

PUBLIC DISCLOSURE COPY

Form **990**

Return of Organization Exempt From Income Tax

OMB No. 1545-0047

2017

Open to Public Inspection

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

▶ Do not enter social security numbers on this form as it may be made public.

▶ Go to www.irs.gov/Form990 for instructions and the latest information.

Department of the Treasury
Internal Revenue Service

A For the 2017 calendar year, or tax year beginning 10/01, 2017, and ending 09/30, 20 18

B Check if applicable:
 Address change
 Name change
 Initial return
 Final return/terminated
 Amended return
 Application pending

C Name of organization MIDDLESEX HOSPITAL
 Doing business as _____
 Number and street (or P.O. box if mail is not delivered to street address) Room/suite
28 CRESCENT STREET
 City or town, state or province, country, and ZIP or foreign postal code
MIDDLETOWN, CT 06457

D Employer identification number
06-0646718

E Telephone number
(860) 358-6395

F Name and address of principal officer: VINCENT CAPECE, JR.
SAME AS C ABOVE

G Gross receipts \$ 483,499,805

H(a) Is this a group return for subordinates? Yes No
H(b) Are all subordinates included? Yes No
 If "No," attach a list. (see instructions)

H(c) Group exemption number ▶ _____

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

J Website: ▶ WWW.MIDDLESEXHOSPITAL.ORG

K Form of organization: Corporation Trust Association Other ▶

L Year of formation: 1895 **M** State of legal domicile: CT

Part I Summary

Activities & Governance	1	Briefly describe the organization's mission or most significant activities: <u>MIDDLESEX HOSPITAL IS COMMITTED TO PROVIDING HIGH QUALITY INPATIENT AND OUTPATIENT HEALTHCARE SERVICES. THE HOSPITAL RECOGNIZES COMMUNITY TRANSPARENCY AND INTEGRITY AS FUNDAMENTAL RESPONSIBILITIES.</u>		
	2	Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets.		
	3	Number of voting members of the governing body (Part VI, line 1a)	3	<u>14</u>
	4	Number of independent voting members of the governing body (Part VI, line 1b)	4	<u>12</u>
	5	Total number of individuals employed in calendar year 2017 (Part V, line 2a)	5	<u>3,370</u>
	6	Total number of volunteers (estimate if necessary)	6	<u>601</u>
	7a	Total unrelated business revenue from Part VIII, column (C), line 12	7a	<u>3,166,235</u>
b	Net unrelated business taxable income from Form 990-T, line 34	7b	<u>509,857</u>	
Revenue	8	Contributions and grants (Part VIII, line 1h)	Prior Year	Current Year
	9	Program service revenue (Part VIII, line 2g)	<u>4,322,258</u>	<u>4,475,172</u>
	10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	<u>387,851,692</u>	<u>431,741,799</u>
	11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	<u>15,675,644</u>	<u>7,819,509</u>
	12	Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	<u>8,262,728</u>	<u>7,354,445</u>
Expenses	13	Grants and similar amounts paid (Part IX, column (A), lines 1–3)	<u>416,112,322</u>	<u>451,390,925</u>
	14	Benefits paid to or for members (Part IX, column (A), line 4)	<u>82,000</u>	<u>68,500</u>
	15	Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)	<u>0</u>	<u>0</u>
	16a	Professional fundraising fees (Part IX, column (A), line 11e)	<u>211,215,055</u>	<u>228,616,625</u>
	b	Total fundraising expenses (Part IX, column (D), line 25) ▶ <u>972,933</u>	<u>0</u>	<u>0</u>
	17	Other expenses (Part IX, column (A), lines 11a–11d, 11f–24e)	<u>164,209,342</u>	<u>174,660,138</u>
	18	Total expenses. Add lines 13–17 (must equal Part IX, column (A), line 25)	<u>375,506,397</u>	<u>403,345,263</u>
Net Assets or Fund Balances	19	Revenue less expenses. Subtract line 18 from line 12	<u>40,605,925</u>	<u>48,045,662</u>
	20	Total assets (Part X, line 16)	Beginning of Current Year	End of Year
	21	Total liabilities (Part X, line 26)	<u>471,471,154</u>	<u>508,825,625</u>
	22	Net assets or fund balances. Subtract line 21 from line 20	<u>153,499,090</u>	<u>151,444,638</u>
		<u>317,972,064</u>	<u>357,380,987</u>	

Part II Signature Block

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

Sign Here

Signature of officer _____ Date _____

Type or print name and title SUSAN MARTIN, VP FINANCE & TREASURER

Paid Preparer Use Only

Print/Type preparer's name KRISTIN ANDERSON Preparer's signature Kristin M. Anderson Date 7/15/2019 Check if self-employed PTIN P01231300

Firm's name ▶ CROWE LLP Firm's EIN ▶ 35-0921680

Firm's address ▶ 175 POWDER FOREST DRIVE, SIMSBURY, CT 06089 Phone no. (860) 678-9200

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

For Paperwork Reduction Act Notice, see the separate instructions.

Cat. No. 11282Y

Form **990** (2017)

Application for Automatic Extension of Time To File an Exempt Organization Return

(Rev. January 2017)

OMB No. 1545-1709

Department of the Treasury
Internal Revenue Service

► **File a separate application for each return.**
► **Information about Form 8868 and its instructions is at www.irs.gov/form8868.**

Electronic filing (e-file). You can electronically file Form 8868 to request a 6-month automatic extension of time to file any of the forms listed below with the exception of Form 8870, Information Return for Transfers Associated With Certain Personal Benefit Contracts, for which an extension request must be sent to the IRS in paper format (see instructions). For more details on the electronic filing of this form, visit www.irs.gov/efile, click on Charities & Non-Profits, and click on e-file for Charities and Non-Profits.

Automatic 6-Month Extension of Time. Only submit original (no copies needed).

All corporations required to file an income tax return other than Form 990-T (including 1120-C filers), partnerships, REMICs, and trusts must use Form 7004 to request an extension of time to file income tax returns.

Type or print File by the due date for filing your return. See instructions.	Enter filer's identifying number, see instructions	
	Name of exempt organization or other filer, see instructions. MIDDLESEX HOSPITAL	Employer identification number (EIN) or 06-0646718
	Number, street, and room or suite no. If a P.O. box, see instructions. 28 CRESCENT STREET	Social security number (SSN)
City, town or post office, state, and ZIP code. For a foreign address, see instructions. MIDDLETOWN, CT 06457		

Enter the Return Code for the return that this application is for (file a separate application for each return) **0 1**

Application Is For	Return Code	Application Is For	Return Code
Form 990 or Form 990-EZ	01	Form 990-T (corporation)	07
Form 990-BL	02	Form 1041-A	08
Form 4720 (individual)	03	Form 4720 (other than individual)	09
Form 990-PF	04	Form 5227	10
Form 990-T (sec. 401(a) or 408(a) trust)	05	Form 6069	11
Form 990-T (trust other than above)	06	Form 8870	12

• The books are in the care of ► SHANNON ST HILAIRE

Telephone No. ► (860) 358-6000 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) _____ . 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 is for.

1 I request an automatic 6-month extension of time until 08/15, 20 19, 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 10/01, 20 17, and ending 09/30, 20 18.

2 If the tax year entered in line 1 is for less than 12 months, check reason: Initial return Final return Change in accounting period

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

Caution: If you are going to make an electronic funds withdrawal (direct debit) with this Form 8868, see Form 8453-EO and Form 8879-EO for payment instructions.

Part III Statement of Program Service Accomplishments

Check if Schedule O contains a response or note to any line in this Part III

- 1 Briefly describe the organization's mission:
MIDDLESEX HOSPITAL EXISTS TO PROVIDE THE SAFEST, HIGHEST-QUALITY HEALTH CARE AND THE BEST EXPERIENCE POSSIBLE FOR OUR COMMUNITY. MIDDLESEX HOSPITAL IS AN ACUTE CARE GENERAL HOSPITAL SERVING THE RESIDENTS OF MIDDLESEX COUNTY AND VARIOUS SURROUNDING COMMUNITIES PROVIDING SELECTED HIGH QUALITY INPATIENT AND OUTPATIENT HEALTH SERVICES. THE HOSPITAL MAINTAINS FORMAL (CONTINUED ON SCHEDULE O)
- 2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ? Yes No
If "Yes," describe these new services on Schedule O.
- 3 Did the organization cease conducting, or make significant changes in how it conducts, any program services? Yes No
If "Yes," describe these changes on Schedule O.
- 4 Describe the organization's program service accomplishments for each of its three largest program services, as measured by expenses. Section 501(c)(3) and 501(c)(4) organizations are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported.

4a (Code:) (Expenses \$ 160,737,373 including grants of \$ 68,500) (Revenue \$ 174,061,460)
 IN THE FISCAL YEAR ENDING 9/30/2018, INPATIENT CARE REPRESENTED 13,270 DISCHARGES AND 54,035 PATIENT CARE DAYS. ARMED WITH SKILLED STAFF, PROGRESSIVE DIAGNOSTIC TOOLS AND ADVANCED SURGICAL TECHNIQUES, THE HOSPITAL WAS WELL POSITIONED TO ENSURE A COMFORTABLE, SAFE ENVIRONMENT FOR EXCEPTIONAL MEDICAL TREATMENT AND RECOVERY. INPATIENT CARE FROM REGISTRATION THROUGH DISCHARGE IS CAREFULLY MANAGED TO EXCEED REGULATORY REQUIREMENTS AND ENSURE QUALITY, PATIENT SATISFACTION, AND BEST PRACTICE WITH EACH ASPECT OF THE INPATIENT EXPERIENCE, INCLUDING ALL ELEMENTS OF CARE FROM NURSING COMPETENCY AND COMPASSION, TO MEAL QUALITY, LAB AND DIAGNOSTIC TESTING, SAFE AND SECURE PHYSICAL SURROUNDINGS TO PATIENT EDUCATION.

MIDDLESEX HOSPITAL, LICENSED FOR 275 BEDS AND 22 BASSINETS, PROVIDES ACUTE CARE FROM DEDICATED HEALTH CARE TEAMS WHICH INCLUDE SURGEONS, HOSPITALISTS, FAMILY PRACTITIONERS AND RESIDENTS, MEDICAL (CONTINUED ON SCHEDULE O)

4b (Code:) (Expenses \$ 56,949,675 including grants of \$) (Revenue \$ 84,342,068)
 MIDDLESEX HOSPITAL EMERGENCY DEPARTMENT DELIVERS CARE AT THE WHALEN EMERGENCY CENTER AT THE HOSPITAL'S MAIN CAMPUS AS WELL AS TWO SATELLITE SITES LOCATED AT THE SHORELINE MEDICAL CENTER IN WESTBROOK AND THE MIDDLESEX HOSPITAL MEDICAL CENTER IN MARLBOROUGH. THE EMERGENCY DEPARTMENT TREAT AND RELEASE VISITS FOR THE FISCAL YEAR ENDING 9/30/2018 WERE 77,222. IN EACH, EMERGENCY CARE IS DEPLOYED BY EXPERT, BOARD-CERTIFIED EMERGENCY MEDICINE DOCTORS AND SPECIFICALLY TRAINED PHYSICIAN ASSISTANTS, NURSES, PATIENT CARE TECHNICIANS AND OTHER SUPPORT PERSONNEL.

EMERGENCY CARE IS PROVIDED 24 HOURS A DAY, 7 DAYS A WEEK. THE DEPARTMENTS ARE SUPPORTED BY A BROAD SPECTRUM OF DIAGNOSTIC CAPABILITIES AND SOPHISTICATED INFORMATION SYSTEMS. IN ADDITION TO EMERGENCY CARE THERE ARE ALSO ISOLATION AND DECONTAMINATION AREAS IN THE EMERGENCY DEPARTMENT AND A HELIPAD ON SITE FOR LIFE STAR MEDICAL (CONTINUED ON SCHEDULE O)

4c (Code:) (Expenses \$ 19,983,770 including grants of \$) (Revenue \$ 13,236,757)
 THE HOSPITAL'S HOMECARE DEPARTMENT MAKES OVER 92,000 REVENUE GENERATING VISITS A YEAR TO COMMUNITY RESIDENTS. HOMECARE IS STAFFED WITH SPECIALTY NURSES, HOME HEALTH AIDES, PHYSICAL THERAPISTS, OCCUPATIONAL THERAPISTS, SPEECH THERAPISTS, MEDICAL SOCIAL WORKERS AND NUTRITIONISTS TO MEET THE PHYSICAL AND BEHAVIORAL HEALTH NEEDS OF PATIENTS CARED FOR IN THEIR HOMES AND OUTSIDE THE HOSPITAL SETTING. HOMECARE SERVICES INCLUDE: SPECIALIZED CARDIAC CARE; INCLUDING TELE MONITORING AND THE HEART SMART PROGRAM (A MULTIDISCIPLINARY PROGRAM WHICH INCLUDES THE FULL SPECTRUM CARDIAC SELF MANAGEMENT SUPPORT AND CLINICAL CARE), FULL SPECTRUM GERIATRIC CARE, INFUSION THERAPIES, LIFELINE SERVICES, AND A SIGNIFICANT RANGE OF RESPIRATORY, PULMONARY AND MEDICAL REHABILITATION SERVICES AS WELL AS PROVIDING OUTPATIENT HOSPICE AND PALLIATIVE SERVICES THROUGHOUT THE COMMUNITY. THE HOMECARE DEPARTMENT GENEROUSLY PROVIDES COMMUNITY HEALTH SERVICES INCLUDING FLU SHOTS, HEALTH FAIRS, AND COORDINATION OF LINKAGES WITH MEALS ON WHEELS, TRANSPORTATION, ADULT DAY CARE AND OTHER SERVICES ON CONTRACT WITH LOCAL ORGANIZATIONS.

4d Other program services (Describe in Schedule O.)
 (Expenses \$ 119,934,271 including grants of \$ 0) (Revenue \$ 162,648,568)

4e Total program service expenses ▶ 357,605,089

Part IV Checklist of Required Schedules

	Yes	No
1 Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? <i>If "Yes," complete Schedule A</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
2 Is the organization required to complete <i>Schedule B, Schedule of Contributors</i> (see instructions)?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
3 Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? <i>If "Yes," complete Schedule C, Part I</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
4 Section 501(c)(3) organizations. Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? <i>If "Yes," complete Schedule C, Part II</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
5 Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? <i>If "Yes," complete Schedule C, Part III</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
6 Did the organization maintain any donor advised funds or any similar funds or accounts for which donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? <i>If "Yes," complete Schedule D, Part I</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
7 Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? <i>If "Yes," complete Schedule D, Part II</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
8 Did the organization maintain collections of works of art, historical treasures, or other similar assets? <i>If "Yes," complete Schedule D, Part III</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
9 Did the organization report an amount in Part X, line 21, for escrow or custodial account liability, serve as a custodian for amounts not listed in Part X; or provide credit counseling, debt management, credit repair, or debt negotiation services? <i>If "Yes," complete Schedule D, Part IV</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
10 Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? <i>If "Yes," complete Schedule D, Part V</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
11 If the organization's answer to any of the following questions is "Yes," then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable.		
a Did the organization report an amount for land, buildings, and equipment in Part X, line 10? <i>If "Yes," complete Schedule D, Part VI</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
b Did the organization report an amount for investments—other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part VII</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c Did the organization report an amount for investments—program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part VIII</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
d Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part IX</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
e Did the organization report an amount for other liabilities in Part X, line 25? <i>If "Yes," complete Schedule D, Part X</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
f Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? <i>If "Yes," complete Schedule D, Part X</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
12 a Did the organization obtain separate, independent audited financial statements for the tax year? <i>If "Yes," complete Schedule D, Parts XI and XII</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b Was the organization included in consolidated, independent audited financial statements for the tax year? <i>If "Yes," and if the organization answered "No" to line 12a, then completing Schedule D, Parts XI and XII is optional</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
13 Is the organization a school described in section 170(b)(1)(A)(ii)? <i>If "Yes," complete Schedule E</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
14 a Did the organization maintain an office, employees, or agents outside of the United States?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at \$100,000 or more? <i>If "Yes," complete Schedule F, Parts I and IV.</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
15 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or other assistance to or for any foreign organization? <i>If "Yes," complete Schedule F, Parts II and IV</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
16 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or other assistance to or for foreign individuals? <i>If "Yes," complete Schedule F, Parts III and IV.</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
17 Did the organization report a total of more than \$15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? <i>If "Yes," complete Schedule G, Part I (see instructions)</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
18 Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? <i>If "Yes," complete Schedule G, Part II</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
19 Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? <i>If "Yes," complete Schedule G, Part III</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Part IV Checklist of Required Schedules *(continued)*

	Yes	No
20a Did the organization operate one or more hospital facilities? <i>If "Yes," complete Schedule H</i>	<input checked="" type="checkbox"/>	
b If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return?	<input checked="" type="checkbox"/>	
21 Did the organization report more than \$5,000 of grants or other assistance to any domestic organization or domestic government on Part IX, column (A), line 1? <i>If "Yes," complete Schedule I, Parts I and II</i>	<input checked="" type="checkbox"/>	
22 Did the organization report more than \$5,000 of grants or other assistance to or for domestic individuals on Part IX, column (A), line 2? <i>If "Yes," complete Schedule I, Parts I and III</i>		<input checked="" type="checkbox"/>
23 Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? <i>If "Yes," complete Schedule J</i>	<input checked="" type="checkbox"/>	
24a Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? <i>If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25a</i>	<input checked="" type="checkbox"/>	
b Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?		<input checked="" type="checkbox"/>
c Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?		<input checked="" type="checkbox"/>
d Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?		<input checked="" type="checkbox"/>
25a Section 501(c)(3), 501(c)(4), and 501(c)(29) organizations. Did the organization engage in an excess benefit transaction with a disqualified person during the year? <i>If "Yes," complete Schedule L, Part I</i>		<input checked="" type="checkbox"/>
b Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? <i>If "Yes," complete Schedule L, Part I</i>		<input checked="" type="checkbox"/>
26 Did the organization report any amount on Part X, line 5, 6, or 22 for receivables from or payables to any current or former officers, directors, trustees, key employees, highest compensated employees, or disqualified persons? <i>If "Yes," complete Schedule L, Part II</i>		<input checked="" type="checkbox"/>
27 Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor or employee thereof, a grant selection committee member, or to a 35% controlled entity or family member of any of these persons? <i>If "Yes," complete Schedule L, Part III</i>		<input checked="" type="checkbox"/>
28 Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions):		
a A current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i>		<input checked="" type="checkbox"/>
b A family member of a current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i>	<input checked="" type="checkbox"/>	
c An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? <i>If "Yes," complete Schedule L, Part IV</i>	<input checked="" type="checkbox"/>	
29 Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M</i>	<input checked="" type="checkbox"/>	
30 Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If "Yes," complete Schedule M</i>		<input checked="" type="checkbox"/>
31 Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I</i>		<input checked="" type="checkbox"/>
32 Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? <i>If "Yes," complete Schedule N, Part II</i>		<input checked="" type="checkbox"/>
33 Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? <i>If "Yes," complete Schedule R, Part I</i>		<input checked="" type="checkbox"/>
34 Was the organization related to any tax-exempt or taxable entity? <i>If "Yes," complete Schedule R, Part II, III, or IV, and Part V, line 1</i>	<input checked="" type="checkbox"/>	
35a Did the organization have a controlled entity within the meaning of section 512(b)(13)?	<input checked="" type="checkbox"/>	
b If "Yes" to line 35a, did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? <i>If "Yes," complete Schedule R, Part V, line 2</i>	<input checked="" type="checkbox"/>	
36 Section 501(c)(3) organizations. Did the organization make any transfers to an exempt non-charitable related organization? <i>If "Yes," complete Schedule R, Part V, line 2</i>		<input checked="" type="checkbox"/>
37 Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? <i>If "Yes," complete Schedule R, Part VI</i>		<input checked="" type="checkbox"/>
38 Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11b and 19? Note. All Form 990 filers are required to complete Schedule O.	<input checked="" type="checkbox"/>	

Part V Statements Regarding Other IRS Filings and Tax Compliance

Check if Schedule O contains a response or note to any line in this Part V

Table with columns for line numbers (1a-14b), descriptions of questions, and Yes/No checkboxes. Includes numerical inputs for lines 1a (150), 1b (0), 2a (3,370), and 7d.

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

Section A. Governing Body and Management

		Yes	No
1a	Enter the number of voting members of the governing body at the end of the tax year 1a 14 If there are material differences in voting rights among members of the governing body, or if the governing body delegated broad authority to an executive committee or similar committee, explain in Schedule O.		
b	Enter the number of voting members included in line 1a, above, who are independent 1b 12		
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?	<input checked="" type="checkbox"/>	
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors, or trustees, or key employees to a management company or other person?		<input checked="" type="checkbox"/>
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?		<input checked="" type="checkbox"/>
5	Did the organization become aware during the year of a significant diversion of the organization's assets?		<input checked="" type="checkbox"/>
6	Did the organization have members or stockholders?	<input checked="" type="checkbox"/>	
7a	Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?	<input checked="" type="checkbox"/>	
b	Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?	<input checked="" type="checkbox"/>	
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following:		
a	The governing body?	<input checked="" type="checkbox"/>	
b	Each committee with authority to act on behalf of the governing body?	<input checked="" type="checkbox"/>	
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O		<input checked="" type="checkbox"/>

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

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

Section C. Disclosure

- 17** List the states with which a copy of this Form 990 is required to be filed ► CT
- 18** Section 6104 requires an organization to make its Forms 1023 (or 1024 if applicable), 990, and 990-T (Section 501(c)(3)s only) available for public inspection. Indicate how you made these available. Check all that apply.
 Own website Another's website Upon request Other (explain in Schedule O)
- 19** Describe in Schedule O whether (and if so, how) the organization made its governing documents, conflict of interest policy, and financial statements available to the public during the tax year.
- 20** State the name, address, and telephone number of the person who possesses the organization's books and records: ►
SHANNON ST HILAIRE, 28 CRESCENT STREET, MIDDLETOWN, CT 06457, (860) 358-6000

Part VII Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors

Check if Schedule O contains a response or note to any line in this Part VII

Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

1a Complete this table for all persons required to be listed. Report compensation for the calendar year ending with or within the organization's tax year.

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation. Enter -0- in columns (D), (E), and (F) if no compensation was paid.
- List all of the organization's **current** key employees, if any. See instructions for definition of "key employee."
- List the organization's five **current** highest compensated employees (other than an officer, director, trustee, or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than \$100,000 from the organization and any related organizations.
- List all of the organization's **former** officers, key employees, and highest compensated employees who received more than \$100,000 of reportable compensation from the organization and any related organizations.
- List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than \$10,000 of reportable compensation from the organization and any related organizations.

List persons in the following order: individual trustees or directors; institutional trustees; officers; key employees; highest compensated employees; and former such persons.

Check this box if neither the organization nor any related organization compensated any current officer, director, or trustee.

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(1) VINCENT CAPECE, JR PRESIDENT/CEO	40.0 4.0	✓		✓				1,179,432	0	524,571
(2) BRUCE S. MACMILLIAN CHAIR	1.0 3.0	✓		✓			0	0	0	
(3) DAVID BAGGISH, MD SECRETARY & CHIEF DEPT OF MEDICINE	40.0 3.0	✓		✓			33,839	0	2,548	
(4) JONATHAN D. LEVINE, MD ASST SECRETARY	1.0 2.0	✓		✓			0	0	0	
(5) CHANDLER J. HOWARD VICE CHAIR	1.0 2.0	✓		✓			0	0	0	
(6) CAROL P. WALLACE DIRECTOR	1.0 3.0	✓					0	0	0	
(7) GERALD P. MIGLIACCIO DIRECTOR	1.0 3.0	✓					0	0	0	
(8) GREGORY B. BUTLER DIRECTOR	1.0 2.0	✓					0	0	0	
(9) JEAN M. D'AQUILA DIRECTOR	1.0 2.0	✓					0	0	0	
(10) DARRELL G. PATASKA DIRECTOR	1.0 2.0	✓					0	0	0	
(11) R. CHRISTOPHER SEATON DIRECTOR	1.0 2.0	✓					0	0	0	
(12) JOHN J GAUTHIER DIRECTOR	1.0 2.0	✓					0	0	0	
(13) SABRA R PURTILL DIRECTOR	1.0 2.0	✓					0	0	0	
(14) CHRISTINE H. REPASSY DIRECTOR	1.0 2.0	✓					0	0	0	

Part VII Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees (continued)

(A) Name and title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(15) SUSAN MARTIN VP FINANCE/TREASURER	40.0 4.0			✓				429,982	0	159,122
(16) JESSE WAGNER, MD VP QUALITY AND PATIENT SAFETY	40.0 1.0				✓			547,070	0	185,467
(17) JACQUELYN CALAMARI VP PATIENT CARE SERVICES/CNO	40.0 0.0				✓			379,185	0	111,484
(18) EVAN JACKSON VP STRATEGIC PLANNING AND CIO	40.0 0.0				✓			301,623	0	123,204
(19) DAVID GIUFFRIDA VP FACILITIES AND SUPPORT SERVICES	40.0 0.0				✓			384,783	0	139,571
(20) DONNA STRONESKI VP HUMAN RESOURCES	40.0 0.0				✓			246,280	0	37,190
(21) GREGORY NOKES VP HUMAN RESOURCES	40.0 0.0				✓			432,591	0	124,267
(22) JONATHAN BANKOFF CHAIRMAN EMERGENCY MEDICINE	40.0 0.0				✓			422,052	0	60,343
(23) RACHEL LOVINS CHIEF DEPT OF MED	40.0 0.0				✓			403,691	0	60,465
(24) DAVID COSENTINO PHYSICIAN EMERGENCY DEPARTMENT	40.0 0.0					✓		352,863	0	62,856
(25) (SEE STATEMENT)										
1b Sub-total								5,113,393	0	1,591,087
c Total from continuation sheets to Part VII, Section A								1,919,345	0	234,588
d Total (add lines 1b and 1c)								7,032,738	0	1,825,675

2 Total number of individuals (including but not limited to those listed above) who received more than \$100,000 of reportable compensation from the organization **▶** 362

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

Section B. Independent Contractors

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

(A) Name and business address	(B) Description of services	(C) Compensation
ACSYS INTERACTIVE, 1577 NEW BRITAIN AVENUE, FARMINGTON, CT 06032	MARKETING	2,683,634
ARAMARK CORPORATION, 66 OXFORD DRIVE, FRANKLIN, MA 02038	DIETARY / HOUSEKEEPING	1,673,221
QUEST DIAGNOSTICS INC, 2025 COLLECTION CENTER DRIVE, CHICAGO, IL 60693	LABORATORY SERVICES	1,528,768
GE HEALTHCARE IITS, 15727 COLLECTIONS CENTER DRIVE, CHICAGO, IL 60693	TECHNOLOGY	1,162,859
CERNER CORPORATION, PO BOX 959156, ST. LOUIS, MO 63195-9156	TECHNOLOGY	982,308

2 Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 of compensation from the organization **▶** 70

Part VIII Statement of Revenue

Check if Schedule O contains a response or note to any line in this Part VIII

			(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512-514	
Contributions, Gifts, Grants and Other Similar Amounts	1a Federated campaigns	1a 30,446					
	b Membership dues	1b					
	c Fundraising events	1c 177,217					
	d Related organizations	1d					
	e Government grants (contributions)	1e 2,094,122					
	f All other contributions, gifts, grants, and similar amounts not included above	1f 2,173,387					
	g Noncash contributions included in lines 1a-1f: \$	47,845					
	h Total. Add lines 1a-1f	▶	4,475,172				
Program Service Revenue	Business Code						
	2a PATIENT SERVICES	621110	426,013,729	426,013,729			
	b SPECIMEN LAB	621500	2,348,189		2,348,189		
	c TECHNICAL LABORATORY	621500	798,203		798,203		
	d JOINT VENTURE PROGRAM REVENUE	900009	2,581,678	2,581,678			
	e						
	f All other program service revenue .		0	0	0	0	
g Total. Add lines 2a-2f	▶	431,741,799					
Other Revenue	3 Investment income (including dividends, interest, and other similar amounts)	▶	4,276,838			4,276,838	
	4 Income from investment of tax-exempt bond proceeds ▶		19,418			19,418	
	5 Royalties	▶					
	6a Gross rents	(i) Real	943,534				
		(ii) Personal					
		b Less: rental expenses	787,468				
		c Rental income or (loss)	156,066	0			
	d Net rental income or (loss)	▶	156,066			156,066	
	7a Gross amount from sales of assets other than inventory	(i) Securities	34,753,062				
		(ii) Other					
		b Less: cost or other basis and sales expenses	31,229,809				
		c Gain or (loss)	3,523,253	0			
	d Net gain or (loss)	▶	3,523,253			3,523,253	
	8a Gross income from fundraising events (not including \$ 177,217 of contributions reported on line 1c). See Part IV, line 18	a	91,603				
		b Less: direct expenses	91,603				
		c Net income or (loss) from fundraising events . ▶		0			0
	9a Gross income from gaming activities. See Part IV, line 19	a					
b Less: direct expenses		b					
c Net income or (loss) from gaming activities . . ▶							
10a Gross sales of inventory, less returns and allowances	a						
	b Less: cost of goods sold	b					
	c Net income or (loss) from sales of inventory . . ▶						
Miscellaneous Revenue		Business Code					
11a BUSINESS INTERRUPTION PROCEEDS	900009	1,576,703	1,576,703				
b CAFETERIA REVENUE	722210	1,485,090			1,485,090		
c							
d All other revenue	900009	4,136,586	4,116,743	19,843	0		
e Total. Add lines 11a-11d	▶	7,198,379					
12 Total revenue. See instructions.	▶	451,390,925	434,288,853	3,166,235	9,460,665		

Part IX Statement of Functional Expenses

Section 501(c)(3) and 501(c)(4) organizations must complete all columns. All other organizations must complete column (A).

Check if Schedule O contains a response or note to any line in this Part IX

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.

	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to domestic organizations and domestic governments. See Part IV, line 21	68,500	68,500		
2 Grants and other assistance to domestic individuals. See Part IV, line 22				
3 Grants and other assistance to foreign organizations, foreign governments, and foreign individuals. See Part IV, lines 15 and 16				
4 Benefits paid to or for members				
5 Compensation of current officers, directors, trustees, and key employees	5,843,528	4,674,823	1,168,705	
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)	356,308	356,308		
7 Other salaries and wages	183,416,751	167,629,999	15,786,752	
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)	12,273,488	11,182,631	1,090,857	
9 Other employee benefits	14,363,535	13,205,534	1,158,001	
10 Payroll taxes	12,363,015	11,248,089	1,114,926	
11 Fees for services (non-employees):				
a Management				
b Legal	987,076		987,076	
c Accounting	214,077		214,077	
d Lobbying	107,785		107,785	
e Professional fundraising services. See Part IV, line 17				
f Investment management fees	151,270		151,270	
g Other. (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Schedule O.)	8,901,227	6,988,845	939,449	972,933
12 Advertising and promotion	2,986,718	55,518	2,931,200	
13 Office expenses	7,129,198	5,139,316	1,989,882	
14 Information technology	8,937,288	5,362,373	3,574,915	
15 Royalties				
16 Occupancy	7,352,926	4,338,409	3,014,517	
17 Travel	1,274,046	1,004,347	269,699	
18 Payments of travel or entertainment expenses for any federal, state, or local public officials				
19 Conferences, conventions, and meetings	692,457	521,084	171,373	
20 Interest	1,465,321	1,465,321		
21 Payments to affiliates				
22 Depreciation, depletion, and amortization	24,056,785	21,778,315	2,278,470	
23 Insurance	365,499	365,499		
24 Other expenses. Itemize expenses not covered above (List miscellaneous expenses in line 24e. If line 24e amount exceeds 10% of line 25, column (A) amount, list line 24e expenses on Schedule O.)				
a <u>MEDICAL EXPENSES</u>	41,505,389	41,201,523	303,866	
b <u>LOSS ON DEBT REFINANCE</u>	516,109		516,109	
c <u>STATE NET PATIENT REV TAX</u>	35,520,618	35,520,618		
d				
e All other expenses	32,496,349	25,498,037	6,998,312	0
25 Total functional expenses. Add lines 1 through 24e	403,345,263	357,605,089	44,767,241	972,933
26 Joint costs. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation. Check here <input type="checkbox"/> if following SOP 98-2 (ASC 958-720)				

Part X Balance Sheet

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

		(A) Beginning of year		(B) End of year	
Assets	1 Cash—non-interest-bearing	21,872,000	1	27,632,430	
	2 Savings and temporary cash investments	31,640,000	2	32,477,000	
	3 Pledges and grants receivable, net	1,298,687	3	1,174,131	
	4 Accounts receivable, net	43,649,483	4	48,017,606	
	5 Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L	0	5	0	
	6 Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions). Complete Part II of Schedule L		6	0	
	7 Notes and loans receivable, net	1,417,799	7	1,049,892	
	8 Inventories for sale or use	1,184,536	8	1,275,731	
	9 Prepaid expenses and deferred charges	5,788,868	9	5,256,310	
	10a Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D	550,540,160			
	b Less: accumulated depreciation	348,691,336	192,561,299	10c	201,848,824
	11 Investments—publicly traded securities	157,563,000	11	176,743,045	
	12 Investments—other securities. See Part IV, line 11	0	12	0	
	13 Investments—program-related. See Part IV, line 11	0	13	0	
	14 Intangible assets	730,182	14	612,800	
	15 Other assets. See Part IV, line 11	13,765,300	15	12,737,856	
16 Total assets. Add lines 1 through 15 (must equal line 34)	471,471,154	16	508,825,625		
Liabilities	17 Accounts payable and accrued expenses	49,993,272	17	64,537,203	
	18 Grants payable	0	18	0	
	19 Deferred revenue	756,215	19	1,010,749	
	20 Tax-exempt bond liabilities	47,119,672	20	43,542,482	
	21 Escrow or custodial account liability. Complete Part IV of Schedule D	0	21	0	
	22 Loans and other payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L		22	0	
	23 Secured mortgages and notes payable to unrelated third parties	0	23	0	
	24 Unsecured notes and loans payable to unrelated third parties	0	24	0	
	25 Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24). Complete Part X of Schedule D	55,629,931	25	42,354,204	
	26 Total liabilities. Add lines 17 through 25	153,499,090	26	151,444,638	
Net Assets or Fund Balances	Organizations that follow SFAS 117 (ASC 958), check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.				
	27 Unrestricted net assets	299,976,946	27	339,115,292	
	28 Temporarily restricted net assets	10,563,781	28	10,328,569	
	29 Permanently restricted net assets	7,431,337	29	7,937,126	
	Organizations that do not follow SFAS 117 (ASC 958), check here <input type="checkbox"/> and complete lines 30 through 34.				
	30 Capital stock or trust principal, or current funds	0	30	0	
	31 Paid-in or capital surplus, or land, building, or equipment fund	0	31	0	
	32 Retained earnings, endowment, accumulated income, or other funds	0	32	0	
	33 Total net assets or fund balances	317,972,064	33	357,380,987	
34 Total liabilities and net assets/fund balances	471,471,154	34	508,825,625		

Part XI Reconciliation of Net Assets

Check if Schedule O contains a response or note to any line in this Part XI

1	Total revenue (must equal Part VIII, column (A), line 12)	1	451,390,925
2	Total expenses (must equal Part IX, column (A), line 25)	2	403,345,263
3	Revenue less expenses. Subtract line 2 from line 1	3	48,045,662
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	317,972,064
5	Net unrealized gains (losses) on investments	5	(386,000)
6	Donated services and use of facilities	6	
7	Investment expenses	7	
8	Prior period adjustments	8	
9	Other changes in net assets or fund balances (explain in Schedule O)	9	(8,250,739)
10	Net assets or fund balances at end of year. Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	357,380,987

Part XII Financial Statements and Reporting

Check if Schedule O contains a response or note to any line in this Part XII

	Yes	No
1 Accounting method used to prepare the Form 990: <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other _____ If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O.		
2a Were the organization's financial statements compiled or reviewed by an independent accountant? If "Yes," check a box below to indicate whether the financial statements for the year were compiled or reviewed on a separate basis, consolidated basis, or both: <input type="checkbox"/> Separate basis <input type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis		<input checked="" type="checkbox"/>
b Were the organization's financial statements audited by an independent accountant? If "Yes," check a box below to indicate whether the financial statements for the year were audited on a separate basis, consolidated basis, or both: <input type="checkbox"/> Separate basis <input checked="" type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis	<input checked="" type="checkbox"/>	
c If "Yes" to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant? If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O.	<input checked="" type="checkbox"/>	
3a As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?	<input checked="" type="checkbox"/>	
b If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits.	<input checked="" type="checkbox"/>	

Part VII

Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees (continued)

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (Check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(25) BRIAN MCGUIRE ----- MEDICAL DIRECTOR ED	40.0 ----- 0.0					✓		356,344	0	56,412
(26) MARIO CAPUZZI ----- MEDICAL DIRECTOR ED	40.0 ----- 0.0					✓		359,652	0	58,210
(27) JEFFREY SHELTON ----- CHAIRMAN DEPT PSYCH	40.0 ----- 0.0					✓		389,910	0	44,754
(28) THEODORE HARTENSTEIN ----- MEDICAL DIRECTOR, UTILIZATION MANAGEMENT	40.0 ----- 0.0					✓		403,310	0	53,280
(29) MICHAEL SAXE ----- CHAIRMAN EMERGENCY MEDICINE	0.0 ----- 0.0						✓	206,274	0	20,331
(30) ARTHUR MCDOWELL ----- FORMER VP CLINICAL AFFAIRS	40.0 ----- 0.0						✓	203,856	0	1,600

SCHEDULE A
(Form 990 or 990-EZ)

Public Charity Status and Public Support

OMB No. 1545-0047

2017

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

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

▶ Attach to Form 990 or Form 990-EZ.

▶ Go to www.irs.gov/Form990 for instructions and the latest information.

Name of the organization MIDDLESEX HOSPITAL	Employer identification number 06-0646718
---	---

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

The organization is not a private foundation because it is: (For lines 1 through 12, check only one box.)

- 1 A church, convention of churches, or association of churches described in **section 170(b)(1)(A)(i)**.
- 2 A school described in **section 170(b)(1)(A)(ii)**. (Attach Schedule E (Form 990 or 990-EZ).)
- 3 A hospital or a cooperative hospital service organization described in **section 170(b)(1)(A)(iii)**.
- 4 A medical research organization operated in conjunction with a hospital described in **section 170(b)(1)(A)(iii)**. Enter the hospital's name, city, and state:
- 5 An organization operated for the benefit of a college or university owned or operated by a governmental unit described in **section 170(b)(1)(A)(iv)**. (Complete Part II.)
- 6 A federal, state, or local government or governmental unit described in **section 170(b)(1)(A)(v)**.
- 7 An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in **section 170(b)(1)(A)(vi)**. (Complete Part II.)
- 8 A community trust described in **section 170(b)(1)(A)(vi)**. (Complete Part II.)
- 9 An agricultural research organization described in **section 170(b)(1)(A)(ix)** operated in conjunction with a land-grant college or university or a non-land-grant college of agriculture (see instructions). Enter the name, city, and state of the college or university:
- 10 An organization that normally receives: (1) more than 33¹/₃% of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions—subject to certain exceptions, and (2) no more than 33¹/₃% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975. See **section 509(a)(2)**. (Complete Part III.)
- 11 An organization organized and operated exclusively to test for public safety. See **section 509(a)(4)**.
- 12 An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in **section 509(a)(1)** or **section 509(a)(2)**. See **section 509(a)(3)**. Check the box in lines 12a through 12d that describes the type of supporting organization and complete lines 12e, 12f, and 12g.
 - a **Type I.** A supporting organization operated, supervised, or controlled by its supported organization(s), typically by giving the supported organization(s) the power to regularly appoint or elect a majority of the directors or trustees of the supporting organization. **You must complete Part IV, Sections A and B.**
 - b **Type II.** A supporting organization supervised or controlled in connection with its supported organization(s), by having control or management of the supporting organization vested in the same persons that control or manage the supported organization(s). **You must complete Part IV, Sections A and C.**
 - c **Type III functionally integrated.** A supporting organization operated in connection with, and functionally integrated with, its supported organization(s) (see instructions). **You must complete Part IV, Sections A, D, and E.**
 - d **Type III non-functionally integrated.** A supporting organization operated in connection with its supported organization(s) that is not functionally integrated. The organization generally must satisfy a distribution requirement and an attentiveness requirement (see instructions). **You must complete Part IV, Sections A and D, and Part V.**
 - e Check this box if the organization received a written determination from the IRS that it is a Type I, Type II, Type III functionally integrated, or Type III non-functionally integrated supporting organization.
 - f Enter the number of supported organizations
 - g Provide the following information about the supported organization(s).

(i) Name of supported organization	(ii) EIN	(iii) Type of organization (described on lines 1–10 above (see instructions))	(iv) Is the organization listed in your governing document?		(v) Amount of monetary support (see instructions)	(vi) Amount of other support (see instructions)
			Yes	No		
(A)						
(B)						
(C)						
(D)						
(E)						
Total						

Part II Support Schedule for Organizations Described in Sections 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)

(Complete only if you checked the box on line 5, 7, or 8 of Part I or if the organization failed to qualify under Part III. If the organization fails to qualify under the tests listed below, please complete Part III.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ►	(a) 2013	(b) 2014	(c) 2015	(d) 2016	(e) 2017	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")						
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
3 The value of services or facilities furnished by a governmental unit to the organization without charge						
4 Total. Add lines 1 through 3						
5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f)						
6 Public support. Subtract line 5 from line 4						

Section B. Total Support

Calendar year (or fiscal year beginning in) ►	(a) 2013	(b) 2014	(c) 2015	(d) 2016	(e) 2017	(f) Total
7 Amounts from line 4						
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties, and income from similar sources						
9 Net income from unrelated business activities, whether or not the business is regularly carried on						
10 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part VI.)						
11 Total support. Add lines 7 through 10						
12 Gross receipts from related activities, etc. (see instructions)					12	
13 First five years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and stop here						<input type="checkbox"/>

Section C. Computation of Public Support Percentage

14 Public support percentage for 2017 (line 6, column (f) divided by line 11, column (f))	14	%
15 Public support percentage from 2016 Schedule A, Part II, line 14	15	%
16a 33 1/3% support test—2017. If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization		<input type="checkbox"/>
b 33 1/3% support test—2016. If the organization did not check a box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization		<input type="checkbox"/>
17a 10%-facts-and-circumstances test—2017. If the organization did not check a box on line 13, 16a, or 16b, and line 14 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and stop here. Explain in Part VI how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization		<input type="checkbox"/>
b 10%-facts-and-circumstances test—2016. If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and stop here. Explain in Part VI how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization		<input type="checkbox"/>
18 Private foundation. If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions		<input type="checkbox"/>

Part III Support Schedule for Organizations Described in Section 509(a)(2)

(Complete only if you checked the box on line 10 of Part I or if the organization failed to qualify under Part II. If the organization fails to qualify under the tests listed below, please complete Part II.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ►	(a) 2013	(b) 2014	(c) 2015	(d) 2016	(e) 2017	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")						
2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose						
3 Gross receipts from activities that are not an unrelated trade or business under section 513						
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
5 The value of services or facilities furnished by a governmental unit to the organization without charge						
6 Total. Add lines 1 through 5						
7a Amounts included on lines 1, 2, and 3 received from disqualified persons						
b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of \$5,000 or 1% of the amount on line 13 for the year						
c Add lines 7a and 7b						
8 Public support. (Subtract line 7c from line 6.)						

Section B. Total Support

Calendar year (or fiscal year beginning in) ►	(a) 2013	(b) 2014	(c) 2015	(d) 2016	(e) 2017	(f) Total
9 Amounts from line 6						
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties, and income from similar sources						
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b						
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
12 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part VI.)						
13 Total support. (Add lines 9, 10c, 11, and 12.)						
14 First five years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and stop here <input type="checkbox"/>						

Section C. Computation of Public Support Percentage

15 Public support percentage for 2017 (line 8, column (f) divided by line 13, column (f))	15	%
16 Public support percentage from 2016 Schedule A, Part III, line 15	16	%

Section D. Computation of Investment Income Percentage

17 Investment income percentage for 2017 (line 10c, column (f) divided by line 13, column (f))	17	%
18 Investment income percentage from 2016 Schedule A, Part III, line 17	18	%
19a 33 1/3% support tests—2017. If the organization did not check the box on line 14, and line 15 is more than 33 1/3%, and line 17 is not more than 33 1/3%, check this box and stop here. The organization qualifies as a publicly supported organization <input type="checkbox"/>		
b 33 1/3% support tests—2016. If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3%, and line 18 is not more than 33 1/3%, check this box and stop here. The organization qualifies as a publicly supported organization <input type="checkbox"/>		
20 Private foundation. If the organization did not check a box on line 14, 19a, or 19b, check this box and see instructions <input type="checkbox"/>		

Part IV Supporting Organizations

(Complete only if you checked a box in line 12 on Part I. If you checked 12a of Part I, complete Sections A and B. If you checked 12b of Part I, complete Sections A and C. If you checked 12c of Part I, complete Sections A, D, and E. If you checked 12d of Part I, complete Sections A and D, and complete Part V.)

Section A. All Supporting Organizations

		Yes	No
1	Are all of the organization's supported organizations listed by name in the organization's governing documents? <i>If "No," describe in Part VI how the supported organizations are designated. If designated by class or purpose, describe the designation. If historic and continuing relationship, explain.</i>		
2	Did the organization have any supported organization that does not have an IRS determination of status under section 509(a)(1) or (2)? <i>If "Yes," explain in Part VI how the organization determined that the supported organization was described in section 509(a)(1) or (2).</i>		
3a	Did the organization have a supported organization described in section 501(c)(4), (5), or (6)? <i>If "Yes," answer (b) and (c) below.</i>		
3b	Did the organization confirm that each supported organization qualified under section 501(c)(4), (5), or (6) and satisfied the public support tests under section 509(a)(2)? <i>If "Yes," describe in Part VI when and how the organization made the determination.</i>		
3c	Did the organization ensure that all support to such organizations was used exclusively for section 170(c)(2)(B) purposes? <i>If "Yes," explain in Part VI what controls the organization put in place to ensure such use.</i>		
4a	Was any supported organization not organized in the United States ("foreign supported organization")? <i>If "Yes," and if you checked 12a or 12b in Part I, answer (b) and (c) below.</i>		
4b	Did the organization have ultimate control and discretion in deciding whether to make grants to the foreign supported organization? <i>If "Yes," describe in Part VI how the organization had such control and discretion despite being controlled or supervised by or in connection with its supported organizations.</i>		
4c	Did the organization support any foreign supported organization that does not have an IRS determination under sections 501(c)(3) and 509(a)(1) or (2)? <i>If "Yes," explain in Part VI what controls the organization used to ensure that all support to the foreign supported organization was used exclusively for section 170(c)(2)(B) purposes.</i>		
5a	Did the organization add, substitute, or remove any supported organizations during the tax year? <i>If "Yes," answer (b) and (c) below (if applicable). Also, provide detail in Part VI, including (i) the names and EIN numbers of the supported organizations added, substituted, or removed; (ii) the reasons for each such action; (iii) the authority under the organization's organizing document authorizing such action; and (iv) how the action was accomplished (such as by amendment to the organizing document).</i>		
5b	Type I or Type II only. Was any added or substituted supported organization part of a class already designated in the organization's organizing document?		
5c	Substitutions only. Was the substitution the result of an event beyond the organization's control?		
6	Did the organization provide support (whether in the form of grants or the provision of services or facilities) to anyone other than (i) its supported organizations, (ii) individuals that are part of the charitable class benefited by one or more of its supported organizations, or (iii) other supporting organizations that also support or benefit one or more of the filing organization's supported organizations? <i>If "Yes," provide detail in Part VI.</i>		
7	Did the organization provide a grant, loan, compensation, or other similar payment to a substantial contributor (defined in section 4958(c)(3)(C)), a family member of a substantial contributor, or a 35% controlled entity with regard to a substantial contributor? <i>If "Yes," complete Part I of Schedule L (Form 990 or 990-EZ).</i>		
8	Did the organization make a loan to a disqualified person (as defined in section 4958) not described in line 7? <i>If "Yes," complete Part I of Schedule L (Form 990 or 990-EZ).</i>		
9a	Was the organization controlled directly or indirectly at any time during the tax year by one or more disqualified persons as defined in section 4946 (other than foundation managers and organizations described in section 509(a)(1) or (2))? <i>If "Yes," provide detail in Part VI.</i>		
9b	Did one or more disqualified persons (as defined in line 9a) hold a controlling interest in any entity in which the supporting organization had an interest? <i>If "Yes," provide detail in Part VI.</i>		
9c	Did a disqualified person (as defined in line 9a) have an ownership interest in, or derive any personal benefit from, assets in which the supporting organization also had an interest? <i>If "Yes," provide detail in Part VI.</i>		
10a	Was the organization subject to the excess business holdings rules of section 4943 because of section 4943(f) (regarding certain Type II supporting organizations, and all Type III non-functionally integrated supporting organizations)? <i>If "Yes," answer 10b below.</i>		
10b	Did the organization have any excess business holdings in the tax year? <i>(Use Schedule C, Form 4720, to determine whether the organization had excess business holdings.)</i>		

Part IV Supporting Organizations (continued)

	Yes	No
11 Has the organization accepted a gift or contribution from any of the following persons?		
a A person who directly or indirectly controls, either alone or together with persons described in (b) and (c) below, the governing body of a supported organization?	11a	
b A family member of a person described in (a) above?	11b	
c A 35% controlled entity of a person described in (a) or (b) above? <i>If "Yes" to a, b, or c, provide detail in Part VI.</i>	11c	

Section B. Type I Supporting Organizations

	Yes	No
1 Did the directors, trustees, or membership of one or more supported organizations have the power to regularly appoint or elect at least a majority of the organization's directors or trustees at all times during the tax year? <i>If "No," describe in Part VI how the supported organization(s) effectively operated, supervised, or controlled the organization's activities. If the organization had more than one supported organization, describe how the powers to appoint and/or remove directors or trustees were allocated among the supported organizations and what conditions or restrictions, if any, applied to such powers during the tax year.</i>	1	
2 Did the organization operate for the benefit of any supported organization other than the supported organization(s) that operated, supervised, or controlled the supporting organization? <i>If "Yes," explain in Part VI how providing such benefit carried out the purposes of the supported organization(s) that operated, supervised, or controlled the supporting organization.</i>	2	

Section C. Type II Supporting Organizations

	Yes	No
1 Were a majority of the organization's directors or trustees during the tax year also a majority of the directors or trustees of each of the organization's supported organization(s)? <i>If "No," describe in Part VI how control or management of the supporting organization was vested in the same persons that controlled or managed the supported organization(s).</i>	1	

Section D. All Type III Supporting Organizations

	Yes	No
1 Did the organization provide to each of its supported organizations, by the last day of the fifth month of the organization's tax year, (i) a written notice describing the type and amount of support provided during the prior tax year, (ii) a copy of the Form 990 that was most recently filed as of the date of notification, and (iii) copies of the organization's governing documents in effect on the date of notification, to the extent not previously provided?	1	
2 Were any of the organization's officers, directors, or trustees either (i) appointed or elected by the supported organization(s) or (ii) serving on the governing body of a supported organization? <i>If "No," explain in Part VI how the organization maintained a close and continuous working relationship with the supported organization(s).</i>	2	
3 By reason of the relationship described in (2), did the organization's supported organizations have a significant voice in the organization's investment policies and in directing the use of the organization's income or assets at all times during the tax year? <i>If "Yes," describe in Part VI the role the organization's supported organizations played in this regard.</i>	3	

Section E. Type III Functionally Integrated Supporting Organizations

1 Check the box next to the method that the organization used to satisfy the Integral Part Test during the year (see instructions).			
a <input type="checkbox"/> The organization satisfied the Activities Test. Complete line 2 below.			
b <input type="checkbox"/> The organization is the parent of each of its supported organizations. Complete line 3 below.			
c <input type="checkbox"/> The organization supported a governmental entity. Describe in Part VI how you supported a government entity (see instructions).			
2 Activities Test. Answer (a) and (b) below.		Yes	No
a Did substantially all of the organization's activities during the tax year directly further the exempt purposes of the supported organization(s) to which the organization was responsive? <i>If "Yes," then in Part VI identify those supported organizations and explain how these activities directly furthered their exempt purposes, how the organization was responsive to those supported organizations, and how the organization determined that these activities constituted substantially all of its activities.</i>	2a		
b Did the activities described in (a) constitute activities that, but for the organization's involvement, one or more of the organization's supported organization(s) would have been engaged in? <i>If "Yes," explain in Part VI the reasons for the organization's position that its supported organization(s) would have engaged in these activities but for the organization's involvement.</i>	2b		
3 Parent of Supported Organizations. Answer (a) and (b) below.			
a Did the organization have the power to regularly appoint or elect a majority of the officers, directors, or trustees of each of the supported organizations? <i>Provide details in Part VI.</i>	3a		
b Did the organization exercise a substantial degree of direction over the policies, programs, and activities of each of its supported organizations? <i>If "Yes," describe in Part VI the role played by the organization in this regard.</i>	3b		

Part V Type III Non-Functionally Integrated 509(a)(3) Supporting Organizations

- 1** Check here if the organization satisfied the Integral Part Test as a qualifying trust on Nov. 20, 1970 (explain in Part VI). **See instructions.** All other Type III non-functionally integrated supporting organizations must complete Sections A through E.

Section A - Adjusted Net Income		(A) Prior Year	(B) Current Year (optional)
1 Net short-term capital gain	1		
2 Recoveries of prior-year distributions	2		
3 Other gross income (see instructions)	3		
4 Add lines 1 through 3.	4		
5 Depreciation and depletion	5		
6 Portion of operating expenses paid or incurred for production or collection of gross income or for management, conservation, or maintenance of property held for production of income (see instructions)	6		
7 Other expenses (see instructions)	7		
8 Adjusted Net Income (subtract lines 5, 6, and 7 from line 4).	8		
Section B - Minimum Asset Amount		(A) Prior Year	(B) Current Year (optional)
1 Aggregate fair market value of all non-exempt-use assets (see instructions for short tax year or assets held for part of year):			
a Average monthly value of securities	1a		
b Average monthly cash balances	1b		
c Fair market value of other non-exempt-use assets	1c		
d Total (add lines 1a, 1b, and 1c)	1d		
e Discount claimed for blockage or other factors (explain in detail in Part VI):			
2 Acquisition indebtedness applicable to non-exempt-use assets	2		
3 Subtract line 2 from line 1d.	3		
4 Cash deemed held for exempt use. Enter 1-1/2% of line 3 (for greater amount, see instructions).	4		
5 Net value of non-exempt-use assets (subtract line 4 from line 3)	5		
6 Multiply line 5 by .035.	6		
7 Recoveries of prior-year distributions	7		
8 Minimum Asset Amount (add line 7 to line 6)	8		
Section C - Distributable Amount			Current Year
1 Adjusted net income for prior year (from Section A, line 8, Column A)	1		
2 Enter 85% of line 1.	2		
3 Minimum asset amount for prior year (from Section B, line 8, Column A)	3		
4 Enter greater of line 2 or line 3.	4		
5 Income tax imposed in prior year	5		
6 Distributable Amount. Subtract line 5 from line 4, unless subject to emergency temporary reduction (see instructions).	6		
7 <input type="checkbox"/> Check here if the current year is the organization's first as a non-functionally integrated Type III supporting organization (see instructions).			

Schedule A (Form 990 or 990-EZ) 2017

Part V Type III Non-Functionally Integrated 509(a)(3) Supporting Organizations (continued)

Section D - Distributions	Current Year
1 Amounts paid to supported organizations to accomplish exempt purposes	
2 Amounts paid to perform activity that directly furthers exempt purposes of supported organizations, in excess of income from activity	
3 Administrative expenses paid to accomplish exempt purposes of supported organizations	
4 Amounts paid to acquire exempt-use assets	
5 Qualified set-aside amounts (prior IRS approval required)	
6 Other distributions (describe in Part VI). See instructions.	
7 Total annual distributions. Add lines 1 through 6.	
8 Distributions to attentive supported organizations to which the organization is responsive (provide details in Part VI). See instructions.	
9 Distributable amount for 2017 from Section C, line 6	
10 Line 8 amount divided by line 9 amount	

Section E - Distribution Allocations (see instructions)	(i) Excess Distributions	(ii) Underdistributions Pre-2017	(iii) Distributable Amount for 2017
1 Distributable amount for 2017 from Section C, line 6			
2 Underdistributions, if any, for years prior to 2017 (reasonable cause required—explain in Part VI). See instructions.			
3 Excess distributions carryover, if any, to 2017			
a			
b From 2013			
c From 2014			
d From 2015			
e From 2016			
f Total of lines 3a through e			
g Applied to underdistributions of prior years			
h Applied to 2017 distributable amount			
i Carryover from 2012 not applied (see instructions)			
j Remainder. Subtract lines 3g, 3h, and 3i from 3f.			
4 Distributions for 2017 from Section D, line 7: \$			
a Applied to underdistributions of prior years			
b Applied to 2017 distributable amount			
c Remainder. Subtract lines 4a and 4b from 4.			
5 Remaining underdistributions for years prior to 2017, if any. Subtract lines 3g and 4a from line 2. For result greater than zero, explain in Part VI . See instructions.			
6 Remaining underdistributions for 2017. Subtract lines 3h and 4b from line 1. For result greater than zero, explain in Part VI . See instructions.			
7 Excess distributions carryover to 2018. Add lines 3j and 4c.			
8 Breakdown of line 7:			
a Excess from 2013			
b Excess from 2014			
c Excess from 2015			
d Excess from 2016			
e Excess from 2017			

Schedule of Contributors

2017

▶ **Attach to Form 990, Form 990-EZ, or Form 990-PF.**
 ▶ **Go to www.irs.gov/Form990 for the latest information.**

Name of the organization MIDDLESEX HOSPITAL	Employer identification number 06-0646718
---	---

Organization type (check one):

Filers of:

Section:

- Form 990 or 990-EZ
 - 501(c)(3) (enter number) organization
 - 4947(a)(1) nonexempt charitable trust **not** treated as a private foundation
 - 527 political organization
- Form 990-PF
 - 501(c)(3) exempt private foundation
 - 4947(a)(1) nonexempt charitable trust treated as a private foundation
 - 501(c)(3) taxable private foundation

Check if your organization is covered by the **General Rule** or a **Special Rule**.

Note: Only a section 501(c)(7), (8), or (10) organization can check boxes for both the General Rule and a Special Rule. See instructions.

General Rule

- For an organization filing Form 990, 990-EZ, or 990-PF that received, during the year, contributions totaling \$5,000 or more (in money or property) from any one contributor. Complete Parts I and II. See instructions for determining a contributor's total contributions.

Special Rules

- For an organization described in section 501(c)(3) filing Form 990 or 990-EZ that met the 33¹/₃% support test of the regulations under sections 509(a)(1) and 170(b)(1)(A)(vi), that checked Schedule A (Form 990 or 990-EZ), Part II, line 13, 16a, or 16b, and that received from any one contributor, during the year, total contributions of the greater of **(1)** \$5,000; or **(2)** 2% of the amount on (i) Form 990, Part VIII, line 1h; or (ii) Form 990-EZ, line 1. Complete Parts I and II.
- For an organization described in section 501(c)(7), (8), or (10) filing Form 990 or 990-EZ that received from any one contributor, during the year, total contributions of more than \$1,000 *exclusively* for religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals. Complete Parts I, II, and III.
- For an organization described in section 501(c)(7), (8), or (10) filing Form 990 or 990-EZ that received from any one contributor, during the year, contributions *exclusively* for religious, charitable, etc., purposes, but no such contributions totaled more than \$1,000. If this box is checked, enter here the total contributions that were received during the year for an *exclusively* religious, charitable, etc., purpose. Don't complete any of the parts unless the **General Rule** applies to this organization because it received *nonexclusively* religious, charitable, etc., contributions totaling \$5,000 or more during the year ▶ \$ _____

Caution: An organization that isn't covered by the General Rule and/or the Special Rules doesn't file Schedule B (Form 990, 990-EZ, or 990-PF), but it **must** answer "No" on Part IV, line 2, of its Form 990; or check the box on line H of its Form 990-EZ or on its Form 990-PF, Part I, line 2, to certify that it doesn't meet the filing requirements of Schedule B (Form 990, 990-EZ, or 990-PF).

Name of organization MIDDLESEX HOSPITAL	Employer identification number 06-0646718
---	---

Part I **Contributors** (see instructions). Use duplicate copies of Part I if additional space is needed.

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
1	----- ----- -----	\$ 9,936	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input checked="" type="checkbox"/> (Complete Part II for noncash contributions.)
2	----- ----- -----	\$ 25,646	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input checked="" type="checkbox"/> (Complete Part II for noncash contributions.)
3	----- ----- -----	\$ 5,000	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input checked="" type="checkbox"/> (Complete Part II for noncash contributions.)
4	----- ----- -----	\$ 6,126	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input checked="" type="checkbox"/> (Complete Part II for noncash contributions.)
5	----- ----- -----	\$ 560,543	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
6	----- ----- -----	\$ 392,000	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)

Name of organization MIDDLESEX HOSPITAL	Employer identification number 06-0646718
---	---

Part I **Contributors** (see instructions). Use duplicate copies of Part I if additional space is needed.

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
7	----- ----- -----	\$ ----- 385,568	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
8	----- ----- -----	\$ ----- 289,527	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
9	----- ----- -----	\$ ----- 209,680	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
10	----- ----- -----	\$ ----- 145,370	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
11	----- ----- -----	\$ ----- 139,900	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
12	----- ----- -----	\$ ----- 76,459	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)

Name of organization MIDDLESEX HOSPITAL	Employer identification number 06-0646718
---	---

Part I Contributors (see instructions). Use duplicate copies of Part I if additional space is needed.

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
13	----- ----- -----	\$ ----- 30,446	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
14	----- ----- -----	\$ ----- 9,999	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
15	----- ----- -----	\$ ----- 350,000	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
16	----- ----- -----	\$ ----- 100,000	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
17	----- ----- -----	\$ ----- 50,000	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
18	----- ----- -----	\$ ----- 48,700	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)

Name of organization MIDDLESEX HOSPITAL	Employer identification number 06-0646718
---	---

Part I **Contributors** (see instructions). Use duplicate copies of Part I if additional space is needed.

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
19	----- ----- -----	\$ ----- 34,337	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
20	----- ----- -----	\$ ----- 31,000	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
21	----- ----- -----	\$ ----- 30,239	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
22	----- ----- -----	\$ ----- 30,100	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
23	----- ----- -----	\$ ----- 25,000	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
24	----- ----- -----	\$ ----- 23,144	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)

Name of organization MIDDLESEX HOSPITAL	Employer identification number 06-0646718
---	---

Part I **Contributors** (see instructions). Use duplicate copies of Part I if additional space is needed.

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
25	----- ----- -----	\$ ----- 20,300	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
26	----- ----- -----	\$ ----- 20,000	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
27	----- ----- -----	\$ ----- 20,000	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
28	----- ----- -----	\$ ----- 18,817	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
29	----- ----- -----	\$ ----- 18,000	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
30	----- ----- -----	\$ ----- 16,008	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)

Name of organization MIDDLESEX HOSPITAL	Employer identification number 06-0646718
---	---

Part I **Contributors** (see instructions). Use duplicate copies of Part I if additional space is needed.

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
31	----- ----- -----	\$ ----- 15,000	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
32	----- ----- -----	\$ ----- 14,500	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
33	----- ----- -----	\$ ----- 14,000	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
34	----- ----- -----	\$ ----- 13,500	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
35	----- ----- -----	\$ ----- 13,000	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
36	----- ----- -----	\$ ----- 12,500	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)

Name of organization MIDDLESEX HOSPITAL	Employer identification number 06-0646718
---	---

Part I **Contributors** (see instructions). Use duplicate copies of Part I if additional space is needed.

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
37	----- ----- -----	\$ 11,072	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
38	----- ----- -----	\$ 10,216	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
39	----- ----- -----	\$ 10,000	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
40	----- ----- -----	\$ 10,000	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
41	----- ----- -----	\$ 10,000	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
42	----- ----- -----	\$ 10,000	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)

Name of organization MIDDLESEX HOSPITAL	Employer identification number 06-0646718
---	---

Part I **Contributors** (see instructions). Use duplicate copies of Part I if additional space is needed.

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
43	----- ----- -----	\$ 10,000	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
44	----- ----- -----	\$ 10,000	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
45	----- ----- -----	\$ 10,000	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
46	----- ----- -----	\$ 10,000	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
47	----- ----- -----	\$ 9,961	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
48	----- ----- -----	\$ 9,485	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)

Name of organization MIDDLESEX HOSPITAL	Employer identification number 06-0646718
---	---

Part I **Contributors** (see instructions). Use duplicate copies of Part I if additional space is needed.

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
49	----- ----- -----	\$ 8,500	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
50	----- ----- -----	\$ 8,500	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
51	----- ----- -----	\$ 7,500	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
52	----- ----- -----	\$ 7,500	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
53	----- ----- -----	\$ 7,000	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
54	----- ----- -----	\$ 6,560	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)

Name of organization MIDDLESEX HOSPITAL	Employer identification number 06-0646718
---	---

Part I **Contributors** (see instructions). Use duplicate copies of Part I if additional space is needed.

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
55	----- ----- -----	\$ ----- 6,560	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
56	----- ----- -----	\$ ----- 6,560	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
57	----- ----- -----	\$ ----- 6,000	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
58	----- ----- -----	\$ ----- 6,000	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
59	----- ----- -----	\$ ----- 5,676	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
60	----- ----- -----	\$ ----- 5,415	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)

Name of organization MIDDLESEX HOSPITAL	Employer identification number 06-0646718
---	---

Part I Contributors (see instructions). Use duplicate copies of Part I if additional space is needed.

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
61	----- ----- -----	\$ 5,300	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
62	----- ----- -----	\$ 5,250	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
63	----- ----- -----	\$ 5,000	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
64	----- ----- -----	\$ 5,000	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
65	----- ----- -----	\$ 5,000	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
66	----- ----- -----	\$ 5,000	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)

Name of organization MIDDLESEX HOSPITAL	Employer identification number 06-0646718
---	---

Part I Contributors (see instructions). Use duplicate copies of Part I if additional space is needed.

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
67	----- ----- -----	\$ ----- 5,000	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
68	----- ----- -----	\$ ----- 5,000	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
69	----- ----- -----	\$ ----- 5,000	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
70	----- ----- -----	\$ ----- 5,000	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
71	----- ----- -----	\$ ----- 5,000	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
72	----- ----- -----	\$ ----- 5,000	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)

Name of organization MIDDLESEX HOSPITAL	Employer identification number 06-0646718
---	---

Part II **Noncash Property** (see instructions). Use duplicate copies of Part II if additional space is needed.

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (See instructions.)	(d) Date received
1	STOCK ----- ----- -----	\$ 9,936	09/14/2018
2	STOCK ----- ----- -----	\$ 25,646	12/01/2017
3	STOCK ----- ----- -----	\$ 5,000	12/21/2017
4	STOCK ----- ----- -----	\$ 5,126	01/19/2018
-----	----- ----- -----	\$ -----	-----
-----	----- ----- -----	\$ -----	-----

Name of organization MIDDLESEX HOSPITAL	Employer identification number 06-0646718
---	---

Part III *Exclusively religious, charitable, etc., contributions to organizations described in section 501(c)(7), (8), or (10) that total more than \$1,000 for the year from any one contributor.* Complete columns (a) through (e) and the following line entry. For organizations completing Part III, enter the total of *exclusively* religious, charitable, etc., contributions of **\$1,000 or less** for the year. (Enter this information once. See instructions.) ▶ \$ _____
 Use duplicate copies of Part III if additional space is needed.

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held
-----	----- ----- -----	----- ----- -----	----- ----- -----

(e) Transfer of gift	
Transferee's name, address, and ZIP + 4	Relationship of transferor to transferee
----- ----- -----	----- ----- -----

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held
-----	----- ----- -----	----- ----- -----	----- ----- -----

(e) Transfer of gift	
Transferee's name, address, and ZIP + 4	Relationship of transferor to transferee
----- ----- -----	----- ----- -----

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held
-----	----- ----- -----	----- ----- -----	----- ----- -----

(e) Transfer of gift	
Transferee's name, address, and ZIP + 4	Relationship of transferor to transferee
----- ----- -----	----- ----- -----

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held
-----	----- ----- -----	----- ----- -----	----- ----- -----

(e) Transfer of gift	
Transferee's name, address, and ZIP + 4	Relationship of transferor to transferee
----- ----- -----	----- ----- -----

SCHEDULE C
(Form 990 or 990-EZ)

Political Campaign and Lobbying Activities

OMB No. 1545-0047

2017

Department of the Treasury
Internal Revenue Service

For Organizations Exempt From Income Tax Under section 501(c) and section 527

▶ **Complete if the organization is described below.** ▶ **Attach to Form 990 or Form 990-EZ.**
▶ **Go to www.irs.gov/Form990 for instructions and the latest information.**

Open to Public Inspection

If the organization answered "Yes," on Form 990, Part IV, line 3, or Form 990-EZ, Part V, line 46 (Political Campaign Activities), then

- Section 501(c)(3) organizations: Complete Parts I-A and B. Do not complete Part I-C.
- Section 501(c) (other than section 501(c)(3)) organizations: Complete Parts I-A and C below. Do not complete Part I-B.
- Section 527 organizations: Complete Part I-A only.

If the organization answered "Yes," on Form 990, Part IV, line 4, or Form 990-EZ, Part VI, line 47 (Lobbying Activities), then

- Section 501(c)(3) organizations that have filed Form 5768 (election under section 501(h)): Complete Part II-A. Do not complete Part II-B.
- Section 501(c)(3) organizations that have NOT filed Form 5768 (election under section 501(h)): Complete Part II-B. Do not complete Part II-A.

If the organization answered "Yes," on Form 990, Part IV, line 5 (Proxy Tax) (see separate instructions) or Form 990-EZ, Part V, line 35c (Proxy Tax) (see separate instructions), then

- Section 501(c)(4), (5), or (6) organizations: Complete Part III.

Name of organization MIDDLESEX HOSPITAL	Employer identification number 06-0646718
---	---

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

- 1 Provide a description of the organization's direct and indirect political campaign activities in Part IV. (see instructions for definition of "political campaign activities")
- 2 Political campaign activity expenditures (see instructions) ▶ \$
- 3 Volunteer hours for political campaign activities (see instructions)

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

- 1 Enter the amount of any excise tax incurred by the organization under section 4955 ▶ \$
- 2 Enter the amount of any excise tax incurred by organization managers under section 4955 ▶ \$
- 3 If the organization incurred a section 4955 tax, did it file Form 4720 for this year? Yes No
- 4a Was a correction made? Yes No
- b If "Yes," describe in Part IV.

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

- 1 Enter the amount directly expended by the filing organization for section 527 exempt function activities ▶ \$
- 2 Enter the amount of the filing organization's funds contributed to other organizations for section 527 exempt function activities ▶ \$
- 3 Total exempt function expenditures. Add lines 1 and 2. Enter here and on Form 1120-POL, line 17b ▶ \$
- 4 Did the filing organization file **Form 1120-POL** for this year? Yes No
- 5 Enter the names, addresses and employer identification number (EIN) of all section 527 political organizations to which the filing organization made payments. For each organization listed, enter the amount paid from the filing organization's funds. Also enter the amount of political contributions received that were promptly and directly delivered to a separate political organization, such as a separate segregated fund or a political action committee (PAC). If additional space is needed, provide information in Part IV.

(a) Name	(b) Address	(c) EIN	(d) Amount paid from filing organization's funds. If none, enter -0-.	(e) Amount of political contributions received and promptly and directly delivered to a separate political organization. If none, enter -0-.
(1)				
(2)				
(3)				
(4)				
(5)				
(6)				

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

- A** Check if the filing organization belongs to an affiliated group (and list in Part IV each affiliated group member's name, address, EIN, expenses, and share of excess lobbying expenditures).
- B** Check if the filing organization checked box A and "limited control" provisions apply.

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

4-Year Averaging Period Under section 501(h)
(Some organizations that made a section 501(h) election do not have to complete all of the five columns below. See the separate instructions for lines 2a through 2f.)

Lobbying Expenditures During 4-Year Averaging Period					
Calendar year (or fiscal year beginning in)	(a) 2014	(b) 2015	(c) 2016	(d) 2017	(e) Total
2a Lobbying nontaxable amount					
b Lobbying ceiling amount (150% of line 2a, column (e))					
c Total lobbying expenditures					
d Grassroots nontaxable amount					
e Grassroots ceiling amount (150% of line 2d, column (e))					
f Grassroots lobbying expenditures					

Part II-B Complete if the organization is exempt under section 501(c)(3) and has NOT filed Form 5768 (election under section 501(h)).

For each "Yes," response on lines 1a through 1i below, provide in Part IV a detailed description of the lobbying activity.

	(a)		(b)
	Yes	No	Amount
1 During the year, did the filing organization attempt to influence foreign, national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of:			
a Volunteers?		✓	
b Paid staff or management (include compensation in expenses reported on lines 1c through 1i)?		✓	
c Media advertisements?		✓	
d Mailings to members, legislators, or the public?		✓	
e Publications, or published or broadcast statements?		✓	
f Grants to other organizations for lobbying purposes?		✓	
g Direct contact with legislators, their staffs, government officials, or a legislative body?		✓	
h Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?		✓	
i Other activities?	✓		107,785
j Total. Add lines 1c through 1i			107,785
2a Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?		✓	
b If "Yes," enter the amount of any tax incurred under section 4912			
c If "Yes," enter the amount of any tax incurred by organization managers under section 4912			
d If the filing organization incurred a section 4912 tax, did it file Form 4720 for this year?			

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

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

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

1 Dues, assessments and similar amounts from members	1	
2 Section 162(e) nondeductible lobbying and political expenditures (do not include amounts of political expenses for which the section 527(f) tax was paid).		
a Current year	2a	
b Carryover from last year	2b	
c Total	2c	
3 Aggregate amount reported in section 6033(e)(1)(A) notices of nondeductible section 162(e) dues	3	
4 If notices were sent and the amount on line 2c exceeds the amount on line 3, what portion of the excess does the organization agree to carryover to the reasonable estimate of nondeductible lobbying and political expenditure next year?	4	
5 Taxable amount of lobbying and political expenditures (see instructions)	5	

Part IV Supplemental Information

Provide the descriptions required for Part I-A, line 1; Part I-B, line 4; Part I-C, line 5; Part II-A (affiliated group list); Part II-A, lines 1 and 2 (see instructions); and Part II-B, line 1. Also, complete this part for any additional information.

SEE NEXT PAGE

Part IV

Supplemental Information. Provide the descriptions required for Part I-A, line 1; Part I-B, line 4; Part I-C, line 5; Part II-A (affiliated group list); Part II-A, lines 1 and 2 (see instructions); and Part II-B, line 1. Also, complete this part for any additional information.

Return Reference - Identifier	Explanation
<p>SCHEDULE C, PART II-B, LINE 1 - DETAILED DESCRIPTION OF THE LOBBYING ACTIVITY</p>	<p>MIDDLESEX HOSPITAL PAYS DUES TO BOTH THE AMERICAN HOSPITAL ASSOCIATION (AHA) AND THE CONNECTICUT HOSPITAL ASSOCIATION (CHA). A PERCENTAGE OF THOSE DUES FUNDED LOBBYING ACTIVITIES DURING THE FISCAL YEAR. THE PORTION OF AHA DUES TOTALED \$10,605 AND THE PORTION OF CHA DUES TOTALED \$35,740. IN ADDITION, MIDDLESEX HOSPITAL CONTRACTED WITH TWO CONSULTANTS WHO PERFORMED LOBBYING ACTIVITIES. THOSE EXPENSES TOTALED \$61,440.</p>

SCHEDULE D (Form 990)

Department of the Treasury Internal Revenue Service

Supplemental Financial Statements

Complete if the organization answered "Yes" on Form 990, Part IV, line 6, 7, 8, 9, 10, 11a, 11b, 11c, 11d, 11e, 11f, 12a, or 12b. Attach to Form 990.

Go to www.irs.gov/Form990 for instructions and the latest information.

OMB No. 1545-0047

2017

Open to Public Inspection

Name of the organization: MIDDLESEX HOSPITAL; Employer identification number: 06-0646718

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

Table with 2 columns: (a) Donor advised funds, (b) Funds and other accounts. Rows include total number at end of year, aggregate value of contributions, grants, and end of year, and two yes/no questions about donor advisement.

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

Form for Part II Conservation Easements. Includes questions about purpose of easements, total number and acreage, and monitoring requirements. Includes a table for 'Held at the End of the Tax Year' with rows 2a, 2b, 2c, 2d.

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

Form for Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets. Includes questions about reporting requirements and amounts for revenue and assets.

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

- 3** Using the organization's acquisition, accession, and other records, check any of the following that are a significant use of its collection items (check all that apply):
- a** Public exhibition
 - b** Scholarly research
 - c** Preservation for future generations
 - d** Loan or exchange programs
 - e** Other _____
- 4** Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIII.
- 5** During the year, did the organization solicit or receive donations of art, historical treasures, or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection? **Yes** **No**

Part IV Escrow and Custodial Arrangements.

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

- 1a** Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X? **Yes** **No**
- b** If "Yes," explain the arrangement in Part XIII and complete the following table:
- | | Amount |
|---|--------|
| 1c Beginning balance | |
| 1d Additions during the year | |
| 1e Distributions during the year | |
| 1f Ending balance | |
- 2a** Did the organization include an amount on Form 990, Part X, line 21, for escrow or custodial account liability? **Yes** **No**
- b** If "Yes," explain the arrangement in Part XIII. Check here if the explanation has been provided on Part XIII

Part V Endowment Funds.

Complete if the organization answered "Yes" on Form 990, Part IV, line 10.

	(a) Current year	(b) Prior year	(c) Two years back	(d) Three years back	(e) Four years back
1a Beginning of year balance	118,528,000	103,326,000	122,014,000	126,387,000	114,787,000
b Contributions	505,000	451,000		2,000	229,000
c Net investment earnings, gains, and losses	5,703,000	14,480,000	10,726,000	(2,106,000)	11,527,000
d Grants or scholarships				0	0
e Other expenditures for facilities and programs	(3,000)	(271,000)	29,414,000	2,269,000	156,000
f Administrative expenses					0
g End of year balance	124,739,000	118,528,000	103,326,000	122,014,000	126,387,000

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

- a** Board designated or quasi-endowment **▶** 90.65 %
- b** Permanent endowment **▶** 5.07 %
- c** Temporarily restricted endowment **▶** 4.28 %

The percentages on lines 2a, 2b, and 2c should equal 100%.

3a Are there endowment funds not in the possession of the organization that are held and administered for the organization by:

- (i)** unrelated organizations
- (ii)** related organizations

	Yes	No
3a(i)		✓
3a(ii)		✓
3b		

b If "Yes" on line 3a(ii), are the related organizations listed as required on Schedule R?

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

Part VI Land, Buildings, and Equipment.

Complete if the organization answered "Yes" on Form 990, Part IV, line 11a. See Form 990, Part X, line 10.

Description of property	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land		13,403,490		13,403,490
b Buildings		308,826,585	174,375,653	134,450,932
c Leasehold improvements		2,061,978	1,698,046	363,932
d Equipment		206,353,251	169,042,863	37,310,388
e Other		19,894,856	3,574,774	16,320,082
Total. Add lines 1a through 1e. (Column (d) must equal Form 990, Part X, column (B), line 10c.)				201,848,824

Part VII Investments—Other Securities.

Complete if the organization answered "Yes" on Form 990, Part IV, line 11b. See Form 990, Part X, line 12.

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
(1) Financial derivatives		
(2) Closely-held equity interests		
(3) Other _____		
(A) _____		
(B) _____		
(C) _____		
(D) _____		
(E) _____		
(F) _____		
(G) _____		
(H) _____		
Total. (Column (b) must equal Form 990, Part X, col. (B) line 12.) ►		

Part VIII Investments—Program Related.

Complete if the organization answered "Yes" on Form 990, Part IV, line 11c. See Form 990, Part X, line 13.

(a) Description of investment	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
(1)		
(2)		
(3)		
(4)		
(5)		
(6)		
(7)		
(8)		
(9)		
Total. (Column (b) must equal Form 990, Part X, col. (B) line 13.) ►		

Part IX Other Assets.

Complete if the organization answered "Yes" on Form 990, Part IV, line 11d. See Form 990, Part X, line 15.

(a) Description	(b) Book value
(1)	
(2)	
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
Total. (Column (b) must equal Form 990, Part X, col. (B) line 15.) ►	

Part X Other Liabilities.

Complete if the organization answered "Yes" on Form 990, Part IV, line 11e or 11f. See Form 990, Part X, line 25.

1. (a) Description of liability	(b) Book value	
(1) Federal income taxes		
(2) ACCRUED RETIREMENT LIABILITIES	3,427,145	
(3) SELF INSURANCE LIABILITIES	26,858,434	
(4) ASSET RETIREMENT OBLIGATION	900,720	
(5) LEASE INCENTIVE OBLIGATION	8,765	
(6) UNALLOCATED 3RD PARTY	10,877,423	
(7) SECURITY DEPOSITS	4,172	
(8) OTHER	277,545	
(9)		
Total. (Column (b) must equal Form 990, Part X, col. (B) line 25.) ►	42,354,204	

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

Part XIII

Supplemental Information. Provide the descriptions required for Part II, lines 3, 5, and 9; Part III, lines 1a and 4; Part IV, lines 1b and 2b; Part V, line 4; Part X, line 2; Part XI, lines 2d and 4b; and Part XII, lines 2d and 4b. Also complete this part to provide any additional information.

Return Reference - Identifier	Explanation
<p>SCHEDULE D, PART V, LINE 4 - INTENDED USES OF ENDOWMENT FUNDS</p>	<p>BOARD-DESIGNATED (QUASI-ENDOWMENT) FUNDS ARE ASSETS SET ASIDE BY THE BOARD FOR FUTURE UNSPECIFIED USES AND TO SUPPORT EDUCATION AND OTHER PROGRAMS OVER WHICH THE BOARD RETAINS CONTROL AND MAY, AT ITS DISCRETION, SUBSEQUENTLY USE FOR OTHER PURPOSES.</p> <p>PERMANENT ENDOWMENT FUNDS ARE ASSETS RECEIVED WITH THE DONOR STIPULATION THAT THE PRINCIPAL BE INVESTED IN PERPETUITY AND THAT ONLY THE INCOME EARNED THEREON IS AVAILABLE FOR SPECIFIC OR GENERAL SERVICES, SUCH AS FREE BED FUNDS AND SUPPORT OF HOSPITAL OPERATIONS.</p> <p>TEMPORARILY RESTRICTED ENDOWMENT FUNDS ARE ASSETS RESTRICTED BY THE DONOR EITHER AS TO PURPOSE AND/OR AS TO TIME OF EXPENDITURE, SUCH AS EDUCATION, HEALTH SERVICES AND CAPITAL PURCHASES.</p>
<p>SCHEDULE D, PART X, LINE 2 - FIN 48 (ASC 740) FOOTNOTE</p>	<p>THE SYSTEM ACCOUNTS FOR UNCERTAIN TAX POSITIONS WITH PROVISIONS OF FASB ASC 740, "INCOME TAXES", WHICH PROVIDES A FRAMEWORK FOR HOW COMPANIES SHOULD RECOGNIZE, MEASURE, PRESENT AND DISCLOSE UNCERTAIN TAX POSITIONS IN THEIR CONSOLIDATED FINANCIAL STATEMENTS. THE SYSTEM MAY RECOGNIZE THE TAX BENEFIT FROM AN UNCERTAIN TAX POSITION ONLY IF IT IS MORE LIKELY THAN NOT THAT THE TAX POSITION WILL BE SUSTAINED ON EXAMINATION BY THE TAXING AUTHORITIES, BASED ON THE TECHNICAL MERITS OF THE POSITION. THE SYSTEM DOES NOT HAVE ANY UNCERTAIN TAX POSITIONS AS OF SEPTEMBER 30, 2018 AND 2017. IT IS THE SYSTEM'S POLICY TO RECORD PENALTIES AND INTEREST ASSOCIATED WITH UNCERTAIN TAX PROVISIONS AS A COMPONENT OF OPERATING EXPENSES. AS OF SEPTEMBER 30, 2018 AND 2017, THE SYSTEM DID NOT RECORD ANY PENALTIES OR INTEREST ASSOCIATED WITH UNCERTAIN TAX POSITIONS. THE SYSTEM'S PRIOR THREE TAX YEARS ARE OPEN AND SUBJECT TO EXAMINATION BY THE INTERNAL REVENUE SERVICE.</p>

Part II Fundraising Events. Complete if the organization answered "Yes" on Form 990, Part IV, line 18, or reported more than \$15,000 of fundraising event contributions and gross income on Form 990-EZ, lines 1 and 6b. List events with gross receipts greater than \$5,000.

		(a) Event #1	(b) Event #2	(c) Other events	(d) Total events
		TPC GOLF (event type)	HOSPICE GOLF (event type)	2 (total number)	(add col. (a) through col. (c))
Revenue	1 Gross receipts	131,720	68,608	68,492	268,820
	2 Less: Contributions	72,013	48,424	56,780	177,217
	3 Gross income (line 1 minus line 2)	59,707	20,184	11,712	91,603
Direct Expenses	4 Cash prizes	2,993	2,740	0	5,733
	5 Noncash prizes	0	0	0	0
	6 Rent/facility costs	55,486	7,740	0	63,226
	7 Food and beverages	0	9,200	0	9,200
	8 Entertainment	0	0	0	0
	9 Other direct expenses	1,228	504	11,712	13,444
	10 Direct expense summary. Add lines 4 through 9 in column (d) ▶				91,603
	11 Net income summary. Subtract line 10 from line 3, column (d) ▶				0

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

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

9 Enter the state(s) in which the organization conducts gaming activities: _____

a Is the organization licensed to conduct gaming activities in each of these states? Yes No

b If "No," explain: _____

10a Were any of the organization's gaming licenses revoked, suspended, or terminated during the tax year? Yes No

b If "Yes," explain: _____

**SCHEDULE H
(Form 990)**

Hospitals

OMB No. 1545-0047

2017

Open to Public Inspection

▶ **Complete if the organization answered "Yes" on Form 990, Part IV, question 20.**
 ▶ **Attach to Form 990.**
 ▶ **Go to www.irs.gov/Form990 for instructions and the latest information.**

Department of the Treasury
Internal Revenue Service

Name of the organization MIDDLESEX HOSPITAL	Employer identification number 06 0646718
---	---

Part I Financial Assistance and Certain Other Community Benefits at Cost

	Yes	No
1a Did the organization have a financial assistance policy during the tax year? If "No," skip to question 6a	✓	
b If "Yes," was it a written policy?	✓	
2 If the organization had multiple hospital facilities, indicate which of the following best describes application of the financial assistance policy to its various hospital facilities during the tax year. <input checked="" type="checkbox"/> Applied uniformly to all hospital facilities <input type="checkbox"/> Applied uniformly to most hospital facilities <input type="checkbox"/> Generally tailored to individual hospital facilities		
3 Answer the following based on the financial assistance eligibility criteria that applied to the largest number of the organization's patients during the tax year.		
a Did the organization use Federal Poverty Guidelines (FPG) as a factor in determining eligibility for providing <i>free care</i> ? If "Yes," indicate which of the following was the FPG family income limit for eligibility for free care: <input type="checkbox"/> 100% <input type="checkbox"/> 150% <input checked="" type="checkbox"/> 200% <input type="checkbox"/> Other _____ %	✓	
b Did the organization use FPG as a factor in determining eligibility for providing <i>discounted care</i> ? If "Yes," indicate which of the following was the family income limit for eligibility for discounted care: <input type="checkbox"/> 200% <input type="checkbox"/> 250% <input type="checkbox"/> 300% <input type="checkbox"/> 350% <input type="checkbox"/> 400% <input checked="" type="checkbox"/> Other <u>500</u> %	✓	
c If the organization used factors other than FPG in determining eligibility, describe in Part VI the criteria used for determining eligibility for free or discounted care. Include in the description whether the organization used an asset test or other threshold, regardless of income, as a factor in determining eligibility for free or discounted care.		
4 Did the organization's financial assistance policy that applied to the largest number of its patients during the tax year provide for free or discounted care to the "medically indigent"?	✓	
5a Did the organization budget amounts for free or discounted care provided under its financial assistance policy during the tax year?	✓	
b If "Yes," did the organization's financial assistance expenses exceed the budgeted amount?		✓
c If "Yes" to line 5b, as a result of budget considerations, was the organization unable to provide free or discounted care to a patient who was eligible for free or discounted care?		
6a Did the organization prepare a community benefit report during the tax year?	✓	
b If "Yes," did the organization make it available to the public?	✓	

7 Financial Assistance and Certain Other Community Benefits at Cost

	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community benefit expense	(d) Direct offsetting revenue	(e) Net community benefit expense	(f) Percent of total expense
Financial Assistance and Means-Tested Government Programs						
a Financial Assistance at cost (from Worksheet 1)		4,235	8,266,502	6,558,698	1,707,804	0.42
b Medicaid (from Worksheet 3, column a)		19,173	82,789,859	62,342,016	20,447,843	5.07
c Costs of other means-tested government programs (from Worksheet 3, column b)		391	877,085	707,853	169,232	0.04
d Total Financial Assistance and Means-Tested Government Programs	0	23,799	91,933,446	69,608,567	22,324,879	5.53
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)		51,196	4,279,424	370,841	3,908,583	0.97
f Health professions education (from Worksheet 5)		1,717	13,631,314	2,114,752	11,516,562	2.86
g Subsidized health services (from Worksheet 6)		32,379	48,239,003	35,756,883	12,482,120	3.09
h Research (from Worksheet 7)		244	396,138	52,025	344,113	0.09
i Cash and in-kind contributions for community benefit (from Worksheet 8)		3,454	318,684	900	317,784	0.08
j Total Other Benefits	0	88,990	66,864,563	38,295,401	28,569,162	7.08
k Total Add lines 7d and 7j	0	112,789	158,798,009	107,903,968	50,894,041	12.62

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

	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community building expense	(d) Direct offsetting revenue	(e) Net community building expense	(f) Percent of total expense
1	Physical improvements and housing				0	0.00
2	Economic development		16,876		16,876	0.00
3	Community support		131,574	24,700	106,874	0.03
4	Environmental improvements				0	0.00
5	Leadership development and training for community members				0	0.00
6	Coalition building		564		564	0.00
7	Community health improvement advocacy				0	0.00
8	Workforce development		3,998		3,998	0.00
9	Other				0	0.00
10	Total	0	153,012	24,700	128,312	0.03

Part III Bad Debt, Medicare, & Collection Practices

Section A. Bad Debt Expense

		Yes	No
1	Did the organization report bad debt expense in accordance with Healthcare Financial Management Association Statement No. 15?	1	✓
2	Enter the amount of the organization's bad debt expense. Explain in Part VI the methodology used by the organization to estimate this amount	2	16,058,848
3	Enter the estimated amount of the organization's bad debt expense attributable to patients eligible under the organization's financial assistance policy. Explain in Part VI the methodology used by the organization to estimate this amount and the rationale, if any, for including this portion of bad debt as community benefit.	3	1,605,884
4	Provide in Part VI the text of the footnote to the organization's financial statements that describes bad debt expense or the page number on which this footnote is contained in the attached financial statements.		

Section B. Medicare

5	Enter total revenue received from Medicare (including DSH and IME)	5	41,543,532
6	Enter Medicare allowable costs of care relating to payments on line 5	6	53,354,136
7	Subtract line 6 from line 5. This is the surplus (or shortfall)	7	(11,810,604)
8	Describe in Part VI the extent to which any shortfall reported in line 7 should be treated as community benefit. Also describe in Part VI the costing methodology or source used to determine the amount reported on line 6. Check the box that describes the method used: <input type="checkbox"/> Cost accounting system <input type="checkbox"/> Cost to charge ratio <input checked="" type="checkbox"/> Other		

Section C. Collection Practices

9a	Did the organization have a written debt collection policy during the tax year?	9a	✓
b	If "Yes," did the organization's collection policy that applied to the largest number of its patients during the tax year contain provisions on the collection practices to be followed for patients who are known to qualify for financial assistance? Describe in Part VI	9b	✓

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

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

Part V Facility Information

Section A. Hospital Facilities

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

How many hospital facilities did the organization operate during the tax year? 1

Name, address, primary website address, and state license number (and if a group return, the name and EIN of the subordinate hospital organization that operates the hospital facility)

1 MIDDLESEX HOSPITAL
 28 CRESCENT STREET, MIDDLETOWN, CT 06457
 WWW.MIDDLESEXHOSPITAL.ORG STATE LICENSE NO. :
 000069

2

3

4

5

6

7

8

9

10

Licensed hospital	General medical & surgical	Children's hospital	Teaching hospital	Critical access hospital	Research facility	ER-24 hours	ER-other	Other (describe)	Facility reporting group
✓	✓		✓			✓			

Part V Facility Information *(continued)*

Section B. Facility Policies and Practices

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

Name of hospital facility or letter of facility reporting group MIDDLESEX HOSPITAL

Line number of hospital facility, or line numbers of hospital facilities in a facility reporting group (from Part V, Section A): 1

Community Health Needs Assessment

	Yes	No
1 Was the hospital facility first licensed, registered, or similarly recognized by a state as a hospital facility in the current tax year or the immediately preceding tax year?		✓
2 Was the hospital facility acquired or placed into service as a tax-exempt hospital in the current tax year or the immediately preceding tax year? If "Yes," provide details of the acquisition in Section C		✓
3 During the tax year or either of the two immediately preceding tax years, did the hospital facility conduct a community health needs assessment (CHNA)? If "No," skip to line 12	✓	
If "Yes," indicate what the CHNA report describes (check all that apply):		
a <input checked="" type="checkbox"/> A definition of the community served by the hospital facility		
b <input checked="" type="checkbox"/> Demographics of the community		
c <input checked="" type="checkbox"/> Existing health care facilities and resources within the community that are available to respond to the health needs of the community		
d <input checked="" type="checkbox"/> How data was obtained		
e <input checked="" type="checkbox"/> The significant health needs of the community		
f <input checked="" type="checkbox"/> Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups		
g <input checked="" type="checkbox"/> The process for identifying and prioritizing community health needs and services to meet the community health needs		
h <input checked="" type="checkbox"/> The process for consulting with persons representing the community's interests		
i <input type="checkbox"/> The impact of any actions taken to address the significant health needs identified in the hospital facility's prior CHNA(s)		
j <input checked="" type="checkbox"/> Other (describe in Section C)		
4 Indicate the tax year the hospital facility last conducted a CHNA: <u>20 15</u>		
5 In conducting its most recent CHNA, did the hospital facility take into account input from persons who represent the broad interests of the community served by the hospital facility, including those with special knowledge of or expertise in public health? If "Yes," describe in Section C how the hospital facility took into account input from persons who represent the community, and identify the persons the hospital facility consulted	✓	
6a Was the hospital facility's CHNA conducted with one or more other hospital facilities? If "Yes," list the other hospital facilities in Section C		✓
6b Was the hospital facility's CHNA conducted with one or more organizations other than hospital facilities? If "Yes," list the other organizations in Section C		✓
7 Did the hospital facility make its CHNA report widely available to the public?	✓	
If "Yes," indicate how the CHNA report was made widely available (check all that apply):		
a <input checked="" type="checkbox"/> Hospital facility's website (list url): <u>(SEE STATEMENT)</u>		
b <input type="checkbox"/> Other website (list url): _____		
c <input checked="" type="checkbox"/> Made a paper copy available for public inspection without charge at the hospital facility		
d <input checked="" type="checkbox"/> Other (describe in Section C)		
8 Did the hospital facility adopt an implementation strategy to meet the significant community health needs identified through its most recently conducted CHNA? If "No," skip to line 11	✓	
9 Indicate the tax year the hospital facility last adopted an implementation strategy: <u>20 16</u>		
10 Is the hospital facility's most recently adopted implementation strategy posted on a website?	✓	
a If "Yes," (list url): <u>(SEE STATEMENT)</u>		
b If "No," is the hospital facility's most recently adopted implementation strategy attached to this return?		
11 Describe in Section C how the hospital facility is addressing the significant needs identified in its most recently conducted CHNA and any such needs that are not being addressed together with the reasons why such needs are not being addressed.		
12a Did the organization incur an excise tax under section 4959 for the hospital facility's failure to conduct a CHNA as required by section 501(r)(3)?		✓
12b If "Yes" to line 12a, did the organization file Form 4720 to report the section 4959 excise tax?		
c If "Yes" to line 12b, what is the total amount of section 4959 excise tax the organization reported on Form 4720 for all of its hospital facilities? \$		

Part V Facility Information *(continued)*

Financial Assistance Policy (FAP)

Name of hospital facility or letter of facility reporting group MIDDLESEX HOSPITAL

		Yes	No
Did the hospital facility have in place during the tax year a written financial assistance policy that:			
13	Explained eligibility criteria for financial assistance, and whether such assistance included free or discounted care? If "Yes," indicate the eligibility criteria explained in the FAP:	✓	
a	<input checked="" type="checkbox"/> Federal poverty guidelines (FPG), with FPG family income limit for eligibility for free care of <u>2</u> <u>0</u> <u>0</u> % and FPG family income limit for eligibility for discounted care of <u>5</u> <u>0</u> <u>0</u> %		
b	<input type="checkbox"/> Income level other than FPG (describe in Section C)		
c	<input checked="" type="checkbox"/> Asset level		
d	<input type="checkbox"/> Medical indigency		
e	<input type="checkbox"/> Insurance status		
f	<input type="checkbox"/> Underinsurance status		
g	<input type="checkbox"/> Residency		
h	<input checked="" type="checkbox"/> Other (describe in Section C)		
14	Explained the basis for calculating amounts charged to patients?	✓	
15	Explained the method for applying for financial assistance? If "Yes," indicate how the hospital facility's FAP or FAP application form (including accompanying instructions) explained the method for applying for financial assistance (check all that apply):	✓	
a	<input checked="" type="checkbox"/> Described the information the hospital facility may require an individual to provide as part of his or her application		
b	<input checked="" type="checkbox"/> Described the supporting documentation the hospital facility may require an individual to submit as part of his or her application		
c	<input checked="" type="checkbox"/> Provided the contact information of hospital facility staff who can provide an individual with information about the FAP and FAP application process		
d	<input type="checkbox"/> Provided the contact information of nonprofit organizations or government agencies that may be sources of assistance with FAP applications		
e	<input type="checkbox"/> Other (describe in Section C)		
16	Was widely publicized within the community served by the hospital facility? If "Yes," indicate how the hospital facility publicized the policy (check all that apply):	✓	
a	<input checked="" type="checkbox"/> The FAP was widely available on a website (list url): <u>(SEE STATEMENT)</u>		
b	<input checked="" type="checkbox"/> The FAP application form was widely available on a website (list url): <u>(SEE STATEMENT)</u>		
c	<input checked="" type="checkbox"/> A plain language summary of the FAP was widely available on a website (list url): <u>(SEE STATEMENT)</u>		
d	<input checked="" type="checkbox"/> The FAP was available upon request and without charge (in public locations in the hospital facility and by mail)		
e	<input checked="" type="checkbox"/> The FAP application form was available upon request and without charge (in public locations in the hospital facility and by mail)		
f	<input checked="" type="checkbox"/> A plain language summary of the FAP was available upon request and without charge (in public locations in the hospital facility and by mail)		
g	<input checked="" type="checkbox"/> Individuals were notified about the FAP by being offered a paper copy of the plain language summary of the FAP, by receiving a conspicuous written notice about the FAP on their billing statements, and via conspicuous public displays or other measures reasonably calculated to attract patients' attention		
h	<input checked="" type="checkbox"/> Notified members of the community who are most likely to require financial assistance about availability of the FAP		
i	<input checked="" type="checkbox"/> The FAP, FAP application form, and plain language summary of the FAP were translated into the primary language(s) spoken by LEP populations		
j	<input type="checkbox"/> Other (describe in Section C)		

Part V Facility Information *(continued)*

Billing and Collections

Name of hospital facility or letter of facility reporting group MIDDLESEX HOSPITAL

	Yes	No
17 Did the hospital facility have in place during the tax year a separate billing and collections policy, or a written financial assistance policy (FAP) that explained all of the actions the hospital facility or other authorized party may take upon nonpayment?	✓	
18 Check all of the following actions against an individual that were permitted under the hospital facility's policies during the tax year before making reasonable efforts to determine the individual's eligibility under the facility's FAP:		
a <input type="checkbox"/> Reporting to credit agency(ies)		
b <input type="checkbox"/> Selling an individual's debt to another party		
c <input type="checkbox"/> Deferring, denying, or requiring a payment before providing medically necessary care due to nonpayment of a previous bill for care covered under the hospital facility's FAP		
d <input type="checkbox"/> Actions that require a legal or judicial process		
e <input type="checkbox"/> Other similar actions (describe in Section C)		
f <input checked="" type="checkbox"/> None of these actions or other similar actions were permitted		
19 Did the hospital facility or other authorized party perform any of the following actions during the tax year before making reasonable efforts to determine the individual's eligibility under the facility's FAP?		✓
If "Yes," check all actions in which the hospital facility or a third party engaged:		
a <input type="checkbox"/> Reporting to credit agency(ies)		
b <input type="checkbox"/> Selling an individual's debt to another party		
c <input type="checkbox"/> Deferring, denying, or requiring a payment before providing medically necessary care due to nonpayment of a previous bill for care covered under the hospital facility's FAP		
d <input type="checkbox"/> Actions that require a legal or judicial process		
e <input type="checkbox"/> Other similar actions (describe in Section C)		
20 Indicate which efforts the hospital facility or other authorized party made before initiating any of the actions listed (whether or not checked) in line 19 (check all that apply):		
a <input checked="" type="checkbox"/> Provided a written notice about upcoming ECAs (Extraordinary Collection Action) and a plain language summary of the FAP at least 30 days before initiating those ECAs		
b <input checked="" type="checkbox"/> Made a reasonable effort to orally notify individuals about the FAP and FAP application process		
c <input checked="" type="checkbox"/> Processed incomplete and complete FAP applications		
d <input checked="" type="checkbox"/> Made presumptive eligibility determinations		
e <input type="checkbox"/> Other (describe in Section C)		
f <input type="checkbox"/> None of these efforts were made		

Policy Relating to Emergency Medical Care

21 Did the hospital facility have in place during the tax year a written policy relating to emergency medical care that required the hospital facility to provide, without discrimination, care for emergency medical conditions to individuals regardless of their eligibility under the hospital facility's financial assistance policy?	✓	
If "No," indicate why:		
a <input type="checkbox"/> The hospital facility did not provide care for any emergency medical conditions		
b <input type="checkbox"/> The hospital facility's policy was not in writing		
c <input type="checkbox"/> The hospital facility limited who was eligible to receive care for emergency medical conditions (describe in Section C)		
d <input type="checkbox"/> Other (describe in Section C)		

Part V Facility Information *(continued)*

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

Name of hospital facility or letter of facility reporting group MIDDLESEX HOSPITAL

		Yes	No
22	Indicate how the hospital facility determined, during the tax year, the maximum amounts that can be charged to FAP-eligible individuals for emergency or other medically necessary care.		
a	<input type="checkbox"/> The hospital facility used a look-back method based on claims allowed by Medicare fee-for-service during a prior 12-month period		
b	<input checked="" type="checkbox"/> The hospital facility used a look-back method based on claims allowed by Medicare fee-for-service and all private health insurers that pay claims to the hospital facility during a prior 12-month period		
c	<input type="checkbox"/> The hospital facility used a look-back method based on claims allowed by Medicaid, either alone or in combination with Medicare fee-for-service and all private health insurers that pay claims to the hospital facility during a prior 12-month period		
d	<input type="checkbox"/> The hospital facility used a prospective Medicare or Medicaid method		
23	During the tax year, did the hospital facility charge any FAP-eligible individual to whom the hospital facility provided emergency or other medically necessary services more than the amounts generally billed to individuals who had insurance covering such care?	23	✓
	If "Yes," explain in Section C.		
24	During the tax year, did the hospital facility charge any FAP-eligible individual an amount equal to the gross charge for any service provided to that individual?	24	✓
	If "Yes," explain in Section C.		

Supplemental Information. Section C. Supplemental Information for Part V, Section B. Provide descriptions required for Part V, Section B, lines 2, 3j, 5, 6a, 6b, 7d, 11, 13b, 13h, 15e, 16i, 18d, 19d, 20e, 21c, 21d, 22d, 23, and 24. If applicable, provide separate descriptions for each hospital facility in a facility reporting group, designated by facility reporting group letter and hospital facility line number from Part V, Section A ('A, 1,' 'A, 4,' 'B, 2,' 'B, 3,' etc.) and name of hospital facility.

Return Reference - Identifier	Explanation
<p>SCHEDULE H, PART V, SECTION B, LINE 3J - OTHER CONTENT IN NEEDS ASSESSMENT</p>	<p>FACILITY NAME: MIDDLESEX HOSPITAL</p> <p>DESCRIPTION: IN ADDITION TO THE ELEMENTS SELECTED IN PART V, LINE 3, THE MIDDLESEX HOSPITAL 2016 COMMUNITY HEALTH NEEDS ASSESSMENT (CHNA) EXAMINED HOW SOCIAL DETERMINANTS OF HEALTH AND HEALTH DISPARITIES IMPACT HEALTH OUTCOMES. THE REPORT WAS USED TO RAISE AWARENESS REGARDING HOW CRITICAL DETERMINANTS INFLUENCE HEALTH, WELL-BEING AND QUALITY OF LIFE; HEALTH DISPARITIES; AND VULNERABLE POPULATIONS. ACHIEVING HEALTH EQUITY - THE ATTAINMENT OF THE HIGHEST LEVEL OF HEALTH FOR ALL PEOPLE - STARTS WITH ASKING THE APPROPRIATE QUESTIONS RELATIVE TO DETERMINANTS OF HEALTH AND HOW THEY DISPROPORTIONATELY AFFECT CERTAIN GROUPS OF PEOPLE; NEXT STEPS INVOLVE ADDRESSING THE CONDITIONS THAT PREVENT THE REALIZATION OF GOOD HEALTH FOR THESE VULNERABLE OR MARGINALIZED GROUPS. THROUGH EXAMINATION OF THE INFLUENCE OF DETERMINANTS OF HEALTH, IT IS POSSIBLE TO DEVELOP STRATEGIES THAT ELIMINATE PERSISTENT AND PERVASIVE HEALTH DISPARITIES, PROMOTE HEALTH EQUITY, IMPROVE HEALTH OUTCOMES AND REDUCE FINANCIAL COST. MIDDLESEX HOSPITAL WILL CONDUCT ITS NEXT COMMUNITY HEALTH NEEDS ASSESSMENT TO BE COMPLETED BY SEPTEMBER 30, 2019.</p>

Return Reference - Identifier	Explanation
<p>SCHEDULE H, PART V, SECTION B, LINE 5 - INPUT FROM PERSONS WHO REPRESENT BROAD INTERESTS OF COMMUNITY SERVED</p>	<p>FACILITY NAME: MIDDLESEX HOSPITAL</p> <p>DESCRIPTION: : MIDDLESEX HOSPITAL WILL CONDUCT ITS NEXT COMMUNITY HEALTH NEEDS ASSESSMENT TO BE COMPLETED BY SEPTEMBER 30, 2019. WHEN COMPLETING ITS LAST COMMUNITY HEALTH NEEDS ASSESSMENT (CHNA) IN 2016, MIDDLESEX HOSPITAL TOOK INTO ACCOUNT INPUT FROM REPRESENTATIVES OF ITS COMMUNITY SERVED, INCLUDING THOSE WITH SPECIAL KNOWLEDGE OF OR EXPERTISE IN PUBLIC HEALTH. A PARTICIPATORY APPROACH WAS UTILIZED TO CREATE THE 2016 CHNA THROUGH THE FOLLOWING ACTIVITIES: 1) DEVELOPMENT OF A CHNA ADVISORY COMMITTEE TO PROVIDE GUIDANCE AND INSIGHT; AND 2) USE OF KEY INFORMANT SURVEYS TO PROMOTE DIVERSE PERSPECTIVES THROUGH COMMUNITY AND CLINICAL ENGAGEMENT. IN ADDITION TO HOSPITAL STAFF, CHNA ADVISORY COMMITTEE MEMBER ORGANIZATIONS INCLUDED: MIDDLETOWN HEALTH DEPARTMENT; ESSEX HEALTH DEPARTMENT; CHATHAM HEALTH DISTRICT; TOWN OF KILLINGWORTH HEALTH DEPARTMENT; DURHAM HEALTH DEPARTMENT; CONNECTICUT RIVER AREA HEALTH DISTRICT; MIDDLESEX COUNTY BRANCH OF THE NAACP; (FQHC) COMMUNITY HEALTH CENTER, INC., MIDDLETOWN; AND THE MIDDLESEX COUNTY SUBSTANCE ABUSE ACTION COUNCIL. ADVISORY COMMITTEE DEVELOPMENT PURPOSEFULLY INCLUDED ORGANIZATIONS THAT REPRESENTED LOW-INCOME, MEDICALLY UNDERSERVED AND MINORITY POPULATIONS. ADVISORY COMMITTEE PARTICIPANTS PROVIDED KEY INPUT AND INTEGRAL GUIDANCE TO MIDDLESEX HOSPITAL THROUGHOUT THE CHNA PROCESS; MEMBERS WERE ENGAGED IN A FORMAL MEETING DURING THE ASSESSMENT PLANNING PHASE TO REVIEW THE STUDY'S OVERARCHING FRAMEWORK, PLANNED DATA SOURCES, LIST OF POTENTIAL STAKEHOLDERS FOR KEY INFORMANT SURVEY DISTRIBUTION, AND TO GIVE SUGGESTIONS AND FEEDBACK ON THE KEY INFORMANT SURVEY CONTENT AND STRUCTURE. IN ORDER TO ACHIEVE COUNTY-BASED REPRESENTATION FOR THE KEY INFORMANT SURVEY, COMMITTEE MEMBERS PROVIDED ADDITIONAL CONTACTS FOR THE SURVEY DISTRIBUTION LIST. ADVISORY COMMITTEE MEMBERS WERE GIVEN UPDATES AND KEPT INFORMED BY EMAIL REGARDING ASSESSMENT STATUS. PRIOR TO FINALIZATION, THE ADVISORY COMMITTEE WAS CONVENED TO REVIEW THE CHNA DRAFT AND TO OFFER COMMENTS AND SUGGESTIONS. THE TIME-FRAME FOR COMPLETION OF THE CHNA, INCLUDING COMMUNITY STAKEHOLDER INPUT, WAS FROM EARLY JUNE 2016 - END OF SEPTEMBER 2016.</p> <p>TO CAPTURE BROAD COMMUNITY INPUT ON HEALTH NEEDS, SOCIAL DETERMINANTS OF HEALTH AND HEALTH EQUITY, THE HOSPITAL ADMINISTERED ITS KEY INFORMANT SURVEY THROUGH THE ONLINE SURVEYMONKEY FORMAT. A TOTAL OF 2,886 SURVEYS WERE SENT WITH A TOTAL OF 438 COMPLETED FOR AN OVERALL RESPONSE RATE OF 15.2%. THREE DISCRETE DISTRIBUTION CHANNELS WERE UTILIZED: 1) COMMUNITY: AN EXTENSIVE COMMUNITY CONTACT LIST WAS DEVELOPED, INCLUDING REPRESENTATION FROM MIDDLETOWN, MIDDLESEX COUNTY AND THE PERIPHERY TOWNS IN THE MIDDLESEX HOSPITAL SERVICE AREA. SECTORS INCLUDED ELECTED OFFICIALS (MAYORS, SELECTPERSONS, STATE LEGISLATORS, ETC.); LOCAL HEALTH DEPARTMENTS; HEALTH CARE SERVICES (MEDICAL, DENTAL, BEHAVIORAL HEALTH, ETC.); SCHOOLS (PUBLIC, PRIVATE); COLLEGES AND UNIVERSITIES; PUBLIC SAFETY (POLICE, FIRE, EMERGENCY MANAGEMENT); SOCIAL SERVICES; YOUTH AND FAMILY SERVICES; OTHER COMMUNITY SERVICES (SENIOR CARE, VETERANS REPRESENTATION, ETC.); FAITH-BASED ORGANIZATIONS; COMMUNITY ORGANIZATIONS AND COALITIONS; THE BUSINESS COMMUNITY; AND RESIDENTS. DEVELOPMENT OF THE COMMUNITY OUTREACH DISTRIBUTION LIST INCLUDED ORGANIZATIONS THAT REPRESENTED LOW-INCOME, MEDICALLY UNDERSERVED AND MINORITY POPULATIONS. 2) MIDDLESEX HOSPITAL/SYSTEM STAFF: THE SURVEY WAS SENT TO THE HOSPITAL'S LEADERSHIP E-DISTRIBUTION LISTS (EXECUTIVE STAFF, DIRECTORS, MANAGERS, SUPERVISORS) WITH A REQUEST TO SHARE THE EXPLANATION OF PURPOSE AND SURVEY URL WITH INDIVIDUAL DEPARTMENTAL STAFF E-DISTRIBUTION LISTS; AND 3) MIDDLESEX HOSPITAL MEDICAL STAFF: SURVEYS WERE SENT TO ACTIVE MEDICAL STAFF AND ALLIED HEALTH PROFESSIONAL STAFF THROUGH THE HOSPITAL'S MEDICAL STAFF OFFICE.</p> <p>IN ADDITION, THROUGH THE PRIORITIZATION PROCESS, THE HOSPITAL HOSTED A COMMUNITY FORUM TO REVIEW THE SUMMARY FINDINGS AND THEMES OF THE ASSESSMENT AND TO FACILITATE A PRIORITIZATION DIALOGUE. PARTICIPANTS INCLUDED REPRESENTATIVES FROM KEY COMMUNITY SECTORS AND HOSPITAL DEPARTMENTAL LEADERSHIP; A TOTAL OF 47 STAKEHOLDERS ATTENDED. PRESENTATION OF THE FINDINGS INCLUDED PRIMARY AND SECONDARY DATA BASED ON THE FOLLOWING CATEGORIES: DEMOGRAPHIC DATA; SOCIAL DETERMINANTS OF HEALTH; HEALTH EQUITY; HEALTH INDICATORS; BEHAVIORAL HEALTH INDICATORS; KEY INFORMANT SURVEY RESULTS; UNITED WAY 2-1-1 CONNECTICUT SYSTEM UTILIZATION; AND A SELECTION OF DATAHAVEN 2016 WELLBEING SURVEY RESULTS.</p>
<p>SCHEDULE H, PART V, SECTION B, LINE 7 - HOSPITAL FACILITY'S WEBSITE (LIST URL)</p>	<p>HTTPS://MIDDLESEXHEALTH.ORG/MIDDLESEX-AND-THE-COMMUNITY/SERVING-OUR-COMMUNITY/COMMUNITY-HEALTH-NEEDS-ASSESSMENT</p>
<p>SCHEDULE H, PART V, SECTION B, LINE 7D - OTHER METHODS CHNA REPORT MADE WIDELY AVAILABLE</p>	<p>FACILITY NAME: MIDDLESEX HOSPITAL</p> <p>DESCRIPTION: MIDDLESEX HOSPITAL WILL CONDUCT ITS NEXT COMMUNITY HEALTH NEEDS ASSESSMENT TO BE COMPLETED BY SEPTEMBER 30, 2019. FOR ITS LAST CHNA, CONDUCTED IN 2016, IN ADDITION TO POSTING IT ON THE HOSPITAL'S WEB-SITE (HTTPS://MIDDLESEXHEALTH.ORG/MIDDLESEX-AND-THE-COMMUNITY/SERVING-OUR-COMMUNITY/COMMUNITY-HEALTH-NEEDS-ASSESSMENT) AND MAKING IT AVAILABLE UPON REQUEST, THE HOSPITAL ELECTRONICALLY DISTRIBUTED ITS 2016 CHNA THROUGH THE FOLLOWING DISSEMINATION CHANNELS: THE CHNA ADVISORY COMMITTEE; KEY INFORMANT COMMUNITY PARTNERS; COMMUNITY MEMBERS; THE MIDDLESEX HOSPITAL MEDICAL STAFF; HOSPITAL LEADERSHIP, MANAGEMENT STAFF, AND BOARD OF DIRECTORS; AND, EXISTING HOSPITAL-COMMUNITY BASED PARTNERSHIP DISTRIBUTION LISTS. OTHER DISSEMINATION MECHANISMS INCLUDED: A PRESS RELEASE; THE HOSPITAL'S WEEKLY ELECTRONIC NEWSLETTER STAT; A FEATURE IN THE HOSPITAL'S COMMUNITY ELECTRONIC NEWSLETTER, EVITA; AND PRESENTATIONS. RECIPIENTS WERE ENCOURAGED TO WIDELY SHARE THE ASSESSMENT. DURING THE DISSEMINATION PROCESS, CHNA HARD COPIES WERE PROVIDED AND WILL CONTINUE TO BE PROVIDED UPON REQUEST.</p>

Return Reference - Identifier	Explanation
SCHEDULE H, PART V, SECTION B, LINE 10 - IF "YES", (LIST URL)	HTTPS://MIDDLESEXHOSPITAL.ORG/MIDDLESEX-AND-THE-COMMUNITY/SERVING-OUR-COMMUNITY/COMMUNITY-HEALTH-NEEDS-ASSESSMENT
SCHEDULE H, PART V, SECTION B, LINE 11 - HOW HOSPITAL FACILITY IS ADDRESSING NEEDS IDENTIFIED IN CHNA	<p>FACILITY NAME: MIDDLESEX HOSPITAL</p> <p>DESCRIPTION: BASED ON THE FINDINGS OF THE MIDDLESEX HOSPITAL'S 2016 COMMUNITY HEALTH NEEDS ASSESSMENT (CHNA) AND THE CHNA COMMUNITY FORUM PRIORITIZATION DISCUSSION HOSTED BY THE HOSPITAL, THE HOSPITAL HAS SELECTED FOUR PRIORITY AREAS. EACH PRIORITY HAS ASSOCIATED GOALS, ACTIONS, ANTICIPATED IMPACT OF ACTIONS; PLANS TO EVALUATE ACTIONS; AND COMMUNITY PARTNERS, AS WELL AS A FOCUS ON SOCIAL DETERMINANTS OF HEALTH AND HEALTH EQUITY. THE PRIORITY AREAS ARE AS FOLLOWS: 1A) MENTAL HEALTH 1.1: GOAL - IMPROVE ACCESS TO MENTAL HEALTH SERVICES THROUGH INTERPROFESSIONAL COLLABORATIVE PRACTICE; ACTIONS - IMPLEMENT AN EVIDENCE-BASED INTEGRATED MODEL FOR MENTAL HEALTH TREATMENT WITHIN THE PRIMARY CARE SETTING, INCLUDING A FOCUS ON SOCIAL DETERMINANTS OF HEALTH AND HEALTH EQUITY. 1B) MENTAL HEALTH 1.2: GOAL - PROVIDE SPECIALIZED MENTAL HEALTH TREATMENT FOR HIGH RISK POPULATIONS; ACTIONS - PLAN, DEVELOP, AND IMPLEMENT AN EARLY TREATMENT INTERVENTION PROGRAM FOR YOUNG ADULTS WITH EMERGING MENTAL ILLNESS AND/OR SUBSTANCE USE DISORDERS, INCLUDING A FOCUS ON SOCIAL DETERMINANTS OF HEALTH AND HEALTH EQUITY. 2A) SUBSTANCE ABUSE 2.1: GOAL - DEVELOP A TREATMENT PROGRAM FOR HIGH-RISK PATIENTS EXPERIENCING SEVERE ALCOHOL USE DISORDERS; ACTIONS - PLAN, DEVELOP, AND IMPLEMENT TARGETED TREATMENTS TO SUPPORT PATIENTS GAINING AND SUSTAINING SOBRIETY UTILIZING EVIDENCE-BASED INTERVENTIONS, INCLUDING A FOCUS ON SOCIAL DETERMINANTS OF HEALTH AND HEALTH EQUITY; 2B) SUBSTANCE ABUSE 2.1: GOAL - DEVELOP AND LAUNCH AN OPIOID AWARENESS CAMPAIGN & INCREASE ACCESS OF NALOXONE TO PATIENTS AT HIGH RISK FOR OPIOID OVERDOSE; ACTIONS - PROVIDE EDUCATION TO KEY COMMUNITY STAKEHOLDERS & PROVIDE PATIENTS BROUGHT TO THE EMERGENCY DEPARTMENT FOLLOWING OPIOID OVERDOSE WITH NALOXONE. 3) AGING POPULATION: GOAL - DESIGN AND IMPLEMENT INTERVENTIONS TO PROMOTE HEALTHY AGING IN PLACE AND IMPROVE OUTCOMES FOR THE AGING POPULATION; ACTIONS - DEVELOP AN IN-HOME COMPREHENSIVE GERIATRIC ASSESSMENT AND MANAGEMENT SERVICE LINE USING THE HRSA FUNDED GOT CARE! (GERIATRICS OUTREACH AND TRAINING WITH CARE) PROGRAM AS A TEMPLATE. COORDINATE CARE THROUGH AN INTEGRATED AND COLLABORATIVE APPROACH INCLUDING A FOCUS ON SOCIAL DETERMINANTS OF HEALTH AND HEALTH EQUITY. 4) ASTHMA: GOAL - IMPROVE ASTHMA OUTCOMES BY MEETING THE CONNECTICUT ASTHMA INITIATIVE GOALS. ACTIONS - IMPROVE ACCESS AND APPROPRIATE ASTHMA CARE BY PARTNERING WITH THE COMMUNITY; ENHANCE PATIENT EDUCATION TECHNIQUES FOR ASTHMA MANAGEMENT; ADVANCE PROGRESS TOWARD HEALTH EQUITY FOR ASTHMA CARE AND OUTCOMES BY FOCUSING ON SOCIAL DETERMINANTS OF HEALTH; DEVELOP A PEDIATRIC ASTHMA PATHWAY; AND, INCREASE UTILIZATION OF ASTHMA ACTION PLANS AND ENHANCE ASTHMA ACTION PLAN HANDOFFS. OVERSIGHT OF MIDDLESEX HOSPITAL'S 2016 CHNA IMPLEMENTATION STRATEGY RESIDES UNDER COMMUNITY BENEFIT, WHERE HOSPITAL STAFF COLLABORATE WITH COMMUNITY AGENCIES ON THE PRIORITY AREAS WHENEVER POSSIBLE AND BUILD EVIDENCE-BASED PROGRAMS, WHERE NEEDED, WITH MEASURABLE, BENCHMARKED RESULTS AND THE GOAL OF ACHIEVING POSITIVE OUTCOMES. IN ADDITION, THE CHNA PRIORITY AREAS BECOME THE FOUNDATION FOR THE HOSPITAL'S COMMUNITY BENEFIT ORGANIZATIONAL GOALS. MIDDLESEX HOSPITAL WILL CONDUCT ITS NEXT COMMUNITY HEALTH NEEDS ASSESSMENT TO BE COMPLETED BY SEPTEMBER 30, 2019, WHICH WILL BE FOLLOWED BY PRIORITIZATION OF THE FINDINGS AND NEEDS AND THE DEVELOPMENT OF A COMMUNITY HEALTH NEEDS ASSESSMENT IMPLEMENTATION STRATEGY.</p> <p>MIDDLESEX HOSPITAL RECOGNIZES THAT IT CANNOT FOCUS ON ALL THE HEALTH NEEDS IDENTIFIED IN ITS 2016 CHNA. GIVEN THE SIGNIFICANT RESOURCES AND IN-KIND TIME NEEDED TO ADDRESS HEALTH PRIORITY AREAS UNCOVERED BY A COMMUNITY HEALTH NEEDS ASSESSMENT, THE HOSPITAL ENGAGED IN A THOROUGH PROCESS OF DATA REVIEW AND DISCUSSION TO IDENTIFY THE AREAS OF GREATEST NEED, IMPACT POTENTIAL AND FEASIBILITY. FOR THOSE AREAS OF IDENTIFIED NEEDS NOT ADDRESSED BY THE HOSPITAL, ITS 2016 CHNA WAS WIDELY DISSEMINATED TO MIDDLESEX COUNTY COMMUNITY AGENCIES WITH THE HOPE THAT THE STUDY WOULD BE USED TO INITIATE FOCUS ON CHNA FINDINGS THAT ARE OUTSIDE THE SCOPE OF THE HOSPITAL'S SELECTED PRIORITY AREAS. AS MANY LOCAL COMMUNITY-BASED ORGANIZATIONS ARE DEDICATED TO MEETING THE NEEDS OF COUNTY RESIDENTS, THE HOSPITAL REALIZES THAT THESE ORGANIZATIONS MAY BE BETTER SUITED TO TAKE A LEADERSHIP ROLE IN IMPROVING CERTAIN HEALTH OUTCOMES. AS WITH OUR PREVIOUS COMMUNITY HEALTH NEEDS ASSESSMENT, THE HOSPITAL WILL CONTINUE TO BE A WILLING PARTNER, WHEN ABLE, FOR INITIATIVES NOT RELATED TO ITS SELECTED CHNA PRIORITY AREAS.</p>
SCHEDULE H, PART V, SECTION B, LINE 13H - OTHER ELIGIBILITY CRITERIA FOR FINANCIAL ASSISTANCE	<p>FACILITY NAME: MIDDLESEX HOSPITAL</p> <p>DESCRIPTION: MIDDLESEX HOSPITAL'S SLIDING SCALE OUTLINES THE FACTORS THAT IT USES TO DETERMINE FINANCIAL ASSISTANCE DETERMINATIONS: THE FEDERAL POVERTY INCOME GUIDELINES AND NUMBER OF PERSONS IN HOUSEHOLD.</p>
SCHEDULE H, PART V, SECTION B, LINE 16A - FAP AVAILABLE WEBSITE	HTTPS://MIDDLESEXHOSPITAL.ORG/PATIENTS-AND-VISITORS/FINANCIAL-ASSISTANCE-SERVICES
SCHEDULE H, PART V, SECTION B, LINE 16B - FAP APPLICATION FORM WEBSITE	HTTPS://MIDDLESEXHOSPITAL.ORG/PATIENTS-AND-VISITORS/FINANCIAL-ASSISTANCE-SERVICES
SCHEDULE H, PART V, SECTION B, LINE 16C - PLAIN LANGUAGE FAP SUMMARY WEBSITE	HTTPS://MIDDLESEXHOSPITAL.ORG/PATIENTS-AND-VISITORS/FINANCIAL-ASSISTANCE-SERVICES

Part V Facility Information (continued)

Section D. Other Health Care Facilities That Are Not Licensed, Registered, or Similarly Recognized as a Hospital Facility
(list in order of size, from largest to smallest)

How many non-hospital health care facilities did the organization operate during the tax year? 1

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

Provide the following information.

- 1 **Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7; Part II; Part III, lines 2, 3, 4, 8 and 9b.
- 2 **Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any needs assessments reported in Part V, Section B.
- 3 **Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's financial assistance policy.
- 4 **Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves.
- 5 **Promotion of community health.** Provide any other information important to describing how the organization's hospital facilities or other health care facilities further its exempt purpose by promoting the health of the community (e.g., open medical staff, community board, use of surplus funds, etc.).
- 6 **Affiliated health care system.** If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served.
- 7 **State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report.

Return Reference - Identifier	Explanation
SCHEDULE H, PART I, LINE 3C - CRITERIA USED FOR DETERMINING ELIGIBILITY FOR FREE OR DISCOUNTED CARE	IN GENERAL, MIDDLESEX HOSPITAL ("THE HOSPITAL") USES FPG TO DETERMINE ELIGIBILITY. THERE ARE, HOWEVER, SPECIAL CIRCUMSTANCES (SUCH AS A CATASTROPHIC EVENT) WHICH MAY AFFECT A PATIENT'S ABILITY TO PAY. IN THIS CASE, THE HOSPITAL EVALUATES THE APPLICATION WITH CONSIDERATION GIVEN TO THE PATIENT'S CURRENT SITUATION. WITH SPECIAL CIRCUMSTANCES, IN ORDER TO MAXIMIZE THE AMOUNT OF FINANCIAL ASSISTANCE DISCOUNT, THE FPG THRESHOLD MAY BE IGNORED AND THE HOSPITAL MAY USE THE PATIENT'S ASSETS AND/OR TAX RETURN ITEMIZED DEDUCTIONS TO DETERMINE THE AMOUNT OF FINANCIAL ASSISTANCE.
SCHEDULE H, PART I, LINE 7G -	MIDDLESEX HOSPITAL INCLUDES ITS FAMILY MEDICINE GROUP AS A SUBSIDIZED SERVICE. FOR FY18, 10,314 UNIQUE INDIVIDUALS WERE SERVED WITH A TOTAL HOSPITAL SUBSIDY OF \$500,399. MIDDLESEX COUNTY HAS BEEN DESIGNATED BY THE HEALTH RESOURCES AND SERVICES ADMINISTRATION (HRSA) TO BE A MEDICALLY UNDERSERVED AREA EXPERIENCING A SHORTAGE OF SELECT HEALTH SERVICES WHICH INCLUDE TOO FEW PRIMARY CARE PROVIDERS. IN ADDITION, HRSA REPORTS THAT MIDDLESEX COUNTY IS A HEALTH PROFESSIONAL SHORTAGE AREA (HPSA) FOR PRIMARY MEDICAL CARE. MIDDLESEX HOSPITAL'S FAMILY MEDICINE GROUP FILLS A VITAL COMMUNITY HEALTH NEED BY PROVIDING ACCESS TO PRIMARY CARE SERVICES.
SCHEDULE H, PART II - DESCRIBE HOW BUILDING ACTIVITIES PROMOTE THE HEALTH OF THE COMMUNITY	<p>THE MAJORITY OF MIDDLESEX HOSPITAL'S COMMUNITY BASED COMMUNITY BENEFIT WORK IS CAPTURED UNDER NON-COMMUNITY BUILDING CATEGORIES, WHICH IS NARROW IN SCOPE. MIDDLESEX HOSPITAL'S PARTICIPATION IN COMMUNITY BUILDING ACTIVITIES, HOWEVER, HAS A VITAL ROLE IN CONTINUING TO PROMOTE THE HEALTH, WELL-BEING AND SAFETY FOR RESIDENTS IN ITS SERVICE AREA. THE HOSPITAL OFFERS ITS RESOURCES AND EXPERTISE TO SUPPORT AND STRENGTHEN COMMUNITY ASSETS IN A VARIETY OF PROGRAMS THAT FALL UNDER THE SCOPE OF COMMUNITY BUILDING. STAFF MEMBERS ARE HIGHLY PARTICIPATIVE IN COMMUNITY PARTNERSHIPS AND COALITIONS, THE SUCCESS OF WHICH ARE GREATLY ENHANCED BY HOSPITAL COLLABORATION - MANY COMMUNITY INITIATIVES WOULD NOT BE AS EFFECTIVE WITHOUT THE HOSPITAL'S ADMINISTRATIVE AND CLINICAL STAFF IN-KIND INVOLVEMENT, SUPPORT AND EXPERTISE.</p> <p>IN FY18 THE HOSPITAL'S COMMUNITY BUILDING ACTIVITIES TOTALED \$128,312 AND SERVED 151 INDIVIDUALS. EXAMPLES INCLUDE (BUT ARE NOT LIMITED TO):</p> <p>1) DISASTER READINESS WHERE THE HOSPITAL PLAYS A PIVOTAL ROLE BY WORKING IN COLLABORATION WITH KEY COMMUNITY PARTNERS TO ENSURE THE SAFETY OF THE COMMUNITY AT LARGE DURING A POTENTIAL DISASTER. TO PREPARE FOR DISASTERS, THE HOSPITAL OFTEN PARTICIPATES IN COMMUNITY DISASTER PREPARATION AND EMERGENCY MANAGEMENT COMMITTEES; REGULAR COLLABORATIVE COMMUNITY EDUCATION AND DRILLS; AND HOSTS YEARLY RADIATION DRILLS FOR THE STAFF OF A LOCAL NUCLEAR POWER PLANT. IN ADDITION, THE HOSPITAL PURCHASES AND STOCK-PILES LARGE QUANTITIES OF EXTENSIVE PANDEMIC SUPPLIES TO BE USED SHOULD A COMMUNITY-WIDE DISASTER OCCUR. INCLUDED IN THIS STOCK-PILE ARE MEDICATIONS FOR INFECTIOUS DISEASE AND CHEMICAL EXPOSURE CURATIVES. THE MAJORITY OF THE VALUE OF THE SUPPLIES, SPACE UTILIZATION AND COSTS ASSOCIATED TO MONITOR AND REPLENISH PANDEMIC PRODUCTS (WITHIN EXPIRATION DATES) ARE ABSORBED BY THE HOSPITAL.</p> <p>2) WORKFORCE DEVELOPMENT: THE HOSPITAL'S SHORELINE MEDICAL CENTER (SMC) HAS WELL-DEVELOPED EDUCATIONAL PROGRAMS FOR LOCAL STUDENTS INTERESTED IN MEDICAL CAREERS. SHORTAGES OF CERTAIN TRAINED MEDICAL PROFESSIONALS SUCH AS NURSES AND RADIOLOGIC TECHNOLOGISTS SERVED AS THE IMPETUS FOR STARTING THESE PROGRAMS.</p> <p>A) SMC CAREER DAY IS AN EXPERIENTIAL LEARNING EVENT WHERE HIGH SCHOOL STUDENTS INTERACT WITH STAFF MEMBERS FROM A VARIETY OF CLINICAL FIELDS AND PARTICIPATE IN INTERACTIVE MOCK DEMONSTRATIONS/SIMULATIONS.</p> <p>B) SMC STUDENT LEARNING EXPERIENCES: SMC PROVIDES ONGOING STUDENT LEARNING EXPERIENCES FOR LOCAL HIGH SCHOOL STUDENTS WHERE STUDENTS ARE INVOLVED IN PATIENT ROUNDS AND ARE EXPOSED TO HOW DIAGNOSES ARE MADE.</p> <p>C) SMC WORLD OF WORK IS AN EDUCATIONAL EXPERIENCE FOR MIDDLE SCHOOLS STUDENTS WHERE STUDENTS LEARN ABOUT SPECIFIC HEALTHCARE FIELDS AND THE EDUCATION REQUIRED FOR EACH SPECIALTY. STUDENTS ALSO RECEIVE DEMONSTRATIONS ON HEALTH CARE MODALITIES.</p>
SCHEDULE H, PART III, LINE 2 - METHODOLOGY USED TO ESTIMATE BAD DEBT	THE BAD DEBT EXPENSE AMOUNT IN PART III, LINE 2 IS BASED ON CHARGES AND TIED TO THE HOSPITAL'S AUDITED FINANCIAL STATEMENTS. THE HOSPITAL ACCOUNTS FOR DISCOUNTS AND PAYMENTS ON PATIENT ACCOUNTS IN DETERMINING BAD DEBT EXPENSE BY REDUCING BAD DEBT BY RECOVERIES ON THE HOSPITAL'S FINANCIALS.

Return Reference - Identifier	Explanation
<p>SCHEDULE H, PART III, LINE 3 - FAP ELIGIBLE PATIENT BAD DEBT CALCULATION METHODOLOGY</p>	<p>THE HOSPITAL ESTIMATES THAT 10% OF ITS BAD DEBT EXPENSE IS ATTRIBUTABLE TO PATIENTS ELIGIBLE UNDER THE ORGANIZATION'S FINANCIAL ASSISTANCE POLICY. THE HOSPITAL HAS A WELL-ESTABLISHED PROCESS WITH ITS THIRD PARTY AGENCIES TO CAPTURE AS MANY PATIENTS ELIGIBLE FOR FINANCIAL ASSISTANCE AS POSSIBLE AND AWARDS FINANCIAL ASSISTANCE TO THOSE PATIENTS IN COLLECTIONS WHO ARE KNOWN TO QUALIFY. ONCE IN COLLECTIONS, THERE ARE TWO METHODS WHICH ENABLE PATIENTS TO RECEIVE FINANCIAL ASSISTANCE AWARDS: 1) PATIENTS EITHER COMPLETE A FINANCIAL ASSISTANCE APPLICATION, MEET ELIGIBILITY CRITERIA AND ARE APPROVED; OR 2) THE THIRD PARTY ORGANIZATIONS THAT WORK ON BEHALF OF THE HOSPITAL TO COLLECT BALANCES SCREEN FOR FINANCIAL ASSISTANCE ELIGIBILITY. IN ORDER TO ENSURE THAT ALL PATIENTS IN COLLECTIONS ARE AWARE OF FINANCIAL ASSISTANCE AVAILABILITY, THE HOSPITAL REQUIRES THIRD PARTY ORGANIZATIONS TO FOLLOW THE HOSPITAL'S POLICIES REGARDING PATIENT NOTIFICATION ABOUT THE HOSPITAL'S FINANCIAL ASSISTANCE PROGRAM. WITHIN THE POLICY THERE IS A PROVISION WHEREBY COLLECTION AGENCIES, USING GUIDELINES SET FORTH BY THE HOSPITAL, ASSIST THE HOSPITAL IN IDENTIFYING PATIENTS WHO DO NOT HAVE A MEANS TO PAY FOR SERVICES AND THEREFORE QUALIFY FOR THE HOSPITAL'S FINANCIAL ASSISTANCE PROGRAM - WHILE THESE PATIENTS HAVE NOT GONE THROUGH THE FORMAL APPLICATION PROCESS, THEY MEET THE ELIGIBILITY GUIDELINES FOR FINANCIAL ASSISTANCE AS DEFINED BY THE HOSPITAL. THESE PATIENTS ARE THEN TRANSFERRED AND INCLUDED UNDER THE HOSPITAL'S FINANCIAL ASSISTANCE UMBRELLA. WHILE THIS PROCESS CAPTURES THE MAJORITY OF THOSE WHO ARE ELIGIBLE FOR FINANCIAL ASSISTANCE, THE HOSPITAL RECOGNIZES IT WILL STILL HAVE A POPULATION OF PATIENTS WHO COULD POTENTIALLY QUALIFY FOR FINANCIAL ASSISTANCE AND DO NOT RECEIVE AWARDS - THOSE WHO ARE UNCOOPERATIVE, UNRESPONSIVE OR HAVE MOVED AWAY.</p> <p>BAD DEBT DOLLARS ARE NOT INCLUDED IN ANY OF THE HOSPITAL'S PROGRAMMATIC COMMUNITY BENEFIT VALUES AND, WHILE NOTED, ARE NOT INCLUDED IN THE HOSPITAL'S COMMUNITY BENEFIT TOTALS IN ANY HOSPITAL COMMUNITY BENEFIT PUBLICATION.</p>
<p>SCHEDULE H, PART III, LINE 4 - FOOTNOTE IN ORGANIZATION'S FINANCIAL STATEMENTS DESCRIBING BAD DEBT</p>	<p>THE HOSPITAL ESTIMATES A RESERVE FOR UNCOLLECTIBLE ACCOUNTS AGAINST ITS PATIENT ACCOUNTS RECEIVABLES. WHEN BAD DEBTS ARE IDENTIFIED, THEY ARE ACCOUNTED FOR AS A COMPONENT OF THE NET PATIENT REVENUE PROVISION FOR BAD DEBTS NET OF RECOVERIES. PAGE 15 OF THE MIDDLESEX HEALTH SYSTEM'S CONSOLIDATED FY18 AUDITED FINANCIAL STATEMENT STATES: FOR RECEIVABLES ASSOCIATED WITH SELF-PAY PATIENTS WHICH INCLUDES BOTH PATIENTS WITHOUT INSURANCE AND PATIENTS WITH DEDUCTIBLE AND COPAYMENT BALANCES DUE FOR WHICH THIRD-PARTY COVERAGE EXISTS FOR PART OF THE BILL, THE HOSPITAL RECORDS A SIGNIFICANT PROVISION FOR BAD DEBTS IN THE PERIOD OF SERVICE ON THE BASIS OF ITS PAST EXPERIENCE, WHICH INDICATES THAT MANY PATIENTS ARE UNABLE OR UNWILLING TO PAY THE PORTION OF THEIR BILL FOR WHICH THEY ARE FINANCIALLY RESPONSIBLE. THE DIFFERENCE BETWEEN DISCOUNTED RATES AND THE AMOUNTS ACTUALLY COLLECTED AFTER ALL REASONABLE COLLECTION EFFORTS HAVE BEEN EXHAUSTED IS CHARGED OFF AGAINST THE ALLOWANCE FOR DOUBTFUL ACCOUNTS.</p>
<p>SCHEDULE H, PART III, LINE 8 - DESCRIBE EXTENT ANY SHORTFALL FROM LINE 7 TREATED AS COMMUNITY BENEFIT AND COSTING METHOD USED</p>	<p>THE MEDICARE COST REPORT IS THE COSTING METHODOLOGY SYSTEM USED TO DETERMINE THE AMOUNT REPORTED ON PART III, LINES 5 AND 6. THE HOSPITAL UTILIZES WORKSHEET 6 FOUND IN THE FORM 990 INSTRUCTIONS FOR SCHEDULE H TO CALCULATE ITS SUBSIDIZED SERVICES. THE INSTRUCTIONS STATE THAT "THE FINANCIAL LOSS IS MEASURED AFTER REMOVING LOSSES, MEASURED BY COST, ASSOCIATED WITH BAD DEBT, CHARITY CARE, MEDICAID AND OTHER MEANS-TESTED GOVERNMENT PROGRAMS". GIVEN THAT WORKSHEET 6 DOESN'T SUGGEST REMOVING LOSSES ASSOCIATED WITH MEDICARE, A PORTION OF MEDICARE IS INCLUDED IN THE HOSPITAL'S SUBSIDIZED SERVICE CALCULATIONS. SO AS NOT TO DOUBLE COUNT MEDICARE VALUES IN PART III, SECTION B, LINES 5 AND 6, THE PORTION OF MEDICARE SHORTFALL INCLUDED IN OUR SUBSIDIZED SERVICES CALCULATIONS HAS BEEN SUBTRACTED FROM THE MEDICARE REVENUE AND COSTS DERIVED FROM THE MEDICARE COST REPORT. THE VALUES INDICATED IN PART III, LINES 5 AND 6 ARE THEREFORE WHAT REMAINS AFTER THE MEDICARE REVENUE AND COSTS INCLUDED IN THE SUBSIDIZED SERVICES CALCULATIONS HAS BEEN SUBTRACTED OUT. GIVEN THIS, THE RESULTING VALUES (PART III, LINES 5, 6 AND 7) WOULD NEED TO BE COMBINED WITH THE MEDICARE REVENUE/COSTS INCLUDED IN OUR SUBSIDIZED SERVICES TO GET THE FULL OVERVIEW OF MEDICARE REVENUE, COSTS AND ANY REMAINING SHORTFALL OR SURPLUS.</p> <p>WE AGREE WITH THE CURRENT SUBSIDIZED SERVICES CALCULATION METHODOLOGY THAT ALLOWS THE INCLUSION OF MEDICARE DOLLARS AS THE MEDICARE POPULATION COMPRISES AN IMPORTANT SEGMENT OF THOSE RECEIVING SUBSIDIZED SERVICES CARE. THE HOSPITAL TREATS ALL MEDICARE PATIENTS EQUALLY AND DOES NOT DISCRIMINATE AGAINST LOWER-MARGIN YIELDING SERVICES. AS A NOT-FOR-PROFIT HOSPITAL, MIDDLESEX HOSPITAL IS THE SAFETY-NET IN THE COMMUNITY FOR ALL MEDICARE PATIENTS, REGARDLESS OF LEVEL OF MEDICARE COVERAGE AND REGARDLESS IF A SURPLUS OR DEFICIT RESULTS. THIS OPEN ACCESS FOR MEDICARE PATIENTS PROMOTES ACCESS TO CARE, A FUNDAMENTAL TENET OF THE HOSPITAL'S COMMUNITY BENEFIT PROGRAM.</p> <p>THERE IS A DISPROPORTIONATE PERCENTAGE OF OLDER ADULTS IN MIDDLESEX COUNTY WHEN COMPARED TO STATE AVERAGES. THE HOSPITAL'S MOST RECENT (2016) COMMUNITY HEALTH NEEDS ASSESSMENT (CHNA) FOUND THAT, WHEN COMPARING STATE AND NATIONAL GROWTH PROJECTIONS FOR PERSONS AGE 65+ TO LOCAL GROWTH, EVERY TOWN IN MIDDLESEX COUNTY, EXCEPT MIDDLETOWN, CONSIDERABLY EXCEEDS CONNECTICUT AND U.S. PROJECTIONS FOR 2020 AND 2025 (ADMINISTRATION ON AGING; ADMINISTRATION FOR COMMUNITY LIVING; THE CONNECTICUT DATA COLLABORATIVE AND CONNECTICUT'S LEGISLATIVE COMMISSION ON AGING). FOR 2020, EXCLUDING MIDDLETOWN (AT 16.4%), EXPECTED GROWTH FOR AGE 65 AND OLDER RANGES FROM 18.8% TO 34.1% IN THE TOWNS OF MIDDLESEX COUNTY COMPARED TO 17.5% FOR CONNECTICUT AND 16.3% FOR THE U.S. FOR 2025, EXCLUDING MIDDLETOWN (AT 18.8%), EXPECTED GROWTH FOR AGE 65 AND OLDER RANGES FROM 22.6% TO 38.9% IN THE TOWNS OF MIDDLESEX COUNTY COMPARED TO 19.6% FOR CONNECTICUT AND 18.2% FOR THE U.S. IN ADDITION, THE 2008, 2013 AND 2016 MIDDLESEX COUNTY CHNAS FOUND OLDER ADULTS TO BE A PRIORITY AREA (ACCESS TO CARE, HEALTH SERVICE UTILIZATION, LACK OF SERVICES, ETC.). AS MIDDLESEX COUNTY HAS A DISPROPORTIONATE LEVEL OF COMMUNITY MEMBERS AGE 65+ WHEN COMPARED TO STATE AVERAGES, THE SHORTFALL THAT THE HOSPITAL EXPERIENCES IN PROVIDING CRITICAL HEALTHCARE SERVICES TO THE MEDICARE POPULATION SHOULD BE CONSIDERED A COMMUNITY BENEFIT WITHIN THE HOSPITAL'S SUBSIDIZED SERVICES, WHICH THOSE AGE 65+ ALSO RELY HEAVILY ON FOR CARE. THE HOSPITAL FILLS A HEALTHCARE DELIVERY GAP FOR MEDICARE PATIENTS, ONE WHICH WOULD BE DETRIMENTAL TO THE COMMUNITY IF THE HOSPITAL WAS NOT PRESENT.</p>

Return Reference - Identifier	Explanation
<p>SCHEDULE H, PART III, LINE 9B - DID COLLECTION POLICY CONTAIN PROVISIONS ON COLLECTION PRACTICES FOR PATIENTS WHO ARE KNOWN TO QUALIFY FOR ASSISTANCE</p>	<p>MIDDLESEX HOSPITAL HAS A WRITTEN DEBT COLLECTION POLICY. THE POLICY STATES THAT PATIENTS WHO QUALIFY FOR FINANCIAL ASSISTANCE WILL BE RESPONSIBLE FOR PAYING ANY BALANCE REMAINING AFTER THE FINANCIAL ASSISTANCE ALLOWANCE HAS BEEN APPLIED (THAT IS, IF 100% FINANCIAL ASSISTANCE HAS NOT BEEN AWARDED). THE POLICY ALSO OUTLINES THE PROCESS FOR PAYING OUTSTANDING BALANCES SHOULD THE PATIENT BE FOUND TO HAVE THE MEANS TO PAY A PARTIAL AMOUNT AFTER THE HOSPITAL'S FINANCIAL ASSISTANCE DETERMINATION CRITERIA HAS BEEN APPLIED. FOR SUCH BALANCES, THE HOSPITAL WILL NOTIFY THE PATIENT OF HIS/HER LIABILITY. IF PAYMENT IS NOT MADE, THE POLICY STATES THAT THE HOSPITAL WILL USE APPROPRIATE METHODS TO PURSUE COLLECTION, WHICH MAY INCLUDE COLLECTIONS AGENCIES AND ATTORNEYS. THIS PRACTICE IS BROADLY UTILIZED FOR ALL PATIENTS WITH OUTSTANDING BALANCES. THE HOSPITAL MAKES EVERY EFFORT TO ENSURE THAT ALL PATIENTS KNOW PAYMENT PLANS ARE AVAILABLE FOR ANY BALANCE, INCLUDING THOSE PATIENTS WHO HAVE A BALANCE LEFT OVER AFTER A FINANCIAL ASSISTANCE AWARD HAS BEEN APPLIED. IN ORDER TO CAPTURE THE PATIENTS WHO ARE KNOWN TO QUALIFY FOR FINANCIAL ASSISTANCE, THE HOSPITAL HAS PROVISIONS IN ITS COLLECTION POLICY. IN THE CASE WHERE PATIENTS WHO WOULD QUALIFY FOR FINANCIAL ASSISTANCE DO NOT COMPLETE A FINANCIAL ASSISTANCE APPLICATION AND ARE PLACED INTO COLLECTIONS, THE THIRD PARTY ORGANIZATIONS THAT WORK ON BEHALF OF THE HOSPITAL TO COLLECT BALANCES SCREEN FOR FINANCIAL ASSISTANCE ELIGIBILITY. THE THIRD PARTY ORGANIZATIONS FOLLOW HOSPITAL POLICY BY ALERTING ALL PATIENTS IN COLLECTIONS TO THE AVAILABILITY OF THE HOSPITAL'S FINANCIAL ASSISTANCE PROGRAM. WITHIN THE HOSPITAL'S COLLECTION POLICY THERE IS A PROVISION WHEREBY COLLECTION AGENCIES, USING GUIDELINES SET FORTH BY THE HOSPITAL, ASSIST THE HOSPITAL IN IDENTIFYING PATIENTS WHO DO NOT HAVE A MEANS TO PAY FOR SERVICES AND THEREFORE QUALIFY FOR THE HOSPITAL'S FINANCIAL ASSISTANCE PROGRAM - WHILE THESE PATIENTS HAVE NOT GONE THROUGH THE FORMAL APPLICATION PROCESS, THEY MEET THE ELIGIBILITY GUIDELINES FOR FINANCIAL ASSISTANCE AS DEFINED BY THE HOSPITAL. THESE PATIENTS ARE THEN TRANSFERRED AND INCLUDED UNDER THE HOSPITAL'S FINANCIAL ASSISTANCE UMBRELLA. THIS PROCESS WAS PUT IN PLACE BY THE HOSPITAL IN ORDER TO CAPTURE AS MANY PATIENTS WHO ARE ELIGIBLE FOR FINANCIAL ASSISTANCE AS POSSIBLE.</p>
<p>SCHEDULE H, PART VI, LINE 2 - NEEDS ASSESSMENT</p>	<p>SINCE THE INCEPTION OF MIDDLESEX HOSPITAL'S COMMUNITY BENEFIT POLICY IN 2007, AND PRIOR TO THE MANDATE OF THE AFFORDABLE CARE ACT, CONDUCTING A COMMUNITY HEALTH NEEDS ASSESSMENT (CHNA) IN ORDER TO PRIORITIZE SPECIFIC COMMUNITY BENEFIT INITIATIVES HAS BEEN A CORE ELEMENT OF THE HOSPITAL'S COMMUNITY BENEFIT PROGRAM. IN ADDITION TO COMPLETING A CHNA, THE HOSPITAL ASSESSES THE NEEDS OF THE COMMUNITIES IT SERVICES ON AN ON-GOING BASIS THROUGH A VARIETY OF METHODS. EXAMPLES INCLUDE UNDERSTANDING THE LOCAL AND STATE-WIDE NEEDS DERIVED FROM: 1) PARTICIPATION IN COMMUNITY HEALTHCARE COALITIONS AND BOARDS, WHICH INCLUDE STRATEGIC PLANNING THAT IS RESPONSIVE TO COMMUNITY NEED; 2) PARTICIPATION IN THE STATE'S HOSPITAL ASSOCIATION POPULATION HEALTH INITIATIVES BASED ON STATE-WIDE AND LOCAL COMMUNITY HEALTH ISSUES; 3) ANY REAL-TIME COMMUNITY BASED INPUT, FEED-BACK, RECOMMENDATIONS AND SUGGESTIONS; AND 4) CONTINUOUS ASSESSMENT AND ADJUSTMENTS, WHEN NECESSARY, OF THE HOSPITAL'S COMMUNITY BENEFIT PROGRAMS THROUGH SURVEYS AND PATIENT/PARTICIPANT FEED-BACK. HAVING A STRONG PRESENCE IN COMMUNITY COALITIONS AND PARTNERSHIPS, IN ADDITION TO BEING RESPONSIVE TO THE NEEDS EXPRESSED BY OUR COMMUNITY RESIDENTS, ALLOWS THE HOSPITAL TO CONTINUALLY ASSESS THE HEALTHCARE NEEDS OF OUR COMMUNITY IN BETWEEN COMMUNITY HEALTH NEEDS ASSESSMENT CYCLES.</p>
<p>SCHEDULE H, PART VI, LINE 3 - PATIENT EDUCATION</p>	<p>GREAT CONCERN IS TAKEN TO ENSURE THAT PATIENTS ARE APPRISED OF THE AVAILABILITY OF FEDERAL/STATE/LOCAL GOVERNMENT PROGRAMS AND THE HOSPITAL'S FINANCIAL ASSISTANCE PLAN. NOTICE OF THE HOSPITAL'S FINANCIAL ASSISTANCE PROGRAM IS DISPLAYED CONSPICUOUSLY IN ENGLISH AND SPANISH AT THE ENTRY OF EACH FACILITY AND AT ALL PATIENT REGISTRATION POINTS. THE NOTIFICATION INCLUDES AN OVERVIEW OF THE HOSPITAL'S FINANCIAL AID PROGRAM; THE AVAILABILITY OF FREE BED FUNDS AND OTHER FINANCIAL ASSISTANCE; SLIDING SCALE; AND FINANCIAL COUNSELOR CONTACT INFORMATION. AT THE TIME OF REGISTRATION, HOSPITAL ACCESS STAFF REVIEWS THE HOSPITAL'S FINANCIAL ASSISTANCE PROGRAM AND ASKS THE PATIENT IF HE/SHE WOULD LIKE A FINANCIAL ASSISTANCE PACKAGE. BUILT INTO THE REGISTRATION DATA BASE IS A REQUIRED FINANCIAL ASSISTANCE FIELD WHICH MUST BE COMPLETED AS PART OF THE ADMISSIONS PROCESS. ONCE THE PATIENT EXPRESSES THE DESIRE TO RECEIVE A FINANCIAL ASSISTANCE PACKAGE, PAPERWORK WITH PATIENT NAME AND MEDICAL RECORD IS AUTOMATICALLY PRINTED AT THE REGISTRATION STATION AND HANDED TO THE PATIENT. OTHER METHODS OF COMMUNICATION TO INCREASE AWARENESS REGARDING THE FINANCIAL ASSISTANCE AND FREE BED FUND PROGRAM INCLUDE 1) A FINANCIAL ASSISTANCE BROCHURE THAT AIDS PATIENTS IN THE PROCESS, ANSWERS KEY QUESTIONS AND PROVIDES EASY ACCESS FOR HELP (AVAILABLE AT MULTIPLE HOSPITAL DEPARTMENTS AND LOCATIONS, INCLUDING KIOSKS AT EVERY HOSPITAL ENTRY POINT); 2) A SEPARATE AND DISTINCT FINANCIAL ASSISTANCE SERVICES SECTION ON THE HOSPITAL'S WEB-SITE (HTTPS://MIDDLESEXHEALTH.ORG/PATIENTS-AND-VISITORS/FINANCIAL-ASSISTANCE-SERVICES) WHICH INCLUDES APPLICATION, INSTRUCTIONS, AND SLIDING SCALE; 3) INCLUSION OF FINANCIAL ASSISTANCE INFORMATION IN THE HOSPITAL'S INPATIENT ADMISSIONS BOOKLET; 4) NOTICE OF THE PROGRAM AND FINANCIAL COUNSELOR CONTACT INFORMATION ON EVERY BILLING STATEMENT; 5) NOTIFICATION AT DISCHARGE; AND 6) A LETTER OUTLINING THE PROGRAM SENT TO EVERY SELF-PAY PATIENT FOLLOWING DISCHARGE.</p> <p>THE HOSPITAL HAS A TEAM OF FINANCIAL COUNSELORS WHO ARE AVAILABLE TO ASSIST THE PATIENT THROUGH THE APPLICATION PROCESS EITHER BY PHONE OR VISIT. THE ROLE OF THE COUNSELORS IS TO HELP PATIENTS NAVIGATE THE HOSPITAL'S FINANCIAL ASSISTANCE PROCESS AND TO AID IN APPLICATION FOR MEDICAID/STATE PROGRAMS. ALL COUNSELORS RECEIVE DEPARTMENTAL TRAINING ON THE IMPORTANCE OF ASSISTING PATIENTS IN NEED OF STATE/GOVERNMENTAL OR HOSPITAL FINANCIAL ASSISTANCE, THE HOSPITAL'S FINANCIAL ASSISTANCE PROTOCOLS, SYSTEMS, NEW PROGRAM ENHANCEMENTS, AND HOW TO PROVIDE SUPPORT AND FOLLOW-UP FOR MEDICAID/STATE ENROLLMENT. THE HOSPITAL'S SOCIAL WORKERS ALSO ASSIST PATIENTS WITH COMPLETION OF HOSPITAL FINANCIAL ASSISTANCE APPLICATIONS AS WELL AS MEDICAID/STATE APPLICATIONS.</p> <p>AN IMPORTANT ADDITION TO MIDDLESEX HOSPITAL'S FINANCIAL ASSISTANCE PROCESS HAS BEEN THE DEVELOPMENT OF THE FINANCIAL ASSISTANCE WORKGROUP SEVERAL YEARS AGO. WORKGROUP TASKS INCLUDE: INCREASING AWARENESS REGARDING FINANCIAL ASSISTANCE AVAILABILITY; CONTINUOUS MONITORING OF APPROPRIATENESS, FEASIBILITY AND ACCESSIBILITY OF THE HOSPITAL'S FINANCIAL ASSISTANCE PRACTICES; AND A COMPREHENSIVE COMMUNICATIONS STRATEGY FOR INCREASING AWARENESS FOR FINANCIAL ASSISTANCE. IN FY18, MIDDLESEX HOSPITAL GRANTED \$1,707,805 OF FINANCIAL ASSISTANCE TO 4,235 UNIQUE RECIPIENTS AND ABSORBED \$20,617,075 IN UNPAID COSTS OF MEDICAID (TOTAL OF MEDICAID INCLUDING MANAGED CARE AND LIA), SERVING 19,564 INDIVIDUALS.</p>

Return Reference - Identifier	Explanation
<p>SCHEDULE H, PART VI, LINE 4 - COMMUNITY INFORMATION</p>	<p>MIDDLESEX HOSPITAL IS THE SOLE HOSPITAL PROVIDER IN ITS SERVICE AREA, WHICH INCLUDES THE LARGE GEOGRAPHIC AREA OF MIDDLESEX COUNTY AND SURROUNDING TOWNS. IT ENCOMPASSES 24 MUNICIPALITIES, INCLUDING THE 15 TOWNS OF MIDDLESEX COUNTY (MIDDLETOWN, CROMWELL, PORTLAND, EAST HAMPTON, EAST HADDAM, HADDAM, MIDDLEFIELD, DURHAM, KILLINGWORTH, CHESTER, DEEP RIVER, ESSEX, OLD SAYBROOK, WESTBROOK, CLINTON) AND 9 TOWNS ON MIDDLESEX COUNTY'S PERIPHERY (ROCKY HILL, GLASTONBURY, HEBRON, MARLBOROUGH, COLCHESTER, SALEM, LYME/OLD LYME, MADISON, GUILFORD). MIDDLESEX COUNTY IS 369 SQUARE MILES, MAKING IT THE SMALLEST COUNTY BY LAND AREA IN CONNECTICUT, AND IS THE FIFTH IN POPULATION SIZE OUT OF THE EIGHT CONNECTICUT COUNTIES (TOWNCHARTS 2014). MUNICIPALITY SIZES VARY THROUGHOUT THE COUNTY, FROM 10 SQUARE MILES (ESSEX) TO 54 SQUARE MILES (EAST HADDAM). MIDDLETOWN HAS A GEOGRAPHIC AREA OF 41 SQUARE MILES BY LAND AREA. THE PERIPHERY TOWNS COVER AN ADDITIONAL 340 SQUARE MILES. THE CONNECTICUT OFFICE OF RURAL HEALTH (CT-ORH) DEFINES RURAL AS ALL TOWNS WITH A POPULATION CENSUS OF 10,000 OR LESS AND A POPULATION DENSITY OF 500 OR LESS PEOPLE PER SQUARE MILE. BASED ON 2010 U.S. CENSUS DATA, THE MIDDLESEX COUNTY TOWNS OF CHESTER, DEEP RIVER, DURHAM, EAST HADDAM, HADDAM, KILLINGWORTH, MIDDLEFIELD, PORTLAND, WESTBROOK ARE CONSIDERED RURAL, AS WELL AS THE PERIPHERY TOWN OF MARLBOROUGH. MAJOR EMPLOYERS INCLUDE MIDDLESEX HOSPITAL, WESLEYAN UNIVERSITY, MIDDLESEX COMMUNITY COLLEGE, CONNECTICUT VALLEY HOSPITAL, PRATT & WHITNEY, AND THE SMALL BUSINESS COMMUNITY.</p> <p>THE CITY OF MIDDLETOWN (ZIP CODE 06457) IS CENTRALLY LOCATED 16 MILES SOUTH OF HARTFORD. THE POPULATION IN MIDDLETOWN IS ECONOMICALLY AND RACIALLY/ETHNICALLY MORE DIVERSE WHEN COMPARED TO OTHER MUNICIPALITIES IN MIDDLESEX COUNTY AND IS ONE OF THE FEW COMMUNITIES IN CONNECTICUT TO INCLUDE URBAN, SUBURBAN, AND RURAL CHARACTERISTICS. MIDDLETOWN IS THE LARGEST MUNICIPALITY (47,424 PERSONS) IN MIDDLESEX COUNTY (165,534 PERSONS) [2014; CERC TOWN PROFILES 2016]. CHESTER, DEEP RIVER AND MIDDLEFIELD HAVE POPULATIONS LESS THAN 5,000; DURHAM, EAST HADDAM, ESSEX, HADDAM, KILLINGWORTH, PORTLAND, AND WESTBROOK HAVE POPULATIONS BETWEEN 5,000 AND 9,999; CLINTON, CROMWELL, EAST HAMPTON AND OLD SAYBROOK HAVE POPULATIONS BETWEEN 10,000 AND 14,999 (2014; CERC TOWN PROFILES 2016). THE PERIPHERY TOWNS IN MIDDLESEX HOSPITAL'S SERVICE AREA HAVE A COMBINED POPULATION OF 141,516. LYME AND SALEM HAVE POPULATIONS LESS THAN 5,000; HEBRON, OLD LYME, AND MARLBOROUGH HAVE POPULATIONS BETWEEN 5,000 AND 9,999; COLCHESTER, GLASTONBURY, GUILFORD, MADISON, AND ROCKY HILL HAVE POPULATIONS BETWEEN 15,000 AND 35,000 (2014; CERC TOWN PROFILES 2016). FOREIGN BORN PERSONS COMPRISE 11% OF THE POPULATION IN MIDDLETOWN AND 7.3% OF MIDDLESEX COUNTY COMPARED TO 13.7% OF THE STATE (2010-2014; U.S. CENSUS BUREAU QUICKFACTS).</p> <p>THE MEDIAN AGE IN THE TOWNS IN MIDDLESEX COUNTY RANGE FROM AGES 37-53, WITH MEDIAN AGE 37 IN MIDDLETOWN, 44 IN MIDDLESEX COUNTY, AND 40 IN THE STATE OF CT (2010-2014; CERC TOWN PROFILES 2016). WHEN COMPARING STATE AND NATIONAL GROWTH PROJECTIONS FOR PERSONS AGE 65+ TO LOCAL GROWTH EVERY TOWN IN MIDDLESEX COUNTY, EXCEPT MIDDLETOWN, CONSIDERABLY EXCEEDS CONNECTICUT AND U.S. PROJECTIONS FOR 2020 AND 2025 (ADMINISTRATION ON AGING; ADMINISTRATION FOR COMMUNITY LIVING; THE CONNECTICUT DATA COLLABORATIVE AND CONNECTICUT'S LEGISLATIVE COMMISSION ON AGING). FOR 2020, EXCLUDING MIDDLETOWN (AT 16.4%), EXPECTED GROWTH FOR AGE 65 AND OLDER RANGES FROM 18.8% TO 34.1% IN THE TOWNS OF MIDDLESEX COUNTY COMPARED TO 17.5% FOR CONNECTICUT AND 16.3% FOR THE U.S. FOR 2025, EXCLUDING MIDDLETOWN (AT 18.8%), EXPECTED GROWTH FOR AGE 65 AND OLDER RANGES FROM 22.6% TO 38.9% IN THE TOWNS OF MIDDLESEX COUNTY COMPARED TO 19.6% FOR CONNECTICUT AND 18.2% FOR THE U.S. MIDDLESEX COUNTY'S RACE AND HISPANIC ORIGIN COMPOSITION IS 84.4% WHITE, NON-HISPANIC; 4.9% BLACK OR AFRICAN AMERICAN, NON-HISPANIC; 5.9% HISPANIC OR LATINO; 2.9% ASIAN, NON-HISPANIC; 1.6% TWO OR MORE RACES, NON-HISPANIC; 0.2% OTHER, NON-HISPANIC (U.S. CENSUS 2013- 2017 5-YEAR ESTIMATES). MIDDLETOWN'S RACE AND HISPANIC ORIGIN COMPOSITION IS 69.5% WHITE, NON-HISPANIC; 13.0% BLACK OR AFRICAN AMERICAN, NON-HISPANIC; 9.2% HISPANIC OR LATINO; 5.6% ASIAN, NON-HISPANIC; 2.6% TWO OR MORE RACES, NON-HISPANIC; 0.1% OTHER, NON-HISPANIC (U.S. CENSUS 2013- 2017 5-YEAR ESTIMATES).</p> <p>THE MEDIAN HOUSEHOLD INCOME IN MIDDLESEX COUNTY (\$77,931) IS HIGHER THAN THE STATE OF CONNECTICUT AVERAGE (\$69,899) [2010-2014; CERC TOWN PROFILE 2016 REPORT]. THERE IS A SIGNIFICANT RANGE BETWEEN THE TOWNS IN MIDDLESEX COUNTY, WITH MIDDLETOWN AT THE LOWER BOUND (\$61,373) AND DURHAM AT THE HIGHEST LEVEL (\$117,328) [2010-2014; CERC TOWN PROFILES 2016]. SIMILAR TO THE RANGE OF MEDIAN HOUSEHOLD INCOME IN THE TOWNS THROUGHOUT MIDDLESEX COUNTY, THERE IS A SIGNIFICANT DIFFERENCE IN POVERTY RATE IN MIDDLETOWN (12.5%) WHEN COMPARED THE REST OF THE COUNTY (6.9%) [2010-2014; CERC TOWN PROFILE 2016 REPORT]. EDUCATIONAL ATTAINMENT IN MIDDLESEX COUNTY IS: LESS THAN HIGH SCHOOL DIPLOMA - 7.9%; HIGH SCHOOL DIPLOMA, GENERAL EDUCATIONAL DEVELOPMENT (GED) OR EQUIVALENT: 21.4%; SOME COLLEGE - 13.3%; ASSOCIATE'S DEGREE - 6.1%; BACHELOR'S DEGREE OR HIGHER: 39.8% (U.S. CENSUS BUREAU, AMERICAN COMMUNITY SURVEY 5-YEAR, 2010-2014). UNEMPLOYMENT IN MIDDLESEX COUNTY IS 6.6% (U.S. CENSUS BUREAU, AMERICAN COMMUNITY SURVEY 5-YEAR, 2010-2014). HEALTH INSURANCE STATUS (ALL INCOME LEVELS) IN MIDDLESEX COUNTY IS: INSURED, AGES <19: 97.2%; INSURED, AGES 18 TO 64 YEARS: 93.6%; INSURED, AGES 40 TO 64 YEARS: 94.8%; INSURED, AGES 50 TO 64 YEARS: 95.1% (U.S. CENSUS BUREAU AND THE SMALL AREA HEALTH INSURANCE ESTIMATES, 2014).</p> <p>IN 2017, THE PERCENT OF HOSPITAL DISCHARGES FOR MEDICAID/SAGA/UNINSURED COMBINED WERE: 17% INPATIENT; 14% OUTPATIENT; 31% EMERGENCY DEPARTMENT NON-ADMISSION; AND, FOR THE FOLLOWING SERVICES: 37% NEWBORN; 38% INPATIENT PSYCHIATRY; 14% OUTPATIENT SURGERY AND 14% OTHER OUTPATIENT SERVICES. MIDDLESEX COUNTY HAS BEEN DESIGNATED BY THE HEALTH RESOURCES AND SERVICES ADMINISTRATION (HRSA) TO BE A MEDICALLY UNDERSERVED AREA EXPERIENCING A SHORTAGE OF SELECT HEALTH SERVICES WHICH INCLUDE TOO FEW PRIMARY CARE PROVIDERS, HIGH INFANT MORTALITY, HIGH POVERTY OR A HIGH ELDERLY POPULATION. THE INDEX OF MEDICAL UNDERSERVICE INCLUDES THE FOUR VARIABLES OF: RATIO OF PRIMARY MEDICAL CARE PHYSICIANS PER 1,000 POPULATION, INFANT MORTALITY RATE, PERCENTAGE OF THE POPULATION WITH INCOMES BELOW THE POVERTY LEVEL, AND PERCENTAGE OF THE POPULATION AGE 65 OR OVER.</p>

Return Reference - Identifier	Explanation
<p>SCHEDULE H, PART VI, LINE 5 - PROMOTION OF COMMUNITY HEALTH</p>	<p>AS MIDDLESEX HOSPITAL IS A COMMUNITY HOSPITAL, INVOLVING COMMUNITY MEMBERS IN KEY FUNCTIONS HAS ALWAYS BEEN A PRIORITY. THE HOSPITAL'S BOARD IS COMPRISED MAINLY OF COMMUNITY MEMBERS WHO ARE NEITHER EMPLOYEES, FAMILY MEMBERS NOR CONTRACTORS OF THE ORGANIZATION, BUT ARE LONG-TERM RESIDENTS WHOSE PRIMARY INTEREST IS THE HEALTH AND WELL-BEING OF THE COMMUNITY AT LARGE. MIDDLESEX HOSPITAL EXTENDS MEDICAL STAFF PRIVILEGES TO ALL QUALIFIED PHYSICIANS IN THE COMMUNITY BASED ON THE HOSPITAL'S CURRENT AND PROJECTED PATIENT CARE, TEACHING AND RESEARCH NEEDS, AND OVERALL COMMUNITY NEED. MEDICAL STAFF INPUT AND PARTICIPATION IS HIGHLY VALUED BY THE HOSPITAL AS EVIDENCED BY INCLUSION IN THE HOSPITAL'S MEDICAL EXECUTIVE COMMITTEE, THE MEDICAL STAFF COUNCIL AND COUNTLESS OTHER WORKING COMMITTEES. THE HOSPITAL HAS A FORMAL PROCESS FOR ALLOCATION OF SURPLUS FUNDS; A MULTIDISCIPLINARY CAPITAL BUDGETING COMMITTEE MEETS AND SETS PRIORITIES FOR INVESTMENTS IN PATIENT CARE, EDUCATION AND RESEARCH, AND PHYSICAL STRUCTURE. THE APPROACH TAKES INTO CONSIDERATION PATIENT, COMMUNITY AND STAFF NEEDS. EACH YEAR THE HOSPITAL ALLOCATES A PORTION OF SURPLUS FUNDING TO A WIDE ARRAY OF COMMUNITY BENEFIT PROGRAMS AND SERVICE LINES, INCLUDING SUBSTANTIAL HEALTH AND WELLNESS ACTIVITIES AND INITIATIVES, SUBSIDIZED SERVICES, MEDICAL EDUCATION, RESEARCH AND HEALTH ASSESSMENT COSTS.</p> <p>CONTINUOUS DEDICATION TO THE COMMUNITIES IT SERVES REMAINS THE HALLMARK OF MIDDLESEX HOSPITAL'S VISION, MISSION, AND STRATEGIC PLANNING. AMBITIOUS COMMUNITY BENEFIT GOALS, THE INCORPORATION OF COMMUNITY BENEFIT INTO ANNUAL ORGANIZATIONAL PLANNING, AND THE PROVISION OF COMMUNITY BENEFIT PROGRAMS THAT TARGET THE COMMUNITY'S MOST VULNERABLE AND AT-RISK POPULATIONS HAS ALLOWED THE HOSPITAL TO PUT A FORMAL STRUCTURE AROUND ITS FUNDAMENTAL PURPOSE. THE HOSPITAL'S COMMUNITY BENEFIT TOTAL FOR FY17 WAS \$69,221,996 (EXCLUDING COMMUNITY BUILDING) WITH 74,918 SERVED (EXCLUDING COMMUNITY BUILDING). THE FOLLOWING IS AN OVERVIEW OF THE HOSPITAL'S COMMUNITY BENEFIT PROGRAM:</p> <p>COMMUNITY HEALTH IMPROVEMENT SERVICES: THE HOSPITAL UNDERWRITES A VAST RANGE OF COMMUNITY HEALTH EDUCATION AND HEALTH IMPROVEMENT PROGRAMS, NONE OF WHICH ARE DEVELOPED FOR MARKETING PURPOSES, ALL OF WHICH ARE SUPPORTED AS A MEANS OF FULFILLING THE HOSPITAL'S MISSION TO SERVE ITS COMMUNITY. ALMOST 100% OF THE TIME THESE SERVICES ARE OFFERED FREE OF CHARGE; IN THE RARE INSTANCE WHERE A NOMINAL FEE IS ASSESSED THE COST OF PROVIDING THE SERVICE IS NOT COVERED. COMMUNITY HEALTH EDUCATION IS PROVIDED TO THE COMMUNITY AT LARGE. SOME OF THE PROGRAMS REPRESENT ONE TIME EVENTS, HOWEVER MOST ARE ONGOING AND OVER THE YEARS HAVE BECOME ENTRENCHED IN THE COMMUNITY AS A SOURCE OF SUPPORT AND CONTINUED EDUCATION FOR A HEALTHFUL FUTURE. EXAMPLES OF COMMUNITY HEALTH IMPROVEMENT SERVICES INCLUDE (BUT ARE NOT LIMITED TO): 1) HEALTH EDUCATION (COMMUNITY EDUCATION PRESENTATIONS; HEALTH AND WELLNESS EVENTS/HEALTH FAIRS; SUPPORT GROUPS; LARGE SCALE CANCER AWARENESS AND EDUCATIONAL EVENTS; AND THE AVAILABILITY OF HEALTH LITERATURE); 2) COMMUNITY-BASED CLINICAL SERVICES (CLINICS AND SCREENINGS; ANNUAL FLU SHOTS; BLOOD PRESSURE CLINICS); AND 3) HEALTHCARE SUPPORT SERVICES OFFERED TO INCREASE ACCESS AND QUALITY OF CARE TO INDIVIDUALS, ESPECIALLY THOSE LIVING IN POVERTY AND/OR OTHER VULNERABLE POPULATIONS (CENTER FOR CHRONIC CARE MANAGEMENT DISEASE MANAGEMENT OUTPATIENT PROGRAMS FOR ADULT ASTHMA; CHILD ASTHMA; DIABETES EDUCATION AND DISEASE MANAGEMENT; MEDICAL NUTRITION THERAPY; SMOKING CESSATION; CHRONIC HEART FAILURE; AND CHILDHOOD WEIGHT MANAGEMENT). IN FY18, THE HOSPITAL'S COMMUNITY HEALTH IMPROVEMENT SERVICES SERVED 51,196 INDIVIDUALS AT A TOTAL COST OF \$3,655,212 TO THE HOSPITAL.</p> <p>HEALTH PROFESSIONS EDUCATION: HELPING TO PREPARE FUTURE HEALTH CARE PROFESSIONALS IS A LONG-STANDING COMMITMENT OF MIDDLESEX HOSPITAL AND DISTINGUISHING CHARACTERISTIC THAT CONSTITUTES A SIGNIFICANT COMMUNITY BENEFIT. THE HOSPITAL'S FAMILY MEDICINE RESIDENCY PROGRAM GRADUATES FAMILY PRACTICE PHYSICIANS, MANY OF WHOM CONTINUE TO PRACTICE IN THE MIDDLESEX COUNTY AREA AFTER THEIR TRAINING IS COMPLETE. THIS IS ESPECIALLY IMPORTANT GIVEN THAT MIDDLESEX COUNTY HAS BEEN DESIGNATED BY THE HEALTH RESOURCES AND SERVICES ADMINISTRATION (HRSA) TO BE A MEDICALLY UNDERSERVED AREA (MUA) EXPERIENCING A SHORTAGE OF SELECT HEALTH SERVICES WHICH INCLUDES TOO FEW PRIMARY CARE PROVIDERS. IN ADDITION, HRSA REPORTS THAT MIDDLESEX COUNTY IS A HEALTH PROFESSIONAL SHORTAGE AREA (HPSA) FOR PRIMARY MEDICAL CARE. THE HOSPITAL ALSO WELCOMES MEDICAL AND NURSING STUDENT INTERNS AND PROVIDES ON-SITE TRAINING DURING CLINICAL ROTATIONS. NURSING STUDENTS FROM LOCAL COLLEGES AND PROGRAMS RECEIVE HANDS-ON MENTORSHIP IN THE MAJORITY OF CLINICAL SERVICE LINES YEAR-ROUND. OTHER HEALTHCARE PROFESSIONAL EDUCATION INCLUDES THE HOSPITAL'S RADIOLOGY SCHOOL (WHICH OPERATES AT A LOSS FOR THE HOSPITAL) AND CLINICAL/NON-CLINICAL EDUCATIONAL STUDENT TRAINING IN MULTIPLE FIELDS. IN FY18, THE HOSPITAL'S HEALTH PROFESSIONS EDUCATION CATEGORY SERVED 1,717 INDIVIDUALS AT A TOTAL COST OF \$11,516,562 TO THE HOSPITAL.</p> <p>SUBSIDIZED HEALTH SERVICES: THE HOSPITAL'S SUBSIDIZED HEALTH SERVICES REPRESENT A SIGNIFICANT PORTION OF MIDDLESEX HOSPITAL'S ANNUAL COMMUNITY BENEFIT AGGREGATE FINANCIALS AND NUMBERS SERVED. SUBSIDIZED SERVICES ARE PARTICULAR CLINICAL PROGRAMS PROVIDED TO THE COMMUNITY DESPITE A FINANCIAL LOSS, WITH NEGATIVE MARGINS REMAINING AFTER SPECIFIC DOLLARS (FINANCIAL ASSISTANCE AND BAD DEBT) AND SHORTFALLS (MEDICAID) ARE REMOVED. IN ORDER TO QUALIFY AS A SUBSIDIZED SERVICE, THE PROGRAM MUST MEET CERTAIN HEALTH DELIVERY CRITERIA; MEET AN IDENTIFIED NEED IN THE COMMUNITY; AND WOULD BECOME UNAVAILABLE OR THE RESPONSIBILITY OF A GOVERNMENTAL OR ANOTHER NOT-FOR-PROFIT AGENCY TO PROVIDE IF THE HOSPITAL DISCONTINUED THE SERVICE. MIDDLESEX HOSPITAL'S SUBSIDIZED SERVICES INCLUDE FAMILY PRACTICE SERVICES, BEHAVIORAL HEALTH (INPATIENT AND OUTPATIENT), HOMECARE, CARDIAC REHABILITATION, PARAMEDICS, HOSPICE, DIABETES EDUCATION, WOUND CARE AND PULMONARY REHABILITATION. IN FY18 THE HOSPITAL'S SUBSIDIZED SERVICES SERVED 32,379 PEOPLE WITH A TOTAL COST OF \$12,482,119 TO THE HOSPITAL.</p> <p>RESEARCH: MIDDLESEX HOSPITAL CONDUCTS RESEARCH IN THE DOMAINS OF CLINICAL AND COMMUNITY HEALTH. CLINICAL EXAMPLES INCLUDE NATIONAL TRIALS BY THE HOSPITAL'S CANCER CENTER FOR BREAST, LUNG, PROSTATE, COLORECTAL, AMONG OTHERS. FOR FY18, THE HOSPITAL'S ASSOCIATED COSTS FOR ALL RESEARCH PROJECTS TOTALED \$344,113 AND SERVED 244 INDIVIDUALS.</p> <p>FINANCIAL AND IN-KIND CONTRIBUTIONS: MIDDLESEX HOSPITAL SUPPORTS THE COMMUNITY IN THE FORM OF FINANCIAL AND IN-KIND CONTRIBUTIONS. THE HOSPITAL'S IN-KIND CONTRIBUTIONS INCLUDE EQUIPMENT, FOOD, LINENS AND MEDICAL SUPPLIES THAT ARE DONATED BOTH LOCALLY AND GLOBALLY. OTHER IN-KIND DONATIONS INCLUDE CAFETERIA DISCOUNTS FOR YMCA RESIDENTS AND STAFF COORDINATION OF COMMUNITY SUPPORT DRIVES. THE HOSPITAL'S MAIN CAMPUS AND SATELLITE</p>

Return Reference - Identifier	Explanation
	<p>LOCATIONS MAKE MEETING SPACE AVAILABLE, FREE-OF-CHARGE AND ON AN ON-GOING BASIS, FOR MANY COMMUNITY GROUPS THAT WOULD OTHERWISE STRUGGLE TO PAY FOR SPACE. IN ADDITION, EACH YEAR THE HOSPITAL MAKES SUBSTANTIAL CASH DONATIONS TO CAREFULLY SELECTED MISSION-DRIVEN COMMUNITY ORGANIZATIONS THROUGHOUT ITS SERVICE AREA. THE HOSPITAL'S FY18 SUPPORT FOR FINANCIAL AND IN-KIND CONTRIBUTIONS TOTALED \$317,784, SERVING 3,454 INDIVIDUALS.</p> <p>COMMUNITY BENEFIT OPERATIONS: COMMUNITY BENEFIT OPERATIONS INCLUDE ACTIVITIES AND COSTS ASSOCIATED WITH COMMUNITY BENEFIT STRATEGIC PLANNING, ADMINISTRATION, ANNUAL GOAL ATTAINMENT, AND COMMUNITY HEALTH NEEDS ASSESSMENT PRODUCTION AND IMPLEMENTATION. MIDDLESEX HOSPITAL HAS A DEDICATED DIRECTOR OF COMMUNITY BENEFIT AND A REPORTING STRUCTURE THAT OVERSEES COMMUNITY BENEFIT PLANNING AND OPERATIONS. OUTSIDE OF ON-GOING COMMUNITY BENEFIT ACTIVITIES, KEY COMPONENTS OF THE HOSPITAL'S COMMUNITY BENEFIT PROGRAM IS CONDUCTING A COMMUNITY HEALTH NEEDS ASSESSMENT AND DEVELOPING A CHNA IMPLEMENTATION STRATEGY EVERY THREE TAXABLE YEARS, ENSURING THAT THE CHNA IMPLEMENTATION STRATEGY GOALS ARE ADDRESSED THROUGH COLLABORATION WITH COMMUNITY PARTNERS, AND FOCUSING ON HEALTH EQUITY AND HEALTH-RELATED SOCIAL NEEDS. THE HOSPITAL'S FY18 COMMUNITY BENEFIT OPERATIONS EXPENSE TOTALED \$253,371.</p>
SCHEDULE H, PART VI, LINE 6 - AFFILIATED HEALTH CARE SYSTEM	N/A. MIDDLESEX HOSPITAL IS NOT PART OF AN AFFILIATED HEALTH CARE SYSTEM.
SCHEDULE H, PART VI, LINE 7 - ADDITIONAL INFORMATION - STATE FILING COMMUNITY BENEFIT REPORT	UNDER THE CONNECTICUT GENERAL STATUTES 19A-127K, HOSPITALS THAT HAVE A COMMUNITY BENEFIT PROGRAM IN PLACE, AS SPECIFIED BY THE STATUTE, ARE REQUIRED TO REPORT BIENNIAL TO THE STATE OF CT. THIS BIENNIAL COMMUNITY BENEFIT REPORTING IS CURRENTLY UNDER THE AUSPICES OF THE STATE OF CONNECTICUT'S OFFICE OF HEALTH STRATEGY. AS MIDDLESEX HOSPITAL MEETS THE STATUTE AS HAVING A COMMUNITY BENEFIT PROGRAM IN PLACE, IT REPORTS BIENNIAL TO THE STATE OF CT'S OFFICE OF HEALTH STRATEGY.
SCHEDULE H, PART VI, LINE 7 - STATE FILING OF COMMUNITY BENEFIT REPORT	CT

**SCHEDULE I
(Form 990)**

Department of the Treasury
Internal Revenue Service

Name of the organization

MIDDLESEX HOSPITAL

**Grants and Other Assistance to Organizations,
Governments, and Individuals in the United States**

Complete if the organization answered "Yes" on Form 990, Part IV, line 21 or 22.

▶ Attach to Form 990.

▶ Go to www.irs.gov/Form990 for the latest information.

OMB No. 1545-0047

2017

**Open to Public
Inspection**

Employer identification number

06-0646718

Part I General Information on Grants and Assistance

- 1** Does the organization maintain records to substantiate the amount of the grants or assistance, the grantees' eligibility for the grants or assistance, and the selection criteria used to award the grants or assistance? Yes No
- 2** Describe in Part IV the organization's procedures for monitoring the use of grant funds in the United States.

Part II Grants and Other Assistance to Domestic Organizations and Domestic Governments. Complete if the organization answered "Yes" on Form 990, Part IV, line 21, for any recipient that received more than \$5,000. Part II can be duplicated if additional space is needed.

(a) Name and address of organization or government	(b) EIN	(c) IRC section (if applicable)	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of noncash assistance	(h) Purpose of grant or assistance
(1) (SEE STATEMENT)	06-1477711	501(C)(3)	5,000				GENERAL SUPPORT
(2) (SEE STATEMENT)	06-1546991	501(C)(3)	5,000				GENERAL SUPPORT
(3) EUGENE O'NEILL THEATER 305 GREAT NECK RD, WATERFORD, CT 06385	06-6070900	501(C)(3)	6,000				CORPORATE GIFT
(4) MIDDLESEX CHAMBER OF COMMERCE 393 MAIN STREET, MIDDLETOWN, CT 06457	06-0452410	501(C)(6)	42,500				GENERAL SUPPORT
(5) FLORIDA HOSPITAL ASSOCIATION 307 PARK LAKE CIRCLE, ORLANDO, FL 32803	59-6151162	501(C)(3)	10,000				GENERAL SUPPORT
(6)							
(7)							
(8)							
(9)							
(10)							
(11)							
(12)							

2 Enter total number of section 501(c)(3) and government organizations listed in the line 1 table ▶ 4

3 Enter total number of other organizations listed in the line 1 table ▶ 1

For Paperwork Reduction Act Notice, see the Instructions for Form 990.

Cat. No. 50055P

Schedule I (Form 990) (2017)

Part IV

Supplemental Information. Provide the information required in Part I, line 2, Part III, column (b), and any other additional information.

Return Reference - Identifier	Explanation
SCHEDULE I, PART I, LINE 2 - PROCEDURES FOR MONITORING USE OF GRANT FUNDS.	EACH OF THE ORGANIZATIONS HAS A FORMAL PROCESS FOR ENSURING THE GRANT MONEY RECEIVED IS USED FOR APPROPRIATE PURPOSES VIA GRANT COMMITTEES.
SCHEDULE I, PART II, COLUMN A - NAME AND ADDRESS OF ORGANIZATION OR GOVERNMENT	COMMUNITY FOUNDATION OF MIDDLESEX COUNTY 211 SOUTH MAIN STREET, MIDDLETOWN, CT 06457
SCHEDULE I, PART II, COLUMN A - NAME AND ADDRESS OF ORGANIZATION OR GOVERNMENT	FRIENDS OF LONG HILL ESTATE 421 WADSWORTH STREET, MIDDLETOWN, CT 06457

**SCHEDULE J
(Form 990)**

Department of the Treasury
Internal Revenue Service

Name of the organization

MIDDLESEX HOSPITAL

Compensation Information

For certain Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

- ▶ Complete if the organization answered "Yes" on Form 990, Part IV, line 23.
- ▶ Attach to Form 990.
- ▶ Go to www.irs.gov/Form990 for instructions and the latest information.

OMB No. 1545-0047

2017

Open to Public Inspection

Employer identification number

06-0646718

Part I Questions Regarding Compensation

	Yes	No
<p>1a Check the appropriate box(es) if the organization provided any of the following to or for a person listed on Form 990, Part VII, Section A, line 1a. Complete Part III to provide any relevant information regarding these items.</p> <p> <input type="checkbox"/> First-class or charter travel <input type="checkbox"/> Housing allowance or residence for personal use <input checked="" type="checkbox"/> Travel for companions <input type="checkbox"/> Payments for business use of personal residence <input type="checkbox"/> Tax indemnification and gross-up payments <input checked="" type="checkbox"/> Health or social club dues or initiation fees <input type="checkbox"/> Discretionary spending account <input checked="" type="checkbox"/> Personal services (such as, maid, chauffeur, chef) </p>		
<p>b If any of the boxes on line 1a are checked, did the organization follow a written policy regarding payment or reimbursement or provision of all of the expenses described above? If "No," complete Part III to explain</p>	✓	
<p>2 Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all directors, trustees, and officers, including the CEO/Executive Director, regarding the items checked on line 1a?</p>	✓	
<p>3 Indicate which, if any, of the following the filing organization used to establish the compensation of the organization's CEO/Executive Director. Check all that apply. Do not check any boxes for methods used by a related organization to establish compensation of the CEO/Executive Director, but explain in Part III.</p> <p> <input checked="" type="checkbox"/> Compensation committee <input type="checkbox"/> Written employment contract <input checked="" type="checkbox"/> Independent compensation consultant <input checked="" type="checkbox"/> Compensation survey or study <input checked="" type="checkbox"/> Form 990 of other organizations <input checked="" type="checkbox"/> Approval by the board or compensation committee </p>		
<p>4 During the year, did any person listed on Form 990, Part VII, Section A, line 1a, with respect to the filing organization or a related organization:</p> <p>a Receive a severance payment or change-of-control payment?</p> <p>b Participate in, or receive payment from, a supplemental nonqualified retirement plan?</p> <p>c Participate in, or receive payment from, an equity-based compensation arrangement?</p> <p>If "Yes" to any of lines 4a–c, list the persons and provide the applicable amounts for each item in Part III.</p>		✓
	✓	
		✓
<p>Only section 501(c)(3), 501(c)(4), and 501(c)(29) organizations must complete lines 5–9.</p>		
<p>5 For persons listed on Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of:</p> <p>a The organization?</p> <p>b Any related organization?</p> <p>If "Yes" on line 5a or 5b, describe in Part III.</p>		✓
		✓
<p>6 For persons listed on Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of:</p> <p>a The organization?</p> <p>b Any related organization?</p> <p>If "Yes" on line 6a or 6b, describe in Part III.</p>		✓
		✓
<p>7 For persons listed on Form 990, Part VII, Section A, line 1a, did the organization provide any nonfixed payments not described on lines 5 and 6? If "Yes," describe in Part III</p>		✓
<p>8 Were any amounts reported on Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regulations section 53.4958-4(a)(3)? If "Yes," describe in Part III</p>		✓
<p>9 If "Yes" on line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53.4958-6(c)?</p>		

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

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

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

(A) Name and Title		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)–(D)	(F) Compensation in column (B) reported as deferred on prior Form 990	
		(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation					
1	VINCENT CAPECE, JR	(i)	723,739	240,975	214,718	491,550	33,021	1,704,003	446,412
	PRESIDENT/CEO	(ii)	0	0	0	0	0	0	0
2	SUSAN MARTIN	(i)	413,367	0	16,615	136,080	23,042	589,104	15,669
	VP FINANCE/TREASURER	(ii)	0	0	0	0	0	0	0
3	MICHAEL SAXE	(i)	185,159	21,115	0	12,118	8,213	226,605	0
	CHAIRMAN EMERGENCY MEDICINE	(ii)	0	0	0	0	0	0	0
4	ARTHUR MCDOWELL	(i)	13,293	80,000	110,562	1,600	0	205,456	190,562
	FORMER VP CLINICAL AFFAIRS	(ii)	0	0	0	0	0	0	0
5	JESSE WAGNER, MD	(i)	431,612	77,000	38,458	155,500	29,967	732,537	115,458
	VP QUALITY AND PATIENT SAFETY	(ii)	0	0	0	0	0	0	0
6	JACQUELYN CALAMARI	(i)	287,775	63,000	28,410	89,600	21,884	490,669	91,410
	VP PATIENT CARE SERVICES/CNO	(ii)	0	0	0	0	0	0	0
7	EVAN JACKSON	(i)	272,947	25,000	3,676	103,372	19,832	424,827	25,000
	VP STRATEGIC PLANNING AND CIO	(ii)	0	0	0	0	0	0	0
8	DAVID GIUFFRIDA	(i)	289,971	69,000	25,812	116,600	22,971	524,353	94,812
	VP FACILITIES AND SUPPORT SERVICES	(ii)	0	0	0	0	0	0	0
9	DONNA STRONESKI	(i)	221,030	25,250	0	13,944	23,246	283,470	0
	VP HUMAN RESOURCES	(ii)	0	0	0	0	0	0	0
10	GREGORY NOKES	(i)	336,303	62,000	34,287	101,600	22,667	556,858	95,820
	VP HUMAN RESOURCES	(ii)	0	0	0	0	0	0	0
11	JONATHAN BANKOFF	(i)	390,551	31,501	0	16,200	44,143	482,395	0
	CHAIRMAN EMERGENCY MEDICINE	(ii)	0	0	0	0	0	0	0
12	RACHEL LOVINS	(i)	372,190	31,501	0	16,200	44,265	464,156	0
	CHIEF DEPT OF MED	(ii)	0	0	0	0	0	0	0
13	DAVID COSENTINO	(i)	343,420	9,444	0	18,900	43,956	415,720	0
	PHYSICIAN EMERGENCY DEPARTMENT	(ii)	0	0	0	0	0	0	0
14	BRIAN MCGUIRE	(i)	347,605	8,739	0	12,269	44,143	412,756	0
	MEDICAL DIRECTOR ED	(ii)	0	0	0	0	0	0	0
15	MARIO CAPUZZI	(i)	351,234	8,418	0	15,788	42,421	417,862	0
	MEDICAL DIRECTOR ED	(ii)	0	0	0	0	0	0	0
16	(SEE STATEMENT)	(i)							
		(ii)							

Schedule J (Form 990) 2017

Part II

Officers, Directors, Trustees, Key Employees and Highest Compensated Employees (continued)

(a) Name		(b) Breakdown of W-2 and/or 1099-MISC compensation			(c) Retirement and other deferred compensation	(d) Nontaxable benefits	(e) Total of columns (b)(i)-(d)	(f) Compensation reported in prior Form 990 or Form 990-EZ
		(i) Base Compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
⁽¹⁶⁾ JEFFREY SHELTON CHAIRMAN DEPT PSYCH	(i)	358,410	31,500	0	12,412	32,342	434,664	0
	(ii)	0	0	0	0	0	0	0
⁽¹⁷⁾ THEODORE HARTENSTEIN MEDICAL DIRECTOR, UTILIZATION MANAGEMENT	(i)	372,060	31,250	0	9,637	43,644	456,590	0
	(ii)	0	0	0	0	0	0	0

Part III

Supplemental Information. Provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 3, 4a, 4b, 4c, 5a, 5b, 6a, 6b, 7, and 8, and for Part II. Also complete this part for any additional information.

Return Reference - Identifier	Explanation
SCHEDULE J, PART I, LINE 1A - HEALTH OR SOCIAL CLUB DUES OR INITIATION FEES	SOCIAL CLUB DUES - REPRESENTS A CORPORATE MEMBERSHIP AT A GOLF CLUB USED FOR VARIOUS BUSINESS PURPOSES. THE ASSOCIATED COST IS INCLUDED IN THE TAXABLE COMPENSATION OF THE EXECUTIVE STAFF MEMBER (VINCENT CAPECE) ACCORDING TO IRS RULES AND REGULATIONS.
SCHEDULE J, PART I, LINE 1A - PERSONAL SERVICES	REPRESENTS TAX PLANNING AND/OR TAX PERSONAL SERVICES - PREPARATION FEES FOR ONE MEMBER OF THE EXECUTIVE STAFF. THIS BENEFIT WAS TREATED AS TAXABLE COMPENSATION. GREGORY NOKES
SCHEDULE J, PART I, LINE 1A - TRAVEL FOR COMPANIONS	TRAVEL FOR COMPANIONS - THE HOSPITAL'S POLICY PROVIDES FOR SPOUSAL OR "SIGNIFICANT OTHER" TRAVEL IN CERTAIN INSTANCES RELATED TO BUSINESS ACTIVITIES AND PRESCRIBES THE PROPER TAX TREATMENT OF THAT BENEFIT. THIS BENEFIT IS TREATED AS TAXABLE COMPENSATION WHEN APPLICABLE. GREGORY NOKES SUSAN MARTIN VINCENT CAPECE
SCHEDULE J, PART I, LINE 4B - SUPPLEMENTAL NONQUALIFIED RETIREMENT PLAN	NONQUALIFIED RETIREMENT BENEFITS ARE PROVIDED AS PART OF A COMPETITIVE TOTAL COMPENSATION PROGRAM AND TO ENCOURAGE RETENTION OF KEY EXECUTIVES. THE NONQUALIFIED RETIREMENT PLAN BENEFIT ACCRUES ANNUALLY AND EACH YEAR'S CONTRIBUTION VESTS AFTER THREE (3) YEARS OF SERVICE. THE AMOUNT OF THE VESTED BENEFITS IS CONSIDERED "INCOME" TO THE EXECUTIVE'S W-2 FORM AND IS TAXABLE. CERTAIN EXECUTIVES ALSO PARTICIPATE IN A FORMER PLAN, WHERE ACCRUALS CEASED IN 2010 AND THE VESTED BENEFITS WILL BE DISTRIBUTED ON TERMINATION OF EMPLOYMENT. THE FOLLOWING INDIVIDUALS PARTICIPATED IN THE NONQUALIFIED RETIREMENT PLAN. THE AMOUNTS REPORTED BELOW ARE THE SERP VESTED AMOUNTS PAID TO THE EMPLOYEE DURING CALENDAR YEAR 2017: ARTHUR MCDOWELL \$ 110,562 SUSAN MARTIN \$ 15,669 VINCENT CAPECE \$ 205,437 JESSE WAGNER, MD \$ 38,458 DAVID GIUFFRIDA \$ 25,812 JACQUELYN CALAMARI \$ 28,410 GREGORY NOKES \$ 33,820 THE FOLLOWING PARTICIPANTS HAD FUNDS CONTRIBUTED TO THEIR SERP ACCOUNT IN 2017: DAVID GIUFFRIDA \$ 28,700 VINCENT CAPECE \$ 216,900 SUSAN MARTIN \$ 16,480 JESSE WAGNER, MD \$ 41,900 EVAN JACKSON \$ 28,000
SCHEDULE J, PART II, COLUMN (B)(II) - BONUS & INCENTIVE COMPENSATION	THE AMOUNTS REPRESENT INCENTIVE COMPENSATION PAYMENTS MADE IN CALENDAR YEAR 2016. PAYMENTS INCLUDE AMOUNTS EARNED IN 2015 AND DEFERRED, WHERE APPLICABLE.

**SCHEDULE K
(Form 990)**

Department of the Treasury
Internal Revenue Service

Supplemental Information on Tax-Exempt Bonds

▶ Complete if the organization answered "Yes" on Form 990, Part IV, line 24a. Provide descriptions, explanations, and any additional information in Part VI.
▶ Attach to Form 990.

▶ Go to www.irs.gov/Form990 for instructions and the latest information.

OMB No. 1545-0047

2017

Open to Public Inspection

Name of the organization

MIDDLESEX HOSPITAL

Employer identification number

06-0646718

Part I Bond Issues

	(a) Issuer name	(b) Issuer EIN	(c) CUSIP #	(d) Date issued	(e) Issue price	(f) Description of purpose	(g) Defeased		(h) On behalf of issuer		(i) Pooled financing	
							Yes	No	Yes	No	Yes	No
A	STATE OF CT HEALTH & EDUCATIONAL FACILITIES AUTH.	06-0806186	20774YAW7	07/26/2011	33,803,383	SERIES N REFINANCE 10/9/1997 (SERIES H & I)	✓			✓		✓
B	STATE OF CT HEALTH & EDUCATIONAL FACILITIES AUTHORITY	06-0806186	20774YWD5	05/19/2015	19,491,965	SERIES O REFINANCE 12/7/2006 (SERIES L)		✓		✓		✓
C	STATE OF CT HEALTH & EDUCATIONAL FACILITIES AUTHORITY	06-0806186	000000000	06/10/2016	9,683,000	SERIES P REFINANCE 6/10/2016 (SERIES M)		✓		✓		✓
D	STATE OF CT HEALTH & EDUCATIONAL FACILITIES AUTH.	06-0806186	000000000	11/21/2017	9,069,272	SERIES Q REFINANCE 10/26/2010 (SERIES N)		✓		✓		✓

Part II Proceeds

		A		B		C		D	
1	Amount of bonds retired	14,325,000		1,815,000		1,820,113		144,144	
2	Amount of bonds legally defeased	7,600,000		0		0		0	
3	Total proceeds of issue	33,803,651		19,491,965		9,683,000		8,749,618	
4	Gross proceeds in reserve funds	0		0		0		0	
5	Capitalized interest from proceeds	0		0		0		0	
6	Proceeds in refunding escrows	0		0		0		0	
7	Issuance costs from proceeds	537,971		388,960		193,660		173,985	
8	Credit enhancement from proceeds	0		0		0		0	
9	Working capital expenditures from proceeds	0		0		0		0	
10	Capital expenditures from proceeds	0		0		0		0	
11	Other spent proceeds	33,265,690		19,103,010		9,489,340		8,524,713	
12	Other unspent proceeds	0		0		0		552	
13	Year of substantial completion	2011		2015		2016		2018	
		Yes	No	Yes	No	Yes	No	Yes	No
14	Were the bonds issued as part of a current refunding issue?		✓		✓		✓		✓
15	Were the bonds issued as part of an advance refunding issue?	✓		✓		✓		✓	
16	Has the final allocation of proceeds been made?	✓		✓		✓		✓	
17	Does the organization maintain adequate books and records to support the final allocation of proceeds?	✓		✓		✓		✓	

Part III Private Business Use

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

Part III Private Business Use (Continued)

	A		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	No
3a Are there any management or service contracts that may result in private business use of bond-financed property?		✓	✓		✓			✓
b If "Yes" to line 3a, does the organization routinely engage bond counsel or other outside counsel to review any management or service contracts relating to the financed property?				✓		✓		
c Are there any research agreements that may result in private business use of bond-financed property?		✓		✓		✓		✓
d If "Yes" to line 3c, does the organization routinely engage bond counsel or other outside counsel to review any research agreements relating to the financed property?								
4 Enter the percentage of financed property used in a private business use by entities other than a section 501(c)(3) organization or a state or local government . . . ▶		0.00 %		0.00 %		0.00 %		0.00 %
5 Enter the percentage of financed property used in a private business use as a result of unrelated trade or business activity carried on by your organization, another section 501(c)(3) organization, or a state or local government . . . ▶		0.00 %		0.00 %		0.00 %		0.00 %
6 Total of lines 4 and 5		0.00 %		0.00 %		0.00 %		0.00 %
7 Does the bond issue meet the private security or payment test?		✓		✓		✓		✓
8a Has there been a sale or disposition of any of the bond-financed property to a nongovernmental person other than a 501(c)(3) organization since the bonds were issued?		✓		✓		✓		✓
b If "Yes" to line 8a, enter the percentage of bond-financed property sold or disposed of								
c If "Yes" to line 8a, was any remedial action taken pursuant to Regulations sections 1.141-12 and 1.145-2?								
9 Has the organization established written procedures to ensure that all nonqualified bonds of the issue are remediated in accordance with the requirements under Regulations sections 1.141-12 and 1.145-2?	✓		✓		✓		✓	

Part IV Arbitrage

	A		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	No
1 Has the issuer filed Form 8038-T, Arbitrage Rebate, Yield Reduction and Penalty in Lieu of Arbitrage Rebate?		✓		✓		✓		✓
2 If "No" to line 1, did the following apply?								
a Rebate not due yet?		✓	✓		✓		✓	
b Exception to rebate?		✓		✓		✓		✓
c No rebate due?	✓			✓		✓		✓
If "Yes" to line 2c, provide in Part VI the date the rebate computation was performed	07/26/2016							
3 Is the bond issue a variable rate issue?		✓		✓		✓		✓
4a Has the organization or the governmental issuer entered into a qualified hedge with respect to the bond issue?		✓		✓		✓		✓
b Name of provider								
c Term of hedge								
d Was the hedge superintegrated?								
e Was the hedge terminated?								

Part VI

Supplemental Information. Supplemental Information Complete this part to provide additional information for responses to questions on Schedule K (see instructions).

Return Reference - Identifier	Explanation
SCHEDULE K, PART II, LINE 3 - COLUMN A BOND	THE DIFFERENCE BETWEEN THE ISSUE PRICE AND THE TOTAL PROCEEDS IS INTEREST IN THE AMOUNT OF \$268 FOR COLUMN A BOND.
SCHEDULE K, PART II, LINE 7 - COLUMN A BOND	THIS AMOUNT WILL NOT TIE TO 8038 DUE TO ALLOCATION TO OBLIGATED GROUP.
SCHEDULE K, PART II, LINE 10 - COLUMN A BOND	THIS AMOUNT WILL NOT TIE TO 8038 DUE TO ALLOCATION TO OBLIGATED GROUP.
SCHEDULE K, PART II, LINE 11 - COLUMN D BOND	THIS AMOUNT WILL NOT TIE TO 8038 DUE TO ALLOCATION TO OBLIGATED GROUP.
SCHEDULE K, PART III - COLUMN B AND COLUMN C BONDS	THE ORGANIZATION HAS DETERMINED THAT ALL MANAGEMENT / SERVICE CONTRACTS MEET THE SAFE HARBOR UNDER REV. PROC. 2017-13, 2017-6 I.R.B. 787.
SCHEDULE K, PART IV, LINE 2C - COLUMN A	ISSUER NAME: STATE OF CT HEALTH & EDUCATIONAL FACILITIES AUTH. THE CALCULATION FOR COMPUTING NO REBATE DUE WAS PERFORMED ON 07/26/2016

**SCHEDULE L
(Form 990 or 990-EZ)**

Department of the Treasury
Internal Revenue Service

Transactions With Interested Persons

▶ **Complete if the organization answered "Yes" on Form 990, Part IV, line 25a, 25b, 26, 27, 28a, 28b, or 28c, or Form 990-EZ, Part V, line 38a or 40b.**
▶ **Attach to Form 990 or Form 990-EZ.**
▶ **Go to www.irs.gov/Form990 for instructions and the latest information.**

OMB No. 1545-0047

2017

Open To Public Inspection

Name of the organization

MIDDLESEX HOSPITAL

Employer identification number

06-0646718

Part I

Excess Benefit Transactions (section 501(c)(3), section 501(c)(4), and 501(c)(29) organizations only).

Complete if the organization answered "Yes" on Form 990, Part IV, line 25a or 25b, or Form 990-EZ, Part V, line 40b.

1	(a) Name of disqualified person	(b) Relationship between disqualified person and organization	(c) Description of transaction	(d) Corrected?	
				Yes	No
(1)					
(2)					
(3)					
(4)					
(5)					
(6)					

2 Enter the amount of tax incurred by the organization managers or disqualified persons during the year under section 4958. ▶ \$ _____

3 Enter the amount of tax, if any, on line 2, above, reimbursed by the organization ▶ \$ _____

Part II

Loans to and/or From Interested Persons.

Complete if the organization answered "Yes" on Form 990-EZ, Part V, line 38a or Form 990, Part IV, line 26; or if the organization reported an amount on Form 990, Part X, line 5, 6, or 22.

(a) Name of interested person	(b) Relationship with organization	(c) Purpose of loan	(d) Loan to or from the organization?		(e) Original principal amount	(f) Balance due	(g) In default?		(h) Approved by board or committee?		(i) Written agreement?	
			To	From			Yes	No	Yes	No	Yes	No
			(1)									
(2)												
(3)												
(4)												
(5)												
(6)												
(7)												
(8)												
(9)												
(10)												
Total ▶						\$						

Part III

Grants or Assistance Benefiting Interested Persons.

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

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of assistance	(d) Type of assistance	(e) Purpose of assistance
(1)				
(2)				
(3)				
(4)				
(5)				
(6)				
(7)				
(8)				
(9)				
(10)				

Part IV**Business Transactions Involving Interested Persons** (continued)

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of transaction	(d) Description of transaction	(e) Sharing of organization's revenues?	
				Yes	No
(1) ANNE CALAMARI - LCSW COORDINATOR	FAMILY MEMBER - J. CALAMARI	\$107,731	WAGES/COMPENSATION RECEIVED		✓
(2) STEVE MCDOWELL - TRANSPORTATION AND LOGISTICS SUPERVISOR	FAMILY MEMBER - A. MCDOWELL	\$105,319	WAGES/COMPENSATION RECEIVED		✓
(3) VICTORIA MCDOWELL - REGISTERED NURSE	FAMILY MEMBER - A. MCDOWELL	\$62,995	WAGES/COMPENSATION RECEIVED		✓
(4) GUIFFRIDA ELECTRIC CO.	FAMILY MEMBER - D. GUIFFRIDA	\$377,391	PAYMENT FOR SERVICES RENDERED		✓
(5) RUTH WAGNER - REGISTERED NURSE	FAMILY MEMBER - J WAGNER	\$80,263	WAGES/COMPENSATION RECEIVED		✓

Part V

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

Return Reference - Identifier	Explanation
<p>SCHEDULE L, PART IV - RELATED PARTIES</p>	<p>ANNE CALAMARI, LCSW COORDINATOR, IS THE DAUGHTER OF JACQUELYN CALAMARI, VP NURSING. ANNE CALAMARI'S WAGES FOR 10/01/17 TO 09/30/18 TOTALED \$107,731.</p> <p>STEVE MCDOWELL, TRANSPORTATION AND LOGISTICS SUPERVISOR, IS THE BROTHER OF ARTHUR MCDOWELL, VICE PRESIDENT OF CLINICAL AFFAIRS. STEVE MCDOWELL'S WAGES FOR 10/01/17 TO 09/30/18 TOTALED \$105,319.</p> <p>VICTORIA MCDOWELL, REGISTERED NURSE, IS THE SISTER-IN-LAW OF ARTHUR MCDOWELL, VICE PRESIDENT OF CLINICAL AFFAIRS. VICTORIA MCDOWELL'S WAGES FOR 10/01/17 TO 09/30/18 TOTALED \$62,995.</p> <p>COS GIUFFRIDA AND GIULIO GIUFFRIDA, FATHER AND UNCLE OF DAVID GIUFFRIDA, RESPECTIVELY, ARE OWNERS OF GIUFFRIDA ELECTRIC. GIUFFRIDA ELECTRIC PROVIDES ELECTRICAL CONTRACTING SERVICES TO MIDDLESEX HOSPITAL SINCE 1970. AMOUNTS PAID BY THE HOSPITAL FOR SERVICES RENDERED DURING FY18 TOTALED \$377,391.</p> <p>RUTH WAGNER, CCU REGISTERED NURSE, IS THE WIFE OF JESSE WAGNER, VP QUALITY & SAFETY. RUTH WAGNER'S WAGES FOR 10/01/17 TO 09/30/18 TOTALED \$80,263.</p>

**SCHEDULE M
(Form 990)**

Noncash Contributions

OMB No. 1545-0047

2017

**Open to Public
Inspection**

Department of the Treasury
Internal Revenue Service

- ▶ **Complete if the organizations answered "Yes" on Form 990, Part IV, lines 29 or 30.**
- ▶ **Attach to Form 990.**
- ▶ **Go to www.irs.gov/Form990 for the latest information.**

Name of the organization

MIDDLESEX HOSPITAL

Employer identification number

06-0646718

Part I Types of Property

	(a) Check if applicable	(b) Number of contributions or items contributed	(c) Noncash contribution amounts reported on Form 990, Part VIII, line 1g	(d) Method of determining noncash contribution amounts
1 Art—Works of art				
2 Art—Historical treasures				
3 Art—Fractional interests				
4 Books and publications				
5 Clothing and household goods				
6 Cars and other vehicles				
7 Boats and planes				
8 Intellectual property				
9 Securities—Publicly traded	✓	6	47,845	SELLING COST
10 Securities—Closely held stock				
11 Securities—Partnership, LLC, or trust interests				
12 Securities—Miscellaneous				
13 Qualified conservation contribution—Historic structures				
14 Qualified conservation contribution—Other				
15 Real estate—Residential				
16 Real estate—Commercial				
17 Real estate—Other				
18 Collectibles				
19 Food inventory				
20 Drugs and medical supplies				
21 Taxidermy				
22 Historical artifacts				
23 Scientific specimens				
24 Archeological artifacts				
25 Other ▶ ()				
26 Other ▶ ()				
27 Other ▶ ()				
28 Other ▶ ()				

29 Number of Forms 8283 received by the organization during the tax year for contributions for which the organization completed Form 8283, Part IV, Donee Acknowledgement **29** 0

	Yes	No
30a During the year, did the organization receive by contribution any property reported in Part I, lines 1 through 28, that it must hold for at least three years from the date of the initial contribution, and which isn't required to be used for exempt purposes for the entire holding period?		✓
b If "Yes," describe the arrangement in Part II.		
31 Does the organization have a gift acceptance policy that requires the review of any nonstandard contributions?	✓	
32a Does the organization hire or use third parties or related organizations to solicit, process, or sell noncash contributions?		✓
b If "Yes," describe in Part II.		
33 If the organization didn't report an amount in column (c) for a type of property for which column (a) is checked, describe in Part II.		

Part II

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

Return Reference - Identifier	Explanation
SCHEDULE M, PART I - EXPLANATIONS OF REPORTING METHOD FOR NUMBER OF CONTRIBUTIONS	SECURITIES - PUBLICLY TRADED - REPORTING ON COUNT OF DONORS

**SCHEDULE O
(Form 990 or 990-EZ)**

Department of Treasury Internal
Revenue Service

Supplemental Information to Form 990 or 990-EZ

Complete to provide information for responses to specific questions on
Form 990 or 990-EZ or to provide any additional information.

- ▶ Attach to Form 990 or 990-EZ.
- ▶ Go to www.irs.gov/Form990 for the latest information.

OMB No. 1545-0047

2017

Open to Public Inspection

Name of the Organization
MIDDLESEX HOSPITAL

Employer Identification Number
06-0646718

Return Reference - Identifier	Explanation
FORM 990, PART III, LINE 1 - ORGANIZATION'S MISSION	RELATIONSHIPS WITH SPECIALIZED PROVIDERS TO ASSURE COORDINATION OF CARE WHEN SERVICES ARE NOT LOCALLY AVAILABLE. AN INTEGRAL PART OF THE CORE PROGRAMS, SPANNING THEIR TRADITIONAL DIAGNOSTIC AND TREATMENT SERVICES, ARE THE SCORES OF SPECIAL PROGRAMS OFFERED TO THE COMMUNITIES SERVED, MANY OF WHICH FOCUS ON THE DISADVANTAGED AND UNDERSERVED, THOSE SPECIAL POPULATIONS SUCH AS MINORITIES, OLDER PERSONS, PERSONS LIVING IN POVERTY WITH DISABILITIES, CHRONICALLY MENTALLY ILL PERSONS, AND OTHER DISENFRANCHISED PERSONS. MANY OTHER SPECIAL PROGRAMS WITH A FOCUS TO REACH OUT TO ALL MEMBERS OF THE COMMUNITY REGARDLESS OF ECONOMIC CONDITION OR SOCIAL STATUS RESPOND TO PUBLIC HEALTH NEEDS AND INVOLVE EDUCATION OR RESEARCH THAT IMPROVES OVERALL COMMUNITY HEALTH. ALL OF THESE SPECIAL PROGRAMS ARE OFFERED FREE OF CHARGE OR OFFERED AT A RATE THAT IS CONSIDERABLY LESS THAN THE COST OF PROVIDING THEM.
FORM 990, PART III, LINE 4A - PROGRAM SERVICE DESCRIPTION	STAFF PHYSICIANS, MAGNET NURSES, PHYSICIAN ASSISTANTS, PATIENT CARE TECHNOLOGISTS, DIAGNOSTIC TECHNICIANS, PATHOLOGISTS, ADMINISTRATORS, ENVIRONMENTAL SERVICES, SECURITY, ENGINEERING AND A HOST OF OTHERS WORKING TOGETHER TO ENABLE THE ORGANIZATION'S SUCCESS. THE HOSPITAL UNITS INCLUDING INTENSIVE AND CRITICAL CARE, MEDICAL SURGICAL, ONCOLOGY, ORTHOPEDIC, PULMONOLOGY, VASCULAR AND CARDIOLOGY, GASTROINTESTINAL, MATERNITY, A 20 BED PSYCHIATRIC FLOOR, AND HOSPICE SERVICES SPECIALIZE IN THE SPECIFIC NEEDS OF THEIR PATIENTS AND ARE STAFFED TO ACCOMMODATE THE UNIQUE TREATMENT REQUIREMENTS OF EACH. ALL ANCILLARY SERVICES INCLUDING LABS, RADIOLOGY, FOOD SERVICES, PATHOLOGY, PHARMACY, MEDICAL TRANSCRIPTION AND INFORMATION SERVICES TOO ARE A PART OF THE HOSPITAL TEAM. PATIENT CARE IS DEVELOPED WITH FULL CONSIDERATION OF THE WHOLE INDIVIDUAL, AS THEY ARE ASSIGNED TO CONDITION SPECIFIC CARE PATHWAYS AND SERVICES TO SECURE BEST TREATMENT AND RECOVERY.
FORM 990, PART III, LINE 4B - PROGRAM SERVICE DESCRIPTION	HELICOPTER TRANSPORTS. MIDDLESEX HOSPITAL IS COMMITTED TO PROVIDING THE HIGHEST STANDARD OF CARE FOR BOTH THE PHYSICAL AND BEHAVIORAL HEALTH NEEDS OF OUR PSYCHIATRIC PATIENTS. THE EMERGENCY DEPARTMENT AT THE HOSPITAL HOUSES AN EIGHT BED EMERGENCY DEPARTMENT CRISIS UNIT. TREATMENT IS PROVIDED REGARDLESS OF THE PATIENT'S BACKGROUND OR STATUS. ED SERVICES ARE STAFFED WITH CLINICAL PERSONNEL SPECIFICALLY TRAINED TO CARE FOR THE UNIQUE NEEDS OF THEIR PATIENTS (PSYCHIATRISTS, STAFF NURSES, PATIENT CARE TECHNICIANS/MENTAL HEALTH WORKERS, SECRETARIES, NURSE EDUCATOR, SOCIAL WORKERS, COTAS, OT AND OTHERS). TOGETHER THE STAFF PARTNERS WITH HOSPITAL STAFF AND COMMUNITY RESOURCES TO DEVELOP THE BEST CARE PLAN FOR PATIENTS THROUGHOUT THEIR STAY IN THE HOSPITAL AND UPON DISCHARGE. IN FY 18, THE EMERGENCY ROOM ACTIVITY ACCOUNTED FOR 77,222 EMERGENCY DEPARTMENT VISITS. DEMAND CONTINUES TO RISE AND THE SERVICES PROVIDED CONTINUE TO BE RECOGNIZED FOR CONTINUOUS PATIENT SATISFACTION IN PARTICULAR AS A RECIPIENT OF THE PRESS GANEY SUMMIT AWARD FOR ACHIEVING A 99% CUSTOMER SATISFACTION RATING FOR TWELVE CONSECUTIVE YEARS.

Return Reference - Identifier	Explanation
FORM 990, PART III, LINE 4D - DESCRIPTION OF OTHER PROGRAM SERVICES	<p>(EXPENSES \$119,934,271 INCLUDING GRANTS OF)(REVENUE \$162,648,568)</p> <p>OTHER SERVICES INCORPORATE A WIDE RANGE OF CARE PROVIDED TO PATIENTS THAT ARE NOT SPECIFICALLY CAPTURED IN THE THREE LARGEST CATEGORIES. THIS DESIGNATION ACCOUNTS FOR APPROXIMATELY 550,000 VISITS. THESE SERVICES INCLUDE CARE PROVIDED AT THE CANCER CENTER SUCH AS DIAGNOSTIC TESTING, TREATMENT AND SUCH SUPPORTS AS ALTERNATIVE MEDICINE THERAPIES/INTEGRATIVE MEDICINES, AND HEREDITARY RISK ASSESSMENTS. PHYSICAL MEDICINE AND REHABILITATION SERVICES ALSO ARE FOLDED INTO THIS GROUPING. SERVICES ARE AVAILABLE AT MULTIPLE LOCATIONS WHICH OFFER COMPREHENSIVE REHABILITATION AND OCCUPATIONAL MEDICINE AND PHYSICAL THERAPY (INCLUDING HAND THERAPY) SERVICES. CARE IS DELIVERED BY EXPERIENCED, HIGHLY-QUALIFIED STAFF, WITH ADVANCED TRAINING IN PHYSICAL AND OCCUPATIONAL THERAPY, SPEECH LANGUAGE PATHOLOGY AND RELATED FIELDS.</p> <p>IN EACH CLINICAL CASE, PATIENTS ARE EVALUATED AND RECEIVE A UNIQUE TREATMENT PLAN, WHICH INCLUDES DESIRED GOALS, ANTICIPATED OUTCOMES AND THE TIME FRAME NECESSARY TO ACHIEVE CLINICALLY OPTIMAL RESULTS.</p> <p>ADDITIONAL SERVICES ARE AVAILABLE BY THE WOUND AND SKIN TEAM AT MIDDLESEX HOSPITAL. THE MULTIDISCIPLINARY TEAM PROVIDES TREATMENT WHICH FOCUSES ON CLINICAL WOUND, OSTOMY AND SKIN ISSUES. THE HOSPITAL HAS CAREFUL AND ONGOING SERVICES FOR INDIVIDUALS WITH CHRONIC DISEASES. A SAMPLING OF SUCH PROGRAMS INCLUDE PULMONARY REHABILITATION SERVICES WHICH PROVIDE RESPIRATORY THERAPY AND CARE FOR PATIENTS WITH CHRONIC OBSTRUCTIVE PULMONARY DISEASE AS WELL AS DIABETES EDUCATION AND MEDICAL NUTRITION THERAPY AT THE CENTER FOR CHRONIC CARE MANAGEMENT PROVIDED TO INDIVIDUALS WITH A NEW DIAGNOSIS AND UNCONTROLLED DIABETES. MANY BEHAVIORAL HEALTH SERVICES ARE PROVIDED TO PATIENTS IN THE OUTPATIENT SETTING IN ADDITION TO COUNSELING AND SUPPORT GROUPS. PROGRAMS INCLUDE THE DAY TREATMENT PROGRAM (INTENSIVE OUTPATIENT SERVICES FOR ADULTS, GERIATRIC PATIENTS, AND DUALY-DIAGNOSED PATIENTS), SERVICES AT THE OUTPATIENT CENTER FOR BEHAVIORAL HEALTH (PSYCHOTHERAPY AND MEDICATION MANAGEMENT FOR ADULTS) AND THE FAMILY ADVOCACY PROGRAM (MENTAL HEALTH TREATMENT FOR PATIENTS UNDER 18 YEARS OLD AND THEIR FAMILIES). IN FISCAL YEAR ENDING 9/30/2018, THERE WERE 7,524 REVENUE GENERATING AMBULATORY SURGERY CASES FROM ENDOSCOPY/COLONOSCOPY TO ORTHOPEDIC AND OTHER OUTPATIENT PROCEDURES. AMBULATORY OR OUTPATIENT SURGERY IS PERFORMED AT MIDDLESEX HOSPITAL AND THE MIDDLESEX OUTPATIENT CENTER.</p>
FORM 990, PART VI, LINE 2 - FAMILY/BUSINESS RELATIONSHIPS AMONGST INTERESTED PERSONS	<p>CAROL WALLACE & ERIC THORNBURG - BUSINESS RELATIONSHIP ERIC THORNBURG & CHANDLER HOWARD - BUSINESS RELATIONSHIP JEAN D'AQUILA & CHANDLER HOWARD - BUSINESS RELATIONSHIP VINCENT CAPECE & CHANDLER HOWARD - BUSINESS RELATIONSHIP JEAN D'AQUILA & ERIC THORNBURG - BUSINESS RELATIONSHIP</p>
FORM 990, PART VI, LINE 6 - CLASSES OF MEMBERS OR STOCKHOLDERS	<p>THE SOLE MEMBER OF THE HOSPITAL SHALL BE MIDDLESEX HEALTH SYSTEM, INC., A CONNECTICUT NON-STOCK CORPORATION, OR ITS SUCCESSOR IN INTEREST ("SOLE MEMBER").</p>
FORM 990, PART VI, LINE 7A - MEMBERS OR STOCKHOLDERS ELECTING MEMBERS OF GOVERNING BODY	<p>THE ANNUAL ELECTION OF THE BOARD OF DIRECTORS OF THE HOSPITAL BY THE DULY AUTHORIZED REPRESENTATIVE OF THE SOLE MEMBER SHALL BE DEEMED THE ANNUAL MEETING OF THE MEMBERSHIP OF THE HOSPITAL FOR ALL PURPOSES.</p>
FORM 990, PART VI, LINE 7B - DECISIONS REQUIRING APPROVAL BY MEMBERS OR STOCKHOLDERS	<p>THE SOLE MEMBER, MIDDLESEX HEALTH SYSTEM, INC., SHALL HAVE ALL OF THE MEMBERSHIP RIGHTS CONFERRED BY LAW, THE CERTIFICATE OF INCORPORATION OR THE MIDDLESEX HOSPITAL BY-LAWS, BY VOTE OF ITS BOARD OF DIRECTORS, ITS PRESIDENT, OR BY OR THROUGH ANY OTHER PERSON(S) DESIGNATED BY ITS BOARD OF DIRECTORS ON ITS BEHALF. THE SECRETARY OF THE HOSPITAL SHALL PROVIDE APPROPRIATE NOTICES TO THE SOLE MEMBER AS REQUIRED BY LAW IN ADVANCE OF ACTIONS BEING REQUESTED OF THE SOLE MEMBER BY THE BOARD OF DIRECTORS OF THE HOSPITAL.</p>
FORM 990, PART VI, LINE 11B - REVIEW OF FORM 990 BY GOVERNING BODY	<p>DRAFT FORMS OF THE 990, INCLUDING REQUIRED SCHEDULES, ARE PROVIDED TO EACH BOARD MEMBER FOR REVIEW. MEMBERS REVIEW THE DOCUMENTS, HIGHLIGHT ANY SIGNIFICANT CHANGES AND ATTEST THEIR APPROVAL. ANY QUESTIONS OR COMMENTS ARE PRESENTED TO EXECUTIVE MANAGEMENT PRIOR TO FILING. A COPY OF THE FINAL FORM 990 WILL BE PROVIDED TO THE BOARD PRIOR TO FILING WITH THE IRS VIA A WEB BASED COMMUNICATION PORTAL.</p>
FORM 990, PART VI, LINE 12C - CONFLICT OF INTEREST POLICY	<p>CONFLICT OF INTEREST FORMS ARE DISTRIBUTED ANNUALLY TO KEY EMPLOYEES, OFFICERS AND THE BOARD OF DIRECTORS. RESPONSES ARE RETURNED TO, TRACKED, AND REVIEWED BY THE COMPLIANCE OFFICER. INFORMATION REPORTED IS CONSIDERED PERSONAL AND CONFIDENTIAL AND ONLY DISCLOSED WHEN DEEMED NECESSARY TO PROTECT THE HOSPITAL AGAINST THE EFFECTS OF CONFLICTS OF INTEREST AND ONLY AFTER ADVISING THE REPORTING PERSON OF THE PROPOSED DISCLOSURE AND OF ITS EXTENT. MATERIAL CONFLICTS ARE REPORTED TO THE BOARD'S AUDIT COMMITTEE FOR REVIEW AND DETERMINATION.</p> <p>IN ADDITION TO COMPLETING THE ANNUAL CONFLICT OF INTEREST FORM, BOARD MEMBERS MUST IMMEDIATELY DISCLOSE ANY INTEREST AND ALL MATERIAL FACTS TO THE BOARD OF DIRECTORS. THE BOARD THEN REVIEWS THE FACTS AND MAKES THE DETERMINATION AS TO WHETHER A SIGNIFICANT CONFLICT OF INTEREST EXISTS. IF SO, THE BOARD FOLLOWS DISABLING GUIDELINES TO DETERMINE IF THE BOARD MEMBER SHOULD BE ASKED TO RESIGN OR BE REMOVED.</p>

Return Reference - Identifier	Explanation								
FORM 990, PART VI, LINE 15A - PROCESS TO ESTABLISH COMPENSATION OF TOP MANAGEMENT OFFICIAL	EXECUTIVE TEAM COMPENSATION IS REVIEWED ANNUALLY BY THE EXECUTIVE COMPENSATION COMMITTEE OF THE BOARD. THE COMMITTEE HAS A CHARTER AND A POLICY STATEMENT SETTING FORTH A PROCESS AND CERTAIN GUIDELINES FOR DETERMINING COMPENSATION. EXECUTIVES RECEIVE A BASE SALARY AND HAVE THE OPPORTUNITY FOR INCENTIVE COMPENSATION WITHIN A RANGE SET BY THE POLICY. FOLLOWING THE CLOSE OF EACH FISCAL YEAR, THE COMMITTEE RECEIVES A MARKET ANALYSIS FROM INDEPENDENT CONSULTANTS REGARDING COMPENSATION AT PEER GROUPS OF COMPARABLE HOSPITALS AND HEALTH SYSTEMS. POSITIONS WITHIN THE EXECUTIVE TEAM ARE COMPARED TO BENCHMARK POSITIONS WITHIN THIS MARKET DATA AND THEIR COMPENSATION IS COMPARED TO THE DATA BOTH WITH RESPECT TO CASH COMPENSATION AND TOTAL COMPENSATION INCLUDING FRINGE BENEFITS. THE CEO RECOMMENDS THE INCENTIVE AWARDS AND BASE SALARY ADJUSTMENTS TO THE COMPENSATION OF THE EXECUTIVES WHO REPORT TO HIM, AND THE COMMITTEE REVIEWS THOSE RECOMMENDATIONS, APPROVES OR MODIFIES THEM, AND ALSO DETERMINES ANY INCENTIVE AWARD AND BASE SALARY ADJUSTMENT FOR THE CEO. THE CONSULTANTS PROVIDE A WRITTEN OPINION ANNUALLY CONFIRMING THAT THE COMPENSATION OF THE EXECUTIVES, AS ADJUSTED BY THIS PROCESS, IS "REASONABLE" WITHIN APPLICABLE IRS GUIDELINES. THE LAST COMPENSATION REVIEW OCCURRED 12/2017.								
FORM 990, PART VI, LINE 15B - PROCESS TO ESTABLISH COMPENSATION OF OTHER EMPLOYEES	KEY EMPLOYEE COMPENSATION IS SET FOLLOWING THE GUIDELINES SET FORTH IN THE HOSPITAL COMPENSATION POLICY. THE OBJECTIVE OF THIS POLICY IS TO PAY EMPLOYEES BASED UPON HOSPITAL NEED, THE PROPER EXTERNAL LABOR MARKET AND PERFORMANCE. THE LAST COMPENSATION REVIEW OCCURRED 12/2017.								
FORM 990, PART VI, LINE 19 - REQUIRED DOCUMENTS AVAILABLE TO THE PUBLIC	MIDDLESEX HOSPITAL MAINTAINS A QUALITY AND COMPLIANCE SECTION ON ITS WEBSITE, MIDDLESEXHOSPITAL.ORG. THE HOSPITAL POSTS THE MOST CURRENT AUDITED FINANCIAL STATEMENTS AND FORM 990 WITH THOSE OF OTHER AFFILIATES AS THEY BECOME AVAILABLE, AS WELL AS STATEMENTS AND FORMS FROM AT LEAST TWO PREVIOUS FISCAL YEARS. THE HOSPITAL'S CONFLICT OF INTEREST POLICY IS ALSO POSTED ON THE WEBSITE IN THE VENDORS AND SUPPLIERS SECTION. IN ADDITION, THE ORGANIZATION'S FORM 990 IS AVAILABLE AT WWW.GUIDESTAR.ORG AND UPON REQUEST.								
FORM 990, PART XI, LINE 9 - OTHER CHANGES IN NET ASSETS OR FUND BALANCES	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: center;">(a) Description</th> <th style="text-align: center;">(b) Amount</th> </tr> </thead> <tbody> <tr> <td>CHANGE IN ACCUMULATED PENSION CHARGES</td> <td style="text-align: right;">4,217,261</td> </tr> <tr> <td>CAPITAL DISTRIBUTIONS TO RELATED ENTITIES</td> <td style="text-align: right;">- 11,563,000</td> </tr> <tr> <td>EXPENDITURES FROM RESTRICTED FUNDS</td> <td style="text-align: right;">- 905,000</td> </tr> </tbody> </table>	(a) Description	(b) Amount	CHANGE IN ACCUMULATED PENSION CHARGES	4,217,261	CAPITAL DISTRIBUTIONS TO RELATED ENTITIES	- 11,563,000	EXPENDITURES FROM RESTRICTED FUNDS	- 905,000
	(a) Description	(b) Amount							
	CHANGE IN ACCUMULATED PENSION CHARGES	4,217,261							
	CAPITAL DISTRIBUTIONS TO RELATED ENTITIES	- 11,563,000							
EXPENDITURES FROM RESTRICTED FUNDS	- 905,000								
CHANGE IN ACCUMULATED PENSION CHARGES	4,217,261								
CAPITAL DISTRIBUTIONS TO RELATED ENTITIES	- 11,563,000								
EXPENDITURES FROM RESTRICTED FUNDS	- 905,000								

**SCHEDULE R
(Form 990)**

Department of the Treasury
Internal Revenue Service

Name of the organization

MIDDLESEX HOSPITAL

Related Organizations and Unrelated Partnerships

▶ Complete if the organization answered "Yes" on Form 990, Part IV, line 33, 34, 35b, 36, or 37.
▶ Attach to Form 990.

▶ Go to www.irs.gov/Form990 for instructions and the latest information.

OMB No. 1545-0047

2017

**Open to Public
Inspection**

Employer identification number

06-0646718

Part I Identification of Disregarded Entities. Complete if the organization answered "Yes" on Form 990, Part IV, line 33.

(a) Name, address, and EIN (if applicable) of disregarded entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Total income	(e) End-of-year assets	(f) Direct controlling entity
(1) -----					
(2) -----					
(3) -----					
(4) -----					
(5) -----					
(6) -----					

Part II Identification of Related Tax-Exempt Organizations. Complete if the organization answered "Yes" on Form 990, Part IV, line 34, because it had one or more related tax-exempt organizations during the tax year.

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled entity?	
						Yes	No
(1) MIDDLESEX HEALTH SYSTEM, INC. (22-2676137) 28 CRESCENT STREET, MIDDLETOWN, CT 06457	SUPPORT	CT	501(C)(3)	12 TYPE II	N/A		✓
(2) MIDDLESEX HEALTH SERVICES, INC. (22-2676140) 28 CRESCENT STREET, MIDDLETOWN, CT 06457	ASST. LIVING	CT	501(C)(3)	9	MIDDLESEX HEALTH SYSTEM		✓
(3) MIDDLESEX HOSPITAL FOUNDATION (27-3720822) 28 CRESCENT STREET, MIDDLETOWN, CT 06457	SUPPORT	CT	501(C)(3)	12 TYPE II	MIDDLESEX HOSPITAL	✓	
(4) -----							
(5) -----							
(6) -----							
(7) -----							

Part III Identification of Related Organizations Taxable as a Partnership. Complete if the organization answered "Yes" on Form 990, Part IV, line 34, because it had one or more related organizations treated as a partnership during the tax year.

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income (related, unrelated, excluded from tax under sections 512–514)	(f) Share of total income	(g) Share of end-of-year assets	(h) Disproportionate allocations?		(i) Code V—UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner?		(k) Percentage ownership
							Yes	No		Yes	No	
(1) -----												
(2) -----												
(3) -----												
(4) -----												
(5) -----												
(6) -----												
(7) -----												

Part IV Identification of Related Organizations Taxable as a Corporation or Trust. Complete if the organization answered "Yes" on Form 990, Part IV, line 34, because it had one or more related organizations treated as a corporation or trust during the tax year.

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership	(i) Section 512(b)(13) controlled entity?	
								Yes	No
(1) (SEE STATEMENT)									
(2) -----									
(3) -----									
(4) -----									
(5) -----									
(6) -----									
(7) -----									

Part V Transactions With Related Organizations. Complete if the organization answered "Yes" on Form 990, Part IV, line 34, 35b, or 36.

Note: Complete line 1 if any entity is listed in Parts II, III, or IV of this schedule.

	Yes	No
1 During the tax year, did the organization engage in any of the following transactions with one or more related organizations listed in Parts II-IV?		
a Receipt of (i) interest, (ii) annuities, (iii) royalties, or (iv) rent from a controlled entity		✓
b Gift, grant, or capital contribution to related organization(s)	✓	
c Gift, grant, or capital contribution from related organization(s)		✓
d Loans or loan guarantees to or for related organization(s)	✓	
e Loans or loan guarantees by related organization(s)		✓
f Dividends from related organization(s)		✓
g Sale of assets to related organization(s)		✓
h Purchase of assets from related organization(s)		✓
i Exchange of assets with related organization(s)		✓
j Lease of facilities, equipment, or other assets to related organization(s)	✓	
k Lease of facilities, equipment, or other assets from related organization(s)	✓	
l Performance of services or membership or fundraising solicitations for related organization(s)		✓
m Performance of services or membership or fundraising solicitations by related organization(s)		✓
n Sharing of facilities, equipment, mailing lists, or other assets with related organization(s)		✓
o Sharing of paid employees with related organization(s)	✓	
p Reimbursement paid to related organization(s) for expenses	✓	
q Reimbursement paid by related organization(s) for expenses	✓	
r Other transfer of cash or property to related organization(s)		✓
s Other transfer of cash or property from related organization(s)		✓

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

	(a) Name of related organization	(b) Transaction type (a-s)	(c) Amount involved	(d) Method of determining amount involved
(1)				
(2)				
(3)				
(4)				
(5)				
(6)				

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

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

(a) Name, address, and EIN of entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Predominant income (related, unrelated, excluded from tax under sections 512–514)	(e) Are all partners section 501(c)(3) organizations?		(f) Share of total income	(g) Share of end-of-year assets	(h) Disproportionate allocations?		(i) Code V—UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner?		(k) Percentage ownership
				Yes	No			Yes	No		Yes	No	
(1)													
(2)													
(3)													
(4)													
(5)													
(6)													
(7)													
(8)													
(9)													
(10)													
(11)													
(12)													
(13)													
(14)													
(15)													
(16)													

Part IV**Identification of Related Organizations Taxable as a Corporation or Trust** (continued)

(a) Name, address and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C-corp, S-corp or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership	(i) Section 512(b)(13) controlled entity?	
								Yes	No
(1) MIDDLESEX HEALTH RESOURCES, INC. (06-1089925) 28 CRESCENT STREET, MIDDLETOWN, CT 06457	HEALTHCARE	CT	MIDDLESEX HEALTH SYSTEM	C CORPORATION			N/A		✓
(2) INTEGRATED RESOURCES FOR THE MIDDLESEX AREA, LLC (06-1462230) 28 CRESCENT STREET, MIDDLETOWN, CT 06457	OUTPATIENT CARE	CT	MIDDLESEX HEALTH SYSTEM	C CORPORATION			N/A		✓
(3) MHS PRIMARY CARE, INC. (06-1472743) 28 CRESCENT STREET, MIDDLETOWN, CT 06457	HEALTHCARE	CT	MIDDLESEX HEALTH SYSTEM	C CORPORATION			N/A		✓

**MIDDLESEX HEALTH SYSTEM, INC.
AND SUBSIDIARIES**

CONSOLIDATED FINANCIAL STATEMENTS
September 30, 2018 and 2017

MIDDLESEX HEALTH SYSTEM, INC. AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS
September 30, 2018 and 2017

CONTENTS

INDEPENDENT AUDITOR'S REPORT	1
CONSOLIDATED FINANCIAL STATEMENTS	
CONSOLIDATED BALANCE SHEETS	3
CONSOLIDATED STATEMENTS OF OPERATIONS AND CHANGES IN NET ASSETS	4
CONSOLIDATED STATEMENTS OF CASH FLOWS	6
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS	7
SUPPLEMENTAL INFORMATION	
CONSOLIDATING BALANCE SHEET - 2018	43
CONSOLIDATING STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS - 2018	45



INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Middlesex Health System, Inc. and Subsidiaries

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Middlesex Health System, Inc. and Subsidiaries (the Corporation), a not-for-profit, non-stock corporation, which comprise the consolidated balance sheets as of September 30, 2018 and 2017, and the related consolidated statements of operations and changes in net assets and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Corporation's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

(Continued)

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Middlesex Health System, Inc. and Subsidiaries as of September 30, 2018 and 2017, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matter

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The Consolidating Balance Sheet and Consolidating Statement of Operations and Changes in Net Assets are presented for purposes of additional analysis of the consolidated financial statements rather than to present the financial position and results of operations of the individual companies, and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The consolidating information has been subjected to the auditing procedures applied in the audits of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the consolidating information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Crowe LLP
Crowe LLP

Simsbury, Connecticut
December 19, 2018

MIDDLESEX HEALTH SYSTEM, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
September 30, 2018 and 2017

	<u>2018</u>	<u>2017</u>
	<i>(In thousands)</i>	
ASSETS		
Current assets		
Cash and cash equivalents	\$ 29,988	\$ 24,035
Certificates of deposit	-	99
Short-term investments	32,477	31,640
Patient accounts receivable, less allowance for doubtful accounts of \$10,261 (2018) and \$9,871 (2017)	48,032	44,539
Other receivables	4,432	3,012
Prepaid and other current assets	5,741	6,101
Current portion of investments limited as to use	<u>1,962</u>	<u>2,004</u>
Total current assets	122,632	111,430
Investments limited as to use	149,169	142,589
Long-term investments	26,059	15,015
Other assets	12,215	12,893
Property and equipment, net	<u>214,276</u>	<u>203,611</u>
 Total assets	 <u>\$ 524,351</u>	 <u>\$ 485,538</u>
LIABILITIES AND NET ASSETS		
Current liabilities		
Current portion of long-term debt and capital lease obligations	\$ 4,734	\$ 4,194
Accounts payable	31,149	19,515
Accrued payroll and related liabilities	34,516	30,637
Other accrued liabilities	2,631	2,506
Current portion of estimated self-insurance liabilities	3,628	3,436
Current portion of accrued retirement liabilities	<u>30</u>	<u>43</u>
Total current liabilities	76,688	60,331
Other liabilities		
Long-term debt and capital lease obligations, less current portion	43,183	47,443
Estimated self-insurance liabilities, less current portion	23,386	25,200
Accrued retirement liabilities, less current portion	3,397	14,987
Other liabilities including estimated third-party settlements	<u>13,519</u>	<u>13,075</u>
Total other liabilities	83,485	100,705
Total liabilities	160,173	161,036
Net assets		
Unrestricted	345,877	306,467
Temporarily restricted	10,364	10,604
Permanently restricted	<u>7,937</u>	<u>7,431</u>
Total net assets	<u>364,178</u>	<u>324,502</u>
 Total liabilities and net assets	 <u>\$ 524,351</u>	 <u>\$ 485,538</u>

See accompanying notes to the consolidated financial statements.

MIDDLESEX HEALTH SYSTEM, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS AND CHANGES IN NET ASSETS
Years Ended September 30, 2018 and 2017

	<u>2018</u>	<u>2017</u>
	<i>(In thousands)</i>	
Operating revenue:		
Patient service revenue, net of contractual allowances and other discounts	\$ 472,947	\$ 425,935
Provision for bad debts	<u>(16,716)</u>	<u>(13,747)</u>
Patient service revenue, less provision for bad debts	456,231	412,188
Other revenues	<u>14,131</u>	<u>11,326</u>
Total operating revenues	470,362	423,514
Operating expenses:		
Salaries, wages and fees	214,183	200,337
Fringe benefits	44,020	35,793
Purchased services	38,826	35,079
Supplies	42,637	47,412
Depreciation and amortization	25,214	26,433
State hospital tax	35,521	21,095
Interest	1,567	2,212
Other operating expenses	<u>40,820</u>	<u>41,455</u>
Total operating expenses	<u>442,788</u>	<u>409,816</u>
Income from operations	27,574	13,698
Non-operating income (expense)		
Net income from joint ventures and general partnerships	2,625	2,317
Unrestricted gifts and bequest	447	442
Net investment income	5,931	13,403
Other non-operating expenses	<u>(2,086)</u>	<u>(1,114)</u>
Total non-operating income	<u>6,917</u>	<u>15,048</u>
Settlement of pension obligation (Note 9)	<u>(87,130)</u>	<u>-</u>
(Deficiency) excess of revenue over expenses	<u>\$ (52,639)</u>	<u>\$ 28,746</u>

See accompanying notes to the consolidated financial statements.

MIDDLESEX HEALTH SYSTEM, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS AND CHANGES IN NET ASSETS (Continued)
Years Ended September 30, 2018 and 2017

	<u>2018</u>	<u>2017</u>
	<i>(In thousands)</i>	
Unrestricted net assets:		
(Deficiency) excess of revenues over expenses	\$ (52,639)	\$ 28,746
Change in net unrealized (losses) gains	(448)	710
Settlement of pension obligation (Note 9)	87,130	-
Change in accumulated pension charges to unrestricted net assets	4,217	16,716
Net assets released from restrictions for purchase of property and equipment	<u>1,150</u>	<u>928</u>
Change in unrestricted net assets	39,410	47,100
Temporarily restricted net assets:		
Contributions	1,521	1,339
Restricted investment income	238	900
Change in net unrealized gains	61	(75)
Net assets released from restrictions for purchase of property and equipment	(1,150)	(928)
Expenditures for intended purposes	<u>(910)</u>	<u>(795)</u>
Change in temporarily restricted net assets	(240)	441
Permanently restricted net assets:		
Contributions	505	451
Change in net unrealized gains	<u>1</u>	<u>1</u>
Change in permanently restricted net assets	<u>506</u>	<u>452</u>
Change in net assets	39,676	47,993
Net assets, beginning of year	<u>324,502</u>	<u>276,509</u>
Net assets, end of year	<u>\$ 364,178</u>	<u>\$ 324,502</u>

See accompanying notes to the consolidated financial statements.

MIDDLESEX HEALTH SYSTEM, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
Years Ended September 30, 2018 and 2017

	<u>2018</u>	<u>2017</u>
	<i>(In thousands)</i>	
Cash flows from operating activities		
Change in net assets	\$ 39,676	\$ 47,993
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	25,214	26,433
Provision for bad debts	16,716	13,747
Change in accumulated pension charges to unrestricted net assets	(4,217)	(16,716)
Restricted contributions	(2,026)	(1,790)
Change in net unrealized and realized losses on investments	(3,003)	(11,896)
Equity earnings in joint ventures	(2,625)	(2,317)
Change in assets and liabilities		
Patient accounts receivable	(20,209)	(15,815)
Other receivables	(1,420)	193
Prepaid and other assets	1,353	(861)
Accounts payable and other accrued liabilities	6,554	(148)
Accrued payroll and related liabilities	3,879	798
Estimated self-insurance liabilities	(1,622)	2,577
Accrued retirement liabilities	(7,386)	(16,952)
Other liabilities including estimated third-party settlements	<u>569</u>	<u>(379)</u>
Net cash provided by operating activities	51,453	24,867
Cash flows from investing activities		
Purchases of property and equipment	(30,799)	(23,029)
Short-term investments	(837)	(1,282)
Long-term investments	(11,044)	274
Proceeds from sales of investments limited as to use	14,933	25,391
Purchases of investments limited as to use	(18,468)	(26,425)
Changes in certificates of deposit	99	-
Distributions from joint ventures	<u>2,310</u>	<u>1,630</u>
Net cash used in investing activities	(43,806)	(23,441)
Cash flows from financing activities		
Proceeds from issuance of long-term debt	11,599	-
Repayment of long-term debt and capital lease obligations	(15,319)	(4,232)
Restricted contributions	<u>2,026</u>	<u>1,790</u>
Net cash used in financing activities	<u>(1,694)</u>	<u>(2,442)</u>
Change in cash and cash equivalents	5,953	(1,016)
Cash and cash equivalents at beginning of year	<u>24,035</u>	<u>25,051</u>
Cash and cash equivalents at end of year	<u>\$ 29,988</u>	<u>\$ 24,035</u>
Supplemental disclosures of cash flow information		
Cash paid for interest	\$ 1,767	\$ 2,209
Cash paid for taxes	\$ 69	\$ 168
Non-cash investing activity: amounts accrued but not paid for CIP	\$ 5,080	\$ -

See accompanying notes to the consolidated financial statements.

MIDDLESEX HEALTH SYSTEM, INC. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
September 30, 2018 and 2017
(Amounts in thousands)

NOTE 1 - GENERAL

Organization: Middlesex Health System, Inc. (the Corporation) is a not-for-profit, non-stock Connecticut holding company. The Corporation is the sole member/shareholder of its wholly owned subsidiaries as follows: Middlesex Hospital (the Hospital), Middlesex Health Services, Inc. (Services), Middlesex Health Resources, Inc. (Resources), MHS Primary Care, Inc. (MHSPC) dba Middlesex Medical Group (MMG), and Integrated Resources for the Middlesex Area, L.L.C. (IRMA). Middlesex Hospital is a not-for-profit acute care hospital and also has a 50% ownership in the Middlesex Center for Advanced Orthopedic Surgery, LLC. Services operates an assisted living facility. Resources owns and manages certain real estate and also owns an interest in a collection agency. MMG owns and operates physician practices. IRMA is inactive. In addition to serving as the sole member/shareholder of the subsidiary organizations, the Corporation directs all the fund raising activities on their behalf. The Corporation and its subsidiaries are collectively referred to as (the System).

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of Consolidation: The accompanying consolidated financial statements include the accounts of the System. All intercompany accounts and transactions have been eliminated.

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

Use of Estimates: The preparation of the consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that impact the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements. Estimates also impact the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. The System's significant estimates relate to revenue recognition in the valuation of bad debt and contractual allowances and in the valuation of amounts due to and from third-party payers, the estimation of self-insured professional liabilities and other contingent liabilities and the measurement of actuarially determined retirement liabilities. There is at least a reasonable possibility that certain estimates will change by material amounts in the near term. Actual results could differ from those estimates.

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

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

(Continued)

MIDDLESEX HEALTH SYSTEM, INC. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
September 30, 2018 and 2017
(Amounts in thousands)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Certificates of Deposit: The System holds certificates of deposit with various maturity dates, subject to automatic renewals. The certificates of deposit are carried at cost, which approximates fair value.

Investments in Joint Ventures: The System has invested in joint ventures, which are accounted for under the equity method of accounting. Joint ventures balance are included in other assets on the consolidated balance sheets.

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

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

Long-Lived Assets: The System reviews long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset exceeds its fair value and may not be recoverable. If long-lived assets are deemed to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value. Assets to be disposed of are reported at the lower of the carrying amount or the fair value, less costs to sell. As of September 30, 2018 and 2017, no impairment was recorded.

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

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

(Continued)

MIDDLESEX HEALTH SYSTEM, INC. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
September 30, 2018 and 2017
(Amounts in thousands)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

All of the System's investments, as of September 30, 2018 and 2017, were classified as available for sale. Available for sale securities may be sold prior to maturity and are carried at fair value. Realized gains and losses, relating to available for sale securities, are determined on the specific identification basis.

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

Other Than Temporary Impairment of Investments: The System accounts for other than temporary impairments in accordance with FASB ASC 320. When a decline in fair market value is deemed to be other than temporary, a provision for impairment is charged to earnings, included in non-operating income, and the cost basis of that investment is reduced. The System's management reviews several factors to determine whether a loss is other than temporary, such as the length of time a security is in a unrealized loss position, extent to which the fair value is less than cost, the financial condition and near term prospects of the issuer and the System's intent and ability to hold the security for a period of time sufficient to allow for any anticipated recovery in fair value. No impairment losses were recognized in 2018 and 2017.

Investments Limited as to Use: Investments limited as to use include assets set aside by the Board for future unspecified uses and to support education and other programs. The Board retains control over these funds and may, at its discretion, subsequently authorize the use of these funds for any purpose. Investments limited as to use also include donor restricted assets, assets held in a perpetual trust, assets held by trustees under revenue bond agreements and a self-insurance trust arrangement. The System has been named as a participating beneficiary in a perpetual trust. Under the terms of that trust, the System has the irrevocable right to receive income earned on the trust assets in perpetuity. The estimated fair value of the future payments to the System are recorded at fair value of the perpetual trust based on the System's participation.

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

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

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

Level 2 - Inputs to the valuation methodology include:

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

(Continued)

MIDDLESEX HEALTH SYSTEM, INC. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
September 30, 2018 and 2017
(Amounts in thousands)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

Deferred Financing Costs: Deferred financing costs represent costs incurred to obtain long-term financing. Amortization of these costs is provided over the term of the applicable indebtedness using a method which does not differ materially from the effective interest method. Such amortization expense is included in depreciation and amortization in the accompanying consolidated statements of operations and changes in net assets. These costs are a reduction of long-term debt as the System has adopted the provisions of ASU 2015-03, *Interest - Imputation of Interest (Subtopic 835-30): Simplifying the Presentation of Debt Issuance Costs*.

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

Depreciation is provided over the estimated useful life of each class of asset and is computed using the straight-line method. Estimated useful lives range from 3 to 10 years for equipment and 20 to 40 years for buildings and land improvements. A leased building is amortized over the capital lease term of 25 years.

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

The State of Connecticut Public Act No. 11-6, "*An Act Concerning the Budget for the Biennium Ending June 30, 2013 and Other Provisions Relating to Revenue*," includes a tax on the net patient revenues of hospitals and changes to the Disproportionate Share Hospital (DSH) payments to hospitals effective for the State's fiscal year beginning July 1, 2011. Subsequent changes have been made to this public act. In 2017, the Hospital incurred a tax of \$21,095 and received supplemental payment revenue of \$2,266. This transaction resulted in a negative impact on its income from operations of \$18,829. During 2018, additional supplemental payments were made by the State of Connecticut and the Hospital received \$33,587. In 2018, the Hospital continued to pay tax on its net patient service revenues, which amounted to \$35,521. The total combined negative impact on its income from operations was \$1,934 in fiscal year 2018. The Hospital records the supplemental payments as a net adjustment to contractual allowances within net patient service revenue on the statement of operations and changes in net assets.

(Continued)

MIDDLESEX HEALTH SYSTEM, INC. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
September 30, 2018 and 2017
(Amounts in thousands)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Donor Restricted Gifts, Contributions and Pledges: The System encourages contributions and donations for capital replacement and expansion or other specific purposes. Unconditional promises to give cash and other assets to the System are reported at fair value at the date the promise is received. Conditional promises to give and indications of intentions to give are reported at fair value at the date the gift is received. The gifts are reported as either temporarily or permanently restricted support if they are received with donor stipulations that limit the use of the donated assets. Unconditional promises to give are recorded as pledges receivable and are included within other receivables on the consolidated balance sheets. As of 2018 and 2017, pledges receivable included in other receivables were approximately \$597 and \$743, respectively, net of an allowance for doubtful accounts of \$156 and \$190, respectively.

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

Estimated Self-Insurance Liability: The Hospital has adopted a policy of self-insuring the deductible portion of its medical malpractice and general liability insurance coverage. The deductible limits were \$1,000 per claim and \$3,000 in the aggregate annually during 2018 and 2017. The Hospital, in consultation with its actuary, records as a liability an estimate of expected losses. Such liability at September 30, 2018 and 2017 totaled \$11,610 and \$12,905, respectively.

In addition, the Hospital and Services self-insure the workers' compensation program and have purchased excess insurance for those losses exceeding \$600 per occurrence during 2018 and 2017. The System, in consultation with its actuary, records as a liability an estimate of expected losses relating to the workers' compensation program. Such liability, discounted at 2.5% totaled \$7,819 and \$7,831 at September 30, 2018 and 2017, respectively.

Lastly, the Hospital has recognized estimated insurance claims receivable and estimated insurance claims liabilities of approximately \$7,586 and \$7,900 at September 30, 2018 and 2017, respectively. Such amounts represent the actuarially determined present value of insurance claims, excess of the self-insured retentions, that are anticipated to be covered by insurance. The estimated insurance claims receivable and estimated insurance claims liabilities are included in other assets and estimated self-insurance liability, respectively, in the accompanying consolidated balance sheets.

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

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

(Continued)

MIDDLESEX HEALTH SYSTEM, INC. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
September 30, 2018 and 2017
(Amounts in thousands)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

Excess of Revenue Over Expenses: The consolidated statements of operations and changes in net assets include excess of revenue over expenses as the performance indicator. Changes in net assets which are excluded from the performance indicator include the change in net unrealized gains or losses, equity transfers to and from affiliates, both temporarily and permanently restricted contributions and investment income, changes in perpetual trust arrangements, net assets released from restrictions for purchase of property and equipment and certain changes in accumulated pension charges other than net periodic benefit costs.

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

During fiscal year 2018, as further disclosed in Note 9, a defined benefit pension plan was terminated and all future pension obligations were settled. This transaction resulted in a recognition of an \$87,130 expense, which was previously recognized outside of the performance indicator. Upon the pension termination and settlement, the Company reclassified this amount as a separate line item within its performance indicator on the statement of operations and changes in net assets to indicate the final settlement amount of the pension plan.

Income Taxes: The Corporation, Hospital and Services are not-for-profit corporations as described in Section 501(c)(3) of the Internal Revenue Code and are generally exempt from Federal income taxes on related income pursuant to Section 501(a) of the Internal Revenue Code.

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

Resources and MMG account for income taxes in accordance with FASB ASC 740, "*Income Taxes*." FASB ASC 740 is an asset and liability method, which requires the recognition of deferred tax assets and liabilities for the expected future tax consequences of temporary differences between the tax and financial reporting basis of certain assets and liabilities.

(Continued)

MIDDLESEX HEALTH SYSTEM, INC. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
September 30, 2018 and 2017
(Amounts in thousands)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

During fiscal year 2018, MMG filed for a change in tax status to a not-for-profit corporation as described under Section 501(c)(3) of the Internal Revenue Code. Therefore, as of September 30, 2018, there are no deferred tax assets or liabilities recorded. Prior to this, MMG had federal and state net operating loss carryforwards available to reduce Federal and State taxable income. Effective October 1, 2018, MMG received approval from the appropriate tax regulating authorities to convert to a not-for-profit corporation. All net operating loss carryforwards were therefore forfeited based on the change in structure. As of September 30, 2017, MMG had net operating loss carryforwards available to reduce its future Federal taxable income of approximately \$51,815. This resulted in a deferred tax asset of \$17,617. The carryforward periods expired at various dates through 2034. As of September 30, 2017, MMG had net operating loss carryforwards available to reduce its future state taxable income of approximately \$41,450. This resulted in a state deferred tax asset of \$3,109. The state carryforward periods expired at various dates through 2035. The entire deferred tax asset associated with MMG's loss carryforwards was offset by a corresponding valuation allowance, as realization of such loss carryforwards is not assured. There was no other material deferred tax assets or liabilities associated with MMG.

Resources has no available Federal net operating losses at September 30, 2018 and no available state net operating losses to offset future state taxable income.

The System accounts for uncertain tax positions with provisions of FASB ASC 740, "Income Taxes," which provides a framework for how companies should recognize, measure, present and disclose uncertain tax positions in their consolidated financial statements. The System may recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by the taxing authorities, based on the technical merits of the position. The System does not have any uncertain tax positions as September 30, 2018 and 2017. It is the System's policy to record penalties and interest associated with uncertain tax provisions as a component of operating expenses. As of September 30, 2018 and 2017, the System did not record any penalties or interest associated with uncertain tax positions. The System's prior three tax years are open and subject to examination by the Internal Revenue Service.

Reclassifications: Certain reclassifications to the 2017 consolidated financial statements have been made in order to conform to the 2018 presentation. Such reclassifications did not have a material effect on the consolidated financial statements. Such reclassifications did not have an effect on the change in net assets and total net assets.

Subsequent Events: Subsequent events have been evaluated through December 19, 2018, which is the date the consolidated financial statements were issued.

(Continued)

MIDDLESEX HEALTH SYSTEM, INC. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
September 30, 2018 and 2017
(Amounts in thousands)

NOTE 3 - NET PATIENT SERVICE REVENUES

The following reconciles gross patient service revenues to net patient service revenues for the years ended September 30, 2018 and 2017:

	<u>2018</u>			<u>2017</u>		
	<u>Hospital</u>	<u>Other</u>	<u>Total</u>	<u>Hospital</u>	<u>Other</u>	<u>Total</u>
Gross patient charges	\$ 1,320,476	\$ 54,012	\$ 1,374,488	\$ 1,305,639	\$ 44,841	\$ 1,350,480
Deductions:						
Contractual allowances and discounts	(869,573)	(25,486)	(895,059)	(898,137)	(20,034)	(918,171)
Charity care	<u>(6,482)</u>	<u>-</u>	<u>(6,482)</u>	<u>(6,375)</u>	<u>-</u>	<u>(6,375)</u>
	<u>(876,055)</u>	<u>(25,486)</u>	<u>(901,541)</u>	<u>(904,512)</u>	<u>(20,034)</u>	<u>(924,546)</u>
Patient service revenue	444,421	28,526	472,947	401,127	24,808	425,935
Provision for bad debts	<u>(16,059)</u>	<u>(657)</u>	<u>(16,716)</u>	<u>(13,557)</u>	<u>(190)</u>	<u>(13,747)</u>
Net patient service revenue, less provision for bad debts	<u>\$ 428,362</u>	<u>\$ 27,869</u>	<u>\$ 456,231</u>	<u>\$ 387,570</u>	<u>\$ 24,618</u>	<u>\$ 412,188</u>

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

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

Patient service revenue for the years ended September 30, 2018 and 2017, net of contractual allowances and discounts (but before the provision for bad debts), recognized from these major payer sources based on primary insurance designation, is as follows:

	<u>2018</u>	<u>2017</u>
Medicare	\$ 154,342	\$ 153,386
Medicaid	41,857	36,638
Commercial / HMO	226,749	215,565
Other third-party payers	6,831	6,785
Self-pay	9,581	11,295
Other supplemental payments	<u>33,587</u>	<u>2,266</u>
Total patient service revenue, net of contractual allowances, discounts and charity care	<u>\$ 472,947</u>	<u>\$ 425,935</u>

(Continued)

MIDDLESEX HEALTH SYSTEM, INC. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
September 30, 2018 and 2017
(Amounts in thousands)

NOTE 3 - NET PATIENT SERVICE REVENUES (Continued)

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

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

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

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

The System's allowance for doubtful accounts, the majority of which relates to the Hospital, totaled approximately \$10,261 and \$9,871 at September 30, 2018 and 2017, respectively. The allowance for doubtful accounts allocated specifically for self-pay payers was approximately 95% and 90% of total self-pay accounts receivable as of September 30, 2018 and 2017. Overall, the total of self-pay discounts and write-offs has not changed significantly for the years ended September 30, 2018 and 2017.

The Hospital has a longstanding commitment to providing health care to all those in need, regardless of their ability to pay. The Hospital provides both free care and care at reduced rates. The costs for providing these services were calculated using an adjusted cost-to-charge ratio. The charges written off for patients that qualified for free care under the Hospital's Charity Care Program totaled approximately \$6,482 and \$6,375 in 2018 and 2017, respectively. The estimated costs for these services was \$1,901 and \$1,781 in 2018 and 2017, respectively.

During 2018 and 2017, approximately 33% and 37%, respectively, of net patient service revenue was received under the Medicare program, 10% and 9%, respectively, under the state Medicaid and city welfare programs, 49% and 52%, respectively, was received from contracts with private health payers and 8% and 2%, respectively, from patients and others.

(Continued)

MIDDLESEX HEALTH SYSTEM, INC. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
September 30, 2018 and 2017
(Amounts in thousands)

NOTE 3 - NET PATIENT SERVICE REVENUES (Continued)

As of September 30, 2018 and 2017, approximately 41% and 38%, respectively, of patient accounts receivable was due from Medicare, 10% and 12%, respectively, was due from Medicaid and city welfare, 41% and 40%, respectively, was due from private health payers and 8% and 10%, respectively was due from patients and others.

During 2018 and 2017, the Hospital revised estimates made in prior years to reflect the passage of time and the availability of more recent information. During the years ended September 30, 2018 and 2017, changes in estimates related to settlements with third-party payers for prior years (decreased) increased net patient service revenue by approximately \$(46) and \$750, respectively.

NOTE 4 - OTHER REVENUE

Other revenue consists of the following for fiscal years ended September 30, 2018 and 2017:

	<u>2018</u>	<u>2017</u>
Grants	\$ 1,793	\$ 2,297
Cafeteria sales	1,485	1,414
Technical laboratory income	798	744
Investment income	1,652	1,374
EHR income	-	77
Rental income	1,106	941
Purchase discounts	1,003	837
Net assets released from restriction used for operations	302	177
Business interruption insurance proceeds	1,577	-
Miscellaneous	<u>4,415</u>	<u>3,465</u>
	<u>\$ 14,131</u>	<u>\$ 11,326</u>

NOTE 5 - INVESTMENTS

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

(Continued)

MIDDLESEX HEALTH SYSTEM, INC. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
September 30, 2018 and 2017
(Amounts in thousands)

NOTE 5 - INVESTMENTS (Continued)

The fair value of these investments as of September 30, 2018 and 2017, are summarized as follows:

	<u>2018</u>	<u>2017</u>
Cash	\$ 983	\$ 1,217
Money market funds	4,662	3,995
Mutual funds:		
Equity	83,452	79,267
Fixed income	51,340	49,466
Common stock:		
U.S. equity	7,574	7,439
Corporate debt securities	58,536	46,654
Exchange-traded products	<u>3,120</u>	<u>3,210</u>
 Total	 <u>\$ 209,667</u>	 <u>\$ 191,248</u>

Certificates of deposit are not classified as investments and therefore are not included in the table above.

The fair values of investments limited as to use consisted of the following, as of September 30, 2018 and 2017:

	<u>2018</u>	<u>2017</u>
Funds held in trust under revenue		
bond agreements	\$ 1,187	\$ 1,294
Self-insurance liability	10,056	9,961
Board-designated funds	121,421	115,512
Donor-restricted funds	<u>18,467</u>	<u>17,826</u>
 Total	 <u>\$ 151,131</u>	 <u>\$ 144,593</u>

Total gross unrealized losses as of September 30, 2018 amounted to \$1,857 and the fair value of those investments was \$57,045. As of September 30, 2018, no material investments were in an unrealized loss position for greater than 12 months. Based upon the evaluation of the criteria as identified in Note 2, the System does not consider any of these securities to be other than temporarily impaired as of September 30, 2018 and 2017.

Included in net investment income for the years ended September 30, 2018 and 2017, was interest and dividend income of \$2,542 and \$2,143, respectively, and realized gains on sales of investments of \$3,389 and \$11,260, respectively.

(Continued)

MIDDLESEX HEALTH SYSTEM, INC. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
September 30, 2018 and 2017
(Amounts in thousands)

NOTE 6 - FAIR VALUE MEASUREMENTS

The following tables present the financial instruments, carried at fair value, as of September 30, 2018 and 2017, by the valuation hierarchy. These tables include cash equivalents, certificates of deposit, assets limited as to use, debt service funds and long-term investments:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>2018</u>				
Cash and cash equivalents	\$ 983	\$ -	\$ -	\$ 983
Money market funds	4,662	-	-	4,662
Equities				
Mutual funds				
Equity	83,452	-	-	83,452
Fixed income	51,340	-	-	51,340
Fixed income				
Exchange-traded products	3,120	-	-	3,120
Corporate debt securities	<u>-</u>	<u>58,536</u>	<u>-</u>	<u>58,536</u>
 Total	 <u>\$ 151,131</u>	 <u>\$ 58,536</u>	 <u>\$ -</u>	 <u>\$ 209,667</u>
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>2017</u>				
Cash and cash equivalents	\$ 1,217	\$ -	\$ -	\$ 1,217
Certificate of deposit	99	-	-	99
Money market funds	3,995	-	-	3,995
Equities				
Mutual funds				
Equity	79,267	-	-	79,267
Fixed income	49,466	-	-	49,466
Common stock				
U.S. equity	7,439	-	-	7,439
Fixed income				
Exchange-traded products	3,210	-	-	3,210
Corporate debt securities	<u>-</u>	<u>46,654</u>	<u>-</u>	<u>46,654</u>
 Total	 <u>\$ 144,693</u>	 <u>\$ 46,654</u>	 <u>\$ -</u>	 <u>\$ 191,347</u>

(Continued)

MIDDLESEX HEALTH SYSTEM, INC. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
September 30, 2018 and 2017
(Amounts in thousands)

NOTE 6 - FAIR VALUE MEASUREMENTS (Continued)

The amounts reported in the tables above exclude assets invested in the System's defined benefit pension plan.

The Hospital's long-term debt obligations are reported at carrying value. The fair value of the Hospital's long-term debt obligations, excluding capitalized lease obligations and privately placed bond obligations, is approximately \$27,700 and \$44,171 at September 30, 2018 and 2017, respectively. The fair value of Services' long-term debt obligations was approximately \$1,054 and \$3,350 at September 30, 2018 and 2017, respectively. The fair value of the bonds payable is based on quoted market prices for the related bonds and other valuation considerations. The fair value of other debt is based upon discounted cash flow analyses. Fair value of debt is classified as Level 2 within the fair value hierarchy.

The valuation methodologies used to determine the fair values of assets under the "exit price" notion reflect market participant objectives and are based on the application of the fair value hierarchy that prioritizes relevant observable market inputs over unobservable inputs. The System determines the fair values of certain financial assets based on quoted market prices where available and where prices represent a reasonable estimate of fair value. The following is a discussion of the methodologies used to determine fair values for the financial instruments listed in the above tables:

Mutual funds, common stock and exchanged-traded products are traded actively on exchanges and price quotes for these shares are readily available. For corporate debt securities and U.S. government and agency obligations multiple prices and price types are obtained from pricing vendors whenever possible, which enables cross-provider validations. A primary price source is identified based on asset type, class or issue for each security. The fair values of fixed income securities are based on evaluated prices that reflect observable market information, such as actual trade information of similar securities, adjusted for observable differences. The fair value of certificates of deposit are estimated using a discounted cash flows calculation that applies interest rates currently being offered on certificates to a schedule of aggregated expected monthly maturities on time deposits.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the System believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

As of September 30, 2018 and 2017, the System's other financial instruments include cash and cash equivalents, accounts payable, accrued expenses and estimated settlements due to third-party payers. The carrying amounts reported in the consolidated balance sheets for these financial instruments approximate their fair value.

(Continued)

MIDDLESEX HEALTH SYSTEM, INC. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
September 30, 2018 and 2017
(Amounts in thousands)

NOTE 7 - PROPERTY AND EQUIPMENT, NET

Property and equipment and the related accumulated depreciation as of September 30, 2018 and 2017, consist of the following:

	<u>2018</u>	<u>2017</u>
Land and land improvements	\$ 14,701	\$ 14,651
Buildings and fixed equipment	321,824	308,715
Other equipment	209,613	198,472
Leasehold improvements	<u>9,603</u>	<u>8,834</u>
 Total property and equipment	 555,741	 530,672
 Less: accumulated depreciation	 <u>(361,616)</u>	 <u>(337,157)</u>
 Construction-in-progress (estimated cost to complete \$10,775)	 194,125 <u>20,151</u>	 193,515 <u>10,096</u>
 Property and equipment, net	 <u>\$ 214,276</u>	 <u>\$ 203,611</u>

Depreciation expense was \$25,194 and \$26,426 in fiscal years 2018 and 2017, respectively.

Included within buildings and fixed equipment above is a building with a net book value of \$387 and \$456 as of September 30, 2018 and 2017, respectively, for which MMG has a capital lease obligation.

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

Fiscal year ending:	
2019	\$ 6,760
2020	5,650
2021	4,603
2022	3,950
2023	3,282
Thereafter	<u>7,306</u>
	<u>\$ 31,551</u>

Total rental expense under operating leases for the years ended September 30, 2018 and 2017 was approximately \$6,128 and \$5,500, respectively.

(Continued)

MIDDLESEX HEALTH SYSTEM, INC. AND SUBSIDIARIES
 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
 September 30, 2018 and 2017
 (Amounts in thousands)

NOTE 8 - LONG-TERM DEBT

As of September 30, 2018 and 2017, the System's long-term debt consisted primarily of the following State of Connecticut Health and Educational Facilities Authority (CHEFA) Revenue Bonds and certain mortgage notes payable and capital leases, which are secured by certain real estate and other real property.

	<u>2018</u>	<u>2017</u>
Fixed rate revenue bonds, series N, due July 1, 2027	\$ 11,010	\$ 23,715
Fixed rate revenue bonds, series O, due July 1, 2036	16,460	17,080
Fixed rate revenue bonds, series P, due July 1, 2027	7,644	8,518
Fixed rate revenue bonds, series Q, due July 1, 2027	11,361	-
Mortgage notes and capital leases, net of interest	<u>570</u>	<u>643</u>
	47,045	49,956
Add: bond premium	1,776	2,643
Less: unamortized finance costs	(904)	(962)
Less: current portion	<u>(4,734)</u>	<u>(4,194)</u>
	 <u>\$ 43,183</u>	 <u>\$ 47,443</u>

In July of 2011, the Hospital entered into a debt agreement with CHEFA for issuance of CHEFA Series N Revenue Bonds (Series N Bonds) for \$31,930. The proceeds from the Series N Bonds, net of amounts used to establish required reserve accounts, were used to redeem the Series H Bonds. The Series N Bonds were issued at a premium of \$1,873, which will be amortized as a component of interest expense over the term of the CHEFA Series N debt agreement. The Series N Bonds are due on various dates through July 1, 2027 at interest rates between 3.0% to 5.0%.

A portion of the Series N Bonds mentioned above were issued on behalf of Services. As a member of the obligated group, the Hospital is a guarantor of this portion of the Series N Bonds. The outstanding balance of these bonds was \$1,005 and \$3,480 as of September 30, 2018 and 2017, respectively.

In May of 2015, the Hospital entered into a debt agreement with CHEFA for issuance of CHEFA Series O Bonds for \$18,275. The proceeds from the Series O Bonds, net of amounts used to establish required reserve accounts, were used to redeem the Series L Bonds. The Series O Bonds were issued at a premium of \$1,217, which will be amortized as a component of interest expense over the term of the CHEFA Series O debt agreement. The Series O Bonds are due on various dates through July 1, 2036 at interest rates between 3.2% to 3.8%.

In June of 2016, the Hospital entered into a new debt agreement with TD Bank, N.A. as assignee of CHEFA for issuance of CHEFA Series P Bonds for \$9,683. The proceeds from the Series P Bonds, net of amounts used to establish required reserve accounts, were used to redeem the CHEFA Series M Auction Rate Bonds. The Series P Bonds are due on July 1, 2027 at an interest rate of 1.87%.

(Continued)

MIDDLESEX HEALTH SYSTEM, INC. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
September 30, 2018 and 2017
(Amounts in thousands)

NOTE 8 - LONG-TERM DEBT (Continued)

In November of 2017, the Hospital and Services entered into a debt agreement with TD Bank, N.A. as assignee of CHEFA for issuance of CHEFA Series Q Revenue Bonds (Series Q Bonds) for \$11,599. The proceeds from the Series Q Bonds, net of amounts used to establish required reserve accounts, were used to redeem a portion of the Series N Bonds. The Series Q Bonds are due on various dates through July 1, 2027 at the interest rate of 2.15% per annum.

A portion of the Series Q Bonds mentioned above were issued on behalf of Services. As a member of the obligated group, the Hospital is a guarantor of this portion of the Series Q Bonds. The outstanding balance of these bonds was \$2,790 as of September 30, 2018.

The Hospital and Services are required to maintain certain deposits with a trustee relating to its outstanding CHEFA bonds. Such deposits are included in investments limited as to use in the accompanying consolidated balance sheets and consist of \$1,187 and \$1,294 in debt service funds as of September 30, 2018 and 2017, respectively. All of the outstanding CHEFA bonds and mortgage notes place limits on the incurrence of additional borrowings and require that the Hospital satisfy certain measures of financial performance, as long as the bonds and mortgage notes are outstanding. All of the outstanding CHEFA bonds are secured by the gross receipts of the Hospital.

The CHEFA bonds are generally issued at an original premium or discount. This premium or discount is amortized as a component of interest expense over the term of the related CHEFA debt. Amortization is provided over the term of the applicable indebtedness using a method which does not differ materially from the effective interest method.

In 2010, MMG entered into a 15-year capital lease in the amount of \$835 with an interest rate of 6.5% for a building. The outstanding balance on this capital lease at September 30, 2018 and 2017 was \$498 and \$551, respectively.

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

	Long-term <u>Debt</u>	Mortgage Notes / Capital <u>Leases</u>
2019	\$ 4,657	\$ 110
2018	4,587	110
2020	4,953	110
2021	5,180	102
2022	3,521	90
Thereafter	<u>23,577</u>	<u>171</u>
	46,475	693
Add: bond premium	1,776	-
Less: unamortized finance costs	(904)	-
Less: interest	<u>-</u>	<u>(123)</u>
Total	<u>\$ 47,347</u>	<u>\$ 570</u>

(Continued)

MIDDLESEX HEALTH SYSTEM, INC. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
September 30, 2018 and 2017
(Amounts in thousands)

NOTE 8 - LONG-TERM DEBT (Continued)

As of September 30, 2018 and 2017, the System is in compliance with all financial covenants related to the previously noted debt.

NOTE 9 - DEFINED BENEFIT RETIREMENT PLAN

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

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

On November 17, 2017, the Board of Directors of Middlesex Health System, Inc. authorized the System to terminate the Plan during fiscal year 2018. As of September 30, 2018, the Plan was fully settled and terminated and as such there is no accumulated or projected benefit obligation or liability remaining on the System's balance sheet. All plan assets have been paid out to participants through either a lump sum payment or a purchased annuity contract. There is no remaining future obligation or future liability to the System. The recognized final settlement amount of the pension obligation was \$87,130, which was presented as a separate line item within excess of revenues over expenses in the statement of operations and changes in net assets. This amount represents the final settlement amount to be recognized in order to reduce the Plan liability to zero. The amounts had previously been recognized as a separate component of changes in net assets but, as discussed in Note 2, was reclassified to a separate line item within excess of revenues over expenses in order to present the final settlement amount as a component within the performance indicator. There was no effect on total net assets related to this amount.

The following tables provide a reconciliation of the changes to the Plan's benefit obligations and fair value of Plan assets for the years ended September 30, 2018 and 2017, as well as a statement of the funded status of the Plan as of September 30, 2018 and 2017. In addition, the System has a previous supplemental executive defined benefit retirement plan with an immaterial remaining liability as determined by an independent actuary. Amounts related to that plan are included within the following tables as well.

(Continued)

MIDDLESEX HEALTH SYSTEM, INC. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
September 30, 2018 and 2017
(Amounts in thousands)

NOTE 9 - DEFINED BENEFIT RETIREMENT PLAN (Continued)

	<u>2018</u>	<u>2017</u>
Accumulated benefit obligation	\$ <u>156</u>	\$ <u>287,185</u>
Change in benefit obligation:		
Projected benefit obligation at beginning of year	\$ 287,187	\$ 296,814
Interest cost	10,555	10,218
Actuarial gain	(8,787)	(9,696)
Settlements	(278,153)	750
Service cost	350	-
Benefits paid	<u>(10,996)</u>	<u>(10,899)</u>
Projected benefit obligation at end of year	156	287,187
Change in plan assets:		
Fair value of plan assets, beginning of year	275,352	251,109
Actual return on plan assets	3,330	19,528
Employer contributions	10,467	15,050
Settlements	(278,153)	564
Benefits paid	<u>(10,996)</u>	<u>(10,899)</u>
Plan assets at end of year	<u>-</u>	<u>275,352</u>
Funded status	\$ <u>(156)</u>	\$ <u>(11,835)</u>
Amounts recognized in balance sheets consist of:		
Current liability	\$ (30)	\$ (43)
Noncurrent liability	<u>(126)</u>	<u>(11,792)</u>
Net amount recognized	\$ <u>(156)</u>	\$ <u>(11,835)</u>
Amounts recognized as accumulated charges to unrestricted net assets consist of:		
Net actuarial loss	\$ <u>-</u>	\$ <u>91,294</u>

Changes in plan assets and benefit obligation recognized in unrestricted net assets include:

	<u>2018</u>	<u>2017</u>
Unrealized actuarial gain	\$ (73)	\$ (13,996)
Amortization of net gain	(4,144)	(2,720)
Effect of settlement	<u>87,130</u>	<u>-</u>
Total plan	\$ <u>82,913</u>	\$ <u>(16,716)</u>

(Continued)

MIDDLESEX HEALTH SYSTEM, INC. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
September 30, 2018 and 2017
(Amounts in thousands)

NOTE 9 - DEFINED BENEFIT RETIREMENT PLAN (Continued)

The following table provides the components of the net periodic benefit cost for the Plan for the years ended September 30, 2018 and 2017:

	<u>2018</u>	<u>2017</u>
Components of net periodic benefit cost (income):		
Interest cost	\$ 10,555	\$ 10,218
Service cost	350	-
Expected return on plan assets	(10,186)	(15,049)
Amortization of unrecognized net actuarial gain	<u>2,301</u>	<u>2,739</u>
Net periodic benefit cost (income)	<u>\$ 3,020</u>	<u>\$ (2,092)</u>

Weighted-average assumptions used to determine benefit obligations and net periodic benefit cost for the years ended September 30, 2018 and 2017, are as follows:

	<u>2018</u>	<u>2017</u>
Weighted average assumptions as of September 30:		
Discount rate (obligation - see below)	3.75%	3.75%
Discount rate (service cost - see below)	3.75%	3.50%
Expected long-term return on plan assets	3.70%	6.00%
Rate of compensation increase	3.50%	3.50%

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

As previously discussed, the defined benefit pension plan was terminated as of September 30, 2018.

The following table sets forth by level, within the fair value hierarchy, the Plan's assets at fair value as of September 30, 2017:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Mutual funds:				
Equity	\$ 71,536	\$ -	\$ -	\$ 71,536
Common stock:				
U.S. equity	7,047	995	-	8,042
U.S. treasury and government agencies	8,423	121,055	-	129,478
Corporate bonds	-	31,150	-	31,150
Pooled, common and collective	-	32,074	-	32,074
Money market funds	<u>3,072</u>	<u>-</u>	<u>-</u>	<u>3,072</u>
Total	<u>\$ 90,078</u>	<u>\$ 185,274</u>	<u>\$ -</u>	<u>\$ 275,352</u>

(Continued)

MIDDLESEX HEALTH SYSTEM, INC. AND SUBSIDIARIES
 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
 September 30, 2018 and 2017
 (Amounts in thousands)

NOTE 9 - DEFINED BENEFIT RETIREMENT PLAN (Continued)

Mutual funds and common stock are traded actively on exchanges and price quotes for these shares are readily available. For corporate debt securities and U.S. government and agency obligations multiple prices and price types are obtained from pricing vendors whenever possible, which enables cross-provider validations. A primary price source is identified based on asset type, class or issue for each security. The fair values of fixed income securities are based on evaluated prices that reflect observable market information, such as actual trade information of similar securities, adjusted for observable differences. The fair values of participation united in pooled, common and collective funds are based on the net asset values per unit as reported by the fund managers. Fair value of money market funds is estimated to approximate the cost basis of the deposit account balance, based upon the liquidity of the account and the credit quality of the issuer.

The Plan's weighted average asset allocations at September 30, 2017, by asset category, are as follows:

	<u>Target Allocation</u>	<u>Actual Asset Allocation 2017</u>
Asset category:		
Equity securities	30%	29%
Debt securities	<u>70%</u>	<u>71%</u>
Total	<u>100%</u>	<u>100%</u>

The investment policy, as established by the Investment Committee, was to equal or exceed the rate of return of a benchmark comprising 60% of a set of stock indexes, 35% of a custom bond index and 5% of the Salomon Smith Barney World Government Bond Index. For performance evaluation purposes, all rates of return will be examined on a net-of-fee basis. Plan assets are to be broadly diversified so as to limit the impact of large losses in individual investments on the total portfolio. The asset allocation is reviewed on a quarterly basis. The allocation was modified in 2017 as a result of the plans to terminate the Plan, which occurred during 2018.

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

2019	\$	30
2020		27
2021		23
2022		20
2023		17
2024-2028		<u>48</u>
Total	<u>\$</u>	<u>165</u>

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

(Continued)

MIDDLESEX HEALTH SYSTEM, INC. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
September 30, 2018 and 2017
(Amounts in thousands)

NOTE 10 - DEFINED CONTRIBUTION PLANS

Effective January 1, 2010, the Hospital implemented a new retirement program called the Middlesex Retirement Savings and Investment Plan, which provides an automatic core contribution and a matching contribution when participants choose to make pre-tax contributions. The Hospital matches 50% of the first 4% that an employee contributes. In addition, employees become eligible for a core contribution upon completion of 12 months of service provided they earn at least 1,000 hours of service in a calendar year and are actively employed on December 31, unless they retire or become disabled. The core contribution, which ranges from 2-6% of eligible pay, is based on the employee's age and years of service on December 31. The Hospital's total contributions to the plan, including matching and core contributions, totaled \$9,153 and \$8,809 in 2018 and 2017, respectively. In addition, a core contribution of \$4,730, which is scheduled to be paid in 2019, is included in accrued payroll and related liabilities in the accompanying consolidated balance sheets.

In addition, the Hospital sponsors other defined contribution plans for eligible employees. The Hospital's contributions to these plans totaled approximately \$470 and \$431 in 2018 and 2017, respectively.

Services sponsors a 403(b) retirement savings plan (the Savings Plan) for its employees. The Savings Plan allows participants to contribute up to 10% of their annual compensation, not to exceed certain limitations. There is no matching contribution from Services.

MMG sponsors a defined contribution profit sharing plan (the Plan) for its eligible employees. Participants may elect to defer amounts as allowed under the Plan and Internal Revenue Code. The employer match equals 100% of the first 3% of participant elective deferrals plus 50% of the next 2% of participant elective deferrals. In addition, MMG may make discretionary contributions as determined by the board of directors of MMG. For the years ended September 30, 2018 and 2017, MMG made matching contributions in the amount of \$483 and \$461, respectively.

NOTE 11 - ESTIMATED SELF-INSURANCE LIABILITIES AND OTHER CONTINGENCIES

There have been malpractice, general liability, and workers' compensation claims that fall within the Hospital's partially self-insured program (see Note 2) which have been asserted against the Hospital. In addition, there are known incidents that have occurred through September 30, 2018 that may result in the assertion of claims.

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

In addition, the System is involved in litigation arising in the ordinary course of business. In the opinion of the System's management, the ultimate resolution of these claims will not have a material impact on the System's consolidated financial position or results of operations and changes in net assets or cash flows.

(Continued)

MIDDLESEX HEALTH SYSTEM, INC. AND SUBSIDIARIES
 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
 September 30, 2018 and 2017
 (Amounts in thousands)

NOTE 12 - TEMPORARILY AND PERMANENTLY RESTRICTED NET ASSETS

Temporarily restricted net assets are those whose use by the System has been limited by the donors for a specific purpose. Temporarily restricted net assets are available for the following purposes as of September 30, 2018 and 2017:

	<u>2018</u>	<u>2017</u>
Education	\$ 2,509	\$ 2,470
Healthcare services	3,119	3,053
Capital and other	<u>4,736</u>	<u>5,081</u>
 Total	 <u>\$ 10,364</u>	 <u>\$ 10,604</u>

Permanently restricted net assets have been restricted by donors to be maintained by the System in perpetuity. Permanently restricted net assets as of September 30, 2018 and 2017 are as follows:

	<u>2018</u>	<u>2017</u>
Free beds	\$ 1,569	\$ 1,568
Support of hospital operations	5,676	5,176
Other	<u>692</u>	<u>687</u>
 Total	 <u>\$ 7,937</u>	 <u>\$ 7,431</u>

The Organization holds a permanently restricted net asset in the amount of \$2,595 included above within support of hospital operations in the form of a perpetual trust, which has been recorded as a component of investments limited as to use on the consolidated balance sheets.

NOTE 13 - ENDOWMENTS

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

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

(Continued)

MIDDLESEX HEALTH SYSTEM, INC. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
September 30, 2018 and 2017
(Amounts in thousands)

NOTE 13 - ENDOWMENTS (Continued)

Endowment funds consist of the following as of September 30, 2018:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Donor-restricted endowment funds	\$ -	\$ 6,319	\$ 5,342	\$ 11,661
Board-designated endowment funds	<u>113,078</u>	<u>-</u>	<u>-</u>	<u>113,078</u>
Balance as of September 30, 2018	<u>\$ 113,078</u>	<u>\$ 6,319</u>	<u>\$ 5,342</u>	<u>\$ 124,739</u>

Endowment funds consist of the following as of September 30, 2017:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Donor-restricted endowment funds	\$ -	\$ 6,211	\$ 4,836	\$ 11,047
Board-designated endowment funds	<u>107,481</u>	<u>-</u>	<u>-</u>	<u>107,481</u>
Balance as of September 30, 2017	<u>\$ 107,481</u>	<u>\$ 6,211</u>	<u>\$ 4,836</u>	<u>\$ 118,528</u>

Changes in endowment funds for the year ended September 30, 2018, are as follows:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Balance as of October 1, 2017	\$ 107,481	\$ 6,211	\$ 4,836	\$ 118,528
Investment return				
Investment income	5,931	113	-	6,044
Net (depreciation) appreciation	<u>(334)</u>	<u>(8)</u>	<u>1</u>	<u>(341)</u>
Total investment return	5,597	105	1	5,703
Contributions	-	-	505	505
Appropriation of endowment assets for expenditure	<u>-</u>	<u>3</u>	<u>-</u>	<u>3</u>
Balance as of September 30, 2018	<u>\$ 113,078</u>	<u>\$ 6,319</u>	<u>\$ 5,342</u>	<u>\$ 124,739</u>

(Continued)

MIDDLESEX HEALTH SYSTEM, INC. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
September 30, 2018 and 2017
(Amounts in thousands)

NOTE 13 - ENDOWMENTS (Continued)

Changes in endowment funds for the year ended September 30, 2017, are as follows:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Balance as of October 1, 2016	\$ 93,361	\$ 5,581	\$ 4,384	\$ 103,326
Investment return				
Investment income	13,403	253	-	13,656
Net appreciation	<u>805</u>	<u>18</u>	<u>1</u>	<u>824</u>
Total investment return	14,208	271	1	14,480
Contributions	-	-	451	451
Appropriation of endowment assets for expenditure	<u>(88)</u>	<u>359</u>	<u>-</u>	<u>271</u>
Balance as of September 30, 2017	<u>\$ 107,481</u>	<u>\$ 6,211</u>	<u>\$ 4,836</u>	<u>\$ 118,528</u>

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

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

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

(Continued)

MIDDLESEX HEALTH SYSTEM, INC. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
September 30, 2018 and 2017
(Amounts in thousands)

NOTE 14 - FUNCTIONAL EXPENSES

The System provides general healthcare services to residents primarily within their geographic location. Functional expenses related to their operating activities for the fiscal years ended September 30, 2018 and 2017, are as follows:

	<u>2018</u>	<u>2017</u>
Healthcare services	\$ 394,036	\$ 365,667
General and administrative	<u>48,752</u>	<u>44,149</u>
Total	<u>\$ 442,788</u>	<u>\$ 409,816</u>

NOTE 15 - RELATED PARTY TRANSACTIONS

During 2018 and 2017, the System's entities entered into various related party transactions. All significant intercompany accounts and transactions have been eliminated in consolidation.

NOTE 16 - COMMUNITY BENEFIT (Unaudited) (Statistical information in whole numbers)

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

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

(Continued)

MIDDLESEX HEALTH SYSTEM, INC. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
September 30, 2018 and 2017
(Amounts in thousands)

NOTE 16 - COMMUNITY BENEFIT (Unaudited) (Continued)

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

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

(Continued)

MIDDLESEX HEALTH SYSTEM, INC. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
September 30, 2018 and 2017
(Amounts in thousands)

NOTE 16 - COMMUNITY BENEFIT (Unaudited) (Continued)

- Maternal Child Support: To reach out to the community's vulnerable population, the Hospital's Pregnancy and Birth Center (PBC) waives class fees for participants from the Hospital's Family Advocacy Maternal Child Health Program – a comprehensive service within the Behavioral Health Department that outreaches to low-income families lacking necessary resources. Tuition waiver allows access for Family Advocacy members to PBC's Newborn & Infant classes, Breastfeeding classes, and Prepared Childbirth classes.

- Health Literature: Providing no-cost access to health care literature and resources to the public is possible through the Hospital's libraries and publications. The Hospital's main campus and Cancer Center libraries encourage community use of health and medicine resource information. The community, including students, patients, non-employed nurses and physicians routinely utilizes the library's extensive collection of books and periodicals and depends on librarian support as a part of information gathering. In addition, the Cancer Center issues a quarterly newsletter (2,500 household mailing) that reviews cancer-related and health living topics.

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

(Continued)

MIDDLESEX HEALTH SYSTEM, INC. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
September 30, 2018 and 2017
(Amounts in thousands)

NOTE 16 - COMMUNITY BENEFIT (Unaudited) (Continued)

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

- Center for Chronic Care Management (CCCM) Disease Management: The CCCM has been in existence for over 12 years and has served 10,000+ patients. The impetus for the center was an identified sub-set of repeat users of emergency department and inpatient services for asthma. A multidisciplinary team was tasked with examining notable resource gaps for this ambulatory care sensitive condition (that is, one that should be treated in the outpatient setting). A deficit of available outpatient services and coordination of care for asthmatics resulting in barriers for achievement of self-management was identified and in response, using the Chronic Care Model, an evidence-based, patient-centered outpatient asthma service for adults (AIRMiddlesex) and children (LittleAIR) was designed and implemented, offering a comprehensive and systematic approach to the management of asthma as a chronic illness. The asthma care program became the prototype for identifying and meeting community need for chronic care interventions by adding accessible and oftentimes free-of-charge outpatient services. Added services include diabetes disease management (provided since mid-1990, formalized in 2001) and its component medical nutrition therapy; smoking cessation (1999); chronic heart failure (2005); and Chronic Pulmonary Obstructive Disorder (2015). The Center's disease management programs have evolved as a critical part of the health delivery system in Middlesex County by filling unmet chronic care needs. Within the CCCM model, special attention is paid to those unable to access services elsewhere: patients who experience multiple social issues, are often uninsured, are unable to achieve and sustain improved health, and frequently encounter barriers to care. Most programs are offered at no cost to the patient and the program is therefore heavily underwritten by the Hospital. Each of CCCM's initiatives cooperate with community agencies to provide chronic disease management education.
- Cancer Care Management: The Cancer Care Program is a free program offered to patients with a breast, colorectal, lung, prostate, testicular, bladder, gyn, kidney among other cancer diagnoses. With compassion, reassurance and expert knowledge, the Nurse Navigators assist cancer patients in navigating the complex maze from diagnosis through the prescribed treatment and recovery phases of their illness. Additional support is given through education regarding medication and self-care requirements. The Navigators work with the network of specialists and technicians to ensure that the succession of tests and treatments are expedited in the best sequence with full consideration of the patient's needs.
- Transportation & Prescription Voucher Assistance: The Hospital provides a no-cost transportation service for patients requiring radiation oncology treatment who struggle with transportation - with a special emphasis on providing the service for the elderly. Transportation vouchers are supplied to patients in urgent situations and prescription vouchers are given to help to defray costs for patients who are unable to pay for medication.
- Financial Counseling: The Hospital provides information about its financial assistance program to all patients and makes this assistance available to individuals who meet established guidelines. Financial Counselors and social workers are available to answer questions and aid in the application process. In addition, the Hospital has an internal committee that monitors its financial assistance processes, reviews guidelines for appropriateness, and makes adjustments as needed to ensure optimal accessibility to the support.

(Continued)

MIDDLESEX HEALTH SYSTEM, INC. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
September 30, 2018 and 2017
(Amounts in thousands)

NOTE 16 - COMMUNITY BENEFIT (Unaudited) (Continued)

- Alternative to Hospitalization Program (ATH): ATH is a collaborative system offered in the Hospital's Emergency Department where staff works with state behavioral health services to identify eligible individuals for linkage to community-based substance abuse treatment programs.
- Women, Infants and Children (WIC) Program: WIC serves to safeguard the health of low-income women, infants, and children up to age five who are at nutritional risk by providing nutritious foods to supplement diets, information on healthy eating, and referrals to health care. Middlesex Hospital recently became the local subcontractor for WIC when the City of Middletown Health Department, after 25 years, was unable to renew the contract. In addition, due to significant city budget cut-backs, the Middletown program had merged with another county, which made accessibility challenging for local WIC clients. When community members suggested the Hospital assume the program, the Hospital agreed with the importance of keeping the program local, improving accessibility of services, and responding to community need. The service currently resides under the Hospital's comprehensive Family Advocacy Maternal Child Health program which provides support and outreach to a segment of the community's at-risk population.
- Community Care Team (CCT): The Community Care Team is a collaboration among nine community agencies that specialize in the delivery of care for people with serious mental illness and/or substance abuse in Middlesex County. The team's objective is to provide patient-centered care and improve health outcomes by developing and implementing wrap-around services through multi-agency intervention and care planning. CCT has found that the traditional model of episodic care delivery does not adequately meet the needs of its shared population - at its center is the belief that collaborations strengthen communities and can significantly impact outcomes if provided in both an evidence-based and innovative manner. The partners offer patients CCT intervention and team members meet on a weekly basis to review cases, uncover service gaps, and develop individualized care plans. Common traits of CCT patients include behavioral health problems, disjointed care/lack of care coordination, poor primary care connections, housing issues, lack of a social network, noncompliance, loneliness/hopelessness and over-use of Emergency Department services.
- Opportunity Knocks (OK): Formed in 2003 when three Middletown community leaders specializing in early childhood development - Middlesex Hospital's Medical Director of Nurseries & Pediatric Faculty for the Family Practice Residency Program, Middlesex Hospital's Family Advocacy Maternal Child Health Program supervisor and Middletown's School Readiness coordinator - recognized that the health and developmental needs of Middletown's high-need young children could best be met through a coalition that crossed a variety of sectors. The multidisciplinary community coalition comprised of local health and social service agencies, early care and education providers, not-for-profit organizations and parents established goals that focused on the health and well-being of at-risk children ages 0-5. Since the inception of the program, Opportunity Knocks has served 6,000+ children ages 0-5 and countless family members. Middlesex Hospital provides OK's program planner, physician champion, grant-writing support and fiscal administration for the funding sources. In addition, staff members from multiple Hospital departments actively participate in the collaborative, including representatives from Family Advocacy Maternal Child Health, Diabetes Management, Asthma Management, Fit For Kids, Family Practice, the Family Medicine Residency program, and the Pregnancy & Birth Center.

(Continued)

MIDDLESEX HEALTH SYSTEM, INC. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
September 30, 2018 and 2017
(Amounts in thousands)

NOTE 16 - COMMUNITY BENEFIT (Unaudited) (Continued)

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

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

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

(Continued)

MIDDLESEX HEALTH SYSTEM, INC. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
September 30, 2018 and 2017
(Amounts in thousands)

NOTE 16 - COMMUNITY BENEFIT (Unaudited) (Continued)

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

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

(Continued)

MIDDLESEX HEALTH SYSTEM, INC. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
September 30, 2018 and 2017
(Amounts in thousands)

NOTE 16 - COMMUNITY BENEFIT (Unaudited) (Continued)

- Middlesex Hospital's Behavioral Health Program: provides a large spectrum of behavioral health services, including inpatient and outpatient therapy and support, child and adolescent services and a maternal child health program – and is heavily subsidized by the Hospital. The Hospital recognizes that the life disruptions caused by mental illness, severe behavioral problems, and addiction especially coupled with medical complexities can be devastating for patients and their families and is committed to providing the highest standard of care for both the physical and behavioral health needs of its psychiatric patients. Treatment is provided regardless of the patient's background and/or ability to pay. The behavioral health system at Middlesex Hospital is premised on guiding principles designed to empower each individual to attain optimal functioning in a compassionate, supportive, professional, collaborative environment. Each care plan is individualized with careful consideration of the patient's physical and mental needs and preferences. The Hospital has a 20 bed psychiatric unit for patients requiring inpatient stays; Day Treatment Program that provides intensive outpatient and partial hospital services for adolescents, adults and geriatric patients with psychiatric and co-occurring substance abuse/psychiatric disorders; Outpatient Behavioral Health Clinic that offers treatment in individual, family, and group therapy to meet general adult and senior psychiatric needs; Family Advocacy Program (FAP) that offers comprehensive psychiatric services designed to improve the lives of children, adolescents and their families and improve access to critical resources; and FAP Maternal Child Health which provides primary prevention, case management and home-based parenting skill building wrap around and support services for at-risk first time families involved in Department of Children and Families (DCF).

- Middlesex Hospital Homecare: Recognizing the need for medical services for patients who are homebound, the Hospital's Homecare department, founded in 1900, makes over 160,000 visits per year to community residents with services available 7 days/week, 24 hours/day. While the program requires subsidy from the Hospital, it meets a vital need in community health. Staffing includes specialty nurses, home health aides, physical therapists, occupational therapists, speech therapists, medical social workers and nutritionists. The broad array of comprehensive services offered to meet the needs of the homecare patient encompass: 1) behavioral; 2) diabetes care and education; 3) specialized cardiac care; 4) geriatric care which focuses on the special needs of senior patients and includes management of conditions, complex medications and/or long-term illness; 5) infusion therapy; 6) the emergency response Lifeline program; 7) maternal/child health services; 8) hospice and palliative care services; 9) psychiatric nursing for patients with primary psychiatric illness living in the community; 10) medical rehabilitation; 11) respiratory/pulmonary care; 12) wound/ostomy care; and 13) various community health services including flu shots and health fairs.

- Middlesex Hospital Cardiac Rehabilitation: Cardiac Rehabilitation is a service offered by Middlesex Hospital due to community request. In response, the Hospital makes this comprehensive program available to its community members despite a financial loss. The service includes progressive cardiac-monitored exercise plans customized per individual, risk-factor education, and is designed to assist patients who have had a recent heart attack, cardiac bypass, cardiac valve surgery, coronary angioplasty, or newly stabilized angina symptoms in achieving a speedy recovery and a healthy, productive lifestyle. Services for patients (and often their caregivers) include education on diagnosis, plan of care, and the requirements necessary to best manage their condition; discussion regarding appropriate lifestyle modifications given the new diagnosis; support to help diminish the fear of appropriate exercise and guidance on level of exertion and pulse rate monitoring; and symptom management education and recognition.

(Continued)

MIDDLESEX HEALTH SYSTEM, INC. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
September 30, 2018 and 2017
(Amounts in thousands)

NOTE 16 - COMMUNITY BENEFIT (Unaudited) (Continued)

- Middlesex Hospital Paramedics Service: The Hospital performed a study and found that there was a gap in outpatient services for those experiencing complex and chronic wounds. In response, the Hospital created the Wound Care Center where a full range of services for effective wound treatment is provided. Clinical providers at both of the Hospital's Wound Care Center locations aid in determining what local or systemic factors are impeding the healing process, and assist in developing a specialized and individualized treatment care plan. Using a planned, systematic approach which includes consideration of all factors that affect wound healing, the Center treats four primary wound types: venous stasis ulcers, diabetic foot ulcers, ischemic ulcers and stage III and IV pressure ulcers. The Wound Care Center functions at a loss for the hospital and requires subsidy.

- Middlesex Hospital's Homecare Hospice Program: The Hospital is committed to caring for the terminally ill and their families by enhancing quality of life for the patient. Services include comfort care with relief of physical symptoms, the provision of emotional and spiritual support, and the desire to support the patient's right to make choices and remain as autonomous as possible during this phase of life. As terminal illness brings a host of new and difficult challenges for both patient and family, the Hospital's Homecare Hospice program views patient and family as a single unit of care. Care is delivered through an interdisciplinary team that includes physicians, nurses, social workers, physical therapists, occupational therapists, nutritionists, home health aides, spiritual support, pharmacists, bereavement counselors, and specially-trained volunteers. The care setting includes home hospice as well as an inpatient comfort care unit designed to provide short-term care for patients requiring pain and symptom control as well as respite care during the last days of life. This vital community program functions at a loss for the Hospital. The Hospital also offers outpatient Palliative Care services which assist patients and families with critical decisions while providing maximum physical comfort and emotional support. Outpatient Palliative care services include pain and symptom control, psychosocial support, patient education about self-determination and advance directives, negotiating end-of-life decisions, and helping patients and loved ones understand and cope with the process of dying.

- Middlesex Hospital Wound Care: The Hospital performed a study and found that there was a gap in outpatient services for those experiencing complex and chronic wounds. In response, the Hospital created the Wound Care Center where a full range of services for effective wound treatment is provided. Clinical providers at both of the Hospital's Wound Care Center locations aid in determining what local or systemic factors are impeding the healing process, and assist in developing a specialized and individualized treatment care plan. Using a planned, systematic approach which includes consideration of all factors that affect wound healing, the Center treats four primary wound types: venous stasis ulcers, diabetic foot ulcers, ischemic ulcers and stage III and IV pressure ulcers. The Wound Care Center functions at a loss for the hospital and requires subsidy.

(Continued)

MIDDLESEX HEALTH SYSTEM, INC. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
September 30, 2018 and 2017
(Amounts in thousands)

NOTE 16 - COMMUNITY BENEFIT (Unaudited) (Continued)

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

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

Financial and In-Kind Contributions: Middlesex Hospital supports the community in the form of financial and in-kind contributions. The Hospital's in-kind contributions include equipment, food, linens and medical supplies that are donated both locally and globally. Other in-kind donations include cafeteria discounts for YMCA residents, and staff coordination of community support drives including the United Way, Adopt-A-Family holiday gift program, Families Feeding Families, the Middletown Community Thanksgiving Drive, Lions' Club eyeglasses and hearing aid collection, Light One Little Candle and Reach Out and Read childhood readership. The Hospital's main campus and satellite locations make meeting space available, free-of-charge and on an on-going basis, for many community groups that would otherwise struggle to pay for space. Examples of community programs that utilize hospital space include (but are not limited to): Compassionate Friends Meeting, Community Support for Families, Fatherhood Initiative - Education & Support Group, and local nursing school programs. In addition, each year the Hospital makes substantial cash donations to carefully selected mission-driven community organizations throughout its service area.

Community Building Activities: Middlesex Hospital's participation in Community Building activities has a vital role in continuing to promote health and well-being for residents in its service area and, in some cases, the international community. The Hospital offers its resources and expertise to support and strengthen community assets in a variety of programs that fall under the scope of community building. Staff members are highly participative in community partnerships and coalitions, the success of which are greatly enhanced by Hospital collaboration - many community initiatives would not be as effective without the Hospital's administrative and clinical staff in-kind involvement, support and expertise. The Hospital's participation in all community building activities are solely to benefit the community's health and well-being by improving access to health services and enhancing overall public health and in no case is the motivation for marketing purposes. The following programs highlight the importance of the Hospital's involvement in community building activities:

(Continued)

MIDDLESEX HEALTH SYSTEM, INC. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
September 30, 2018 and 2017
(Amounts in thousands)

NOTE 16 - COMMUNITY BENEFIT (Unaudited) (Continued)

- The Hospital partakes in many good neighbor community activities outside of the scope of the healthcare delivery system; such participation often incurs significant expense to the Hospital. For Disaster Readiness, the Hospital plays a pivotal role by working in collaboration with key community partners to ensure the safety of the community at large during a potential disaster. Hospital employees participate on multiple community boards and initiatives designed specifically to address disaster preparedness, control and address the ongoing overall safety of the community. Only the activities and associated cost which exceed licensure and standard practice requirements are included in the Hospital's community benefit inventory. Disaster readiness requires a comprehensive, community-wide coordinated effort for coping with such emergencies as natural disasters, infectious disease outbreaks, bio terrorism, or acts of civil unrest. Hospital security staff, paramedics, infectious diseases specialists, nursing and medical staff are all involved in the continuing effort to be prepared for whatever community emergencies might arise. Examples include participation in community disaster preparation committees, community education and natural disaster drills; pandemic preparedness and stockpiling of supplies that exceeds regulatory standards; and hosting yearly radiation drills for the staff of a local nuclear power plant where Hospital staff train power plant workers (at no-cost) on protocols for internal contamination.
- Middlesex Hospital's Shoreline Medical Center (SMC) is committed to working with local schools to introduce the concept of a medical career in a full range of medical related professions and reinforce the importance of continuing one's education. Each year SMC hosts a multidisciplinary Career Day, World of Work, and oversees high school student mentorship. In response to a looming nursing shortage a dedicated nurse at SMC created Career Day, an annual event where students from the community can experience an emergency in real time and learn what it's like to be a health professional. An additional benefit of Career Day includes spurring many high school students to intern at SMC throughout the school year – the internship provides a unique opportunity for students to receive direct mentorship from health care professionals and exposure to a variety of health delivery disciplines. As a result, many have chosen to pursue careers in health post high school graduation. Yet another program designed specifically to encourage a career in health is SMC's World of Work where students from a local middle school spend half a day on-site learning about paramedics and emergency medical services, radiology, nursing and laboratory services. The idea is to foster an interest in health as a career at an early age.
- Community Benefit Operations: Community Benefit Operations include activities and costs associated with community benefit strategic planning, administration, and health assessment production and execution. Middlesex Hospital has a dedicated manager of community benefit, along with a community benefit steering committee (comprised of hospital leadership) that oversees community benefit planning and operations.
- Middlesex Hospital completed its most recent community health needs assessment (CHNA) in 2016 and followed the CHNA with prioritization and development of a CHNA implementation plan. The process of formally measuring the health of the community through a community health needs assessment allows for a comprehensive understanding of a community's health status as well as the needs, gaps and barriers to health and health services. Using this data, Middlesex Hospital has developed a prioritized implementation strategy to address identified need; its community health needs assessment implementation strategy outlines the process for prioritization and serves as the foundation for the Hospital's Community Benefit strategic plan.

(Continued)

MIDDLESEX HEALTH SYSTEM, INC. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
September 30, 2018 and 2017
(Amounts in thousands)

NOTE 16 - COMMUNITY BENEFIT (Unaudited) (Continued)

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

State Sponsored Health Care, Unpaid Costs: Community benefits related to government sponsored programs include the unpaid cost of specific public programs. In FY2018 payments received for Medicaid services provided by the Hospital did not cover the actual cost of providing these services; these unpaid costs are reported in the financial statement.

SUPPLEMENTAL INFORMATION

MIDDLESEX HEALTH SYSTEM, INC.
CONSOLIDATING BALANCE SHEET
September 30, 2018
(Amounts in thousands)

	Middlesex Hospital	Middlesex Health System, Inc.	Middlesex Health Services, Inc.	Middlesex Health Inc.	Eliminations	Sub-Total Obligated Group	Middlesex Health Resources, Inc.	Middlesex Medical Group	Eliminations	Consolidated
ASSETS										
Current assets										
Cash and cash equivalents	\$ 27,632	\$ 15	\$ 876	\$ -	\$ -	\$ 28,523	\$ 779	\$ 686	\$ -	\$ 29,988
Short-term investments	32,477	-	-	-	-	32,477	-	-	-	32,477
Patient accounts receivable, net	45,762	-	(3)	-	-	45,759	-	2,273	-	48,032
Other receivables	4,427	-	-	-	-	4,427	5	-	-	4,432
Prepaid and other current assets	5,498	-	-	-	-	5,498	32	211	-	5,741
Current portion of investments limited as to use	<u>1,809</u>	-	<u>153</u>	-	-	<u>1,962</u>	-	-	-	<u>1,962</u>
Total current assets	<u>117,605</u>	<u>15</u>	<u>1,026</u>	-	-	<u>118,646</u>	<u>816</u>	<u>3,170</u>	-	<u>122,632</u>
Investments limited as to use	149,134	-	35	-	-	149,169	-	-	-	149,169
Long-term investments	26,059	-	-	-	-	26,059	-	-	-	26,059
Other assets										
Due from related parties	2,880	-	-	(891)	-	1,989	-	-	(1,989)	-
Other assets	<u>11,299</u>	-	<u>187</u>	-	-	<u>11,486</u>	<u>239</u>	<u>490</u>	-	<u>12,215</u>
Total other assets	<u>14,179</u>	-	<u>187</u>	(891)	-	<u>13,475</u>	<u>239</u>	<u>490</u>	(1,989)	<u>12,215</u>
Property and equipment, net	<u>201,849</u>	-	<u>4,181</u>	-	-	<u>206,030</u>	<u>2,295</u>	<u>5,951</u>	-	<u>214,276</u>
Total assets	<u>\$ 508,826</u>	<u>\$ 15</u>	<u>\$ 5,429</u>	<u>\$ (891)</u>	<u>\$ (891)</u>	<u>\$ 513,379</u>	<u>\$ 3,350</u>	<u>\$ 9,611</u>	<u>\$ (1,989)</u>	<u>\$ 524,351</u>

(Continued)

MIDDLESEX HEALTH SYSTEM, INC.
CONSOLIDATING BALANCE SHEET (Continued)
September 30, 2018
(Amounts in thousands)

	Middlesex Hospital	Middlesex Health System, Inc.	Middlesex Health Services, Inc.	Eliminations	Sub-Total Obligated Group	Middlesex Health Resources, Inc.	Middlesex Medical Group	Eliminations	Consolidated
LIABILITIES AND NET ASSETS									
Current liabilities									
Current portion of long-term debt and capital lease obligations	\$ 4,290	\$ -	\$ 368	\$ -	\$ 4,658	\$ -	\$ 76	\$ -	\$ 4,734
Accounts payable	30,560	-	57	-	30,617	15	517	-	31,149
Due to related parties	-	-	891	(891)	-	4	1,985	(1,989)	-
Accrued payroll and related liabilities	31,420	-	162	-	31,582	-	2,934	-	34,516
Other accrued liabilities	2,558	-	13	-	2,571	-	60	-	2,631
Current portion of estimated self-insurance liability	3,472	-	156	-	3,628	-	-	-	3,628
Current portion of accrued retirement liabilities	30	-	-	-	30	-	-	-	30
Total current liabilities	72,330	-	1,647	(891)	73,086	19	5,572	(1,989)	76,688
Other liabilities									
Long-term debt and capital lease obligations, net of current portion	39,253	-	3,437	-	42,690	-	493	-	43,183
Estimated self-insurance liability, net of current portion	23,386	-	-	-	23,386	-	-	-	23,386
Accrued retirement liabilities, net of current portion	3,397	-	-	-	3,397	-	-	-	3,397
Other liabilities including estimated third-party settlements	13,079	-	196	-	13,275	95	149	-	13,519
Total other liabilities	79,115	-	3,633	-	82,748	95	642	-	83,485
Total liabilities	151,445	-	5,280	(891)	155,834	114	6,214	(1,989)	160,173
Net assets									
Unrestricted	339,115	15	114	-	339,244	3,236	3,397	-	345,877
Temporarily restricted	10,329	-	35	-	10,364	-	-	-	10,364
Permanently restricted	7,937	-	-	-	7,937	-	-	-	7,937
Total net assets	357,381	15	149	-	357,545	3,236	3,397	-	364,178
Total liabilities and net assets	\$ 508,826	\$ 15	\$ 5,429	\$ (891)	\$ 513,379	\$ 3,350	\$ 9,611	\$ (1,989)	\$ 524,351

See accompanying independent auditor's report.

MIDDLESEX HEALTH SYSTEM, INC.
CONSOLIDATING STATEMENT OF OPERATIONS AND
CHANGES IN NET ASSETS
September 30, 2018
(Amounts in thousands)

	Middlesex Hospital	Middlesex Health System, Inc.	Middlesex Health Services, Inc.	Middlesex Health Resources, Inc.	Sub-Total Obligated Group	Middlesex Health Resources, Inc.	Middlesex Medical Group	Eliminations	Consolidated
Operating revenues									
Patient service revenue, net of contractual allowances and other discounts	\$ 444,421	\$ -	\$ 2,718	\$ -	\$ 447,139	\$ -	\$ 25,808	\$ -	\$ 472,947
Provision for bad debts	(16,059)	-	(16)	-	(16,075)	-	(641)	-	(16,716)
Patient service revenues, less provision for bad debts	428,362	-	2,702	-	431,064	-	25,167	-	456,231
Other revenue	12,684	1,065	5	(1,065)	12,689	726	1,418	(702)	14,131
Total operating revenues	441,046	1,065	2,707	(1,065)	443,753	726	26,585	(702)	470,362
Operating expenses									
Salaries and wages	188,694	641	1,567	(38)	190,864	-	23,319	-	214,183
Fringe benefits	39,909	117	408	(117)	40,317	-	3,703	-	44,020
Purchased services	37,114	809	122	(809)	37,236	-	1,590	-	38,826
Supplies	41,506	-	-	-	41,505	-	1,132	-	42,637
Depreciation and amortization	24,057	-	233	-	24,290	223	701	-	25,214
State hospital tax	35,521	-	-	-	35,521	-	-	-	35,521
Interest	1,465	-	66	-	1,531	-	36	-	1,567
Other operating expenses	34,378	101	655	(101)	35,033	459	6,030	(702)	40,820
Total operating expenses	402,643	1,668	3,051	(1,065)	406,297	682	36,511	(702)	442,788
Income (loss) from operations	38,403	(603)	(344)	-	37,456	44	(9,926)	-	27,574
Non-operating income (expense)									
Net income from joint ventures and general partnerships	2,582	-	-	-	2,582	43	-	-	2,625
Unrestricted gifts and bequests	447	-	-	-	447	-	-	-	447
Net investment income	5,931	-	-	-	5,931	-	-	-	5,931
Other non-operating expenses	(1,581)	-	(301)	-	(1,882)	(204)	-	-	(2,086)
Total non-operating income (expense)	7,379	-	(301)	-	7,078	(161)	-	-	6,917
Settlement of pension obligation (Note 9)	(87,130)	-	-	-	(87,130)	-	-	-	(87,130)
(Deficiency) excess of revenues over expenses	(41,348)	(603)	(645)	-	(42,596)	(117)	(9,926)	-	(52,639)
Net assets, beginning of year	317,972	15	799	-	318,786	3,353	2,363	-	324,502
Change in unrealized gains and losses	(386)	-	-	-	(386)	-	-	-	(386)
Restricted investment income	238	-	-	-	238	-	-	-	238
Restricted contributions	2,026	-	-	-	2,026	-	-	-	2,026
Settlement of pension obligation (Note 9)	87,130	-	-	-	87,130	-	-	-	87,130
Change in accumulated pension charges to unrestricted net assets	4,217	-	-	-	4,217	-	-	-	4,217
Transfers	(11,563)	603	-	-	(10,960)	-	10,960	-	-
Expenditures for intended purposes	(905)	-	(5)	-	(910)	-	-	-	(910)
Net assets, end of year	\$ 357,381	\$ 15	\$ 149	\$ -	\$ 357,545	\$ 3,236	\$ 3,397	\$ -	\$ 364,178

See accompanying independent auditor's report.