook location. Please clarify that prior to 2008, Lawrence & Memorial Hospital was the provider of this service and the legal entity which recorded the volume, revenue and expenses on its books.
- 2) Did Lawrence & Memorial Hospital discontinue any service line or cost center as a result of the 2008 change wherein ASSECT became the provider of the Mystic Diabetes services.
- 3) What is the status of the Joslin Diabetes Center services that were approved under Docket Number 06-30710-CON for the Old Saybrook location.

Please respond to the above at your earliest convenience. Thank you for your further attention to this matter. Karen

Karen Roberts

Principal Health Care Analyst
Department of Public Health
Office of Health Care Access
(860) 418-7041
karen.roberts@ct.gov

From: Durand, Crista [<mailto:cdurand@lmhosp.org>]
Sent: Wednesday, November 27, 2013 12:17 PM
To: Roberts, Karen
Cc: Martone, Kim; Patel, Shraddha
Subject: RE: OHCA Inquiry regarding Joslin satellite location

Thank you for granting the extension to L+M.

Regards,
Crista

Crista Durand

Vice President, Strategic Planning
365 Montauk Avenue
New London, CT 06320
860.442.0711, ext. 2073
cdurand@lmhosp.org



From: Roberts, Karen [<mailto:Karen.Roberts@ct.gov>]
Sent: Wednesday, November 27, 2013 11:29 AM
To: Durand, Crista
Cc: Martone, Kim
Subject: OHCA Inquiry regarding Joslin satellite location

November 27, 2013

To: Crista Durand, Vice President, Strategic Planning
Lawrence + Memorial Hospital

Dear Ms. Durand:

On November 26, 2013, the Office of Health Care Access (OHCA) received your request for an extension of ten business days for the Hospital to respond to OHCA's November 7, 2013 inquiry into the removal of the Joslin Diabetes Center satellite location in Mystic from the Hospital's license. In response, OHCA is allowing this extension of time to file a response to OHCA's questions from November 29, 2013 to Friday, December 13, 2013. Please file a response no later than end of business day on **December 13th**. This notification of time extension is sent by facsimile only. Please contact me at (860) 418-7041 or karen.roberts@ct.gov if you have any further questions in this matter.

Sincerely,

Karen Roberts
Principal Health Care Analyst
Department of Public Health
Office of Health Care Access
(860) 418-7041
karen.roberts@ct.gov

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Roberts, Karen

From: Durand, Crista <cdurand@lmhosp.org>
Sent: Thursday, February 13, 2014 3:06 PM
To: Roberts, Karen
Subject: L+M Joslin Response for OHCA
Attachments: Response to OHCA re Joslin 02-13-14.dotx; Response to OHCA re Joslin attachments 02-13-14.pdf

Follow Up Flag: Follow up
Flag Status: Flagged

Hi Karen,

Please find attached two attachments. The first is a memorandum with responses to OHCA's questions. The second attachment is additional background information to support our position. Should you have any questions, please feel free to reach out to me. Thank you.

Regards,

Crista

Crista Durand
Vice President, Strategic Planning
365 Montauk Avenue
New London, CT 06320
860.442.0711, ext. 2073
cdurand@lmhosp.org



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VIA E-MAIL

February 13, 2014

Office of Health Care Access
Department of Public Health
410 Capitol Avenue, #MS 13HCA
PO Box 340308
Hartford, CT 06134-0308

Re: L+M Joslin Diabetes Mystic

Ms. Roberts:

Below are the responses to your questions posed in your December 31, 2013 email originating from OHCA's letter dated November 7, 2013 regarding the L+M Joslin Diabetes Mystic location.

As a preliminary matter, L+M has located important OHCA filings from 2008 filed on March 30, 2009 and attached hereto ("2008 Filings"). The 2008 Filings reflect, in numerous places, that L+M had fully disclosed to OHCA the formation of a new wholly owned subsidiary physician entity, Associated Specialists of Southeastern Connecticut, Inc. ("ASSECT"), and that L+M had restructured the physician and professional component of certain hospital services to ASSECT. OHCA accepted the 2008 Filings and they were reviewed at the highest level. (See letter from Commissioner Vogel to L+M dated June 17, 2009 attached as part of the 2008 Filings.) In addition to the 2008 Filings attached, OHCA was aware of ASSECT through various L+M organizational charts and other detailed information filed with and reviewed by OHCA since ASSECT's formation. At no time did OHCA require L+M to submit a Determination or CON regarding the transfer of these services. It was not until approximately five years later that OHCA decided a filing was necessary.

- 1. The Mystic location of the Joslin Diabetes Center received CON authorization in 2002 under Docket Number 02-541. This location is also described by the Hospital as a hospital service in its CON in 2006 under Docket Number 06-30710-CON for the Old Saybrook location. Please clarify that prior to 2008, Lawrence & Memorial Hospital was the provider of this service and the legal entity which recorded the volume, revenue and expenses on its books.**

Yes, prior to 2008, Lawrence & Memorial Hospital was the provider of Joslin Mystic services and the legal entity which recorded Joslin Mystic volume, revenue and expenses on its books.

2. Did Lawrence & Memorial Hospital discontinue any service line or cost center as a result of the 2008 change wherein ASSECT became the provider of the Mystic Diabetes services.

Yes, Associated Specialists of Southeastern Connecticut, Inc. (ASSECT) became the provider of the Joslin Mystic Diabetes services. No disruption of these services occurred in the service area.

3. What is the status of the Joslin Diabetes Center services that were approved under Docket Number 06-30710-CON for the Old Saybrook location.

From 2006 to 2008, the services were provided and billed by the Hospital. From 2008 to 2013, Joslin Old Saybrook services were provided and billed by ASSECT. In January 2013, the Old Saybrook location was closed and dissolved.

As stated above, when Joslin Old Saybrook closed in January 2013, the services were being provided by ASSECT, a non-hospital entity. Consistent with OHCA's previous ruling in Report Number 13-31829-DTR, no CON is required when non-hospital outpatient services are terminated and therefore no CON was required when the Joslin Old Saybrook services were terminated. See Report Number 13-31829-DTR, letter dated April 2, 2013, RE: Operational status of certain outpatient services at or by Lawrence & Memorial Hospital:

"the recent transfer of services in 2012 from Associated Specialists of Southeastern Connecticut, Inc. to the medical foundation, L&M Physician Association, Inc., and the related relocation of services in 2013 did not involve hospital services, the most recent transfers of services and relocations do not require Certificate of Need authorization pursuant to current general statute wording." Emphasis added.

Please do not hesitate to contact us with any questions.

Thank you,

Crista Durand, Vice President
Strategic Planning, Marketing & Business Development

CD/keb
Attachment (1)



March 30, 2009

Ms. Christine Vogel
Commissioner
Office of Health Care Access
State of Connecticut
410 Capital Ave, MS #13HCA
P.O. Box 340308
Hartford, Ct 06134-0308

Subject: FY 2008 12-Month Filing
Docket Number: 08-008TM

Dear Ms. Vogel:

Enclosed are Lawrence & Memorial Hospital's FY 2008 12-Month Filing Requirements due March 31, 2009. An original and one copy of each Attachment are enclosed. The Hospital Reporting Systems for the FY 2008 12-Month Filing is closed and available for the Office of Healthcare Access to review.

The Hospital is noting the following items to add clarification to our filing:

- The reconciliation A on Report 500/550/600 is comprised of the following:
\$ 11,197,885 Gross L&M Employee Revenue
- 4,384,745 L&M Employee Allowances
+ 1,332,607 Charity Care that does not meet OHCA's Definition

\$ 8,145,747 Other Adjustments to OHCA Defined Net Revenue

Attached are the following supporting or requested documents:

- Attachment A – A summary of the number of licensed beds and their occupancy covering the periods FY 2006, FY 2007 and FY 2008
- Attachment B – IRS Forms 8868 (Form 990) extension request for the Hospital and L&M Corporation
- Attachment C – The +/- 20% variance explanations required for requested worksheets

The Filing has been completed to the best of our knowledge accurately and in accordance with OHCA's instructions.

Please give Tina DiCioccio or me a call if you have any questions at (860) 442-0711 ext. 2713 or 3871 respectively.

Sincerely,


Steven F. Kilby
Manager of Budget & Reimbursement

Cc: Tillman Foster (Cover Only)



AFFIDAVIT

CERTIFICATION OF THE HOSPITAL'S FY 2008 TWELVE MONTHS ACTUAL FILING

I, Lugene Inzana, Vice President, CFO
Name Hospital Position Title - CFO

Of Lawrence & Memorial Hospital _____
Hospital

hereafter referred to as "the Hospital", being duly sworn, depose and state that:

1. The information submitted both electronically and in hard copy to the Office of Health Care Access that is contained in the Hospital's FY 2008 Twelve Months Actual Filing concerning its actual results from operations, is to the best of our knowledge true, accurate and consistent with the FY 2008 Twelve Months Actual Filing General Instructions provided to the Hospital by the Office of Health Care Access; and
2. The information submitted to the Office of Health Care Access electronically in the Hospital Reporting System is identical to the information upon which the Hospital's FY 2008 *Report of Independent Accountants on Applying Agreed-Upon Procedures to Report 600* is based.

Lugene A. Inzana 3/30/09
Signature Date

Subscribed and sworn to before me on March 30, 2009
Date

Margaret X. Inakas
Notary Public

My commission expires: Nov. 30, 2010
Date

STATE OF CONNECTICUT

Department of Public Health

License No. 0047

General Hospital

In accordance with the provisions of the General Statutes of Connecticut Section 19a-493:

Lawrence and Memorial Corporation of New London, CT; d/b/a Lawrence and Memorial Hospital is hereby licensed to maintain and operate a General Hospital.

Lawrence and Memorial Hospital is located at 365 Montauk Avenue, New London, CT 06320

The maximum number of beds shall not exceed at any time:

28 Bassinets

280 General Hospital beds

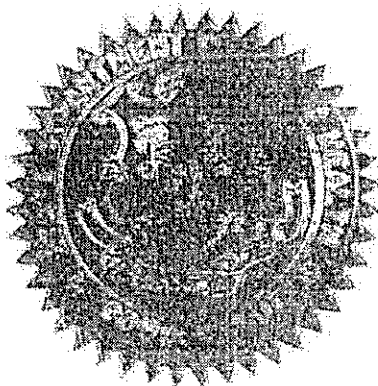
This license expires **March 31, 2011** and may be revoked for cause at any time.

Dated at Hartford, Connecticut, April 1, 2009. RENEWAL.

Satellite:

Pequot Health Center, 52 Hazelnut Hill Road, Groton, CT

Joslin Diabetes Center, 14 Clara Drive, Mystic, CT



J. Robert Galvin MD, MPH, MBA

J. Robert Galvin, MD, MPH, MBA,
Commissioner

Lawrence & Memorial Hospital
 Bed Availability and Occupancy Percent Summary
 FY 2006 - FY 2008

	FY 2006	FY 2007	FY 2008
Number of Beds			
Available Beds	236	238	238
Available Bassinets	14	14	14
Available Beds & Bassinets	249	252	252
Occupancy Percent			
Available Beds	75.38%	75.72%	77.57%
Available Bassinets	75.56%	73.09%	77.11%
Available Beds & Bassinets	75.58%	75.57%	77.55%

Application for Extension of Time To File an Exempt Organization Return

Department of the Treasury
Internal Revenue Service

▶ File a separate application for each return.

- If you are filing for an Automatic 3-Month Extension, complete only Part I and check this box.
 - If you are filing for an Additional (Not Automatic) 3-Month Extension, complete only Part II (on page 2 of this form).
- Do not complete Part II unless you have already been granted an automatic 3-month extension on a previously filed Form 8868.**

Part I Automatic 3-Month Extension of Time. Only submit original (no copies needed).

A corporation required to file Form 990-T and requesting an automatic 6-month extension — check this box and complete Part I only.

All other corporations (including 1120-C filers), partnerships, REMICS, and trusts must use Form 7004 to request an extension of time to file income tax returns.

Electronic Filing (e-file). Generally, you can electronically file Form 8868 if you want a 3-month automatic extension of time to file one of the returns noted below (6 months for a corporation required to file Form 990-T). However, you cannot file Form 8868 electronically if (1) you want the additional (not automatic) 3-month extension or (2) you file Forms 990-BL, 6069, or 8870, group returns, or a composite or consolidated Form 990-T. Instead, you must submit the fully completed and signed page 2 (Part II) of Form 8868. For more details on the electronic filing of this form, visit www.irs.gov/efile and click on *e-file for Charities & Nonprofits*.

Type or print	Name of Exempt Organization	Employer identification number
	LAWRENCE & MEMORIAL HOSPITAL	06-0646704
File by the due date for filing your return. See instructions.	Number, street, and room or suite number. If a P.O. box, see instructions.	
	365 MONTAUK AVENUE,	
	City, town or post office, state, and ZIP code. For a foreign address, see instructions.	NEW LONDON CT 06320

Check type of return to be filed (file a separate application for each return):

<input checked="" type="checkbox"/> Form 990	<input type="checkbox"/> Form 990-T (corporation)	<input type="checkbox"/> Form 4720
<input type="checkbox"/> Form 990-BL	<input type="checkbox"/> Form 990-T (section 401(a) or 408(a) trust)	<input type="checkbox"/> Form 5227
<input type="checkbox"/> Form 990-EZ	<input type="checkbox"/> Form 990-T (trust other than above)	<input type="checkbox"/> Form 6069
<input type="checkbox"/> Form 990-PF	<input type="checkbox"/> Form 1041-A	<input type="checkbox"/> Form 8870

• The books are in the care of ▶ Mr. Lugene Inzana

Telephone No. ▶ (860) 442-0711 FAX No. ▶ (860) 444-3736

- If the organization does not have an office or place of business in the United States, check this box.
- If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) N/A. If this is for the whole group, check this box. . If it is for part of the group, check this box. and attach a list with the names and EINs of all members the extension will cover.

1 I request an automatic 3-month (6 months for a corporation required to file Form 990-T) extension of time until May 15, 20 09, to file the exempt organization return for the organization named above.
The extension is for the organization's return for:
▶ calendar year 20__ or
▶ tax year beginning Oct 1, 20 07, and ending Sep 30, 20 08.

2 If this tax year is for less than 12 months, check reason: Initial return Final return Change in accounting period

3a If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions.	3a \$	0.
b If this application is for Form 990-PF or 990-T, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit.	3b \$	0.
c Balance Due. Subtract line 3b from line 3a. Include your payment with this form, or, if required, deposit with FTD coupon or, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions.	3c \$	0.

Caution. If you are going to make an electronic fund withdrawal with this Form 8868, see Form 8453-EO and Form 8879-EO for payment instructions.

8868 p1- 990: Application for Extension of Time to File (1st Ext) -990/990-EZ

Filing Address Smart Worksheet

Send Form 8868 to: Department of the Treasury
Internal Revenue Service Center
Ogden, UT 84201-0012

Form **8868**
(Rev April 2008)

Application for Extension of Time To File an Exempt Organization Return

OMB No. 1545-1709

Department of the Treasury
Internal Revenue Service

▶ File a separate application for each return.

- If you are filing for an Automatic 3-Month Extension, complete only Part I and check this box.
 - If you are filing for an Additional (Not Automatic) 3-Month Extension, complete only Part II (on page 2 of this form).
- Do not complete Part II unless you have already been granted an automatic 3-month extension on a previously filed Form 8868.**

Part I Automatic 3-Month Extension of Time. Only submit original (no copies needed).

A corporation required to file Form 990-T and requesting an automatic 6-month extension — check this box and complete Part I only.
All other corporations (including 1120-C filers), partnerships, REMICS, and trusts must use Form 7004 to request an extension of time to file income tax returns.

Electronic Filing (e-file). Generally, you can electronically file Form 8868 if you want a 3-month automatic extension of time to file one of the returns noted below (6 months for a corporation required to file Form 990-T). However, you cannot file Form 8868 electronically if (1) you want the additional (not automatic) 3-month extension or (2) you file Forms 990-BL, 6069, or 9870, group returns, or a composite or consolidated Form 990-T. Instead, you must submit the fully completed and signed page 2 (Part II) of Form 8868. For more details on the electronic filing of this form, visit www.irs.gov/efile and click on e-file for Charities & Nonprofits.

Type or print File by the due date for filing your return. See instructions.	Name of Exempt Organization LAWRENCE & MEMORIAL CORPORATION	Employer identification number 22-2553028
	Number, street, and room or suite number, if a P.O. box, see instructions. 365 MONTAUK AVENUE,	
	City, town or post office, state, and ZIP code. For a foreign address, see instructions. NEW LONDON CT 06320	

Check type of return to be filed (file a separate application for each return):

<input checked="" type="checkbox"/> Form 990	<input type="checkbox"/> Form 990-T (corporation)	<input type="checkbox"/> Form 4720
<input type="checkbox"/> Form 990-BL	<input type="checkbox"/> Form 990-T (section 401(a) or 408(a) trust)	<input type="checkbox"/> Form 5227
<input type="checkbox"/> Form 990-EZ	<input type="checkbox"/> Form 990-T (trust other than above)	<input type="checkbox"/> Form 6069
<input type="checkbox"/> Form 990-PF	<input type="checkbox"/> Form 1041-A	<input type="checkbox"/> Form 8870

- The books are in the care of Mr. Lou Inzana
- Telephone No. (860) 442-0711 FAX No. _____
- If the organization does not have an office or place of business in the United States, check this box.
- If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) N/A. If this is for the whole group, check this box. . If it is for part of the group, check this box. and attach a list with the names and EINs of all members the extension will cover.

1 I request an automatic 3-month (6 months for a corporation required to file Form 990-T) extension of time until May 15, 2009, to file the exempt organization return for the organization named above. The extension is for the organization's return for:

- ▶ calendar year 20____ or
- ▶ tax year beginning Oct 1, 2007, and ending Sep 30, 2008.

2 If this tax year is for less than 12 months, check reason: Initial return Final return Change in accounting period

3a If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions.	3a \$	0.
b If this application is for Form 990-PF or 990-T, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit.	3b \$	0.
c Balance Due. Subtract line 3b from line 3a. Include your payment with this form, or, if required, deposit with FTD coupon or, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions.	3c \$	0.

Caution. If you are going to make an electronic fund withdrawal with this Form 8868, see Form 8453-EO and Form 8879-EO for payment instructions.

BAA For Privacy Act and Paperwork Reduction Act Notice, see instructions.

8868 p1- 990: Application for Extension of Time to File (1st Ext) -990/990-EZ

Filing Address Smart Worksheet

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Ogden, UT 84201-0012



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Company Commissioner Office of Health Care Access
State of Connecticut

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 Recipient
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 Cash/Check

Total Packages Total Weight Total Declared Value
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8 Residential Delivery Signature Options
 No Signature Required
 Direct Signature
 Indirect Signature

Signature Required
Signature Required
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LAWRENCE AND MEMORIAL HOSPITAL
 OCHA FILING FY 2008
 REPORT 100 VARIANCE ANALYSIS

(1) LINE	(2) DESCRIPTION	(3) FY 2007 AMOUNT	(4) FY 2008 AMOUNT	(5) AMOUNT DIFFERENCE	(6) % DIFFERENCE
I.A.8	Prepaid expenses Explanation: <i>Several Vendors were prepaid in FY 2008 that were not prepaid in FY 2007.</i>	1,400,100	1,906,505	506,405	36%
I.B.1	Held by Trustee Explanation: <i>Specific Trust Fund increased by \$2.7 million from prior year</i>	10,618,087	12,999,368	2,381,281	22%
I.C.3	Construction in Progress Explanation: <i>The increase for FY 2008 projects is due to the installation of several projects in process to be completed in FY 2009.</i>	4,630,216	7,377,180	2,746,964	59%
II.A.1	Accounts Payable and Accrued Expenses Explanation: <i>Vouchers payable increased 4,850,000 frm prior year & Accrued W/C increased by \$700,000</i>	21,853,021	27,416,287	5,762,266	27%
II.A.3	Due to Third Party Payers Explanation: <i>Anticipated Liabilities due to Medicare RAC audits and cost report settlements</i>	4,675,713	7,993,615	3,317,902	71%
II.A.4	Due to Affiliates Explanation: <i>Pending intercompany settlements.</i>	879,039	573,153	(305,886)	-35%
II.B.3	Accrued Pension Liability Explanation: <i>Accrued Pension per Actuarial Report adjustment at year end.</i>	16,597,984	20,629,212	4,031,228	24%

LAWRENCE AND MEMORIAL HOSPITAL
 OCHA FILING FY 2008
 REPORT 150 VARIANCE ANALYSIS

(1) LINE	(2) DESCRIPTION	(3) FY 2007 AMOUNT	(4) FY 2008 AMOUNT	(5) AMOUNT DIFFERENCE	(6) % DIFFERENCE
A.3	Charity Care Explanation: <i>With more patients qualifying for Charity Care the amount granted, increased</i>	3,341,408	4,316,427	975,019	29%
A.5	Other Operating Revenue Explanation: <i>Other Operating Revenue increased due to additional rental income from affiliates, purchased outside services from affiliates, and fringe benefits.</i>	6,667,106	11,202,386	2,515,280	29%
A.6	Net Assets Released from Restriction Explanation: <i>Lanitis (Lawrence & Memorial Benefactors Society) donated \$100,000 towards the purchase of equipment for digital mammography.</i>	320,734	422,147	101,413	32%
B.3	Physicians Fees Explanation: <i>Decreased operating hours of the OB Clinic. Hospitalists group took over weekend and house coverage. Physicians moved to Associated Specialists.</i>	1,247,076	980,092	(266,984)	-21%
B.6	Bad Debts Explanation: <i>Bad Debt Expense is a calculated percent of Gross and Net revenue. As Gross Revenue increases the Expense also increases. The percent is based on experience.</i>	13,840,182	16,989,650	3,149,468	23%
B.8	Malpractice Explanation: <i>Malpractice expense is adjusted to actuarial report at year end</i>	7,601,097	3,355,337	(4,245,760)	-56%
C.1	Income from Investments Explanation: <i>Stock market has decreased significantly and our investments are not earning as much income as prior years.</i>	5,832,708	1,675,251	(4,157,457)	-71%

LAWRENCE AND MEMORIAL HOSPITAL
 OCHA FILING FY 2008
 REPORT 165 VARIANCE ANALYSIS

(1) LINE	(2) DESCRIPTION	(3) FY 2007 AMOUNT	(4) FY 2008 AMOUNT	(5) AMOUNT DIFFERENCE	(6) % DIFFERENCE
I.A.2	Inpatient Gross Revenue - Medicare Managed Care Explanation: <i>Medicare HMOs were promoted as an alternative to Traditional Medicare and more eligible beneficiaries chose this option. This increase in enrollees caused an increase in volumes, revenue and payments.</i>	2,265,015	5,077,006	2,811,991	124%
I.A.3	Inpatient Gross Revenue - Medicaid Explanation: <i>Medicaid discharges increased by 63% and patient days by 36%. This increase along with increases in prices and the mix of procedures utilized by patients caused revenue to increase. Another factor increasing traditional Medicaid volumes was the closing of a couple of State Medicaid HMO plans.</i>	9,618,451	13,980,627	4,362,176	45%
I.B.2	Outpatient Gross Revenue - Medicare Managed Care Explanation: <i>Medicare HMOs were promoted as an alternative to Traditional Medicare and more eligible beneficiaries chose this option. This increase in enrollees caused an increase in volumes, revenue and payments.</i>	2,016,067	4,712,345	2,696,278	134%
I.B.3	Outpatient Gross Revenue - Medicaid Explanation: <i>Medicaid outpatients visits increased by 22%. This increase along with increases in prices and the mix of procedures utilized by patients caused revenue to increase. Another factor increasing traditional Medicaid volumes was the closing of a couple of State Medicaid HMO plans.</i>	7,538,803	10,127,088	2,588,285	34%
I.C.2	Total Gross Revenue - Medicare Managed Care Explanation: <i>Medicare HMOs were promoted as an alternative to Traditional Medicare and more eligible beneficiaries chose this option. This increase in enrollees caused an increase in volumes, revenue and payments.</i>	4,283,082	9,789,351	5,506,269	129%
I.C.3	Total Gross Revenue - Medicaid Explanation: <i>Overall Medicaid volume increased in FY 2008 over FY 2007. This increase along with increases in prices and the mix of procedures utilized by patients caused revenue to increase. Another factor increasing traditional Medicaid volumes was the closing of a couple of State Medicaid HMO plans.</i>	17,157,264	24,107,715	6,950,461	41%
II.A.2	Inpatient Net Revenue - Medicare Managed Care Explanation: <i>Medicare HMOs were promoted as an alternative to Traditional Medicare and more eligible beneficiaries chose this option. This increase in enrollees caused an increase in volumes, revenue and payments.</i>	1,142,763	2,303,634	1,161,131	102%
II.A.3	Inpatient Net Revenue - Medicaid Explanation: <i>Medicaid discharges increased by 63% and patient days by 35%. This increase along with increases in payments caused Net revenue to increase. Another factor increasing traditional Medicaid volumes was the closing of a couple of State Medicaid HMO plans.</i>	3,159,678	6,769,202	3,609,524	114%
II.A.6	Inpatient Net Revenue - Commercial Insurance Explanation: <i>Commercial Discharges decreased by 27% from 2007 and Patient Days were down 6% from the previous year. The Volume decreases equate to less payments</i>	8,768,468	6,315,941	(2,452,527)	-28%
II.B.2	Outpatient Net Revenue - Medicare Managed Care Explanation: <i>Medicare HMOs were promoted as an alternative to Traditional Medicare and more eligible beneficiaries chose this option. This increase in enrollees caused an increase in volumes, revenue and payments.</i>	675,245	1,511,249	836,004	124%
II.B.3	Outpatient Net Revenue - Medicaid Explanation: <i>Medicaid outpatients visits increased by 22%. This increase along with increases in prices and the mix of procedures utilized by patients caused net revenue to increase. Another factor increasing traditional Medicaid volumes was the closing of a couple of State Medicaid HMO plans.</i>	2,267,273	2,882,154	594,881	26%
II.C.2	Total Net Revenue - Medicare Managed Care Explanation:	1,817,948	3,814,083	1,996,135	110%

Medicare HMOs were promoted as an alternative to Traditional Medicare and more eligible beneficiaries chose this option. This increase in enrollees caused an increase in volumes, revenue and payments.

II.C.3	Total Net Revenue - Medicaid Explanation: Overall Medicaid volume increased in FY 2008 over FY 2007. This increase along with increases in prices and the mix of procedures utilized by patients caused net revenue to increase. Another factor increasing traditional Medicaid volumes was the closing of a couple of State Medicaid HMO plans.	5,446,951	9,651,356	4,204,405	77%
III.A.2	Discharges - Medicare Managed Care Explanation: Medicare HMOs were promoted as an alternative to Traditional Medicare and more eligible beneficiaries chose this option. This increase in enrollees caused an increase in volumes, revenue and payments.	148	264	116	78%
III.A.3	Discharges - Medicaid Explanation: One factor increasing traditional Medicaid volumes was the closing of a couple of State Medicaid HMO plans and a larger number of state residents qualifying for Medicaid benefits	647	1,062	405	63%
III.A.6	Discharges - Commercial Insurance Explanation: Commercial Discharges decreased by 27% from 2007. Fewer patients needing Hospital services.	965	703	(262)	-27%
III.B.6	Patient Days - Medicare Managed Care Explanation: Medicare HMOs were promoted as an alternative to Traditional Medicare and more eligible beneficiaries chose this option. This increase in enrollees caused an increase in volumes, revenue and payments.	773	1,529	756	98%
III.B.8	Patient Days - Worker's Compensation Explanation: There were fewer Worker Comp Cases requiring Inpatient treatment and those that did did not have as long a length of stay	372	279	(93)	-25%
III.B.9	Patient Days - Self Pay / Uninsured Explanation: Fewer Self Pay Patients and the ones that were here used fewer patient days	1,196	914	(282)	-24%
III.B.11	Patient Days - Other Explanation: Fewer Other Patients presented for care and the ones that were here used fewer patient days	242	191	(51)	-21%
III.C.2	Outpatient Visits - Medicare Managed Care Explanation: Medicare HMOs were promoted as an alternative to Traditional Medicare and more eligible beneficiaries chose this option. This increase in enrollees caused an increase in volumes, revenue and payments.	3,849	8,292	4,443	115%
III.C.3	Outpatient Visits - Medicaid Explanation: Medicaid outpatients visits increased by 22%. Another factor increasing traditional Medicaid volumes was the closing of a couple of State Medicaid HMO plans.	12,856	15,721	2,865	22%
IV.A.2	ER Dpt. Outpatient Gross Revenue - Medicare Managed Care Explanation: Medicare HMOs were promoted as an alternative to Traditional Medicare and more eligible beneficiaries chose this option. This increase in enrollees caused an increase in volumes, revenue and payments.	219,151	492,061	272,910	125%
IV.A.3	ER Dpt. Outpatient Gross Revenue - Medicaid Explanation: Medicaid ER visits increased by 50%. This increase along with increases in prices and the mix of procedures utilized by patients caused revenue to increase. Another factor increasing traditional Medicaid volumes was the closing of a couple of State Medicaid HMO plans.	2,193,355	3,649,901	1,456,546	66%
IV.B.2	ER Dpt. Outpatient Net Revenue - Medicare Managed Care Explanation: Medicare HMOs were promoted as an alternative to Traditional Medicare and more eligible beneficiaries chose this option. This increase in enrollees caused an increase in volumes, revenue and payments.	73,377	152,543	79,166	108%
IV.B.3	ER Dpt. Outpatient Net Revenue - Medicaid Explanation:	558,342	876,123	317,781	57%

Medicaid ER visits increased by 50%. This increase along with increases in prices and the mix of procedures utilized by patients caused net revenue to increase. Another factor increasing traditional Medicaid volumes was the closing of a couple of State Medicaid HMO plans.

IV.C.2	ER Opt. Outpatient Visits - Medicare Managed Care	223	447	224	100%
	Explanation:				
	Medicare HMOs were promoted as an alternative to Traditional Medicare and more eligible beneficiaries chose this option. This increase in enrollees caused an increase in volumes, revenue and payments.				
IV.C.3	ER Opt. Outpatient Visits - Medicaid	2,793	4,194	1,401	50%
	Explanation:				
	Medicaid outpatient visits increased by 50%. Another factor increasing traditional Medicaid volumes was the closing of a couple of State Medicaid HMO plans.				

LAWRENCE AND MEMORIAL HOSPITAL
 OCHA FILING FY 2008
 REPORT 175 VARIANCE ANALYSIS

(1) <u>LINE</u>	(2) <u>DESCRIPTION</u>	(3) <u>FY 2007 AMOUNT</u>	(4) <u>FY 2008 AMOUNT</u>	(5) <u>AMOUNT DIFFERENCE</u>	(6) <u>% DIFFERENCE</u>
I.A.2	Physician Salaries Explanation: <i>Doctors joined Associated Specialists</i>	7,977,135	3,783,245	(4,193,890)	-53%
I.B.2	Physician Fringe Benefits Explanation: <i>Doctors joined Associated Specialists</i>	2,017,299	1,005,939	(1,011,360)	-50%
I.C.2	Physician Fees Explanation: <i>Decreased operating hours of the Obstetrics Clinic. Hospitalist group took over weekend and house coverage. Physicians joined Associated Specialists.</i>	1,247,076	980,092	(266,984)	-21%
I.F.1	Bad Debts Explanation: <i>Bad Debt Expense is a calculated percent of Gross and Net revenue. As Gross Revenue increases the Expense also increases. The percent is based on experience</i>	13,840,182	16,989,651	3,149,469	23%
I.H.1	Malpractice Insurance Cost Explanation: <i>Malpractice expense is adjusted to actuarial report at year end</i>	7,601,097	3,355,336	(4,245,761)	-56%
I.I.1	Water Explanation: <i>Accounts Payable timing - FY07 included expense for Q4 FY06 + FY07.</i>	180,826	126,554	(54,272)	-30%
I.I.3	Oil Explanation: <i>Milder winter from 2007, reduced usage</i>	44,786	23,939	(20,847)	-47%
I.J.1	Accounting Fees Explanation: <i>Increase in audit fees</i>	111,285	173,967	62,682	56%
I.J.3	Consulting Fees Explanation: <i>JA Thomas (Clinical documentation specialists) and Surgical Directions (Operational and Financial Surgical Consultants)</i>	1,193,017	2,346,385	1,153,368	97%
I.J.7	Repairs and Maintenance Explanation: <i>Hardware & Software Maintenance (\$1.6 million) were included at J16 Other in FY07. Maintenance contract expense increased \$500,000</i>	3,008,217	5,191,940	2,183,723	73%
I.J.10	Conferences Explanation: <i>Increase in training/off site conferences for non-clinical employees in billing, HR, Biomed and IS</i>	175,629	276,245	100,616	57%
I.J.10	Property Tax Explanation: <i>Increase in payments to towns for property leased to the Hospital</i>	74,517	95,123	20,606	28%
I.J.13	Licenses and Subscriptions Explanation: <i>Licensing fees decreased due to physician moved to Associated Specialists</i>	371,956	290,315	(81,641)	-22%
I.J.16	Business Expenses Explanation: <i>Increase in physician recruitment costs and Purchased Services for Associated Specialist</i>	14,738,297	18,068,301	3,330,004	23%
I.K.1	Miscellaneous Other Operating Expenses Explanation: <i>Net Assets released from restriction - LAMBS donated \$100,000 towards the purchase of equipment for digital mammography.</i>	320,734	422,147	101,413	32%

II.A.3	Patient Billing & Collection Explanation: <i>Significant increase in staff in FY08 in order to increase collections and better serve patients. Also began using Accuro consultants for chargemaster review</i>	1,951,707	2,524,913	573,206	29%
II.A.5	Data Processing Explanation: <i>Increase in 7 FTEs in FY08 as Hospital increased IT capabilities. All Hospital & offsite telephone expenses were moved to this dept in FY08 (\$542,000)</i>	3,894,614	5,317,680	1,423,066	37%
II.A.6	Communications Explanation: <i>Expenses for the Hospital's main telephone exchange were moved to line A5 in FY08 resulting in a decrease of \$350,000 to this department</i>	824,337	432,725	(391,612)	-48%
II.B.1	Medical Care Administration Explanation: <i>Dept Chair retired in FY08 and expense includes pay out of accrued benefit time</i>	331,974	401,925	69,951	21%
II.C.3	Anesthesiology Explanation: <i>Hospital negotiated a new contract with an anesthesiologist group</i>	724,481	526,727	(197,754)	-27%
II.C.9	CT Scan Explanation: <i>Added 2nd scanner in FY08, increased hours of service and associated supply expense</i>	1,631,063	1,990,750	359,687	22%
II.C.22	Psychiatry / Psychology Services Explanation: <i>Doctors, APRNs and some Counselors joined Associated Specialists</i>	2,375,341	1,826,547	(548,794)	-23%
II.C.31	Cardiac Catheterization/Rehabilitation Explanation: <i>Hospital began to provide emergency angioplasty in FY08. Expense associated with the physician contract and supplies increased.</i>	3,035,255	3,940,339	905,084	30%
II.D.8	Neonatal ICU Explanation: <i>The NICU experienced a 20% decrease in patient volume in FY08, staffing & supply expense were adjusted accordingly.</i>	3,472,350	2,680,385	(791,965)	-23%
II.D.13	Other Routine Services Explanation: <i>Increased focus in FY08 on Physician Recruitment and Retention as many of our community physicians are nearing retirement.</i>	1,411,975	2,317,918	905,943	64%

LAWRENCE AND MEMORIAL HOSPITAL
 OCHA FILING FY 2008
 REPORT 200 VARIANCE ANALYSIS

(1) <u>LINE</u>	(2) <u>DESCRIPTION</u>	(3) <u>FY 2007 AMOUNT</u>	(4) <u>FY 2008 AMOUNT</u>	(5) <u>AMOUNT DIFFERENCE</u>	(6) <u>% DIFFERENCE</u>
I.A.1	ANTHEM - MEDICARE BLUE CONNECTICUT Inpatient Charges Explanation: <i>Medicare HMOs were promoted as an alternative to Traditional Medicare. This increase in enrollees caused an increase in volumes, revenue and payments.</i>	316,934	616,008	299,074	94%
I.A.2	ANTHEM - MEDICARE BLUE CONNECTICUT Inpatient Payments Explanation: <i>Medicare HMOs were promoted as an alternative to Traditional Medicare. This increase in enrollees caused an increase in volumes, revenue and payments.</i>	148,243	320,213	171,970	116%
I.A.3	ANTHEM - MEDICARE BLUE CONNECTICUT Outpatient Charges Explanation: <i>Medicare HMOs were promoted as an alternative to Traditional Medicare. This increase in enrollees caused an increase in volumes, revenue and payments.</i>	379,806	865,180	485,374	128%
I.A.4	ANTHEM - MEDICARE BLUE CONNECTICUT Outpatient Payments Explanation: <i>Medicare HMOs were promoted as an alternative to Traditional Medicare. This increase in enrollees caused an increase in volumes, revenue and payments.</i>	133,109	246,737	113,628	85%
I.A.5	ANTHEM - MEDICARE BLUE CONNECTICUT Discharges Explanation: <i>Medicare HMOs were promoted as an alternative to Traditional Medicare. This increase in enrollees caused an increase in volumes, revenue and payments.</i>	21	35	14	67%
I.A.6	ANTHEM - MEDICARE BLUE CONNECTICUT Patient Days Explanation: <i>Medicare HMOs were promoted as an alternative to Traditional Medicare. This increase in enrollees caused an increase in volumes, revenue and payments.</i>	96	173	77	80%
I.A.7	ANTHEM - MEDICARE BLUE CONNECTICUT Outpatient Visits (Excludes ED Visits)	704	1,489	785	112%

Explanation:

Medicare HMOs were promoted as an alternative to Traditional Medicare. This increase in enrollees caused an increase in volumes, revenue and payments.

I.A.8	ANTHEM - MEDICARE BLUE CONNECTICUT Emergency Department Outpatient Visits	26	75	49	188%
	Explanation: Medicare HMOs were promoted as an alternative to Traditional Medicare. This increase in enrollees caused an increase in volumes, revenue and payments.				
I.A.9	ANTHEM - MEDICARE BLUE CONNECTICUT Emergency Department Inpatient Admissions	9	13	4	44%
	Explanation: Medicare HMOs were promoted as an alternative to Traditional Medicare. This increase in enrollees caused an increase in volumes, revenue and payments.				
I.D.1	HEALTHNET OF CONNECTICUT Inpatient Charges	1,948,081	4,083,659	2,135,578	110%
	Explanation: Medicare HMOs were promoted as an alternative to Traditional Medicare. This increase in enrollees caused an increase in volumes, revenue and payments.				
I.D.2	HEALTHNET OF CONNECTICUT Inpatient Payments	994,460	1,869,624	875,164	88%
	Explanation: Medicare HMOs were promoted as an alternative to Traditional Medicare. This increase in enrollees caused an increase in volumes, revenue and payments.				
I.D.3	HEALTHNET OF CONNECTICUT Outpatient Charges	1,552,661	3,592,171	2,039,510	131%
	Explanation: Medicare HMOs were promoted as an alternative to Traditional Medicare. This increase in enrollees caused an increase in volumes, revenue and payments.				
I.D.4	HEALTHNET OF CONNECTICUT Outpatient Payments	520,386	1,154,005	633,619	122%
	Explanation: Medicare HMOs were promoted as an alternative to Traditional Medicare. This increase in enrollees caused an increase in volumes, revenue and payments.				
I.D.5	HEALTHNET OF CONNECTICUT Discharges	127	214	87	69%
	Explanation:				

Medicare HMOs were promoted as an alternative to Traditional Medicare. This increase in enrollees caused an increase in volumes, revenue and payments.

I.D.6	HEALTHNET OF CONNECTICUT Patient Days	677	1,253	576	85%
	Explanation: <i>Medicare HMOs were promoted as an alternative to Traditional Medicare. This increase in enrollees caused an increase in volumes, revenue and payments.</i>				
I.D.7	HEALTHNET OF CONNECTICUT Outpatient Visits (Excludes ED Visits)	2,861	5,917	3,056	107%
	Explanation: <i>Medicare HMOs were promoted as an alternative to Traditional Medicare. This increase in enrollees caused an increase in volumes, revenue and payments.</i>				
I.D.8	HEALTHNET OF CONNECTICUT Emergency Department Outpatient Visits	188	337	149	79%
	Explanation: <i>Medicare HMOs were promoted as an alternative to Traditional Medicare. This increase in enrollees caused an increase in volumes, revenue and payments.</i>				
I.D.9	HEALTHNET OF CONNECTICUT Emergency Department Inpatient Admissions	78	127	49	63%
	Explanation: <i>Medicare HMOs were promoted as an alternative to Traditional Medicare. This increase in enrollees caused an increase in volumes, revenue and payments.</i>				
I.E.3	OTHER MEDICARE MANAGED CARE Outpatient Charges	85,600		(85,600)	-100%
	Explanation: <i>Medicare HMOs were promoted as an alternative to Traditional Medicare. This increase in enrollees caused an increase in volumes, revenue and payments.</i>				
I.E.4	OTHER MEDICARE MANAGED CARE Outpatient Payments	21,750		(21,750)	-100%
	Explanation: <i>Medicare HMOs were promoted as an alternative to Traditional Medicare. This increase in enrollees caused an increase in volumes, revenue and payments.</i>				
I.E.7	OTHER MEDICARE MANAGED CARE Outpatient Visits (Excludes ED Visits)	61		(61)	-100%
	Explanation: <i>Medicare HMOs were promoted as an alternative to Traditional Medicare. This increase in enrollees caused an increase in volumes, revenue and payments.</i>				

I.F.8	OTHER MEDICARE MANAGED CARE Emergency Department Outpatient Visits	9	-	(9)	-100%
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Explanation:

Medicare HMOs were promoted as an alternative to Traditional Medicare. This increase in enrollees caused an increase in volumes, revenue and payments.

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 REPORT 250 VARIANCE ANALYSIS

(1) <u>LINE</u>	(2) <u>DESCRIPTION</u>	(3) <u>FY 2007 AMOUNT</u>	(4) <u>FY 2008 AMOUNT</u>	(5) <u>AMOUNT DIFFERENCE</u>	(6) <u>% DIFFERENCE</u>
I.A.3	ANTHEM BLUE CROSS AND BLUE SHIELD OF CONNECTICUT Outpatient Charges Explanation: <i>Medicaid outpatients visits increased by 37% . This increase along with increases in prices and the mix of procedures utilized by patients caused revenue to increase. Another factor increasing traditional Medicaid volumes was the closing of a couple of State Medicaid HMO plans.</i>	5,033,220	8,165,994	3,132,774	62%
I.A.4	ANTHEM BLUE CROSS AND BLUE SHIELD OF CONNECTICUT Outpatient Payments Explanation: <i>Medicaid outpatients visits increased by 37% . This increase along with increases in prices and the mix of procedures utilized by patients caused payments to increase. Another factor increasing traditional Medicaid volumes was the closing of a couple of State Medicaid HMO plans.</i>	1,555,192	2,765,511	1,210,319	78%
I.A.5	ANTHEM BLUE CROSS AND BLUE SHIELD OF CONNECTICUT Discharges Explanation: <i>One factor increasing Anthem Blue Cross volumes was the closing of a couple of State Medicaid HMO plans and a larger number of state residents enrolling in this plan for Medicaid benefit . Also the population could have required more care</i>	378	477	99	26%
I.A.7	ANTHEM BLUE CROSS AND BLUE SHIELD OF CONNECTICUT Outpatient Visits (Excludes ED Visits) Explanation: <i>One factor increasing Anthem Blue Cross volumes was the closing of a couple of State Medicaid HMO plans and a larger number of state residents enrolling in this plan for Medicaid benefit . Also the population could have required more care.</i>	5,756	7,857	2,101	37%
I.A.8	ANTHEM BLUE CROSS AND BLUE SHIELD OF CONNECTICUT Emergency Department Outpatient Visits Explanation: <i>One factor increasing Anthem Blue Cross volumes was the closing of a couple of State Medicaid HMO plans and a larger number of state residents enrolling in this plan for Medicaid benefit . Also the population could have required more care.</i>	3,340	4,681	1,341	40%
I.A.9	ANTHEM BLUE CROSS AND BLUE SHIELD OF CONNECTICUT Emergency Department Inpatient Admissions Explanation:	50	75	25	50%

One factor increasing Anthem Blue Cross volumes was the closing of a couple of State Medicaid HMO plans and a larger number of state residents enrolling in this plan for Medicaid benefit . Also the population could have required more care.

I.B.1	COMMUNITY HEALTH NETWORK OF CT Inpatient Charges	2,347,229	3,557,671	1,210,442	52%
	Explanation: <i>Community HN of CT discharges increased by 58% . This increase along with increases in prices and the mix of procedures utilized by patients caused revenue to increase. Another factor increasing traditional Medicaid volumes was the closing of a couple of State Medicaid HMO plans.</i>				
I.B.2	COMMUNITY HEALTH NETWORK OF CT Inpatient Payments	454,273	925,560	471,287	104%
	Explanation: <i>Community HN of CT discharges increased by 58% . This increase along with increases in prices and the mix of procedures utilized by patients caused payments to increase. Another factor increasing traditional Medicaid volumes was the closing of a couple of State Medicaid HMO plans.</i>				
I.B.3	COMMUNITY HEALTH NETWORK OF CT Outpatient Charges	2,388,259	4,977,122	2,588,863	108%
	Explanation: <i>Medicaid outpatients visits increased by 107% . This increase along with increases in prices and the mix of procedures utilized by patients caused revenue to increase. Another factor increasing traditional Medicaid volumes was the closing of a couple of State Medicaid HMO plans.</i>				
I.B.4	COMMUNITY HEALTH NETWORK OF CT Outpatient Payments	718,621	1,531,808	813,187	113%
	Explanation: <i>CHH of CT outpatients visits increased by 107% . This increase along with increases in prices and the mix of procedures utilized by patients caused payments to increase 113%. Another factor increasing traditional Medicaid volumes was the closing of a couple of State Medicaid HMO plans.</i>				
I.B.5	COMMUNITY HEALTH NETWORK OF CT Discharges	208	328	120	58%
	Explanation: <i>One factor increasing CHH of CT volumes was the closing of a couple of State Medicaid HMO plans and a larger number of state residents enrolling in this plan for Medicaid coverage . Also the population could have required more care</i>				
I.B.6	COMMUNITY HEALTH NETWORK OF CT Patient Days	825	1,122	297	36%
	Explanation: <i>One factor increasing CHH of CT volumes was the closing of a couple of State Medicaid HMO plans and a larger number of state residents enrolling in this plan for Medicaid coverage . Also the population could have required more care</i>				

I.B.7	COMMUNITY HEALTH NETWORK OF CT Outpatient Visits (Excludes ED Visits)	2,373	4,913	2,540	107%
	Explanation: <i>One factor increasing CHH of CT volumes was the closing of a couple of State Medicaid HMO plans and a larger number of state residents enrolling in this plan for Medicaid coverage . Also the population may have required or sought more care.</i>				
I.B.8	COMMUNITY HEALTH NETWORK OF CT Emergency Department Outpatient Visits	1,788	2,979	1,191	67%
	Explanation: <i>One factor increasing CHH of CT volumes was the closing of a couple of State Medicaid HMO plans and a larger number of state residents enrolling in this plan for Medicaid coverage . Also the population may have required or sought more care.</i>				
I.B.9	COMMUNITY HEALTH NETWORK OF CT Emergency Department Inpatient Admissions	46	63	17	37%
	Explanation: <i>One factor increasing CHH of CT volumes was the closing of a couple of State Medicaid HMO plans and a larger number of state residents enrolling in this plan for Medicaid coverage . Also the population may have required or sought more care.</i>				
I.C.1	HEALTHNET OF THE NORTHEAST, INC. Inpatient Charges	5,353,054	3,831,543	(1,521,511)	-28%
	Explanation: <i>Healthnet discharges decreased by 49% . This decrease along with increases in prices and the mix of procedures utilized by patients caused revenue to decrease. Another factor decreasing traditional Medicaid volumes was the closing of a couple of State Medicaid HMO plans.</i>				
I.C.2	HEALTHNET OF THE NORTHEAST, INC. Inpatient Payments	1,623,536	1,039,342	(584,194)	-36%
	Explanation: <i>Healthnet discharges decreased by 49% . This decrease along with increases in prices and the mix of procedures utilized by patients caused payments to decrease. Another factor decreasing traditional Medicaid volumes was the closing of a couple of State Medicaid HMO plans.</i>				
I.C.3	HEALTHNET OF THE NORTHEAST, INC. Outpatient Charges	8,582,723	4,673,270	(3,909,453)	-46%
	Explanation: <i>HEALTHNET Outpatients visits decreased by 46% . This decrease along with increases in prices and the mix of procedures utilized by patients caused revenue to decrease. Another factor decreasing traditional Medicaid volumes was the closing of a couple of State Medicaid HMO plans.</i>				
I.C.4	HEALTHNET OF THE NORTHEAST, INC. Outpatient Payments	3,134,334	1,668,926	(1,465,408)	-47%
	Explanation:				

Healthnet outpatients visits decreased by 46% . This decrease along with increases in prices and the mix of procedures utilized by patients caused paymentx to decrease. Another factor decreasing traditional Medicaid volumes was the closing of a couple of State Medicaid HMO plans.

I.C.5	HEALTHNET OF THE NORTHEAST, INC. Discharges	597	307	(290)	-49%
	Explanation: Another factor decreasing traditional Healthnet volumes was the withdrawal of a couple of State Medicaid HMO products.				
I.C.6	HEALTHNET OF THE NORTHEAST, INC. Patient Days	1,884	1,089	(795)	-42%
	Explanation: Another factor decreasing traditional Healthnet volumes was the withdrawal of a couple of State Medicaid HMO products.				
I.C.7	HEALTHNET OF THE NORTHEAST, INC. Outpatient Visits (Excludes ED Visits)	8,508	3,973	(4,535)	-53%
	Explanation: Another factor decreasing traditional Healthnet volumes was the withdrawal of a couple of State Medicaid HMO products.				
I.C.8	HEALTHNET OF THE NORTHEAST, INC. Emergency Department Outpatient Visits	5,862	2,729	(3,133)	-53%
	Explanation: Another factor decreasing traditional Healthnet volumes was the withdrawal of a couple of State Medicaid HMO products.				
I.C.9	HEALTHNET OF THE NORTHEAST, INC. Emergency Department Inpatient Admissions	101	66	(35)	-35%
	Explanation: Another factor decreasing traditional Healthnet volumes was the withdrawal of a couple of State Medicaid HMO products.				
I.F.1	FIRST CHOICE OF CONNECTICUT, PREFERRED ONE Inpatient Charges	859,673	327,878	(531,795)	-62%
	Explanation: First Choice/Pref One discharges decreased by 55% . This decrease along with increases in prices and the mix of procedures utilized by patients caused revenue to decrease. Another factor decreasing traditional Medicaid volumes was the closing of a couple of State Medicaid HMO plans.				
I.F.2	FIRST CHOICE OF CONNECTICUT, PREFERRED ONE Inpatient Payments	186,414	82,842	(103,572)	-56%
	Explanation: First Choice/Pref One discharges decreased by 55% . This decrease along with increases in prices and the mix of procedures utilized by patients caused payments to decrease. Another factor decreasing traditional Medicaid volumes was the closing of a couple of State Medicaid HMO plans.				
I.F.3	FIRST CHOICE OF CONNECTICUT, PREFERRED ONE Outpatient Charges	607,498	313,380	(294,118)	-48%
	Explanation:				

Medicaid outpatients visits decreased by 48% . This decrease along with increases in prices and the mix of procedures utilized by patients caused revenue to decrease. Another factor decreasing traditional Medicaid volumes was the closing of a couple of State Medicaid HMO plans.

I.F.4	FIRST CHOICE OF CONNECTICUT, PREFERRED ONE Outpatient Payments	182,677	98,872	(83,805)	-46%
	Explanation: <i>Medicaid outpatients visits decreased by 48% . This decrease along with increases in prices and the mix of procedures utilized by patients caused paymentx to decrease. Another factor decreasing traditional Medicaid volumes was the closing of a couple of State Medicaid HMO plans.</i>				
I.F.5	FIRST CHOICE OF CONNECTICUT, PREFERRED ONE Discharges	55	25	(30)	-55%
	Explanation: <i>Another factor decreasing traditional 1st Choice of CT, Preferred One volumes was the withdrawal of a couple of State Medicaid HMO products.</i>				
I.F.6	FIRST CHOICE OF CONNECTICUT, PREFERRED ONE Patient Days	267	109	(158)	-59%
	Explanation: <i>Another factor decreasing traditional 1st Choice of CT, Preferred One volumes was the withdrawal of a couple of State Medicaid HMO products.</i>				
I.F.7	FIRST CHOICE OF CONNECTICUT, PREFERRED ONE Outpatient Visits (Excludes ED Visits)	517	287	(230)	-44%
	Explanation: <i>Another factor decreasing traditional 1st Choice of CT, Preferred One volumes was the withdrawal of a couple of State Medicaid HMO products.</i>				
I.F.8	FIRST CHOICE OF CONNECTICUT, PREFERRED ONE Emergency Department Outpatient Visits	547	222	(325)	-59%
	Explanation: <i>Another factor decreasing traditional 1st Choice of CT, Preferred One volumes was the withdrawal of a couple of State Medicaid HMO products.</i>				

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(1) <u>LINE</u>	(2) <u>DESCRIPTION</u>	(3) <u>FY 2007 AMOUNT</u>	(4) <u>FY 2008 AMOUNT</u>	(5) <u>AMOUNT DIFFERENCE</u>	(6) <u>% DIFFERENCE</u>
I.A.8	Prepaid Expenses Explanation: <i>Several Vendors were prepaid in FY 2008 that were not prepaid in FY 2007</i>	1,559,212	2,026,185	466,973	30%
I.B.1	Hold by Trustee Explanation: <i>Specific Trust Fund increased by \$2.7 million from prior year</i>	10,618,087	12,999,368	2,381,281	22%
I.C.3	Construction in progress Explanation: <i>The increase for FY 2008 project is due to the installation of a second CT Scan machine, simulator replacement and several ongoing Information Services projects.</i>	4,630,216	7,377,180	2,746,964	59%
II.A.1	Accounts Payable and Accrued Expenses Explanation: <i>Vouchers payable increased 4,850,000 from prior year & Accrued W/C increased by \$700,000</i>	22,924,414	29,533,933	6,609,519	29%
II.A.3	Due To Third Party Payers Explanation: <i>Anticipated Liabilities due to Medicare RAC audits and cost report settlements</i>	4,809,010	8,126,913	3,317,903	69%
II.A.4	Due to Affiliates Explanation: <i>Intercompany analysis was not forgiven/settled until FY 2009 which caused last Q in 2008 to be a little higher than average</i>	194,529	422,911	228,382	117%
II.A.7	Other Current Liabilities Explanation: <i>Change in deferred revenue</i>	531,513	398,376	(133,137)	-25%
II.B.3	Accrued Pension Liability Explanation: <i>Accrued Pension per Actuarial Report adjustment at year end.</i>	16,600,505	20,631,280	4,030,775	24%
II.C.2	Temporarily Restricted Net Assets Explanation: <i>Change in reserves. Also, endowment income decreased significantly due to stock and bond market changes.</i>	10,133,953	7,811,297	(2,322,656)	-23%

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 REPORT 350 VARIANCE ANALYSIS

(1) LINE	(2) DESCRIPTION	(3) FY 2007 AMOUNT	(4) FY 2008 AMOUNT	(5) AMOUNT DIFFERENCE	(6) % DIFFERENCE
A.3	Less: Charily Care Explanation: <i>With more patients qualifying for Charily Care the amount granted, increased</i>	3,341,408	4,316,427	975,019	29%
A.6	Net Assets Released from Restrictions Explanation: <i>Lomb's (Lawrence & Memorial Benefactors Society) donated \$100,000 towards the purchase of equipment for digital mammography.</i>	320,734	422,147	101,413	32%
B.6	Bad Debts Explanation: <i>Bad Debt Expense is a calculated percent of Gross and Net revenue. As Gross Revenue increases the Expense also increases. The percent is based on experience</i>	14,735,350	18,131,375	3,396,025	23%
B.8	Malpractice Explanation: <i>Malpractice expense is adjusted to actuarial report at year end</i>	7,801,865	3,355,330	(4,246,529)	-56%
C.1	Income from Investments Explanation: <i>Stock market has decreased significantly and our Investments are not earning as much income as prior years.</i>	6,182,499	1,454,613	(4,727,886)	-76%
C.3	Other Non- Operating Gains/(Losses) Explanation: <i>Changes in bond and Stock market affected values.</i>	250,571	322,958	72,387	29%

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REPORT 400 VARIANCE ANALYSIS

(1) <u>LINE</u>	(2) <u>DESCRIPTION</u>	(3) <u>FY 2007 AMOUNT</u>	(4) <u>FY 2008 AMOUNT</u>	(5) <u>AMOUNT DIFFERENCE</u>	(6) <u>% DIFFERENCE</u>
8	Neonatal ICU	2,908	2,335	(573)	-20%

Explanation:

Inpatient NICU days decreased in FY08. Not as many newborns requiring this care

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REPORT 450 VARIANCE ANALYSIS

(1) <u>LINE</u>	(2) <u>DESCRIPTION</u>	(3) <u>FY 2007 AMOUNT</u>	(4) <u>FY 2008 AMOUNT</u>	(5) <u>AMOUNT DIFFERENCE</u>	(6) <u>% DIFFERENCE</u>
B.3	MRI Scans (A) Emergency Department Scans Explanation: <i>More utilization for ER patients</i>	54	101	47	87%
D.1	PET/CT Scans (A) Inpatient Scans Explanation: PET Scans are usually done as an O/P procedure. Small change in small number creates a big percentage change	8	6	(2)	-25%
E.1	Linear Accelerator Procedures inpatient Procedures Explanation: <i>Fewer patients requiring inpatient procedures</i>	470	231	(239)	-51%
F. 2	Cardiac Catheterization Procedures Outpatient Procedures Explanation: <i>Less patients presenting for this service</i>	440	343	(97)	-22%
L.5	Hospital Clinic Visits Specialty Clinic Visits Explanation: <i>The procedures performed in the Clinic are now included in Associated Specialist statistical counts</i>	14,185	7,641	(6,544)	-46%
M.1	Other Hospital Outpatient Visits Rehabilitation (PT/OT/ST) Explanation: <i>The visit statistic was in place for a full year in FY 08. This statistical procedure count did not exist in FY 2007.</i>	33,355	73,576	40,221	121%
M.3	Other Hospital Outpatient Visits Chemotherapy Explanation: <i>Increase utilization of OP Chemotherapy visits</i>	713	1,327	614	86%
N.2	Hospital Full Time Equivalent Employees Total Physician FTEs Explanation: <i>Professional employees who can bill for their services joined Associated Specialists</i>	40	19	(21)	-53%

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 REPORT 500 VARIANCE ANALYSIS

(1) LINE	(2) DESCRIPTION	(3) FY 2007 AMOUNT	(4) FY 2008 AMOUNT	(5) AMOUNT DIFFERENCE	(6) % DIFFERENCE
I.A.13	Medicare Outpatient - Outpatient Payments/Outpatient Charges Explanation: <i>The Hospital increased it's prices, these price increases in the case of Medicare do not generate any additional payments because of most of Medicare OP is payed on APCs, Fee Schedules or some other fixed payment system. In addition the procedures utilized by patients and the rates paid by Medicare changed from the previous year.</i>	41.15%	31.21%	-9.94%	-24%
I.A.19	Medicare Totals Total Allowances Explanation: <i>The Hospital increased it's prices, these price increases in the case of Medicare do not generate any additional payments because of most of Medicare OP is payed on APCs, Fee Schedules or some other fixed payment system. In addition the procedures utilized by patients and the rates paid by Medicare changed from the previous year.</i>	85,957,241	104,110,450	18,153,209	21%
I.B.19	Non-Government Outpatient - Medicare-Non Government OP PMT/OPED Explanation: <i>Many Factors that do not pertain directly to Non-Government Payments effect this calculation. Medicare Inpatient & Outpatient Charges, Medicare Discharges, Non Government IP Charges and Discharges. The changes in prices of a procedure, payments and mix of procedures utilized all effect this calculation</i>	(838)	(1,774)	(936)	112%
I.B.20	Non-Government Outpatient - Outpatient Upper Limil (Over) / Underpayment Explanation: <i>Many Factors that do not pertain directly to Non-Government Payments effect this calculation. Medicare Inpatient & Outpatient Charges, Medicare Discharges, Non Government IP Charges and Discharges. The changes in prices of a procedure, payments and mix of procedures utilized all effect this calculation. An additional facior is the OPED increased under this calculation methodology</i>	(9,433,299)	(20,572,630)	(11,139,331)	118%
I.B.24	Non-Government Totals - Total Upper Limil (Over) / Underpayment Explanation: <i>Many Factors that do not pertain directly to Non-Government Payments effect this calculation. Medicare Inpatient & Outpatient Charges, Medicare Discharges, Non Government IP Charges and Discharges. The changes in prices of a procedure, payments and mix of procedures utilized all effect this calculation</i>	(22,240,771)	(35,942,220)	(13,701,449)	62%
I.C.11	Uninsured Patient Days Explanation: <i>Fewer Uninsured presented themselves for care and those that did required fewer patient days</i>	1,196	914	(282)	-24%
I.C.17	Uninsured Outpatient Charges / Inpatient Charges Explanation: <i>More OP visits and fewer IP discharges, mix of procedures utilized by patients and changes in prices of procedures all contribut to the change in this percentage ratio.</i>	271.00%	336.51%	65.51%	24%
I.D.1	Medicaid Inpatient - Inpatient Accrued Charges Explanation: <i>A increase of 304 Discharges (16%), mix of procedures utilized and price increases caused IP revenue to increase 20%</i>	21,852,715	26,122,813	4,270,098	20%
I.D.2	Medicaid Inpatient - Inpatient Accrued Payments (IP PMT) Explanation: <i>A increase of 304 Discharges (16%) and an increase in the payment per discharge caused payments to increase significantly</i>	6,595,191	10,193,285	3,598,094	55%
I.D.3	Medicaid Inpatient - Inpatient Payments / Inpatient Charges Explanation: <i>An increase in the payment per discharge caused the payment percent to increase significantly</i>	30.16%	39.02%	8.84%	29%
I.D.6	Medicaid Inpatient - Case mix Adjusted Discharges (CMAD) Explanation: <i>A increase of 304 Discharges (16%) plus a 5% increase of the casemix is causing the CMAD to increase by 22%</i>	1,472	1,795	323	22%
I.D.7	Medicaid Inpatient - Inpatient Accrued Payment / CMAD	4,480	5,679	1,198	27%

Explanation:

An increase in the payment per discharge and changes in case mix caused payments per CMAD to increase.

I.D.9	Medicare Inpatient - Medicaid IP PMT/CMAD	2,394	1,294	(1,100)	-46%
	Explanation: The Medicare Payment per Discharge increased slightly (apprx. \$100) but the Medicaid Per Discharge amount apprx. \$1,200				
I.D.10	Medicaid Inpatient - Inpatient Upper Limit (Over) / Underpayment	3,524,178	2,323,536	(1,200,642)	-34%
	Explanation: Many Factors that do not pertain directly to Medicaid Payments effect this calculation. Medicare Inpatient & Outpatient Charges, Medicare Discharges, Medicaid IP Charges and Discharges. The changes in prices of a procedure, payments and mix of procedures utilized all effect this calculation. An additional factor is the OPED increased under this calculation methodology				
I.D.12	Medicaid Inpatient - Inpatient Accrued Payment / Patient Day	784	1,077	293	37%
	Explanation: A Combination of a apprx \$1,200 per discharge payment increase and a slight decrease in Length of stay, increases the payments per day				
I.D.21	Medicare Outpatient - Medicaid OP PMT / OPED	2,712	1,503	(1,209)	-45%
	Explanation: Changes in the Hospital pricing structure influenced both Medicare Gross IP & OP Revenue, changes in procedures utilized in calculating Medicare Payments, and Medicaid IP & OP charges, payments all effect this calculation				
I.D.24	Medicaid Totals - Total Accrued Payments	14,473,288	19,140,556	4,667,268	32%
	Explanation: Additional volume on both the IP & OP areas, mixture of procedures utilized and changes in payment rate are causes of the increase of payments				
I.D.26	Medicaid Totals - Total Upper Limit (Over) / Underpayment	9,174,156	5,883,257	(3,290,899)	-36%
	Explanation: Many Factors that do not pertain directly to Medicaid Payments effect this calculation. Medicare Inpatient & Outpatient Charges, Medicare Discharges, Medicaid IP Charges and Discharges. The changes in prices of a procedure, payments and mix of procedures utilized all effect this calculation				
I.E.21	Other Medical Assistance Outpatient - Medicare - OMA OP PMT/CMAD	3,533	2,464	(1,069)	-30%
	Explanation: Decrease in IP Volume, Changes in Medicare Payments and other factors are causing the OMA OP PMT/CMAD to decrease by -30%				
I.E.22	Other Medical Assistance Outpatient - Outpatient Upper Limit (Over) / Underpayment	1,471,175	1,027,123	(444,052)	-30%
	Explanation: Decrease in IP Volume, Changes in Medicare Payments and other factors are causing the OMA OP PMT/CMAD to decrease by -30%				
I.F.2	Total Medical Assistance - Inpatient Accrued Payments (IP PMT)	7,958,345	11,405,765	3,447,420	43%
	Explanation: Increases in Medicaid payment rates and increased volume are causing IP payments to increase				
I.F.3	Total Medical Assistance - Inpatient Payments / Inpatient Charges	28.64%	35.80%	7.16%	25%
	Explanation: Increases in Medicaid payment rates increased more than charges causing the IP payment percent to increase				
I.F.7	Total Medical Assistance - Inpatient Accrued Payment / CMAD	4,197	5,164	967	23%
	Explanation: An increase in the payment per discharge and changes in case mix caused payments per CMAD to increase.				
I.F.9	Total Medical Assistance - Medicare Total Medical Assistance IP PMT/CMAD	2,678	1,809	(869)	-32%
	Explanation: Changes in the Hospital pricing structure influenced both Medicare Gross IP payments, changes in procedures utilized in calculating Medicare Payments changes in case mix, and TMA IP payments all effect this calculation				
I.F.10	Total Medical Assistance - Inpatient Upper Limit (Over) / Underpayment	5,077,045	3,995,095	(1,081,950)	-21%
	Explanation:				

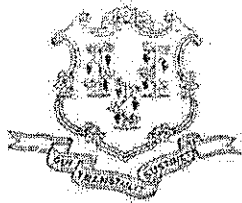
Many Factors that do not pertain directly to Total Medical Assistance Payments effect this calculation. Medicare Inpatient & Outpatient Charges, Medicare Discharges, Total Medical Assistance IP Charges and Discharges. The changes in prices of a procedure, payments and mix of procedures utilized all effect this calculation

I.F.12	Total Medical Assistance - Inpatient Accrued Payment / Patient Day Explanation: An increase in payments per discharge caused this variation	741	995	254	34%
I.F.21	Total Medical Assistance - Medicare - Total Medical Assistance OP PMT/OPED Explanation: Changes in the Hospital pricing structure influenced both Medicare Gross IP & OP Revenue, changes in procedures utilized in calculating Medicare Payments, and Medicaid IP & OP charges, payments all effect this calculation	2,849	1,647	(1,202)	-42%
I.F.22	Total Medical Assistance - Outpatient Upper Limit (Over) / Underpayment Explanation: Many Factors that do not pertain directly to Total Medical Assistance Payments effect this calculation. Medicare Inpatient & Outpatient Charges, Medicare Discharges, Total Medical Assistance IP Charges and Discharges. The changes in prices of a procedure, payments and mix of procedures utilized all effect this calculation	7,121,153	4,586,844	(2,534,309)	-36%
I.F.24	Total Medical Assistance Totals - Total Accrued Payments Explanation: Increased volume, and payment rates caused this increase	17,069,603	21,527,882	4,458,279	26%
I.H.1	Other Data - Other Operating Revenue Explanation: Other Operating Revenue increased due to additional rental income from affiliates, purchased outside services from affiliates, and fringe benefits.	8,887,106	11,202,386	2,515,280	29%
I.H.4	Cost of Uncompensated Care - Charity Care (Charges) Explanation: More patients qualified for Charity Care	2,064,407	2,983,821	919,414	45%
I.H.5	Cost of Uncompensated Care - Bad Debts (Charges) Explanation: Bad Debt Expense is a calculated percent of Gross and Net revenue. As Gross Revenue increases the Expense also increases. The percent is based on experience	13,840,182	16,989,650	3,149,468	23%
I.H.6	Cost of Uncompensated Care - Uncompensated Care (Charges) Explanation: See Cost of Uncompensated Care Charity & Bad Debts above	15,904,589	19,973,471	4,068,882	26%
I.H.9	Total Medical Assistance Underpayment - Total Accrued Payments Explanation: Many Factors that do not pertain directly to Total Medical Assistance Payments effect this calculation. Medicare Inpatient & Outpatient Charges, Medicare Discharges, Total Medical Assistance IP Charges and Discharges. The changes in prices of a procedure, payments and mix of procedures utilized all effect this calculation	17,069,603	21,527,882	4,458,279	26%
IV.1	Calculated Underpayment - Medicaid Explanation: Many Factors that do not pertain directly to Medicaid Payments effect this calculation. Medicare Inpatient & Outpatient Charges, Medicare Discharges, Medicaid IP Charges and Discharges. The changes in prices of a procedure, payments and mix of procedures utilized all effect this calculation. An additional factor is the OPED increased under this calculation methodology	5,649,979	3,559,721	(2,090,258)	-37%

LAWRENCE AND MEMORIAL HOSPITAL
 OCHA FILING FY 2008
 REPORT 650 VARIANCE ANALYSIS

(1) <u>LINE</u>	(2) <u>DESCRIPTION</u>	(3) <u>FY 2007 AMOUNT</u>	(4) <u>FY 2008 AMOUNT</u>	(5) <u>AMOUNT DIFFERENCE</u>	(6) <u>% DIFFERENCE</u>
<u>LINE</u>	<u>DESCRIPTION</u>				
A.2	Number of Approved Applicants Explanation: <i>More patients qualified in FY 2008 also more applied</i>	1,249	1,764	515	41%
A.3	Total Charges Explanation: <i>With more patients applying, qualifying and increase in charges more Charity Care was granted</i>	2,064,407	2,983,821	919,414	45%
A.6	Total Cost Explanation: <i>With more patients applying, qualifying and the RCC increasing the cost of Charity Care increased</i>	1,049,545	1,636,357	586,812	56%
A.8	Charity Care - Inpatient Charges Explanation: <i>Charity increased overall and more IP patients qualified this year</i>	\$498,368	\$657,478	\$159,110	32%
A.9	Charity Care - Outpatient Charges (Excludes ED Charges) Explanation: <i>With more patients applying, qualifying and increase in charges more Charity Care was granted</i>	995,670	1,696,898	701,228	70%
A.15	Charity Care - Number of Outpatient Visits (Excludes ED Visits) Explanation: <i>With more patients applying, qualifying and increase in charges more Charity Care was granted</i>	1,679	2,561	882	53%
B.2	Bad Debts - Outpatient Services (Excludes ED Bad Debts) Explanation: <i>Inadvertently the FY 2007 OP Bad Debt was transposed with the FY 2007 ER Bad Debt. The FY 2007 number should have been \$3,162,621 creating a \$1,325,560 difference or a 42% increase. Bad Debt Expense is a calculated percent of Gross and Net revenue. As Gross Revenue increases the Expense also increases. The percent is based on experience</i>	6,689,884	4,488,181	(2,201,703)	-33%
B.3	Bad Debts - Emergency Department Explanation: <i>Inadvertently the FY 2007 OP Bad Debt was transposed with the FY 2007 ER Bad Debt. The FY 2007 number should have been \$6,689,884 creating a \$1,307,761 difference or a 20% increase. Bad Debt Expense is a calculated percent of Gross and Net revenue. As Gross Revenue increases the Expense also increases. The percent is based on experience.</i>	3,162,621	7,997,645	4,835,024	153%
B.4	Total Bad Debts (A) Explanation: <i>Bad Debt Expense is a calculated percent of Gross and Net revenue. As Gross Revenue increases the Expense also increases. The percent is based on experience</i>	13,840,182	16,989,650	3,149,468	23%
C.1	Charity Care (A) Explanation: <i>With more patients applying, qualifying and increase in charges more Charity Care was granted</i>	\$2,084,407	\$2,983,821	\$919,414	45%
C.2	Bad Debts (A) Explanation: <i>Bad Debt Expense is a calculated percent of Gross and Net revenue. As Gross Revenue increases the Expense also increases. The percent is based on experience</i>	13,840,182	16,989,650	3,149,468	23%
C.3	Total Uncompensated Care (A) Explanation: <i>See Cost of Uncompensated Care Charity & Bad Debts above C.1 & C.2</i>	15,904,589	19,973,471	4,068,882	26%

C.5	Uncompensated Care - Outpatient Services (Excludes ED Unc. Care)	7,685,554	6,185,079	(1,500,475)	-20%
	Explanation: <i>With more patients applying, qualifying and increase in charges more Charity Care was granted and Bad Debts increased because they are a percent of charges. See Explanation B.2 above</i>				
C.6	Uncompensated Care - Emergency Department	3,732,990	8,627,090	4,894,100	131%
	Explanation: <i>With more patients applying, qualifying and increase in charges more Charity Care was granted and Bad Debts increased because they are a percent of charge. See Explanation B.3 above</i>				
C.7	Total Uncompensated Care (A)	15,904,589	19,973,471	4,068,882	28%
	Explanation: <i>With more patients applying, qualifying and increase in charges more Charity Care was granted and Bad Debts increased because they are a percent of charges.</i>				



STATE OF CONNECTICUT
OFFICE OF HEALTH CARE ACCESS

M. JODI RELL
GOVERNOR

CRISTINE A. VOGEL
COMMISSIONER

June 17, 2009

Mr. Bruce Cummings
President & Chief Executive Officer
Lawrence & Memorial Hospital
365 Montauk Avenue
New London, CT 06320

Subject: **FY 2008 Annual Reporting, FY 2008 Twelve Months Actual Filing
and FY 2009 Hospital Budget Filing, Notarized Hospital Filing Affidavit**

Dear Mr. Cummings:

The Office of Health Care Access ("OHCA") has completed its review of the FY 2008 Annual Reporting, FY 2008 Twelve Months Actual Filing and the FY 2009 Hospital Budget Filing submissions received from acute care general hospitals. During the last few years, I have been trying to improve the overall submission and review process of the hospital financial filings with OHCA. Last year we completely overhauled the hospital reporting database and created a more user-friendly database environment. The feedback regarding the new Hospital Reporting System ("HRS") has been generally positive.

In efforts to create further efficiencies and to make the financial data available for publication sooner, I am requesting that each hospital President/CEO confirm the quality of the information and data that was provided to OHCA in these three submissions. Therefore, I have enclosed a Hospital Filing Affidavit for you to read, initialize each of the three (3) statements and have your signature notarized, which will attest to the accuracy of this information and data. Please realize that OHCA will be using the data that currently exists in your hospital's HRS submissions, and that OHCA will not be editing or altering these submissions in any manner after we receive this affidavit.

Please submit to OHCA an original and one (1) copy of the enclosed Hospital Filing Affidavit, notarized, signed, and dated **no later than Tuesday, June 30, 2009.**

Once we have received completed Affidavits from all of the hospitals, please know that you are able to request your final data as well as that of other hospitals under the Freedom of Information Act.

Sincerely,

Cristine A. Vogel
Commissioner

CAV: md

Enclosure

cc: Lugene Inzana, Vice President & Chief Financial Officer

AFFIDAVIT

CERTIFICATION TO THE STATE OF CONNECTICUT
OFFICE OF HEALTH CARE ACCESS

OF THE HOSPITAL'S FY 2008 ANNUAL REPORTING, FY 2008 TWELVE
MONTHS ACTUAL FILING AND FY 2009 HOSPITAL BUDGET FILING

I, Bruce D. Cummings, President/CEO, of
(Print Name)

Lawrence & Memorial Hospital
(Print Hospital Name)

hereinafter referred to as "the Hospital", being duly sworn, depose and state that the information submitted to the Office of Health Care Access that is contained in:

1. The Hospital's FY 2008 Annual Reporting concerning the Hospital's actual results from operations, both in hard copy and in each of the Hospital Reporting System Reports, is true, accurate, complete and consistent with the FY 2008 Annual Reporting General Instructions provided to the Hospital by the Office of Health Care Access; and BC
(initial)
2. The Hospital's FY 2008 Twelve Months Actual Filing and FY 2009 Hospital Budget Filing concerning the Hospital's actual results from operations and the Hospital's operating budget, respectively, both in hard copy and in each of the Hospital Reporting System Reports, is true, accurate, complete and consistent with the FY 2008 Twelve Months Actual Filing and FY 2009 Hospital Budget Filing General Instructions provided to the Hospital by the Office of Health Care Access; and BC
(initial)
3. The Hospital's FY 2008 Hospital Reporting System, Report 600, is identical to the information upon which the Hospital's FY 2008 *Report of Independent Accountants on Applying Agreed-Upon Procedures* is based; BC
(initial)

is accurate and correct to the best of my knowledge and can be released for public use.

[Signature]
(Signature)

6/27/09
(Date)

Subscribed and sworn to before me on 6/23/09
(Date)

Jacqueline E. Cooper
Notary Public / Commissioner of Superior Court

JACQUELINE E. COOPER
NOTARY PUBLIC
MY COMMISSION EXPIRES JUNE 30, 2013

My commission expires: 6/30/13
(Date)

Roberts, Karen

From: Roberts, Karen
Sent: Monday, February 10, 2014 10:24 AM
To: 'Durand, Crista'
Subject: RE: OHCA Inquiry regarding Joslin satellite location

That is fine Crista. We will expect your response then.

Sincerely,

Karen Roberts
Principal Health Care Analyst
Department of Public Health
Office of Health Care Access
(860) 418-7041
karen.roberts@ct.gov

From: Durand, Crista [mailto:cdurand@lmhosp.org]
Sent: Monday, February 10, 2014 9:56 AM
To: Roberts, Karen
Subject: RE: OHCA Inquiry regarding Joslin satellite location

Good Morning Karen,

L+M is requesting an extension on the Joslin OCHA inquiry until Friday, February 14, 2014. We have found additional information, that we believe we make our response more accurate and meaningful. Thank you for your consideration.

Regards,

Crista

Crista Durand
Vice President, Strategic Planning
365 Montauk Avenue
New London, CT 06320
860.442.0711, ext. 2073
cdurand@lmhosp.org



From: Roberts, Karen [mailto:Karen.Roberts@ct.gov]
Sent: Friday, February 07, 2014 3:45 PM
To: Durand, Crista
Subject: RE: OHCA Inquiry regarding Joslin satellite location

Hi Crista – Your voicemail indicates that you need another week to respond to the further inquiry questions. On Monday, can you send me a brief email indicating when the hospital will be send the information in and I'll let Kim Martone know. Thanks very much. Karen

Karen Roberts
Principal Health Care Analyst
Department of Public Health
Office of Health Care Access
(860) 418-7041
karen.roberts@ct.gov

From: Durand, Crista [<mailto:cdurand@lmhosp.org>]
Sent: Wednesday, January 29, 2014 11:33 AM
To: Roberts, Karen
Subject: RE: OHCA Inquiry regarding Joslin satellite location

Hi Karen,

We should be able to respond to your questions today. My apologies for the delay. Thank you.

Regards,
Crista

Crista Durand
Vice President, Strategic Planning
365 Montauk Avenue
New London, CT 06320
860.442.0711, ext. 2073
cdurand@lmhosp.org



From: Roberts, Karen [<mailto:Karen.Roberts@ct.gov>]
Sent: Tuesday, January 28, 2014 9:34 AM
To: Durand, Crista
Subject: FW: OHCA Inquiry regarding Joslin satellite location

Hi Crista – can you send me an email reply indicating the timeframe for the response to the inquiry below which was sent on 12/30th. Thank you. Karen

Sincerely,
Karen Roberts
Principal Health Care Analyst
Department of Public Health
Office of Health Care Access
(860) 418-7041
karen.roberts@ct.gov

From: Roberts, Karen
Sent: Monday, December 30, 2013 12:18 PM
To: 'Durand, Crista'
Cc: Martone, Kim
Subject: RE: OHCA Inquiry regarding Joslin satellite location

Hi Crista:

Thank you for submitting the Hospital's response to OHCA's inquiry on December 13, 2013. I have a couple of further clarification questions regarding this matter.

- 1) The Mystic location of the Joslin Diabetes Center received CON authorization in 2002 under Docket Number 02-541. This location is also described by the Hospital as a hospital service in its CON in 2006 under Docket Number 06-30710-CON for the Old Saybrook location. Please clarify that prior to 2008, Lawrence & Memorial Hospital was the provider of this service and the legal entity which recorded the volume, revenue and expenses on its books.
- 2) Did Lawrence & Memorial Hospital discontinue any service line or cost center as a result of the 2008 change wherein ASSECT became the provider of the Mystic Diabetes services.
- 3) What is the status of the Joslin Diabetes Center services that were approved under Docket Number 06-30710-CON for the Old Saybrook location.

Please respond to the above at your earliest convenience. Thank you for your further attention to this matter. Karen

Karen Roberts
Principal Health Care Analyst
Department of Public Health
Office of Health Care Access
(860) 418-7041
karen.roberts@ct.gov

From: Durand, Crista [<mailto:cdurand@lmhosp.org>]
Sent: Wednesday, November 27, 2013 12:17 PM
To: Roberts, Karen
Cc: Martone, Kim; Patel, Shraddha
Subject: RE: OHCA Inquiry regarding Joslin satellite location

Thank you for granting the extension to L+M.

Regards,
Crista

Crista Durand
Vice President, Strategic Planning
365 Montauk Avenue
New London, CT 06320
860.442.0711, ext. 2073
cdurand@lmhosp.org



From: Roberts, Karen [<mailto:Karen.Roberts@ct.gov>]
Sent: Wednesday, November 27, 2013 11:29 AM
To: Durand, Crista
Cc: Martone, Kim
Subject: OHCA Inquiry regarding Joslin satellite location

November 27, 2013

To: Crista Durand, Vice President, Strategic Planning
Lawrence + Memorial Hospital

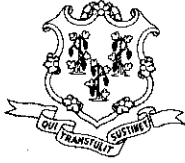
Dear Ms. Durand:

On November 26, 2013, the Office of Health Care Access (OHCA) received your request for an extension of ten business days for the Hospital to respond to OHCA's November 7, 2013 inquiry into the removal of the Joslin Diabetes Center satellite location in Mystic from the Hospital's license. In response, OHCA is allowing this extension of time to file a response to OHCA's questions from November 29, 2013 to Friday, December 13, 2013. Please file a response no later than end of business day on **December 13th**. This notification of time extension is sent by facsimile only. Please contact me at (860) 418-7041 or karen.roberts@ct.gov if you have any further questions in this matter.

Sincerely,

Karen Roberts
Principal Health Care Analyst
Department of Public Health
Office of Health Care Access
(860) 418-7041
karen.roberts@ct.gov

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STATE OF CONNECTICUT
DEPARTMENT OF PUBLIC HEALTH
Office of Health Care Access

April 29, 2014

Ms. Crista Durand
Vice President, Strategic Planning,
Marketing and New Business Development
Lawrence + Memorial Hospital
365 Montauk Avenue
New London, CT 06320

RE: Certificate of Need Determination; Report Number 14-31910-DTR
The termination of the services at two Joslin Diabetes Centers as hospital-based services
Lawrence + Memorial Hospital

Dear Ms. Durand:

On November 7, 2013, the Office of Health Care Access ("OHCA") initiated an inquiry regarding the operational status of the Lawrence + Memorial Hospital's Joslin Diabetes Center in Mystic. OHCA received information in response to its inquiry on December 13, 2013 and February 13, 2014. OHCA's determination issued herein is based on the following information:

1. Lawrence & Memorial Hospital, Inc. ("Hospital") is a general hospital licensed by the Department of Public Health under Connecticut General Statutes Chapter 368v and is a health care facility for purposes of Connecticut General Statutes Chapter 368z.
2. Associated Specialists of Southeastern Connecticut, Inc. is an active, non-stock corporation affiliated with the Hospital. The following information is found in the notes of the Hospital's FY 2008 audited financial statements regarding this affiliated entity:

"Effective January 1, 2008, Associated Specialists of Southeastern Connecticut, Inc. (Associated Specialists) was established. On April 1, 2008, Associated Specialists began billing under their own provider numbers. This is a wholly owned entity of the Hospital."

3. The term Health Care Facility as defined in Connecticut General Statutes Chapter 368z includes "any parent company, subsidiary, affiliate or joint venture, or any combination thereof, of any such facility or institution."

An Equal Opportunity Provider

(If you require aid/accommodation to participate fully and fairly, contact us either by phone, fax or email)

410 Capitol Ave., MS#13HCA, P.O.Box 340308, Hartford, CT 06134-0308
Telephone: (860) 418-7001 Fax: (860) 418-7053 Email: OHCA@ct.gov

4. Effective November 5, 2013, the satellite called Joslin Diabetes Center located at 14 Clara Drive in Mystic was removed from the Hospital's license. The removal of this satellite precipitated the initiation of the OHCA inquiry into the operational status of these services.
5. The Hospital was the provider of the services at the Joslin Diabetes Centers in Mystic and in Old Saybrook until 2008. The Hospital was the legal entity that recorded the volume, revenue and expenses on its books for these services.
6. The Hospital's affiliate, Associated Specialists, is currently the legal entity that records volumes, revenues and expenses on its books related to the diabetes services¹. Associated Specialists has been the provider of these services since 2008. No disruption of services occurred with the service transfer that took place in 2008.
7. Connecticut General Statutes §19a-638(a)(2) stated the following at the time of the transfer of services which occurred as of April 1, 2008: "Each health care facility or institution or institution or state health care facility or institution, including any inpatient rehabilitation facility, which intends to introduce any additional function or service into its program of health care shall submit to the office, prior to the proposed date of the institution of such function or service, a request for permission to undertake such function or service."
8. Connecticut General Statutes §19a-638(a)(3) stated the following at the time of the transfer of services which occurred as of April 1, 2008: "Each health care facility or institution or state health care facility or institution which intends to terminate a health service offered by such facility or institution or reduce substantially its total bed capacity, shall submit to the office, prior to the proposed date of such termination or decrease, a request to undertake such termination or decrease."

¹ Associated Specialists terminated the Old Saybrook location in January 2013. The location was closed and dissolved.

Based upon a review of the matter outlined above, OHCA determines the following:

- a. Lawrence + Memorial Hospital is required to file a Certificate of Need request for the termination of Joslin Diabetes Center services that occurred in 2008.
- b. Associated Specialists of Southeastern Connecticut, Inc., an affiliate of the Hospital and a health care facility, is required to file a Certificate of Need request for the establishment of Joslin Diabetes Center services that occurred in 2008.

The Certificate of Need requests may be filed as one combined application with the Hospital and Associates Specialists as Applicants. Further, the Applicants should include in the Certificate of Need application any other services that were transferred from the Hospital to Associated Specialists at that time. OHCA will allow the Hospital and Associated Specialists of Southeastern Connecticut, Inc. to file this request as part of the CON application required pursuant to the Certificate of Need Determination issued under Docket Number 13-31829-DTR.

Sincerely,



Kimberly R. Martone
Director of Operations, OHCA

KRM: kr

C: Bruce Cummings, President and Chief Executive Officer, Lawrence + Memorial Hospital
Rose McLellan, License and Applications Supervisor, DPH, DHSR