

**CARE NEW ENGLAND HEALTH SYSTEM  
FY 2023 FIRST QUARTER REPORT**

**PURSUANT TO CONTINUING DISCLOSURE AGREEMENT  
AND SUPPORTING INFORMATION ON CERTAIN RECENT DEVELOPMENTS**

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## INTRODUCTION

This report (“this Report”) is submitted by Care New England Health System (“Care New England” or “CNE”) to provide information for the first quarter ended December 31, 2022, required by CNE’s continuing disclosure obligations under Rule 15c2-12.

This Report provides information on certain recent developments affecting CNE and its affiliates, including discussion of the effects of the COVID-19 aftermath in “MANAGEMENT DISCUSSION – COVID-19 Pandemic Aftermath”. CNE management’s discussion of its recent financial performance for the three months ended December 31, 2022, can be found in “RECENT FINANCIAL INFORMATION” and “MANAGEMENT DISCUSSION – Financial Matters Relating to the Three Months Ended December 31, 2022”.

## CNE AND THE OBLIGATED GROUP

CNE is headquartered in Providence, Rhode Island. CNE was established in November 1995 as the non-profit holding company for the development of an integrated delivery network of health care services (the “Health System”). CNE serves as the parent organization for the affiliates of the Health System. Under the organizational documents for CNE and its affiliates, effective control of governance for the Health System is vested in CNE.

CNE and certain of its affiliates identified below in Table 1 (collectively, the “Obligated Group”) have entered into a Master Trust Indenture dated September 1, 2016, as amended and supplemented (the “Master Indenture”), with The Bank of New York Mellon Trust Company, N.A., as trustee (the “Master Trustee”). Pursuant to the Master Indenture the Obligated Group may issue notes or obligations to evidence or secure indebtedness of the Obligated Group. The Obligated Group has issued notes (the “Master Indenture Notes”) under the Master Indenture to evidence and secure certain of its long-term outstanding indebtedness. See “RECENT FINANCIAL INFORMATION – Debt Structure and Key Ratios – Outstanding Indebtedness”.

**Table 1.  
Members of the Obligated Group**

Care New England Health System (“Care New England” or “CNE”)  
Butler Hospital (“Butler” or “Butler Hospital”)  
Kent County Memorial Hospital (“Kent” or “Kent Hospital”)  
The Providence Center, Inc. (“The Providence Center” or “TPC”)  
Southeastern Healthcare System, Inc. (“SHS”)  
Women & Infants Corporation (“WIC”)  
Women & Infants Hospital of Rhode Island (“WIH”, “Women & Infants” or “Women & Infants Hospital”)

In October of 2017, the Boards of Directors of The Memorial Hospital (“Memorial Hospital” or “Memorial”), its parent corporation, SHS, and Care New England voted to discontinue the operations of Memorial Hospital as a licensed hospital. In December 2017, the Boards of Directors (the “Boards”) of the Members of the Obligated Group voted to approve the withdrawal of Memorial Hospital from the Obligated Group. On December 22, 2017, the Master Trustee approved the release of Memorial from the Obligated Group. For additional information on Memorial’s closure and withdrawal from the Obligated Group, see the material event notice filed on EMMA and “CNE AND THE OBLIGATED GROUP – Closure of Memorial Hospital”.

In August 2022, the Board of the Members of the Obligated Group approved the withdrawal of the Kent County Visiting Nurse Association (“VNA”) from the Obligated Group. On September 26, 2022, the Master Trustee approved the release of the VNA from the Obligated Group.

Certain other affiliates of CNE are not members of the Obligated Group (collectively, with Memorial and the VNA (on and after September 26, 2022), the “Non-Obligated Affiliates”), but the accounts of such affiliates are included in the audited financial statements of CNE. Affiliates of CNE that are not members of the Obligated Group include Affinity Physicians, LLC, d/b/a Care New England Medical Group, LLC (“CNEMG”); Integra Community

Care Network, Inc. (“Integra”); Butler Hospital Foundation; Carriage House, LLC; Butler Hospital Allied Medical Services, LLC; Kent Hospital Foundation; Kent Ancillary Services, LLC; Toll Gate Indemnity, Ltd.; Women & Infants Development Foundation; WIH Faculty Physicians, Inc.; Women & Infants Ancillary Services, LLC; Women & Infants Health Care Alliance, LLC; W&I Indemnity, Ltd.; Healthtouch, Inc.; Blackstone Health, Inc.; VNA of Care New England Foundation; Primary Care Centers of New England, Inc.; MHRI Ancillary Services, LLC; The Memorial Hospital Foundation; SHS Ventures, Inc.; Grandview Realty Corporation; Grandview Second Corporation; Nashua Street Corporation; Wilson Street Apartments, Inc.; Standard Realty, Inc.; TPC Social Ventures, Inc.; Continuum Behavioral Health, Inc.; Care New England Pharmacy, LLC; and Care New England Ambulatory Surgery Center.

Members of the Obligated Group are jointly and severally liable for notes or obligations issued pursuant to the Master Indenture. The Obligated Group accounts for approximately 75.9% of the consolidated operating revenues of CNE and approximately 77.7% of the consolidated assets of CNE. For a description of the security afforded by the Master Indenture and the terms and conditions of the Master Indenture see the description included in the Official Statement dated September 1, 2016 (the “2016 Official Statement”) with respect to the Hospital Financing Revenue Refunding Bonds, Care New England Issue, Series 2016B (the “Series 2016B Bonds”) issued by Rhode Island Health and Educational Building Corporation. The 2016 Official Statement is filed on EMMA.

The Obligated Group’s Continuing Disclosure Agreement provides that its annual reporting will provide CNE’s audited financial statements, which, in accordance with generally accepted accounting principles (“GAAP”), include accounts of the Non-Obligated Affiliates, as well as accounts of the Obligated Group (see the Continuing Disclosure Agreement, attached as Appendix I to the 2016 Official Statement). Certain financial covenants under the Master Indenture are reported below using a consistent approach. For example, the Master Indenture requires the Obligated Group to maintain an annual debt service coverage ratio (“DSCR”) and requires the Obligated Group to maintain unrestricted cash and investments in accordance with a days’ cash on hand (“DCOH”) ratio (see Sections 6.9 and 6.14 of the Master Indenture, attached as Appendix D to the 2016 Official Statement). For purposes of the DSCR, net income available for debt service is calculated on a consolidated basis for CNE and all affiliates, including Non-Obligated Affiliates, and is compared to debt service requirements on debt of the Obligated Group. For purposes of the DCOH covenant, cash and investments and operating expenses are calculated on a consolidated basis for CNE and all affiliates, including Non-Obligated Affiliates. For information purposes the tables below also show the DSCR using debt of Non-Obligated Affiliates, as well as debt of the Obligated Group, and the tables also show DCOH using cash and investments held by the Obligated Group alone. See “RECENT FINANCIAL INFORMATION – Debt Structure and Key Ratios”.

Note: Bondholders holding a majority of the outstanding notes consented to eliminate the DSCR test at September 30, 2020. As part of the consent agreement, CNE will continue with quarterly investor calls for at least two years.

As of December 31, 2022, unrestricted cash, cash equivalents and investments held by the members of the Obligated Group was \$152,042,543 while cash and investments of CNE and all affiliates was \$155,595,566. As of December 31, 2022, total indebtedness of the members of the Obligated Group was \$156,167,775, while total indebtedness of CNE and all affiliates was \$158,455,919. All amounts for such date are unaudited. For additional information on the Master Indenture covenants and indebtedness of the Obligated Group and Non-Obligated Affiliates, see “RECENT FINANCIAL INFORMATION – Debt Structure and Key Ratios”.

### **Butler Hospital**

Butler, a nonprofit corporation formed under Rhode Island law, opened in 1844, making it the first hospital in Rhode Island (the “State”). Today, it is the State’s premier teaching, treatment and research hospital for psychiatric and neurologic disorders, serving Rhode Island and southeastern New England. Butler provides specialized assessments and innovative treatments for all major psychiatric illnesses and substance abuse. Its neurology department is staffed by a team of national and international experts in neurology, neuroimaging, and neuropsychology. Programs are offered focusing on the needs of seniors, with a center specializing in Alzheimer’s and other memory disorders. The hospital offers a partial hospital day program that enables patients to receive psychiatric and substance use disorder treatment during the day and return to their own homes overnight. Butler is the



major affiliated teaching hospital for psychiatry and behavioral health affiliated with The Warren Alpert Medical School of Brown University.

Butler Hospital's mission is to provide treatment of psychiatric illnesses in an atmosphere of dignity and respect, to contribute to knowledge through education and research, and to continuously improve its services to its patients and the community. With the opening of its newest inpatient building in October 2013, the number of Butler's licensed beds increased by 26 to 143. The Butler campus is comprised of approximately 110 acres of land on the East Side of Providence and includes 37 buildings totaling approximately 578,300 square feet. Butler serves over 10,000 patients annually in outpatient, intensive outpatient, partial hospital, and acute inpatient settings. Butler rents approximately 100,000 square feet of its buildings to researchers and other not-for-profit tenants.

### **Kent County Memorial Hospital**

Kent Hospital, a nonprofit corporation formed under Rhode Island law, and founded in 1946, is a 359-bed not-for-profit general hospital providing a full range of services for the acute care of patients, principally from Kent County, Rhode Island. Kent is in Warwick, Rhode Island, approximately 12 miles south of Providence. It is the second largest hospital in the State. Kent provides a full complement of inpatient services including cardiology and extended coronary care, infectious disease, primary care, geriatrics, oncology, orthopedics, obstetrics and gynecology, rehabilitation and surgery. In addition, Kent offers a comprehensive range of outpatient services, including primary care (adult and pediatric), internal medicine, dermatology, oncology and hematology, orthopedics and sports medicine, pulmonary and sleep medicine, cardiology and cardiac catheterization, chemotherapy, diagnostic imaging, surgery, and rehabilitation services. Certain outpatient services are provided in the Ambulatory Care Building on the Kent Hospital campus in Warwick, Rhode Island, as well as in the building that previously housed Memorial's ambulatory services pavilion in Pawtucket, Rhode Island, and in an ambulatory service building on the Butler campus in Providence, Rhode Island. In addition, in June 2020 Kent acquired, licensed and began operating a new hematology and oncology practice in Cranston, Rhode Island, which includes a new infusion center.

Following the closure of Memorial, Kent became a major affiliated teaching hospital of The Warren Alpert Medical School of Brown University for activities in primary care medicine and the major affiliated teaching hospital of The Warren Alpert Medical School of Brown University for activities in family medicine. These residency programs were formerly operated by Memorial. In addition, Kent operates a residency program in emergency medicine and fellowship programs in hyperbaric medicine and gastroenterology in collaboration with the University of New England College of Osteopathic Medicine.

Kent has a clinical affiliation with the Brigham and Women's Hospital and Brigham and Women's Physician Organization to develop new programs and increase quality of existing clinical programs. Since 2008, Kent and Brigham and Women's have developed relationships in cardiology, pulmonary medicine, and surgery, including thoracic, vascular, colorectal, plastics and orthopedics.

Kent also operates a Women's Diagnostic Imaging Center, the Kent Unit at Butler, a Wound Recovery Center and a Breast Health Center. Kent provides laboratory and primary care services at various sites throughout the community.

In October 2019, Care New England Pharmacy, LLC (the "CNE Pharmacy") was formed as a new subsidiary of Kent. CNE partnered with Shields Health Solutions, a market leader in health system-owned specialty pharmacies, to develop a specialty pharmacy program. The CNE Pharmacy's specialty pharmacy program began operating in April 2020, and despite the pandemic, has experienced significant growth since opening.

Kent's campus includes 57 acres of land with the main hospital and two other buildings located along Toll Gate Road in Warwick, Rhode Island. The main hospital complex of over 564,000 square feet is comprised of multiple buildings and additions that were built between 1948 and 2005. It includes an Emergency Department that experiences over 70,000 patient visits annually as well as four levels of inpatient floors, supporting maternity, newborn nursery, intensive and intermediate coronary care, medical/surgical units and rehabilitation services.

Additions and improvements to Kent over the last four years include:

- In 2018, the ambulatory services building formerly licensed by Memorial and located in Pawtucket, Rhode Island became a Kent licensed facility. This facility offers primary care (adult and pediatric), internal medicine, dermatology, oncology and hematology, orthopedics and sports medicine, pulmonary and sleep medicine services.
- In 2018, the ambulatory services building on Butler Hospital's campus in Providence, Rhode Island became a Kent licensed facility. The facility offers cardiology, orthopedic and sports medicine, and therapy services.
- In June 2020, Kent acquired, licensed, and began operating a new hematology and oncology practice in Cranston, Rhode Island, which includes a new infusion center.

### **Women & Infants Corporation and Women & Infants Hospital of Rhode Island**

The mission of WIC, a nonprofit corporation formed under Rhode Island law, is to support Women & Infants Hospital, a nonprofit corporation formed under Rhode Island law, and its other affiliated organizations. Women & Infants opened in 1884 as the Providence Lying-In Hospital, and its initial purpose was limited to the delivery of babies. Women & Infants is the 8th largest stand-alone obstetrical service in the nation, the largest in New England and delivers 8,500 infants each year. Women & Infants has 247 licensed beds, which includes 80 neonatal intensive care unit ("NICU") beds.

WIH offers a full range of obstetrics and gynecology specialty services for women of all ages and has one of the Nation's largest single-family room neonatal intensive care units for babies born prematurely or critically ill. Women & Infants' services include behavioral health, breast health, cancer care, cardiology, child and family development, diagnostic imaging, emergency care, family medicine, fertility, gastroenterology, high-risk obstetrics, imaging, infectious disease, laboratory services, obstetric and consultative medicine, obstetrics, pediatrics, primary care, reproductive endocrinology, surgical services, and urogynecology.

Women & Infants is the major affiliated teaching hospital of The Warren Alpert Medical School of Brown University in activities unique to women and newborns and serves as the tertiary care center for neonatology, obstetrics, maternal fetal medicine and gynecology for all of the State and portions of the neighboring states of Massachusetts and Connecticut. Women & Infants offers educational programs and a wide range of medical, nutritional and support services through the Obstetrics and Gynecology Care Center and its outreach sites in East Greenwich and South Kingstown, Rhode Island.

WIH operates its main facility, consisting of approximately 700,000 square feet, on property leased from Rhode Island Hospital in Providence, Rhode Island. The lease extends through the year 2085 with an option to renew for an additional 99 years. Women & Infants also owns and leases several other facilities surrounding the existing campus as well as other facilities a short distance away in Providence. In addition, WIH operates an extensive outreach program with sites throughout the State and in southeastern Massachusetts and eastern Connecticut.

Recent facility improvements at WIH include a new free standing ambulatory Diagnostic Center with digital mammography and ultrasound that opened in FY 2019 on Plain Street for greater diagnostic access and a seventh high risk ultrasound machine was added at the Plain Street Prenatal Diagnosis Ambulatory Center in FY 2020. WIH's long range facility plans include development and renovation of ambulatory sites, enhancements in the areas of research and education and the development of new regional outreach sites. WIH has an approved Certificate of Need ("CON") to renovate all labor and delivery rooms. A capital campaign is underway to generate funding required for this project. Construction is expected to begin in May 2023.

### **The Providence Center**

TPC is a nonprofit corporation formed under Rhode Island law and is the largest community-based behavioral healthcare organization in the State. Founded in 1969 as a community mental health center based in Providence, Rhode

Island, TPC's mission is to help people affected by mental health, behavioral health and substance use disorder by providing treatment and supportive services within a community setting. In addition to its counseling and treatment services, TPC offers a wide array of other services, including recovery supports and centers, integrated primary care, permanent supportive housing, medication-assisted treatment, educational and vocational counseling, and wellness services. TPC provides its services in a variety of community-based locations in Providence, Burrillville, Cranston, North Kingstown, Pawtucket, Richmond, and Warwick. In 2021, TPC served over 18,000 adults, children and families with behavioral health needs. More than 80% of TPC's clients have an annual family income of less than \$10,000. TPC provides individualized treatment in the community—in homes, in schools, and in neighborhoods—using evidence-based practices that help people overcome barriers to wellness and success.

### **Kent County Visiting Nurse Association d/b/a VNA of Care New England**

The mission of the VNA, a not-for-profit corporation formed in 1908 under Rhode Island law, is to provide and administer a comprehensive, multi-disciplinary, therapeutic, hospice and public health nursing program. A staff of highly trained nurses, nurse practitioners, home health aides, physical, occupational and speech therapists, social workers and a chaplain deliver individualized home and hospice care to thousands of adults each year. Services include home health, palliative and hospice services for adults and the elderly. It also offers a comprehensive line of cardiac, pulmonary, rehabilitation and end-of-life home health care services, including hospice care, providing smooth transition through the continuum. Committed to maintaining healthy communities, the VNA offers bereavement support groups and community education sessions at numerous locations.

The VNA is licensed by the Rhode Island Department of Health (“RIDOH”) for Home Nursing Care and Hospice. It is accredited by The Joint Commission.

### **Integra Community Care Network, LLC**

Integra is a Rhode Island accountable care organization (“ACO”). CNE launched Integra in 2014 initially as a Medicare Certified ACO. Since that time, Integra has entered ACO type arrangements with commercial and Medicaid payers and now has more than 150,000 attributed lives under management. Its partners include CNE, Rhode Island Primary Care Physicians Corporation (“RIPCPC”) and South County Health. Integra's participating provider network includes Care New England's hospitals, organizations, and providers, as well as those of South County Health and RIPCPC, the State's largest primary care independent practice association. Integra's goals are aligned with RIDOH's Triple Aim: improving the patient experience of care; improving the health of populations; and reducing the per capita cost of health care.

Integra enables CNE and its physicians to be prepared for value-based risk sharing agreements within the emerging accountable care provider environment. Integra has shared savings/risk contracts with several public and private payers. In addition, Integra also contributes to the management of health services within CNE's self-insured employee health plan via a service contract with the CNE plan. Integra has approximately 75 employees and its services include contract negotiation, quality improvement, strategy and analytics, nurse care management, social work, community health support, mobile integrated health, ambulatory pharmacy, referral support, integrated behavioral health and practice support, skilled nursing facility management, and home-based care provided by CNE providers in collaboration with Integra nurse care managers.

As Integra and CNE execute population health strategies, care retention within CNE and the Integra network is essential to successfully manage at-risk populations of patients and retaining care within the Integra network enhances care coordination. Currently, CNE retains approximately 40% of the Integra primary care physicians' inpatient volume. Efforts to improve care retention include the creation of Integra and Epic referral directories, a referral hub, and vigilant monitoring of physician referral behavior and education at physician meetings. Additional efforts include identifying access gaps to guide physician recruitment and program development and review of all emergency department transfers to retain related admission volume within CNE hospitals to ensure enhanced care coordination within the Integra network.

## Care New England Medical Group, LLC

CNEMG offers primary care and specialty services in offices throughout Southern New England. Women & Infants Hospital, Kent Hospital, Butler Hospital and Integra engage CNEMG to perform professional services through CNEMG-employed or contracted providers. Since its formation in 2017, CNEMG has expanded to nearly 600 physicians and advanced practitioners practicing out of more than 80 locations across Care New England's service area. Over the past two years CNEMG has achieved growth in key service lines including cardiology, pulmonology, orthopedics and oncology while also expanding its base of primary care providers. CNEMG providers are participants in Integra and have contributed to the achievement of the ACO's quality metrics and growth in covered lives. Considerable effort is currently being placed on improving operational efficiencies, enhancing patient access and implementing innovative clinical programs including Advanced Primary Care for older adults and a Hospital at Home program.

## STRATEGIC INITIATIVES

### Strategic Initiatives

Beginning around March of 2022, Care New England Health System, with the assistance of advisors, carefully reviewed and evaluated options to ensure that its mission will continue to be met. Following months of examination and analysis of multiple and varied offers and partnership structures, on July 6th the Care New England Board of Directors unanimously voted to pursue a strategy of operating the health system independently, with enhanced support from various clinical and operating partners to improve liquidity and operational performance. This strategy includes the negotiation of partnership arrangements between Care New England and its health plans, third party vendors, Brown University, Lifespan Corporation and other local hospitals, health systems and clinical partners. Following approval by the Care New England Board of Directors in September 2022 of the terms of several specific partnership arrangements, the following definitive agreements were executed.

***Women & Infants Medical/Surgical Unit.*** In October 2022, CNE and Lifespan Corporation entered into a Master Affiliation Agreement pursuant to which, among other things, Rhode Island Hospital ("RIH"), a Lifespan affiliate, and Women & Infants Hospital ("WIH") amended the existing Ground Lease between the parties to permit WIH to develop and operate a new general medical surgical inpatient unit consisting of up to thirty (30) beds in the existing WIH hospital building (the "Medical/Surgical Unit"). The Medical/Surgical Unit will provide services to women requiring a general medical surgical level of care. The planning phase for the Medical/Surgical Unit is underway.

***Aligned Research Collaboration.*** In October 2022, CNE, Lifespan Corporation ("Lifespan") and Brown University ("Brown") entered into a Research Collaboration Agreement (the "ARC Agreement") pursuant to which CNE and Lifespan agreed to align their research operations with Brown's Division of Biology and Medicine, which includes The Warren Alpert Medical School and the Brown University School of Public Health in a unified enterprise that will leverage the distinctive strengths of each institution. The ARC Agreement is intended to help Brown, Lifespan and CNE compete for larger funding opportunities and provide new opportunities for clinical trials, with the goal of providing Rhode Islanders with better access to cutting-edge therapies locally. The joint approach to research administration will be governed by a Joint Executive Council containing representation from all three institutions. The parties agreed to a phased approach to implementing essential elements. The ARC Agreement marks the first phase and will be followed by discussions on how to fully operationalize the effort, with the Joint Executive Council ultimately needing to approve separate financial and operational plans before final implementation. Brown has committed to investing an additional \$20 to \$25 million once the ARC Agreement is fully operationalized.

### Other Initiatives

***Real Estate Portfolio.*** In fiscal year 2020, Care New England engaged a national real estate firm to evaluate its entire real estate portfolio. The results of this initiative began to be implemented in the second quarter of 2020 but were delayed due to the COVID-19 outbreak. However, administrative space consolidation was back on the agenda in the second quarter of 2021. CNE sold one of its Providence-based administrative buildings (45 Willard Avenue) in August 2021, which consisted of two lots owned by Women & Infants Hospital and Women & Infants Corporation,

respectively. In FY 2022, CNE sold four of its properties in Providence’s “Jewelry District” (300 Richmond Street, 261 Richmond Street, 200 Chestnut Street, and 70 Elm Street) (collectively, the “Jewelry District Properties”). On March 24, 2022, Women & Infants Hospital, the owner of the Jewelry District Properties, entered in a Purchase and Sale Agreement to sell the Jewelry District Properties. Sale of these properties closed on June 29, 2022. Following the sale, CNE will leaseback three of the four properties for terms of varying lengths. See “MANAGEMENT DISCUSSION – COVID-19 Outbreak“.

***Providence Multi-specialty Practice.*** Care New England opened a multi-specialty practice at 101 Plain Street in Providence on April 1, 2021. Specialty practices at this location include general surgery, orthopedics, plastic surgery, and cardiology. A key benefit of this practice location is the accessibility of key services for Providence area patients and to Care New England employees in the city of Providence.

***Ambulatory Surgery Center.*** In June 2020, Care New England formed Care New England Ambulatory Surgery Center a new subsidiary of CNE, and submitted a CON application to develop a free-standing multi-specialty ambulatory surgery center (“ASC”) in Providence, Rhode Island. The CON application was accepted by the RIDOH as of July 21, 2020 and was approved on August 5, 2021 with certain conditions, but an interested competing facility filed an appeal of the decision, and the CON application was remanded back to the Department of Health for further review. The ASC will have six operating rooms built as new construction and will be executed in two phases, building three operating rooms in each phase. The CNE ASC will fill an unmet need for lower-cost, ambulatory operating rooms in the region and will provide enhanced quality and lower cost care for individuals in the communities served by CNE. Surgical specialties will include orthopedics, general surgery, plastic surgery, vascular surgery, and urology.

***Butler Short-Stay Unit.*** In November 2022, Butler Hospital submitted a Letter of Intent to the Rhode Island Department of Health (“RIDOH”) for a new 25 bed Short Stay Unit at Butler Hospital (the “Short Stay Unit”). Butler Hospital plans to submit a Certificate of Need Application with RIDOH for the Short Stay Unit prior to the January 10, 2023 deadline for submission. If approved, the Short Stay Unit will be built in an existing floor within the Riverview Building. The Short Stay Unit will help address the widespread mental health care crisis taking place in Rhode Island by providing a more immediate delivery of services to those in need and helping alleviate overcrowding and boarding in emergency departments across the State of Rhode Island. The construction of the Short-Stay Unit is estimated to cost \$12 million, and the Rhode Island General Assembly has appropriated \$8 million and the Federal Government will contribute \$4 million in Congressional Directed Spending to support the construction of the Short Stay Unit.

## EMPLOYEE RELATIONS

Women & Infants has approximately 1,889 employees who are represented by the New England Healthcare Employees Union District 1199 of the Service International Employees Union. The current collective bargaining agreement expires on November 30, 2024. The contract with our Security team expired September 30, 2021. In early spring of 2022, we successfully reached agreement on a new contract with the Union on a first contract between Women and Infants and SEIU, Local 21BJ.

Butler Hospital has approximately 730 employees who are represented by the New England Healthcare Employees Union District 1199 of the Service International Employees Union. The current collective bargaining agreement expires on March 31, 2025.

Kent Hospital has approximately 1,402 employees who are represented by the United Nurses and Allied Professionals (UNAP), Local 5008. The current collective bargaining agreements are valid through June 30, 2024. There are still 13 employees represented under the Memorial Hospital/United Nurses and Allied Professionals (UNAP), Local 5082 bargaining agreement. These employees were moved to the Kent Hospital payroll beginning in CY 2022 for accounting purposes, but their CBA remains in effect through June 15, 2023.

The VNA of Care New England has approximately 131 employees who are represented by the Federation of Visiting Nurses and Health Professionals, Local 5022. The current collective bargaining agreement expires on May 31, 2025. The VNA of Care New England has approximately 55 employees who are represented by the New England Healthcare Employees Union District 1199 of the Service Employees International Union. The VNA SEIU contract expires on February 1, 2025.

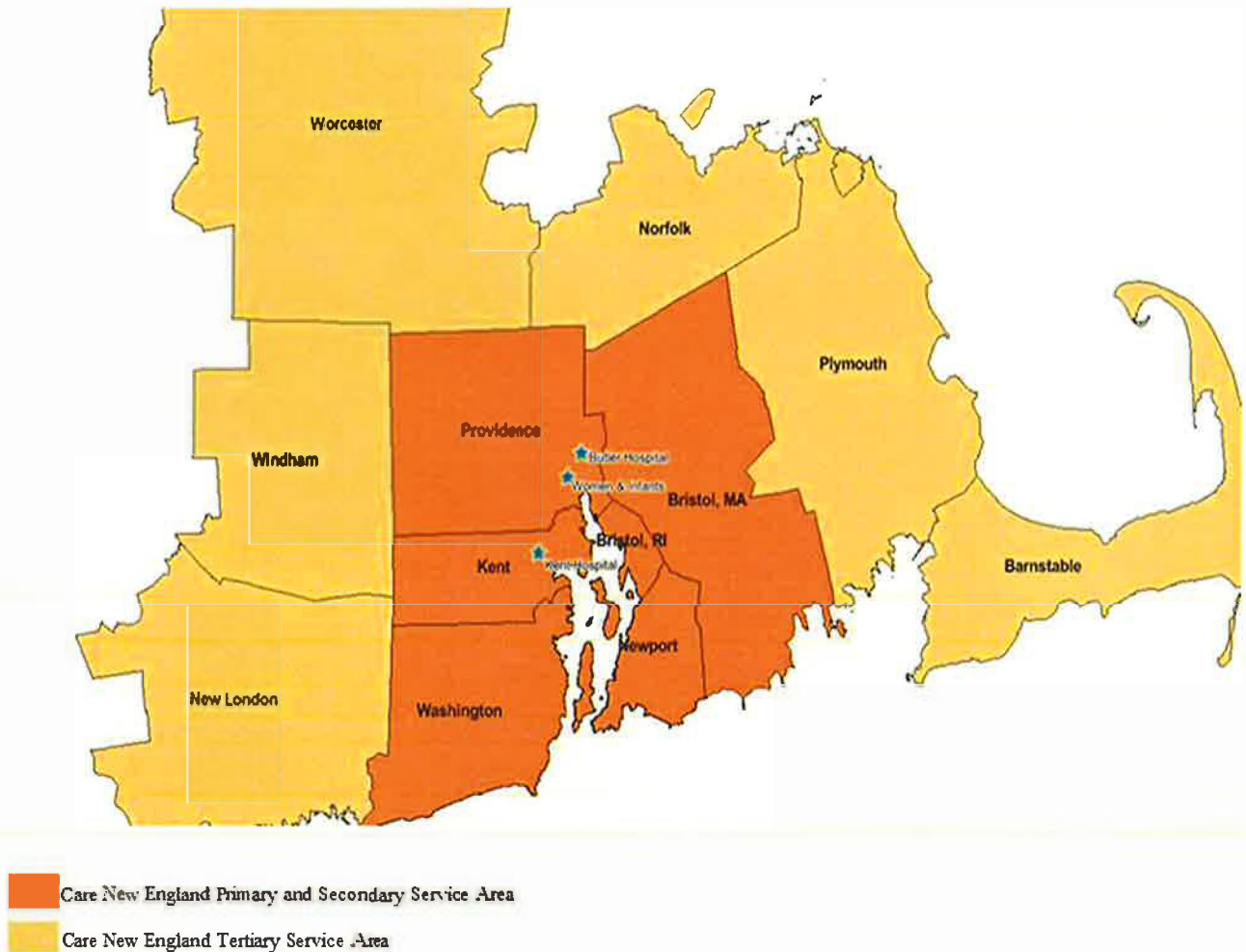
## HEALTHCARE ENVIRONMENT

### Service Area

The primary and secondary service areas for one or more of Butler's, Kent's and Women & Infants' hospital facilities (collectively, the "Hospitals") include the entire State and Bristol County, Massachusetts. CNE considers its tertiary service area to extend to Barnstable, Norfolk, Plymouth and Worcester Counties in Massachusetts and New London and Windham Counties in Connecticut.

### Service Areas by County

The following is a map of the combined service area of the Hospitals by county.



## **Demographic and Economic Information**

In Care New England's primary service area, the current unemployment rate is 3.1%. Since the height of pandemic-related shutdowns, the number of unemployed RI residents is down 82,600. As restrictions started to ease Rhode Island steadily added back jobs and the economy began a slow upward trend. Rhode Island's budget outlook has stabilized due to an increase in state revenues and federal recovery funds.

Census data for 2020 shows that 17.3% of the Rhode Island population is ages 65 and over. In the United States overall, the percentage is 16.0%.

The percent of Rhode Islanders without health insurance coverage has declined from 10.5% in 2014 to 4.3% in 2020.

## **Regional Hospital Providers**

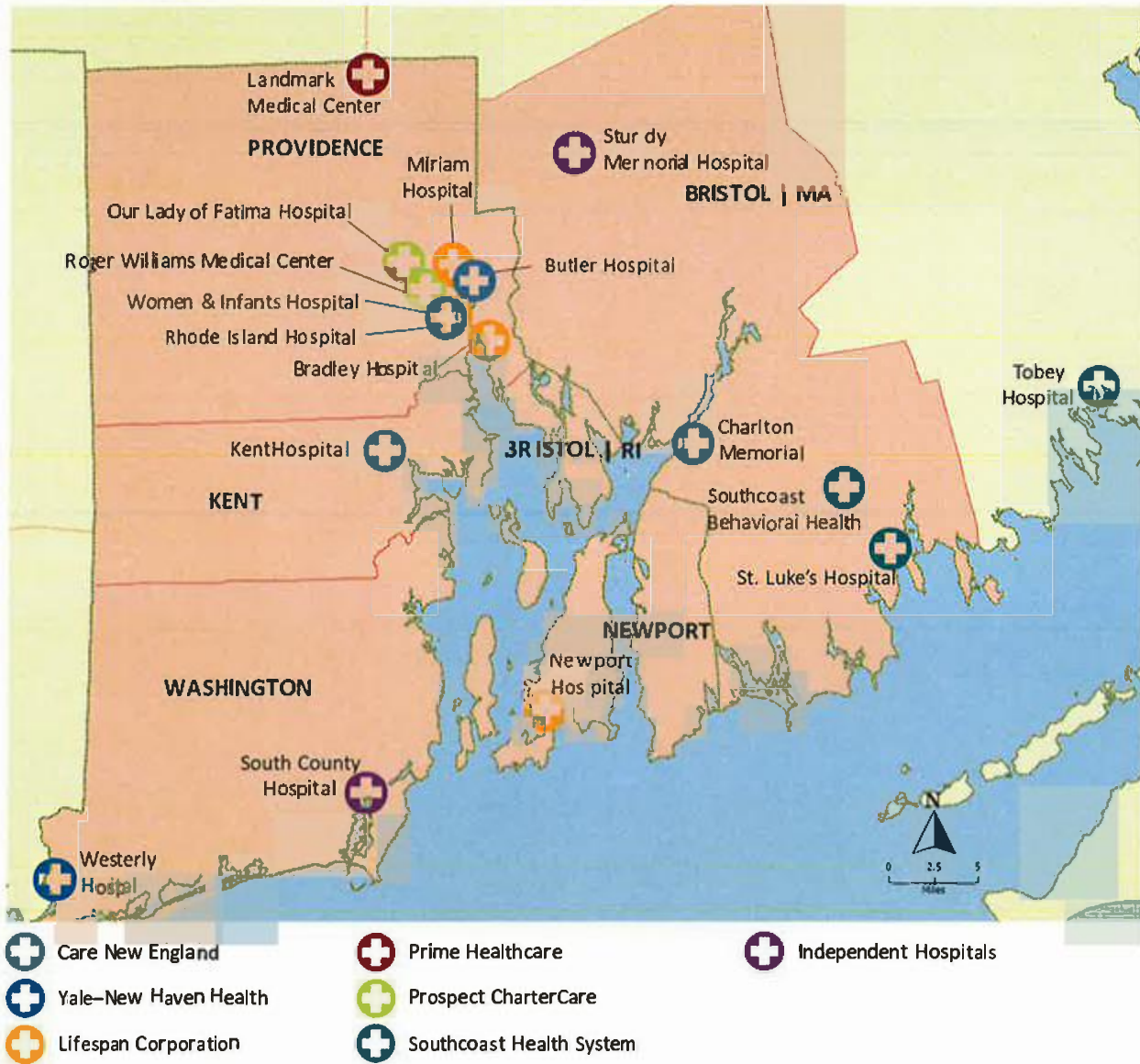
The State's acute health care network consists mainly of healthcare systems, the two largest being Care New England and Lifespan. Since 2010, two for-profit systems, Prospect CharterCare and Prime Healthcare, have entered the market by acquiring existing health systems. Other regional providers include South County Hospital (the one remaining independent Rhode Island hospital), Massachusetts-based Southcoast Health System and Sturdy Memorial Hospital and Connecticut-based Lawrence+ Memorial Healthcare, a member of the Yale New Haven Health system. In addition, Massachusetts-based Southcoast Health System is in Bristol County, Massachusetts, where CNE provides sub-specialty tertiary services not offered by Southcoast Health System.

Memorial Hospital was closed effective January 1, 2018. Care New England, through Kent, continues to provide outpatient services in Pawtucket in an ambulatory building separate from the main hospital. Sale of a portion of Memorial's main hospital campus occurred on January 7, 2021.

The map on the following page shows the locations of CNE's hospital facilities and the locations of other hospitals in the region. Additionally, Table 2 provides information on CNE's market share in relation to other area hospitals.



# Care New England Service Area





Discharges by Hospital and Year  
 Rhode Island Hospitals  
 Patients aged 18+

Table 2.  
 % of Patients Served by Rhode Island Hospital, FY2019 through FY2021

System/Name	FY2019			FY2020			FY2021		
	Disch	Days	% Patients Served	Disch	Days	% Patients Served	Disch	Days	% Patients Served
<b>Care New England</b>									
Butler Hospital	8,009	54,421	6.8%	7,798	54,815	7.3%	7,150	50,466	6.8%
Kent Hospital	14,389	65,677	12.2%	12,264	61,652	11.5%	13,083	71,420	12.5%
Women and Infants Hospital	9,818	30,392	8.4%	9,633	27,315	9.1%	9,593	25,968	9.1%
<b>Subtotal Care New England</b>	<b>32,216</b>	<b>150,490</b>	<b>27.4%</b>	<b>29,695</b>	<b>143,782</b>	<b>27.9%</b>	<b>29,826</b>	<b>147,854</b>	<b>28.4%</b>
<b>Lifespan</b>									
Miriam Hospital	19,585	75,062	16.7%	17,109	65,269	16.1%	16,129	74,721	15.4%
Newport Hospital	5,057	23,628	4.3%	4,432	24,378	4.2%	4,775	30,226	4.6%
Rhode Island Hospital	33,245	192,555	28.3%	28,905	178,437	27.2%	27,051	199,298	25.8%
<b>Subtotal Lifespan</b>	<b>57,887</b>	<b>291,245</b>	<b>49.2%</b>	<b>50,446</b>	<b>268,084</b>	<b>47.4%</b>	<b>47,955</b>	<b>304,245</b>	<b>45.7%</b>
<b>CharterCare</b>									
Roger Williams Medical Center	7,258	33,100	6.2%	6,934	31,633	6.5%	6,161	31,080	5.9%
Saint Joseph Health Services	5,293	34,959	4.5%	4,545	33,128	4.3%	4,901	34,153	4.7%
<b>Subtotal CharterCare</b>	<b>12,551</b>	<b>68,059</b>	<b>10.7%</b>	<b>11,479</b>	<b>64,761</b>	<b>10.8%</b>	<b>11,062</b>	<b>65,233</b>	<b>10.5%</b>
<b>Prime Healthcare</b>									
Landmark Medical Center	6,311	25,517	5.4%	5,922	26,553	5.6%	5,959	30,259	5.7%
<b>Yale-New Haven Health</b>									
Westerly Hospital	2,496	10,728	2.1%	3,185	18,012	3.0%	3,622	20,193	3.5%
<b>No System Affiliation</b>									
South County Hospital	6,090	19,538	5.2%	5,598	17,274	5.3%	6,486	20,498	6.2%
<b>TOTAL</b>	<b>117,551</b>	<b>565,577</b>	<b>100.0%</b>	<b>106,325</b>	<b>538,466</b>	<b>100.0%</b>	<b>104,910</b>	<b>588,282</b>	<b>100.0%</b>

Excludes Bradley Hospital, Normal Newborns and pediatric patients aged < 18 years

Sources: For non CNE Hospitals: IBM Watson FY2019; RIDOH FY2020&2021. CNE Hospitals: Strata

## HOSPITAL UTILIZATION

A summary of significant utilization data of Butler, Kent, and Women & Infants for the fiscal years ended September 30, 2020, 2021, and 2022 as well as first quarter results for the three-month periods ended December 31, 2021 and 2022 is contained in the following table:

**Table 3.  
Care New England  
Combined Utilization Data**

	Fiscal Year Ended September 30			Three-Month Period Ended December 31	
	2020	2021	2022	Q1 FY 2022	Q1 FY 2023
Inpatient Statistics: <sup>(1)</sup>					
Total Licensed Beds	749	749	749	749	749
Total Staffed Beds	736	736	736	736	736
Discharges <sup>(2)</sup>	29,502	29,776	29,346	7,504	7,327
Patient Days <sup>(2)</sup>	159,464	164,723	167,907	43,774	43,076
Average Length of Stay	5.41	5.53	5.72	5.83	5.88
Observation Patients	7,464	7,648	8,203	1,842	1,815
Percent of Total Occupancy of Beds in Service	62.3%	64.7%	66.8%	68.4%	67.4%
Medicare Case Mix Index	1.53	1.50	1.47	1.52	1.53
Surgeries:					
Inpatient	2,780	2,711	2,301	568	554
Outpatient	<u>12,369</u>	<u>13,858</u>	<u>11,929</u>	<u>3,328</u>	<u>2,955</u>
Total	<u>15,149</u>	<u>16,569</u>	<u>14,230</u>	<u>3,896</u>	<u>3,509</u>
Deliveries	9,075	8,921	8,975	2,285	2,267
Emergency Room Visits	77,625	78,192	76,716	19,531	20,032
Home Care Visits	94,038	108,184	85,956	23,269	17,502
Hospice Days	38,328	37,767	33,658	9,133	7,610
Residential Bed Days	56,929	54,746	54,311	13,950	13,406

Note (1): Excludes bassinets.

Note (2): Excludes normal newborn.

Source: CNE Record

## SOURCES OF PATIENT SERVICE REVENUE

### Care New England Payor Mix

Most of the revenue received by Care New England’s operating units is derived from third-party payors. The Hospitals are providers under the Medicare and Medicaid programs and receive payments from Blue Cross & Blue Shield of Rhode Island (“BCBSRI”), other commercial insurance companies and health maintenance organizations. The following table shows the percentage distribution of gross patient service revenue by payor source for the three fiscal years ended September 30, 2020, 2021 and 2022 and for the three-month period ended December 31, 2022 for Care New England.

**Table 4.  
Payor Mix**

	FY 2020	FY 2021	FY 2022	FY23 YTD <sup>1</sup>
BCBSRI	21%	22%	23%	23%
Medicare and Medicare Managed Care	30	32	31	31
Medicaid and Medicaid Managed Care	29	28	28	29
Managed Care	8	6	6	6
Self-Pay	1	1	1	1
Other third-party payors	11	11	11	10
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

Note (1): FY 2023 is presented year-to-date for the three months ended December 31, 2022  
Source: CNE Records

## RECENT FINANCIAL INFORMATION

The audited consolidated financial statements of Care New England Health System and Affiliates as of September 30, 2020, 2021 and 2022 and for the years then ended with the independent auditors’ report thereon are available on EMMA. Management’s discussion and analysis of the Health System’s financial performance during the fiscal years ended September 30, 2021 and 2022 and the three months ended December 31, 2022 should be read in conjunction with Care New England’s audited financial statements and accompanying footnotes.

Set forth below is an historical, comparative summary of the consolidated results of operations of Care New England (including its controlled affiliates) for fiscal years ended September 30, 2020, 2021 and 2022 and for the three-month periods ending December 31, 2021 and 2022. The information in the following table has been extracted from the audited consolidated financial statements of Care New England (including its controlled affiliates) for the years ended September 30, 2020, 2021 and 2022 and from unaudited consolidated financial statements of the Health System (including its controlled affiliates) for the three-month periods ended December 31, 2021 and 2022. The interim amounts set forth below have been prepared by management of the Health System without audit and, in the opinion of management, present a fair statement of the consolidated results of operations of Care New England (including its controlled affiliates) for such period. The interim amounts reflected below are not necessarily indicative of the financial results that will be achieved for the full fiscal year.

The following consolidated balance sheets as of September 30, 2020, 2021, and 2022, and December 31, 2021 and 2022, as well as the consolidated statements of operations for CNE for the fiscal years ended September 30, 2020, 2021 and 2022 and for the three-month periods ended December 31, 2021 and 2022, have been prepared by management and are derived from the financial records of Care New England. The consolidated balance sheets and consolidated statements of operations for the fiscal years ended September 30, 2020, 2021 and 2022 have been audited. The unaudited financial statements include all adjustments, consisting of normal accruals that management considers necessary for a fair presentation of financial position and results of operations for these periods with the exception of (i) an estimate associated with the impact of the cash balance defined benefit plan which is subject to significant volatility under current pension accounting rules and cannot be determined until the actuaries get final interest rate and actual market values of investments at September 30 each year, and (ii) self-insurance reserves that rely on sound

funding practices and actuarial assessments that are determined at September 30 of each year. Unaudited results for the three-months ended December 31, 2022 are not conclusively indicative of the results for the remainder of the year.

***Accounting Procedure Changes.*** Accounting for CNEMG changed in Q1 of FY 2023. The primary care practice performance will remain in CNEMG and not be included in the subsidy charged to the operating units. This change was driven by the implementation of the PCP capitation contract with Blue Cross.

Care New England had goodwill that resulted from the previous acquisition of Memorial Hospital. Goodwill totaled \$24,345,364 as of September 30, 2022 and 2021. The System performed an impairment assessment of goodwill annually at the reporting unit level (the consolidated System) by comparing the estimated fair value of the reporting unit to the carrying value of the reporting unit. For the year ended September 30, 2022, the fair value assessment reflected several significant management assumptions and estimates including the System's forecasts of future net patient service revenue, operating expenses, and capital expenditures, and the estimated discount rate. Through this assessment, it was determined that the carrying amount of the reporting unit exceeded its fair value by more than the goodwill balance. As such, the full goodwill asset was considered impaired and a charge of \$24,345,364 was recorded during the year ended September 30, 2022.

In FY 2021, CNE changed from a static annual budget to a rolling forecast process. An annual plan is developed for the coming fiscal year which is then reforecast each quarter based on current trends and information.

**Table 5.**  
**Consolidated Statements of Operations**

	Fiscal Year Ended September 30			Three-Month Period Ended December 31	
	2020	2021	2022	2021 (Unaudited)	2022 (Unaudited)
Net patient service revenue	\$ 910,540,662	\$ 984,355,909	\$1,014,915,145	\$ 254,194,195	\$ 259,135,825
Grant revenue - relief funding	62,426,906	77,452,640	24,253,613	2,298,587	276,752
Other revenue	150,877,362	186,520,365	191,273,759	40,840,044	48,622,116
Total operating revenues, gains and others support	\$1,123,844,930	\$1,248,328,914	\$1,230,442,517	\$ 297,332,826	\$ 308,034,693
Salaries and benefits	691,085,608	731,325,156	742,754,151	189,717,928	190,770,527
Supplies and other expenses	314,185,631	353,199,162	382,237,929	91,488,501	93,125,409
Research expenses	31,416,471	30,930,396	32,660,825	8,537,720	8,891,044
Licensure fee	45,254,839	38,340,710	39,175,835	9,913,441	10,164,258
Insurance	32,259,120	38,996,523	30,411,673	8,531,105	9,791,640
Depreciation and amortization	29,640,134	31,181,265	29,855,847	8,079,080	7,160,777
Interest	7,679,342	7,724,938	7,463,553	1,875,582	1,784,516
Goodwill impairment <sup>1</sup>	-	-	24,345,364	-	-
Restructuring costs	376,096	424,612	100,000	100,000	100,000
Total operating expenses	\$1,151,897,241	\$1,232,122,762	\$1,289,005,177	\$ 318,243,357	\$ 321,788,171
Income (loss) from operations	(28,052,311)	16,206,152	(58,562,660)	(20,910,531)	(13,753,478)
Non-operating gains/(losses)					
Contributions	411,338	1,701,277	380,518	78,307	108,451
Income on investments limited as to use	3,904,530	3,299,142	3,805,677	1,145,726	1,292,995
Gain (loss) on investments limited as to use	7,750,755	11,355,292	20,777,696	4,500,559	1,466,256
Change in net unrealized gains (losses)	7,768,798	30,266,415	(77,278,674)	1,884,497	14,089,818
Other components of current period pension expense	(3,618,931)	(1,730,715)	571,474	142,870	(1,930,528)
Pension settlement	-	(9,356,441)	-	-	-
Other	(1,406,036)	(1,456,697)	(1,453,261)	(391,582)	67,113
Net non-operating gains (losses)	\$ 14,810,454	\$ 34,078,273	\$ (53,196,570)	\$ 7,360,377	\$ 15,094,105
Excess (deficiency) of revenues, gains and other support over expenses and losses	\$ (13,241,857)	\$ 50,284,425	\$ (111,759,230)	\$ (13,550,154)	\$ 1,340,627

Note(1): The System performed an impairment assessment of goodwill annually at the reporting unit level (the consolidated System) by comparing the estimated fair value of the reporting unit to the carrying value of the reporting unit. With the assistance of valuation specialists, management determined that goodwill was impaired, and as a result, recorded a \$24,345,364 goodwill impairment charge in the Consolidated Statements of Operations as of September 30, 2022.

For additional discussion by CNE management of the Health System's financial results through the first quarter of FY 2023, see "MANAGEMENT DISCUSSION- COVID-19 Pandemic Aftermath" and "MANAGEMENT DISCUSSION- Financial Matters Relating to the Three Months Ended December 31, 2022".

**Table 6.**  
**Summary of Consolidated Balance Sheets**

	Fiscal Year Ended			Three-Month Period	
	September 30			Ended December 31	
	2020	2021	2022	2021 (Unaudited)	2022 (Unaudited)
Cash and cash equivalents	\$ 133,131,336	\$ 18,717,659	\$ 47,766,108	\$ 25,440,359	\$ 26,439,176
Short-term investments	-	100,229,300	38,046,843	50,213,744	38,466,894
Patient accounts receivable	99,992,705	108,447,566	104,805,091	105,790,789	107,743,887
Other receivables	27,138,352	35,602,720	33,146,975	41,970,975	44,111,390
Other current assets	20,096,768	20,494,593	26,181,282	29,027,575	29,778,353
Assets limited as to use, non-current	387,833,549	452,904,119	375,177,393	448,764,871	387,780,929
Property & equipment, net	240,319,309	230,532,088	205,586,356	225,557,879	202,866,670
Right of use assets	96,631,280	97,818,299	92,695,387	96,055,028	89,798,135
Other non-current assets	33,648,166	36,874,321	12,925,596	37,540,574	12,496,133
Total assets	<u>\$1,038,791,465</u>	<u>\$1,101,620,665</u>	<u>\$ 936,331,031</u>	<u>\$1,060,361,794</u>	<u>\$ 939,481,567</u>
Current liabilities	\$ 227,811,701	\$ 234,393,118	\$ 215,403,681	\$ 224,695,862	\$ 213,577,076
Self-insurance reserves	156,017,913	166,651,451	166,795,335	160,718,513	166,550,213
Long-term debt	154,972,390	150,666,537	142,597,357	150,414,338	142,333,768
Long-term lease liabilities	92,899,904	92,980,560	88,916,201	91,917,696	86,623,194
Pension liability	131,513,347	73,420,544	60,843,594	69,797,591	62,520,254
Other non-current liabilities	53,960,208	42,835,805	29,475,117	31,438,119	27,582,314
Net assets	221,616,002	340,672,650	232,299,746	331,379,675	240,294,748
Total liabilities and net assets	<u>\$1,038,791,465</u>	<u>\$1,101,620,665</u>	<u>\$ 936,331,031</u>	<u>\$1,060,361,794</u>	<u>\$ 939,481,567</u>

For additional discussion by CNE management of the Health System's financial results through the first quarter of FY2023, see "MANAGEMENT DISCUSSION - COVID-19 Pandemic Aftermath" and "MANAGEMENT DISCUSSION- Financial Matters Relating to the Three Months Ended December 31, 2022".

## Debt Structure and Key Ratios

**Outstanding Indebtedness.** As of December 31, 2022, CNE's total outstanding long-term indebtedness was \$158,455,919. The table below reflects CNE's indebtedness as of December 31, 2022.

**Table 7.  
Outstanding Indebtedness**

Debt	December 31, 2022
<b>Obligated Group Debt:</b>	
Series 2016B Bonds <sup>(1)</sup>	\$123,163,666
Series 2016C Taxable Notes <sup>(2)</sup>	21,398,249
U.S. Bank Loan <sup>(3)</sup>	1,424,121
Finance Leases <sup>(4)</sup>	5,561,508
Deferred Payment Arrangements <sup>(5)</sup>	826,440
Seavest Healthcare Properties, LLC Note <sup>(6)</sup>	964,818
101 Plain, LLC Loan <sup>(7)</sup>	2,828,973
Subtotal	<u>\$156,167,775</u>
<b>Non-Obligated Affiliates Debt:</b>	
Time Mortgage Note <sup>(4)</sup>	\$2,254,371
TPC Debt <sup>(8)</sup>	33,773
Subtotal	<u>\$2,288,144</u>
<b>Total</b>	<b><u>\$158,455,919</u></b>

- Note (1): Includes \$8,943,666 of original issue premium. The Series 2016B Bonds are secured by the Master Indenture.
- Note (2): Includes \$211,751 of original issue discount. The Series 2016C Taxable Notes are secured by the Master Indenture.
- Note (3): On January 3, 2020, CNE entered a \$3.5 million equipment lease with U.S. Bank Equipment Finance to fund the purchase of bed replacements at its hospital facilities. For purposes of accounting, this debt is treated as a loan. This debt is not secured by the Master Indenture.
- Note (4): Finance leases and the Time Mortgage Note are not, and will not be, secured by the Master Indenture.
- Note (5): CNE has negotiated deferred payment arrangements with equipment manufacturers in connection with CNE's purchase of certain equipment. This debt is not secured by the Master Indenture.
- Note (6): Amendment to tenant lease agreement with landlord, Seavest Healthcare Properties, LLC, for medical space. This debt is not secured by the Master Indenture.
- Note (7): On May 11, 2020, CNE entered a lease addendum with 101 Plain, LLC, the landlord of premises located at 101 Plain Street, Providence, Rhode Island. The lease addendum included a \$3.5 million loan to finance tenant improvements. On September 3, 2020, CNE was removed as the "Tenant" on the lease agreement and replaced with WIH as "Tenant" and successor in interest under the lease. For purposes of accounting, this debt is treated as a loan. This debt is not secured by the Master Indenture.
- Note (8): TPC debt listed here is a U.S. Department of Housing and Urban Development mortgage. This debt is not secured by the Master Indenture.

**Key Ratios.** The following tables set forth Care New England's historical debt service coverage, historical indebtedness ratio and days cash on hand for fiscal years 2020, 2021, 2022 and the three-month periods ending December 31, 2021 and 2022. The financial ratios included below were calculated on a consolidated basis, including Obligated Group members and Non-Obligated Affiliates. For additional information relating to these key ratios and Group members calculations based solely on the Obligated Group members, see the Debt Compliance and Supplements Reporting Summary attached to this Report as EXHIBIT A. For a breakdown of certain liquidity ratios, profitability ratios and capital structure, see the Consolidated Key Ratios attached as EXHIBIT B to this Report.

Care New England received a waiver of the debt service coverage ratio covenant of the Master Indenture for fiscal year 2020 from the holders of its outstanding Notes.

**Historical Debt Service Coverage.** The following table sets forth Care New England's historical indebtedness to capitalization ratio for fiscal years 2020, 2021, 2022 and the three-month periods ending December 31, 2021 and 2022. Maximum annual debt service is calculated on a smoothed basis.

**Table 8.  
Historical Debt Service Coverage**

	Fiscal Year Ended September 30			Three-Month Period Ended December 31	
	2020	2021	2022	2021 (Unaudited)	2022 (Unaudited)
Excess (deficiency) of revenues and gains over expenses	(\$13,241,857)	\$50,284,425	(\$111,759,230)	(\$13,550,154)	\$1,340,627
Add back:					
Change in unrealized (gains) and losses	(7,768,798)	(30,266,415)	77,278,674	(1,884,497)	(14,089,818)
Net (gain)/loss on disposition of assets <sup>(1)</sup>	-	-	(7,345,285)	-	-
Goodwill Impairment	-	-	24,345,364	-	-
Pension Settlement	-	9,356,441	-	-	-
Depreciation and Amortization	29,640,134	31,181,265	29,855,847	8,079,080	7,160,777
Interest Expense	7,679,342	7,724,938	7,463,553	1,875,582	1,784,516
Merger Expense	-	-	7,778,076	-	-
Income Available for Debt Service	\$45,132,400	\$16,308,821	\$68,280,654	(\$5,479,989)	(\$3,803,898)
Annual Debt Service	\$15,056,122	\$16,671,152	\$17,038,452	\$4,000,891	\$4,173,429
<b>Coverage of Annual Debt Service</b>	<b>1.08</b>	<b>4.10</b>	<b>1.62</b>	<b>(1.37)</b>	<b>(0.91)</b>
Maximum Annual Debt Service	\$16,476,321	\$17,131,862	\$17,317,731	N/A	N/A
<b>Coverage of Maximum Annual Debt Service</b>	<b>.99</b>	<b>3.99</b>	<b>1.59</b>	N/A	N/A

Note (1): The gain on disposal of Jewelry District assets is net of selling expenses.



**Historical Indebtedness to Capitalization Ratio.** The following table sets forth Care New England's historical indebtedness to capitalization ratio for fiscal years 2020, 2021, 2022 and the three-month periods ending December 31, 2021 and 2022.

**Table 9.  
Historical Indebtedness to Capitalization Ratio**

	Fiscal Year Ended September 30			Three-Month Period Ended December 31	
	2020	2021	2022	2021 (Unaudited)	2022 (Unaudited)
	Long-Term Indebtedness <sup>(1)</sup>	\$162,290,223	\$154,854,705	\$147,318,177	\$154,486,841
Net Assets Without Donor Restrictions	130,942,624	233,005,263	131,861,236	219,580,978	133,532,415
Total Capitalization	\$293,232,847	\$387,859,968	\$279,179,413	\$374,067,819	\$279,966,933
<b>Ratio of Long-Term Indebtedness to Capitalization</b>	<b>0.55</b>	<b>0.40</b>	<b>0.53</b>	<b>0.41</b>	<b>0.52</b>

Note (1): Includes current and long-term debt described in Table 7, less amounts deposited in the debt service reserve fund for the Series 2016B Bonds. As of December 31, 2022, the amount deposited in the Series 2016B Bonds debt services reserve fund was approximately \$12.0 million.

**Days Cash on Hand.** The following table sets forth Care New England's days cash on hand for fiscal years 2020, 2021, 2022 and the three-month periods ending December 31, 2021 and 2022.

**Table 10.  
Days Cash on Hand**

	Fiscal Year Ended September 30			Three-Month Period Ended December 31	
	2020	2021	2022	2021 (Unaudited)	2022 (Unaudited)
	Cash & Cash Equivalents & Investments (Unrestricted) <sup>(1) (2)</sup>	\$113,683,929	\$93,753,028	\$66,607,882	\$56,094,039
Unrestricted Board-Designated Funds <sup>(3)</sup>	109,787,802	133,726,647	106,481,134	136,924,417	114,766,707
Total	\$223,471,731	\$227,479,675	\$173,089,016	\$193,018,456	\$155,595,566
Operating Expenses	\$1,151,897,241	\$1,232,122,762	\$1,289,005,177	\$318,243,357	\$321,788,171
LESS:					
Depreciation and Amortization Expense	29,640,134	31,181,265	29,855,847	8,079,080	7,160,777
Loss on Asset Impairment	-	-	24,345,364	-	-
Net Operating Expenses	1,122,257,107	1,200,941,497	1,234,803,966	310,164,277	314,627,394
Daily Operating Expense	3,066,276	3,290,251	3,383,025	3,371,351	3,419,863
<b>Days Cash on Hand</b>	<b>72.9</b>	<b>69.1</b>	<b>51.2</b>	<b>57.3</b>	<b>45.5</b>

Note (1): Excludes restricted cash.

Note (2): The Cash & Cash Equivalents & Investments for the twelve-month period ended September 30, 2020 and 2021 includes Medicare accelerated payments of \$30 million and \$18.6 million, respectively.

Note (3): Excludes CSV of life insurance.

## MANAGEMENT DISCUSSION

### COVID-19 Pandemic Aftermath

Since March of 2020, the COVID-19 pandemic has drastically impacted financial performance primarily due to the significant increase in the cost structure of the organization as staffing shortages have seriously compromised the ability to adequately staff all operating units resulting in compromised patient throughput and revenue loss. The pandemic and its lingering aftermath effects has put severe stress on the organization.

Through December 2022, Care New England received \$164.1 million in stimulus funding from the CARES Act Provider Relief Fund (\$74.1 million), the State of Rhode Island Hospital Assistance Partnership Program (HAPP) (\$79.0 million), and ARPA (\$11.0 million). These amounts have been received and recorded prior to FY 2023. Additionally, The Providence Center has received approximately \$3.2 million of ARPA funds and \$276,752 was recorded as revenue in December 2022.

The CARES Act allowed employers to defer the employer's portion of the Social Security payroll tax (6.2%) on wages paid from March 27, 2020 through December 31, 2020. Care New England implemented the payroll tax delay and deferred approximately \$21.5 million in payroll taxes through the month of December 2020. The first repayment installment of \$10.8 million was paid in December 2021. Repayments of \$2.1 million were made in Q4 of FY 2022. Repayments of \$7.1 million were made in December 2022 per IRS invoicing. The remaining balance of \$1.5 million will remain a liability until CNE can reconcile records with the IRS.

### Fiscal Year 2023 – First Quarter Highlights

The following table contains a summary of CNE's financial results for the first through the fourth quarters of FY 2022 and for the first quarter of FY 2023:

**Table 11.**  
**Quarterly Summary of FY 2022 and YTD FY 2023 Consolidated Operational Results**  
(in thousands)

	Fiscal Year 2022					YTD	FY 2023
	Q1	Q2	Q3	Q4	YTD	Q1	
<b>Operating Revenues</b>							
Net patient service revenue	\$ 254,194	\$ 248,423	\$ 257,884	\$ 254,414	\$ 1,014,915	\$ 259,136	
Research revenue	9,004	8,853	7,360	9,797	35,014	8,659	
Grant revenue - relief funds	2,299	7,814	-	14,140	24,253	277	
Other revenue	31,836	35,370	47,851	41,204	156,261	39,963	
Total operating revenues, gains and others support	<u>\$ 297,333</u>	<u>\$ 300,460</u>	<u>\$ 313,095</u>	<u>\$ 319,555</u>	<u>\$ 1,230,443</u>	<u>\$ 308,035</u>	
<b>Operating Expenses</b>							
Salaries and fringe benefits	\$ 189,718	\$ 182,978	\$ 182,587	\$ 187,471	\$ 742,754	\$ 190,770	
Insurance	8,531	7,473	7,030	7,378	30,412	9,792	
Other expenses	91,589	96,313	93,899	100,537	382,338	93,225	
Research expenses	8,538	7,658	7,599	8,866	32,661	8,891	
Licensure fee	9,913	9,913	9,555	9,794	39,175	10,164	
Interest	1,876	1,883	1,869	1,836	7,464	1,785	
Depreciation and amortization	8,079	8,447	7,074	6,256	29,856	7,161	
Goodwill impairment	-	-	-	24,345	24,345	-	
Total operating expenses	<u>\$ 318,244</u>	<u>\$ 314,665</u>	<u>\$ 309,613</u>	<u>\$ 346,483</u>	<u>\$ 1,289,005</u>	<u>\$ 321,788</u>	
Income (loss) from operations - including relief funds	<u>\$ (20,911)</u>	<u>\$ (14,205)</u>	<u>\$ 3,482</u>	<u>\$ (26,928)</u>	<u>\$ (58,562)</u>	<u>\$ (13,753)</u>	
Less: Grant revenue - relief funds	(2,299)	(7,814)	-	(14,140)	(24,253)	(277)	
Add: Goodwill impairment	-	-	-	24,345	24,345	-	
Income (loss) from operations - excluding relief funds	<u>\$ (23,210)</u>	<u>\$ (22,019)</u>	<u>\$ 3,482</u>	<u>\$ (16,723)</u>	<u>\$ (58,470)</u>	<u>\$ (14,030)</u>	

**Q1 2023 over Q1 2022.** Net patient service revenue was \$4.9 million higher in Q1 of FY 2023 compared to Q1 of FY 2022. CNE recorded \$276,752 of stimulus funding from ARPA through Q1 of FY 2023 compared to \$2.3 million of stimulus funding from ARPA through Q1 of FY 2022. Revenues from both Integra shared savings contracts and Kent's retail pharmacy increased over the prior year. Salaries were \$2.1 million higher in Q1 of FY 2023 compared to Q1 of FY 2022. One-time salary expenses relating to stay incentives and settlements in operations were driving the negative salary expense variance. Agency costs were \$4.3 million through the first quarter of FY 2023; \$2.2 million lower than the first quarter of FY 2022. Fringe benefits were \$1.1 million lower in Q1 of FY 2023 compared to Q1 of FY 2022 due to health insurance and a decrease in defined benefit plan pension costs. Insurance was \$1.3 million higher in Q1 of fiscal 2023 compared to Q1 of FY 2022 due to Indemnity performance. Medical supplies and drugs were \$1.9 million higher in Q1 of fiscal 2023 compared to Q1 of FY 2022 due to a volume related increase in specialty pharmacy drug costs (offset by an increase in other revenue). Other expenses were \$239,634 lower in Q1 of FY 2023 compared to Q1 of FY 2022. The decrease in other expenses compared to Q1 of FY 2022 was due to a decrease in merger costs partially offset by an increase in strategic initiatives costs. Depreciation expense was \$918,303 lower in Q1 of FY 2023 compared to Q1 of FY 2022. Numerous assets became fully depreciated in FY 2022, most notably information technology assets.

Net patient service revenue was \$2.0 million or 0.76% lower than the forecast but \$4.9 million or 1.9% greater than the prior year. Net patient service revenue finished below forecast due to payor mix shifts, case mix decreases, rehab unit denials, and home care volume shortfalls at the VNA. Offsetting some of the negative revenue variances were the release of receivable reserves and recoupment of certain receivables previously written off, and settlement of prior year cost reports. Medical/surgical discharges were 148 (5.2%) behind budget and 127 (4.5%) below last year. Obstetrics discharges were 107 (4.5%) above the forecast and 16 (.7%) higher than the prior year. Deliveries finished 77 (3.5%) ahead of the forecast and 18 (0.8%) lower than the previous year. NICU discharges were 44 (17.5%) below forecast and 44 (17.5%) higher than the previous year, while NICU days ended 254 (4.4%) higher than forecast and 53 (0.9%) lower than the same period last year. Some ancillary services finished behind forecast. Emergency room/Triage visits were 556 (2.7%) behind forecast, but 501 (2.6%) higher than prior year, and operating room cases were 198 (5.3%) behind forecast, and 381 (9.8%) lower than prior year. Overall outpatient imaging was ahead of forecast, primarily attributable to ultrasound and CT Scans which were ahead of forecast by 891 (7.9%) and 384 (5.2%), respectively. Mammography was 848 (7.6%) ahead of forecast and 1,141 (10.5%) greater than last year. Outpatient services below forecast included endoscopy, cardiac catheterization, vascular lab, echocardiology, physical therapy, occupational therapy, and hyperbaric services. Services with volumes above forecast included laboratory, infusion therapy, breast health center, and sleep studies. In addition, overall medical/surgical length of stay finished at 4.9 days, which is higher than the forecasted 4.4 days, but lower than the prior year to date length of stay of 5.4 days.

CNE management's growth and cost management initiatives, including action plan implementation, labor productivity monitoring, and revenue cycle improvements, are making an impact on performance. Overall, the implementation of the action plans for both revenue and expense were severely impacted by the COVID-19 aftermath in 2022 and is continuing in 2023. The action plans are behind forecast through the first quarter of FY 2023. Management believes the action plans are solid and will gain traction during FY 2023 as monthly business reviews mature. Management plans to continue to implement more initiatives targeting growth, access, cost savings, staffing to volume, and retention to stabilize and grow patient activity levels, as well as improve operating results. Action plan tracking has been incorporated into the monthly business review meetings for more focused execution.

Through the first quarter of FY 2023, the Health System reported \$13.8 million loss from operations, \$2.7 million unfavorable to the forecast. Net Non-Operating Gains of \$15.1 million were favorable to the forecast by \$11.1 million primarily due to favorable investment returns. Inclusive of non-operating activity, through the first quarter of FY 2023, the Health System reported an excess of revenue over expenses of \$1.3 million, which was favorable to the forecast by \$8.4 million. Through the first quarter of FY 2023, CNE recorded prior year gains in net patient service revenue or as a contra expense of \$3,184,000 related to prior year reserves for charity care, recoupment a high dollar claim previously written off and prior year third party settlements.

Through the first quarter of FY 2023, other revenue includes an increase in Integra shared savings and at-risk arrangements and the receipt and recognition of \$977,290 in December 2022 for FEMA reimbursements related to COVID-19 costs.

Through the first quarter of FY 2023, total expenses for the Health System were \$2.0 million or .6% higher than the forecast. The unfavorable variance is primarily due to the cost of staffing, one-time salary expenses relating to stay incentives and settlements in operations, length of stay increases, and strategic initiatives costs. Labor productivity is monitored daily at each of the operating units and at CNE. FTEs per adjusted occupied bed were favorable to the forecast by 3.7% at Butler and 6.1% at Women & Infants and were unfavorable to the forecast by 2.4% at Kent. Adjusted patient days were favorable to the forecast at Butler and Women and Infants and were unfavorable to the forecast at Kent. Butler FTEs were unfavorable to the forecast; Kent FTEs were favorable to the forecast; and Women and Infants FTEs were consistent with the forecast. Fringe benefits expense is favorable to the forecast by \$716,749 or 1.9% due to health insurance which includes the recognition of rebates on the employee pharmacy benefit. Insurance is \$1.6 million or 14.3% favorable to the forecast due to Indemnity performance. Other expenses were favorable to the forecast by \$1.6 million or 2.7% primarily due to temporary timing differences related to information services costs.

The Health System's cash position is a primary focus of management. Overall days cash on hand were 45.5 days as of December 31, 2022 compared to 51.2 days as of September 30, 2022. The decrease in days cash on hand through the first quarter of FY 2023 includes repayments of COVID-19 assistance and the funding of the Health System's pension plans.

The Health System is closely monitoring capital expenditures through its executive capital committee. All capital expenditures must be approved by this committee and such expenditures are limited to critical and strategic items. Through the first quarter of FY 2023, \$3.9 million of the \$29.95 million capital budget has been spent, primarily related to information technology, medical equipment and facilities upgrades and renovations. The capital expenditure ratio through the first quarter of FY 2023 was 59.7% of depreciation for the Health System.

The greatest financial challenge affecting CNE through the first quarter of FY 2023 is the stabilization of performance during the pandemic aftermath. Staffing and supply shortages have driven expenses dramatically upward. Staffing costs have been impacted by premium pay and agency staff usage. Supply costs have risen due to outages and transportation costs and production costs. In addition, emergency room diversion, payor mix shifts, case mix decreases, rehab unit denials, home care volume shortfalls at the VNA, and Kent volume challenges are negatively impacting financial performance. Management has developed, and is continuing to develop, action plans with the intent to stabilize these patient activity trends as well as the alignment of staffing to the volume levels; however, action plan performance versus plan through the first quarter of FY 2023 was behind forecast (see "MANAGEMENT DISCUSSION – Fiscal Year 2023 Financial Matters"). These action plans are addressing the goals of quality, access, and service.

#### **Financial Matters Relating to the Three Months Ended December 31, 2022**

The following is a discussion of certain items contained in Care New England's Combined Statement of Operations, Balance Sheet and Statement of Cash Flows (the "CNE Financial Statements") for the three months ended December 31, 2022, which are attached to this Report as EXHIBIT C. For purposes of the CNE Financial Statements as of December 31, 2022 with CNE entity-level detail, information related to Memorial is included in the information related to its parent organization, SHS. The CNE Financial Statements compare the December 31, 2022 CNE Financial Statements to other reporting periods described therein. The CNE Financial Statements for the periods ended December 31, 2022 and December 31, 2021 are unaudited, while the CNE Financial Statements for the fiscal year ended September 30, 2022 have been audited and are available on EMMA.

#### ***Combined Statement of Operations as of December 31, 2022 Actual Compared to the Combined Statement of Operations as of December 31, 2022 Forecast and September 30, 2022 Actual (Exhibit C)***

CNE's Loss from Operations was \$13.8 million through the first quarter of FY 2023, which is \$2.7 million unfavorable to the forecast and \$7.2 million favorable to prior year's loss from operations of \$20.9 million. The negative performance is primarily the result of Net Patient Service Revenue ("NPSR") shortfalls at Kent, CNEMG, The Providence Center and the VNA. Women and Infants and Butlers' NPSR was strong through the first quarter of FY 2023, but consolidated NPSR still finished below the forecast. Favorable revenue results include Integra's performance on shared savings contracts and the receipt and recognition of \$977,290 in December for FEMA reimbursements related to COVID-19 costs. Cost of staffing, salary incentives, one-time salary expenses relating to

stay incentives and settlements in operations, length of stay increases, and strategic initiatives costs were unfavorable to forecast driving the negative expense variance. The loss from operations was an improvement from last December. However, the negative financial performance was and has been primarily attributed to Kent. Low medical/surgical volumes, inconsistent outpatient volumes, patient throughput (high average length of stay) and staffing shortages causing ambulance diversion at Kent are the drivers of current performance.

The consolidated loss from operations includes Memorial Hospital's loss from operations of \$468,137. On January 7, 2021, Memorial sold a portion of the main campus of Memorial Hospital, which primarily includes the location of the main hospital building. The location of Care New England's ambulatory facilities on the main campus of Memorial Hospital, which are currently licensed by Kent, were excluded from the sale. The costs of maintaining the main hospital building property shifted to the purchaser and the costs related to maintaining the ambulatory facilities remain with Care New England. In addition to the cost for plant operations, Memorial also bears expense associated with conditions of closure imposed by RIDOH. Memorial's FY 2022 loss from operations includes the goodwill impairment charge of \$24.3 million.

CNE included a segment reporting schedule which breaks out the impact of Toll Gate Indemnity and W&I Indemnity from consolidated operations. Total indemnity operating income of \$297,328 was \$138,329 unfavorable to the forecast. Actual underwriting experience versus expected actuarial losses was unfavorable at W&I Indemnity and was favorable at Toll Gate Indemnity through the first quarter of FY 2023.

Accounting for CNEMG changed in Q1 of FY 2023. The primary care practice performance will remain in CNEMG and not be included in the subsidy charged to the operating units. This change was driven by the implementation of the PCP capitation contract with Blue Cross.

Net Non-Operating Gains of \$15.1 million were favorable to the forecast by \$11.1 million due to favorable variances in investment returns.

The Excess of Revenues/Gains over Expenses/Losses for the Health System was \$1.3 million, which was favorable to the forecast by \$8.4 million.

Net Patient Service Revenue was \$2.0 million or 0.76% lower than forecast for this quarter, and \$4.9 million or 1.9% higher than the first quarter of the previous year. Net patient service revenue finished below forecast due to payor mix shifts, case mix decreases, and home and hospice care volume shortfalls at the VNA. Offsetting some of the negative revenue variances were the release of receivable reserves and recoupment of certain receivables previously written off, and settlement of prior year cost reports. In this quarter, Butler patient days exceed the forecast by 6.5% and the prior year by 10.0%. Partial hospital days were lower than forecast by 3.8% but 7.9% higher than this quarter last year; intensive outpatient program days exceed the forecast by 6.7% and prior year by 19.0%. Kent has 160 (6.0%) fewer medical/surgical discharges compared to forecast, while medical/surgical patient days were higher than forecast by 356 (3.0%). The medical/surgical average length of stay was 4.9 days compared to the forecast of 4.4 days but lower than the 5.4 for year-to-date for FY22. Women & Infants obstetrical discharges were 91 (4.1%) ahead of forecast but 13 (0.6%) less than prior year-to-date. For the quarter ended December 31, NICU discharges were 44 (17.5%) below both forecast and the prior year. Medical/surgical discharges exceeded forecast by 12 (7.3%) and prior year by 45 (32.8%). Inpatient operating room exceeds the forecast and prior year, but outpatient is less than forecast (1.9%) and prior year (10.5%). Diagnostic imaging statistics exceed forecast by 1,499 (11.9%) and prior year by 1,800 (14.7%). Mammography stats exceeded forecast by 943 (13.7%) and prior year by 557 (7.7%). Outpatient volumes for diagnostic imaging and laboratory are above forecast and prior year. Outpatient infusion volumes exceed forecast by 328 (6.1%) and are similar to the volumes for this quarter in the prior year. Payer mix trends include an increase in Medicaid Managed Care with a reduction in commercial for Butler, similar mix to last year for Kent, and an increase in Blue Cross for Women & Infants. An analysis of Revenues and Deductions from Revenues is included in the Revenue Cycle Report and Payor Mix attached to this Report as EXHIBIT D.

Research Revenue was unfavorable to the forecast by \$123,653 or 1.4% and Research Expenses were unfavorable to the forecast by \$516,611 or 6.2%. Research revenue was \$344,841 or 3.8% lower than the prior year and research expenses were \$353,324 or 4.1% higher than the prior year. Accounting standard ASU 2014-09 - *Revenue from Contracts with Customers*, recognizes revenue for milestone awards at the time the milestone/deliverable is fulfilled (which may or may not match the timing of when the funds are expended).

Grant Revenue– Relief Funding of \$276,752 includes stimulus funding from the American Rescue Plan Act (ARPA). The Providence Center has received approximately \$3.2 million of ARPA funds and \$276,752 was recorded as revenue in December 2022. Through the first quarter of FY 2022, Care New England received and recognized stimulus funding of \$2.3 million from ARPA.

Other Revenue was \$39.6 million through the first quarter of FY 2023, which is \$1.2 million or 3.0% favorable to the forecast and \$8.1 million or 25.7% higher than prior year. The increase in other revenue compared to forecast is due to an increase in Integra shared savings and at-risk arrangements and the receipt and recognition of \$977,290 in December 2022 for FEMA reimbursements related to COVID-19 costs. The increase in other revenue compared to prior year revenue is due to an increase in Integra shared savings and at-risk arrangements and an increase in retail pharmacy revenues.

Total Operating Expenses of \$321.8 million were \$2.0 million or .6% unfavorable to the forecast. The unfavorable variance is primarily due to the cost of staffing, salary incentives, one-time salary expenses relating to stay incentives and settlements in operations, length of stay increases, and strategic initiatives costs.

Highlights of the line-item components of operating expense variances were as follows:

- Salaries and Wages were \$5.2 million 3.5% unfavorable to the forecast and \$2.1 million or 1.4% higher than the prior year. As previously noted, one-time salary expenses relating to stay incentives, settlements in operations, and length of stay increases were driving the negative salary expense variance. Agency costs were \$4.3 million through the first quarter of FY 2023; \$2.2 million lower than the first quarter of FY 2022.

The Health System experienced mixed results in labor metrics through the first quarter of FY 2023. FTEs per adjusted occupied bed were favorable to the forecast by 3.7% at Butler and 6.1% at Women & Infants and were unfavorable to the forecast by 2.4% at Kent. Adjusted patient days were favorable to the forecast at Butler and Women and Infants and were unfavorable to the forecast at Kent. Patient Statistics are included in the attached EXHIBIT E. Butler FTEs were unfavorable to the forecast; Kent FTEs were favorable to the forecast; and Women and Infants FTEs were consistent with the forecast. Management plans to implement further initiatives targeting focused improvements in labor productivity and management. Labor productivity is monitored by pay period at each of the hospital operating units and at CNE. A series of efficiency metrics, to assist with the reporting of CNE's performance, can be found in EXHIBIT F to this Report.

- Fringe Benefits were \$716,749 or 1.9% favorable to the forecast and \$1.1 million or 2.7% higher than the prior year. The favorable variance from forecast is due to health insurance which includes the recognition of rebates on the employee pharmacy benefit. The favorable variance from prior year is due to health insurance and a decrease in defined benefit plan pension costs.
- Insurance was \$1.6 million or 14.3% favorable to the forecast and \$1.3 million or 14.8% higher than the prior year. Through the first quarter of FY 2023, actual underwriting experience versus expected actuarial losses was unfavorable at W&I Indemnity and was favorable at Toll Gate Indemnity. Indemnity program results were unfavorable to prior year at W&I Indemnity and was favorable to the prior year at Toll Gate Indemnity.
- Medical Supplies and Drugs were \$47,244 or .1% unfavorable to the forecast and \$1.9 million or 5.8% higher than the prior year. Drug costs associated with Kent's retail pharmacy have increased over the prior year as a result of increased volume (corresponding increase in other revenues).
- Other Expenses were \$1.6 million or 2.7% favorable to the forecast and \$239,634 or .4% lower than the prior year. The decrease in other expenses compared to the forecast relates to temporary timing differences primarily related to information services costs. The decrease in prior year is due to the elimination of merger costs in FY 2023, partially offset by an increase in strategic initiatives costs.

Non-operating gains include \$16.8 million in investment gains through the first quarter of FY 2023, which is \$12.6 million favorable to the forecast. In FY 2022, non-operating activities include \$7.5 million in investment earnings.

The Health System ended the first quarter of FY 2023 with a \$1.3 million excess of revenues over expenses.

***Combined Balance Sheet as of December 31, 2022, Compared to the Combined Balance Sheet as of September 30, 2022, and as of December 31, 2021 (Exhibit C)***

As of December 31, 2022, the Health System had \$64.9 million in Cash and Cash Equivalents and Short-Term Investments compared to \$85.8 million as of September 30, 2022, and \$75.7 million as of December 31, 2021.

Notable factors in Q1 of FY 2023 include:

- Pension funding was \$706,000 to the Memorial defined benefit plan, and \$5.0 million to the CNE Match and Savings Plan.
- Funding of the indemnity programs; W&I Indemnity was \$3.1 million, and Toll Gate Indemnity was \$3.4 million.
- Repayments of COVID-19 other third-party advances were \$375,000.
- Repayment of Deferred Employer FICA was \$7.1 million.

Patient Accounts total A/R balances (gross) across the system were \$6.2 million lower than the prior quarter, while cash collections decreased by only \$1.1 million. Gross charges for the first quarter were \$8.4 million lower compared to last quarter. The A/R days increased to 41. At Butler, A/R days decreased to 47. Butler cash receipts resulted at \$22.2 million, which was consistent to prior quarter. At Kent, the A/R days remained at 40, gross charges decreased by \$10.2 million, and the cash receipts decreased by \$886,324 compared to the prior quarter. Women & Infants' A/R days remained at 43, gross charges improved by \$1.9 million and cash receipts increased by \$1.3 million compared to the prior quarter.

The Allowance for Estimated Uncollectible Accounts as a percentage of patient accounts receivables was 18.8% on December 31, 2022 a decrease of 1.0% from September 30, 2022. Compared to the quarter ended December 31, 2021, the allowance for uncollectible accounts decreased by 2.0%. EXHIBIT D to this Report contains additional details on CNE's Patient Accounts Receivables.

Other Receivables increased \$11.0 million or 33.1% since September 30, 2022 and increased \$2.1 million or 5.1% since December 31, 2021. The increase since September 30, 2022, is due to an increase in the accrual of Disproportionate Share (DSH) income and an increase in Indemnity premiums receivable. The increase since December 31, 2021 is due to an increase in Integra shared savings incentive payment receivables.

Assets Limited as to Use (Current Portion) increased \$3.2 million or 126.3% since September 30, 2022 and increased \$397,319 or 7.4% since December 31, 2021. The changes primarily relate to activity within debt service funds, specifically the timing of deposits to the funds and payments to the holders of CNE's outstanding debt. The annual principal payment related to the Series 2016B bonds of \$6,200,000 is due in September 2023.

Inventories increased \$78,554 or .9% since September 30, 2022 and decreased \$675,787 or 6.9% since December 31, 2021. The decrease since December 31, 2021 is due to a decrease in inventory at the Kent and WIH pharmacies, partially offset by an increase in inventory for Kent's retail pharmacy.

Prepaid Expenses increased \$2.9 million or 37.4% since September 30, 2022 and decreased \$1.8 million or 14.6% since December 31, 2021. The largest items included in Prepaid Expenses are insurance premiums, information systems contracts, and deposits. The increase since September 30, 2022 primarily relates to the payment of information systems contracts. The decrease since December 31, 2021 primarily relates timing of deposits to employee health savings accounts.

Pledges Receivable, Net (Current and Noncurrent) decreased \$2.9 million or 25.6% since September 30, 2022 and increased \$4.7 million or 126.6% since December 31, 2021. The changes in pledges receivable, net is due to the campaigns for Butler Hospital, Kent County Memorial Hospital and Women & Infants Hospital.

Assets Limited as to Use increased \$15.8 million or 4.2% since September 30, 2022 and decreased \$60.6 million or 13.3% since December 31, 2021. The components of the changes through the first quarter of FY 2023 and since December 31, 2021 were a net result of the following:

Endowment Funds increased by \$3.9 million or 5.9% since September 30, 2022 and decreased \$16.6 million or 19.4% since December 31, 2021, primarily reflecting distributions from endowment funds in accordance with donor intent and the impact of fluctuations in the investment markets.

Board Designated Funds increased \$8.3 million or 6.4% since September 30, 2022 and decreased \$22.4 million or 14.1% since December 31, 2021, primarily reflecting the impact of fluctuations in the investment markets.

Self-Insurance Trust Funds increased \$396,679 or .2% since September 30, 2022 and decreased \$21.8 million or 11.5% since December 31, 2021. The changes reflect the net of investment performance, contributions, dividends paid and settlement payments.

Trustee Held Funds increased \$3.3 million or 23.0% since September 30, 2022 and increased \$208,214 or 1.2% since December 31, 2021. The change relates primarily to the timing of deposits to the funds and payments to Noteholders. Trustee held funds are primarily invested in cash and short-term investments.

Net Property, Plant and Equipment decreased by \$2.7 million or 1.3% since September 30, 2022 and decreased \$22.7 million or 10.1% since December 31, 2021. Through the first quarter of FY 2023, depreciation expense exceeded capital investments. The change since December 31, 2021 includes the sale, by Women and Infants Hospital, of the Jewelry District Properties. Sale of these properties closed on June 29, 2022. The remaining book value related to these properties was removed from the balance sheet in June 2022. In addition, depreciation expense exceeded capital investments since December 31, 2021. The Health System is closely monitoring capital expenditures through the executive capital committee. The Capital report attached to this Report as EXHIBIT G contains additional details on CNE's capital expenditures.

Care New England had goodwill of \$24,345,364 that resulted from the previous acquisition of Memorial Hospital. The System performed an impairment assessment of goodwill annually at the reporting unit level (the consolidated System) by comparing the estimated fair value of the reporting unit to the carrying value of the reporting unit. For the year ended September 30, 2022, the fair value assessment reflected several significant management assumptions and estimates including the System's forecasts of future net patient service revenue, operating expenses, and capital expenditures, and the estimated discount rate. Through this assessment, it was determined that the carrying amount of the reporting unit exceeded its fair value by more than the goodwill balance. As such, the full goodwill asset was considered impaired and a charge of \$24,345,364 was recorded during the year ended September 30, 2022.

As of December 31, 2022, Finance Lease Right-of-Use Assets, net was \$5.8 million and Operating Lease Right-of-Use Assets, net was \$84.0 million. ASU 2016-02 – *Leases*, requires a lessee to recognize a right-of-use asset and a lease liability, initially measured at the present value of the lease payments, in its balance sheet. When the terms of a lease effectively transfer control of the underlying asset, the lease represents an in substance financed purchase of an asset and the lease is classified as a finance lease. All other leases are classified as operating leases (short-term leases are not included on the balance sheet). Amortization expense and lease expense exceeded new lease commitments through the first quarter of FY 2023.

Insurance receivable decreased by \$1.7 million or 43.8% since December 31, 2021 due to a decrease in malpractice reserves as determined by our actuaries. An offsetting decrease was recorded in self-insurance reserves.

Current Pension Payable of \$27.5 million, which reflects the accrual of the funding for the annual defined contribution liability, decreased \$550,862 or 2.0% since September 30, 2022 and increased \$4.3 million or 18.5%



since December 31, 2021. The defined contribution plan expense was ratably accrued throughout FY 2022 and through the first quarter of FY 2023. The decrease in current pension payable is due to pension funding (\$5.0 million in the first quarter of FY 2023), partially offset by the defined contribution plan expense. Care New England contributed \$18.6 million to the 403B Match and Savings Plan in FY 2022. Care New England is actively managing its cash position and makes contributions to the 403B Match and Savings Plan based on cash availability.

As of December 31, 2022, Finance Lease Liabilities (current and noncurrent) were \$5.6 million and Operating Lease Liabilities (current and noncurrent) were \$91.7 million. As previously noted, ASU 2016-02 – *Leases*, requires a lessee to recognize a right-of-use asset and a lease liability, initially measured at the present value of the lease payments, in its balance sheet. When the terms of a lease effectively transfer control of the underlying asset, the lease represents an in substance financed purchase of an asset and the lease is classified as a finance lease. All other leases are classified as operating leases (short-term leases are not included on the balance sheet). Repayments of lease obligations exceeded new lease commitments through the first quarter of FY 2023. The Master Indenture contains a debt service coverage ratio requirement. Finance leases are included in and operating leases are excluded from Debt and the calculation of the debt service coverage ratio (“DSCR”).

Accounts Payable and Accrued Expenses decreased \$1.4 million or 1.0% from September 30, 2022 and decreased \$5.7 million or 3.9% since December 31, 2021. The changes in these accounts are driven primarily by the timing of outflows for both vendor and employee payments, including payroll tax accruals. The CARES Act allowed employers to defer the employer’s portion of the Social Security payroll tax (6.2%) on wages paid from March 27, 2020 through December 31, 2020. Care New England implemented the payroll tax delay and deferred approximately \$21.5 million (total deferral) in payroll taxes. 50% of the balance was paid in December 2021. Repayments of \$2.1 million were made in Q4 of FY 2022. Repayments of \$7.1 million were made in December 2022 per IRS invoicing. The remaining balance of \$1.5 million will remain a liability until CNE can reconcile records with the IRS. The decrease in payroll tax accruals was partially offset by an increase in Integra shared savings provider distribution accruals. The change since September 30, 2022 also includes licensure fee accruals.

Estimated Third Party Payor Settlements (Current and Long-Term) were impacted by the advances of \$35.0 million received from Medicare under the CARES Act and another insurer. \$30.0 million of the advances received from Medicare and \$3.5 million of the advances received from another insurer have been repaid as of December 31, 2022. Receivables were accrued for retroactive increases in Medicaid rates approved as part of the Rhode Island state budget in December 2020 and June 2021, and for payments from the FY 2016 through 2019 Medicare cost reports in excess of previous estimates. Reserves were also adjusted based on results of Medicaid DSH audits for FY18.

The funded status of CNE’s frozen defined benefit pension plans is reflected on its balance sheet and is adjusted annually during the year-end audit as part of the year-end actuarial evaluation of the pension plans. The Pension Liability (long-term) of \$62.5 million reflects the under-funded status of the plans on December 31, 2022. CNE contributed \$706,000 to the Memorial Plan through the first quarter of FY 2023. The Pension Liability (long-term) of \$60.8 million reflects the under-funded status of the plans on September 30, 2022. CNE contributed \$7.0 million to the Plans in FY 2022, including \$4.7 million to the Memorial Plan. In FY 2022, the contributions to the Plans, and an increase in the discount rate improved the funded position of the Plans.

Self-Insurance Reserves (Current and Long-Term) decreased by \$711,941 or .4% since September 30, 2022 and increased \$3.9 million or 2.3% since December 31, 2021. The change in reserves relates to the current year activity for workers compensation, professional liability, health insurance and dental insurance; offset by actual claims and expenses paid. The change in reserves since December 31, 2021 primarily relates to an increase in malpractice reserves partially offset by a decrease in health insurance reserves. Care New England relies on actuarial assessments to provide reasonable assurance of adequate reserves.

Deferred Revenue increased by \$2.3 million or 36.2% since September 30, 2022 and increased \$5.4 million or 161.6% since December 31, 2021. The increase is due to the receipt of grant advances.

Total Long-Term Debt, including the current portion, decreased \$260,165 or .2% since September 30, 2022 and decreased \$7.7 million or 4.9% since December 31, 2021 due to payments made on CNE’s debt through the first quarter of FY 2023 and since December 31, 2021.

Total Net Assets of \$240.3 million as of December 31, 2022 increased \$8.0 million since September 30, 2022; inclusive of an increase in net assets without donor restrictions of \$1.7 million, and an increase of \$6.3 million in net assets with donor restrictions.

The increase in net assets without donor restrictions includes negative operating results offset by favorable market returns on CNE's unrestricted investments. The increase in net assets with donor restrictions includes restricted contributions and favorable market returns on CNE's restricted investments.

***Integra Contract Financial Performance.***

*Medicare.* Integra participates in the Medicare Shared Savings Program ("MSSP") with The Centers for Medicare and Medicaid Services ("CMS"). The MSSP is an alternative payment model in which eligible hospitals and physicians are rewarded for improving health and lowering growth in health care expenditures. The MSSP requires ACOs to promote evidence-based medicine, engage beneficiaries, report on quality and cost metrics, and provide coordinated care across its network. Integra has 14,750 attributed beneficiaries in this program.

Integra's calendar year ("CY") 2021 shared savings performance was \$4.5 million after risk share. Integra's CY 2022 estimated surplus is \$4.3 million after risk share.

*Medicaid.* The Rhode Island Executive Office of Health & Human Services ("EOHHS") has certified Integra as an Accountable Entity ("AE") within the EOHHS' Health System Transformation Project ("HSTP"). The EOHHS HSTP program is initiated in collaboration with CMS and the State's contracted Medicaid Managed Care organizations ("MMCO"). A participating certified AE will provide and coordinate health care services for Medicaid beneficiaries within a total cost of care Alternative Payment Methodology and will be eligible to earn incentive payments for defined performance. Integra has arrangements with two MMCOs, United Health Care ("UHC") and Neighborhood Health Plan of Rhode Island and has 51,500 attributed beneficiaries in its AE.

As a Certified Accountable Entity ("AE"), Integra is eligible for Infrastructure Investment Funds based on the attributed population. For program year 4 ("PY4"), and for program year 5 ("PY5"), Integra is eligible to receive up to \$4.0 million and \$4.1 million, respectively, in incentive/infrastructure funding. Funding is distributed to Integra by its contracted MCOs, UHC and Neighborhood Health Plan, as Integra meets milestones defined in the Health System Transformation Project plan. For PY4 and PY5, through September, Integra has submitted milestones for payment totaling \$1.8 million and \$313,000, respectively.

Integra earned shared savings in PY3, through its partnership with UHC, of \$5.2 million and shared savings through the NHP arrangement of \$4.4 million. Integra's PY4 estimated surplus for both MCOs combined is \$10.8 million after risk share.

*Medicare Advantage and Commercial with BCBSRI.* Integra participates in two alternative payment model arrangements with BCBSRI. Both arrangements reward Integra with shared savings for improving quality and lowering growth in health care expenditures. The program for older adult beneficiaries is with BCBSRI's Medicare Advantage plan. In Medicare Advantage, beneficiaries obtain their benefits, through a Medicare Advantage Plan ("MA Plans"). MA Plans are offered by private companies approved by Medicare. Medicare pays these companies to cover Medicare benefits. Integra has 15,400 Medicare Advantage beneficiaries attributed to its ACO. Integra's commercial ACO arrangement with BCBSRI has 60,500 beneficiaries attributed to its ACO.

Integra's CY 2021 BCBS Medicare Advantage contract did not earn a surplus. Integra's CY 2022 BCBS Medicare Advantage contract is not estimated to earn a surplus.

Integra's CY 2021 shared savings performance on the BCBS commercial contract was \$4.8 million after risk share. Integra's CY 2022 estimated surplus is \$12.0 million after risk share.

## Fiscal Year 2023 Financial Matters

For the three months ended December 31, 2022, Care New England reported a loss from operations of \$13.8 million compared to a loss of \$20.9 million in the same period of FY 2022. The FY 2023 results included a modest \$276,752 in COVID-19 stimulus grants received by TPC to help offset losses related to the pandemic. Comparatively, Care New England received \$2.3 million of relief funding in the first quarter of FY 2022. Operational improvement initiatives at Care New England continued to positively impact quality, access, and financial performance across all operating units.

**Financial Improvement Action Plans.** For FY 2023, additional Action Plans were developed to augment those implemented in FY 2022. For the full fiscal year, these new plans are expected to yield \$31.4 million of financial benefit in FY 2023 with an annualized benefit of \$35.4 million, offset by an established annual execution risk (contingency) of \$2.8 million. The table below illustrates performance on all action plans for the three-month period ended December 31, 2022:

### ACTION PLAN PERFORMANCE TO DATE December-22

Initiative Category	Benefit		Year-to-Date Performance		
	FY23 Target	Annualized	Forecast	Actual	Variance
Programs & Services	\$12,295,165	\$12,340,405	\$2,422,936	\$3,093,615	\$670,679
Labor	\$7,417,274	7,417,274	\$2,223,907	\$2,060,471	(\$163,437)
Supply Chain	\$800,000	800,000	\$125,000	98,170	(\$26,830)
Non-Labor Expense	\$9,513,369	13,170,024	\$2,709,796	1,251,764	(1,458,032)
Revenue Cycle	\$1,352,638	1,664,276	\$883,526	309,328	(\$574,199)
<b>Subtotal</b>	<b>31,378,446</b>	<b>35,391,979</b>	<b>8,365,166</b>	<b>6,813,348</b>	<b>(1,551,818)</b>
Execution Risk	(2,849,881)	(2,849,881)	(696,491)	-	696,491
<b>Total excluding Execution Risk</b>	<b>\$28,528,565</b>	<b>\$32,542,098</b>	<b>\$7,668,675</b>	<b>\$6,813,348</b>	<b>(855,327)</b>

**Revenue Cycle.** Gross accounts receivable for the system increased to 41 days. Collections for the quarter resulted in \$245.8 million; 39% of gross charges. At Butler, cash and A/R performance remain strong. The days in A/R decreased to 47, while gross charges increased by \$740,580, cash slightly decreased by \$248,352. Kent accounts receivable (“A/R”) days remained at 40 days, and the aging A/R increased to 12%. At Women & Infants Hospital, the A/R days remained at 43 days, while the aging over 180 days remained at 7%. This notable issue of aging increases across the facilities can be attributed to slower payer processing at multiple insurance plans. The provider liable adjustments within the write off totals continue to report lower across the system each month (compared to gross charges and A/R balances) while the Revenue Cycle team works closely with the departments to address and find opportunity.

**Care Retention.** Emphasis continues to be placed on initiatives to increase patient referral rates from employed physicians and to capture and retain ACO physician referrals. CNE is currently reviewing the core specialties for targeted care retention improvement in FY 2023. In addition, alternative referral data sources are being examined to improve the quality of reporting. Trends in network care retention will be reported in subsequent quarterly reports once the above-mentioned improvements are fully vetted and implemented.

**Patient Volumes.** Excluding normal newborns, inpatient discharge volume for the System for the three months ended December 31, 2022 was below volume in the same period FY 2022 by 177 or 2.4%. Medical/Surgical volume was below the prior year by 127 discharges or 4.5%. Inpatient surgical procedures were 14 cases or 2.5% lower than first quarter of FY 2022. Obstetrics volume was 16 discharges or 0.7% higher than prior year. NICU volume at Women & Infants was lower than prior year by 44 discharges or 17.5% and 53 days or 0.9%. Psychiatry days were ahead of prior year by 1,409 days or 10.0%. Rehab discharges were below prior year 5 or 6.1%. Inpatient observation cases decreased by 27 or 1.5%.

Quarter-over-quarter outpatient volume changes are mixed. Increases were seen in emergency department visits (2.6%), Intensive Outpatient days (19.0%), Partial Hospital Days (8.7%), mammography (10.5%), breast health center visits (9.5%), EEG (75.7%), cardiac testing (5.3%), wound care (7.5%), the Obstetrics and Gynecology Care Clinic (5.3%), pelvic health rehab (32.0%), patient assessment visits at Butler (1.7%), ECT (25.9%), and speech therapy (6.4%). Decreases were experienced in surgery (11.0%), endoscopy (2.9%), laboratory (3.3%), imaging tests (2.2%), cardiac catheterization (17.4%), vascular lab (0.2%), sleep studies (16.6%), hyperbaric therapy (17.4%), infusion therapy (0.1%), physical therapy (8.7%) and occupational therapy (5.5%), and IVF (21.0%).

Management plans to continue to implement initiatives targeting leakage, access, and retention to stabilize and grow patient activity levels and improve operating results. CNE management and leaders at each of the operating units participate in weekly operational reviews to monitor volume and performance on action plans.

### Fiscal Year 2022 Financial Matters

For the twelve months ended September 30, 2022, Care New England reported a loss from operations of \$56.6 million compared to a gain of \$16.2 million in the same period of FY 2021. The FY 2021 results, however, included \$77.5 million in COVID-19 stimulus grants received to help offset losses related to the pandemic. Comparatively, Care New England received only \$24.3 million of relief funding in FY 2022. In addition, the FY 2022 results include a \$24.3 million goodwill impairment charge. Operational improvement initiatives at Care New England continued to positively impact quality, access, and financial performance across all operating units.

**Financial Improvement Action Plans.** For FY 2022, additional Action Plans were developed to augment those implemented in FY 2021. These new plans were expected to yield \$19.3 million of financial benefit in FY 2022 with an annualized benefit of \$19.7 million. Actual performance fell short of target by \$6.8 million, \$4.2 million of which was offset by an established annual execution risk (contingency). Shortfalls are largely attributable to the impact of COVID-19 on patient volumes and staffing. Management believes that established Action Plans are achievable but have been delayed due to the COVID surge in December and January and the on-going impact of COVID on staffing. Those plans that were not achieved in full in FY 2022 will be pursued in the coming fiscal year. The table below illustrates performance on all action plans for the period ended September 30, 2022:

#### FY2022 ACTION PLAN PERFORMANCE September-22

Initiative Category	Benefit		Year-to-Date Performance		
	FY22 Target	Annualized	Forecast	Actual	Variance
Programs & Services	\$6,692,566	\$7,034,603	\$6,692,566	\$7,050,832	\$358,266
Care Retention & Access	479,512	479,512	\$479,512	1,162,980	683,468
Labor	7,478,690	7,478,690	\$7,478,690	(\$595,327)	(\$8,074,016)
Supply Chain	1,625,000	1,500,000	\$1,625,000	1,596,192	(\$28,808)
Non-Labor Expense	80,000	1,200,000	\$80,000	1,405,246	1,325,246
Revenue Cycle	2,950,737	1,964,242	\$2,950,737	1,852,685	(\$1,098,052)
<b>Subtotal</b>	<b>19,306,505</b>	<b>19,657,047</b>	<b>19,306,505</b>	<b>12,472,609</b>	<b>(6,833,896)</b>
Execution Risk	(4,126,125)	(4,126,125)	(4,126,125)	-	4,126,125
<b>Total excluding Execution Risk</b>	<b>\$15,180,380</b>	<b>\$15,530,922</b>	<b>\$15,180,380</b>	<b>\$12,472,609</b>	<b>(2,707,770)</b>

**Revenue Cycle.** Gross accounts receivable decreased to 40 days. Collections for the quarter resulted in \$246.8 million; 39% of gross charges. At Butler, cash and accounts receivable (“A/R”) performance results are improving after the EMR conversions. The days in A/R decreased to 48, while gross charges decreased and cash increased. Kent A/R days decreased to 40 days, and the aging A/R increased to 11%. At Women & Infants Hospital, the A/R days decreased to 43 days, while the aging over 180 days remained at 7%. This notable issue of aging increases across the facilities can be attributed to slower payer processing at multiple insurance plans. The provider



liable adjustments within the write off totals continue to report lower across the system each month (compared to gross charges and A/R balances) while the Revenue Cycle team works closely with the departments to address and find opportunity.

**Care Retention.** Emphasis continues to be placed on initiatives to increase patient referral rates from employed physicians and to capture and retain ACO physician referrals. The tables below shows that these efforts, along with a targeted employment strategy has yielded an improvement in in-network retention.

In-Network <sup>(1)</sup> Retention					
Referrals from:	FY2018	FY2019	FY2020	FY2021	FY2022
CNEMG Providers	76%	77%	78%	79%	82%
RIPCPC Providers	56%	62%	61%	62%	73%

<sup>(1)</sup> CNEMG provider or a provider who is a participant in Integra.

Specialty	FY2018	FY2019	FY2020	FY2021	FY2022
Cardiology	53%	55%	58%	64%	70%
Orthopedics	52%	55%	53%	59%	58%
Surgery <sup>(1)</sup>	62%	71%	69%	73%	74%
Oncology	67%	61%	50%	58%	70%

**Patient Volumes.** Excluding normal newborns, inpatient discharge volume for the System for the twelve months ended September 30, 2022 was below volume in the same period FY 2021 by 430 or 1.4%. Medical/Surgical volume was below the prior year by 703 discharges or 6.1%. Inpatient surgical procedures were 301 cases or 14.7% lower than FY 2021. Obstetrics volume was 107 discharges or 1.6% higher than prior year. NICU volume at Women & Infants was higher than prior year by 64 discharges or 7.1% and 2,306 days or 10.8%. Psychiatry days were ahead of prior year by 2,062 days or 3.6%. Rehab discharges were above prior year 6 or 2.1%. Inpatient observation cases decreased by 301 or 14.7%.

Year-over-year outpatient volume changes are largely positive. Increases were seen in emergency department visits (1.9%), laboratory (5.5%), imaging tests (4.3%), cardiac testing (5.9%), mammography (5.8%), EEG (21.2%), infusion therapy (7.2%), sleep studies (31.0%), the Obstetrics and Gynecology Care Clinic (0.8%), IVF (16.4%), patient assessment visits at Butler (75.9%), ECT (6.2%), occupational therapy (15.3%) and speech therapy (65%). Decreases were experienced in surgery (13.9%), endoscopy (9.6%), cardiac catheterization (9.8%), Intensive Outpatient days (0.5%), vascular lab (0.2%), wound care (2.9%), hyperbaric therapy (15.2%), and physical therapy (2.4%).

Management plans to continue to implement initiatives targeting leakage, access, and retention to stabilize and grow patient activity levels and improve operating results. CNE management and leaders at each of the operating units participate in weekly operational reviews to monitor volume and performance on action plans.

## INVESTMENTS

Management of the Board-Designated and Endowment investments is overseen by the Investment Committee at Care New England. The committee is comprised primarily of voluntary trustees experienced in the investment community and specifically with non-profit organization portfolios. Investment allocation strategies among equities, fixed income and alternative investment classes are employed with considerable discipline by the committee. As of October 1, 2016, the Care New England investment committee employed Fiducient Advisors (rebrand of DiMeo, Schneider & Associates, LLC, and previously known as Fiduciary Investment Advisors) as an investment advisor to assist it with bond allocation strategies and investment manager selection. In addition, the committee also oversees all the investments of the three Defined Benefit Pension Plans' assets and the committee makes recommendations to the respective boards of trustees for both Toll Gate Indemnity and W&I Indemnity investments.

The trustee-held funds which are included in assets whose use is limited or restricted as to use are primarily made up of a combination of both on-shore self-insurance trusts and off-shore captive insurance companies based in the Cayman Islands. These assets are more conservatively invested with a higher percentage of assets allocated to fixed income securities. With respect to the assets at the offshore captives, in addition to being monitored by the companies and input from the investment advisors and investment committee, the asset allocations are subject to specific approvals of the Cayman Island Monetary Authority. See "SELF-INSURANCE".

Further details regarding the Health System's investments can be obtained from the audited consolidated financial statements for the fiscal years ended September 30, 2020, 2021 and 2022 with the independent auditors' report thereon, available on EMMA.

The investments in current assets and deferred compensation accounts are invested primarily in fixed income securities.

Below is a summary of Care New England's investments as of September 30, 2020, 2021 and 2022.

**Table 12.  
Investment Summary**

	Fiscal Year Ended September 30		
	2020	2021	2022
Fixed Income securities	\$59,734,070	\$67,131,933	\$56,501,959
Equity securities	51,388,977	66,643,056	51,084,721
Cash, cash equiv. & ST Invest.	43,411,234	47,763,652	46,183,560
Mutual funds	123,820,594	146,634,079	112,821,741
Alternative investments	58,300,561	68,945,937	60,859,131
Held under split-interest agreements	30,677,449	35,281,825	27,943,553
Cash surrender value of life insurance	22,596,350	22,596,350	22,321,114
<b>Total</b>	<b>\$389,929,235</b>	<b>\$454,996,832</b>	<b>\$377,715,779</b>

The securities noted above are found on the balance sheet under the following headings:

	Fiscal Year Ended September 30		
	2020	2021	2022
Endowment funds	\$71,723,926	\$83,737,351	\$65,203,141
Board-designated funds, including CSV of life insurance	132,384,151	156,322,996	128,802,248
Trustee-held funds	184,312,110	213,047,469	181,813,628
Deferred compensation funds	1,509,048	1,889,016	1,896,762
<b>Total</b>	<b>\$389,929,235</b>	<b>\$454,996,832</b>	<b>\$377,715,779</b>

#### RETIREMENT PLANS

CNE sponsors two separate non-contributory pension plans. One plan covers the employees of CNE, the VNA and the Hospitals, except for the unionized employees of WIH (who are covered under a multiemployer union plan). The second plan covers substantially all the employees of Memorial except for its physicians.

The Care New England Defined Benefit Pension Plan assets were valued at \$138.2 million on September 30, 2022 and approximately \$136.1 million on December 31, 2022. The Memorial Hospital Defined Benefit Pension Plan assets were valued at \$82.4 million on September 30, 2022 and approximately \$85.3 million on December 31, 2022.

The Hospitals incur and fund their respective pension plan expenses within the guidelines established by the Employee Retirement Income Security Act of 1974. The FY 2022 funded status of the plans was determined based

upon market conditions in effect when the annual evaluation as of and for the year ending September 30, 2022 was performed. The actuaries determined as of September 30, 2022 that the funded status of the CNE plan was liabilities of \$157.5 million offset by assets of \$138.2 million, for a net underfunding of \$19.3 million, using a current discount rate of 5.52%. The actuaries have not calculated the plan liabilities as of December 31, 2022 but, as of November 30, 2022, the funded status of the CNE plan had liabilities of \$158.2 million offset by assets 136.1 million, for a net underfunding of \$22.1 million. Actuaries for the Memorial pension plan determined as of September 30, 2022 that the funded status was liabilities of \$123.9 million offset by assets of \$82.4 million, for a net underfunding of \$41.5 million, using a current discount rate of 5.56%. As of November 30, 2022, the funded status of the Memorial plan had liabilities of \$125.0 million offset by assets of \$85.6 million, for a net underfunding of approximately \$39.4 million.

CNE, Memorial and the VNA also have defined contribution/403(b) plans.

The Providence Center maintained a profit-sharing retirement plan to which TPC may make discretionary contributions. This plan terminated as of December 31, 2017. TPC did not contribute to the retirement plan for the twelve months ended September 30, 2022, or the three months ended December 30, 2022. Effective January 1, 2017, the Center's employees were eligible to participate in the CNE 403(b) Match and Savings Plan.

WIH makes payments to a multiemployer pension plan that covers the unionized employees at WIH. WIH made payments of \$10.7 million in FY 2022. No payments were made in the first quarter of FY 2023.

Further details regarding the Health System's pension plans can be obtained from the audited consolidated financial statements posted to EMMA.

#### SELF-INSURANCE

The Health System self-insures a significant component of its loss potential – particularly with respect to professional and general liability. In addition, due to the economic pressures on its community medical staff, the Health System has structured programs which allow members of the community medical staff at WIH and Kent the opportunity to purchase professional liability indemnification agreements through these two institutions at rates actuarially determined to be reasonable. The Health System's self-insurance programs include offshore captives based in the Cayman Islands, subject to regulation by the Cayman Island Monetary Authority. In accordance with the business plan of the captives, as approved by the Cayman Islands Monetary Authority, annual premium funding levels are to be maintained in accordance with the funding projections determined by the captive's independent actuary each year. As of September 30, 2022, these programs retained approximately \$10.0 million of funds in excess of the actuarially determined unpaid loss liability estimates. The captive's assets are reported as trustee-held funds within the "assets limited as to use" on the Health System's financial statements. Subject to indemnity board and Cayman regulatory approval, neither of which would be expected to be difficult to obtain, these funds may be returned at any time to the Hospitals through dividend payments.

As of October 1, 2017, Care New England restructured the professional and general liability insurance programs. Kent, Butler, CNE, VNA, and The Providence Center obtain primary professional and general liability coverage through the Kent Hospital Self-Insurance Program on an occurrence basis. WIH obtains its primary professional and general liability coverage through the Women & Infants Hospital Self-Insurance Program on an occurrence basis. Both programs provide excess professional liability coverage on an occurrence basis for all the Health System. Reinsurance is purchased commercially on a claims-made basis for professional liability and general liability layers above the self-insurance primary and excess layers.

As of March 23, 2022 and June 1, 2022 both Kent Hospital and Women & Infants Hospital Self-Insurance programs provide the Self-Insurance Retentions ("SIR" or deductibles) for commercially purchased Directors & Officers/Employment Practices insurance and Cyber/Privacy insurance primary layers, respectively. Both programs provide the SIRs for claims with event dates on or after October 1, 2022. The SIRs and the commercially purchased Directors & Officers/Employment Practices insurance and Cyber/Privacy insurance are on a claims made basis for all the Health System.

## LITIGATION

CNE and the Hospitals have been individually named as codefendants in several lawsuits and actions. It is the opinion of the Health System's Management that the liability, if any, to CNE and the Hospitals in excess of insurance coverage will have no material adverse effect on the combined financial position of Care New England.

The Hospitals and medical practices are subject to numerous federal and state regulations in the normal course of business. These regulations cover clinical operations as well as hospital billing practices which are periodically audited with resulting corrective actions taken, if applicable. The Health System is proactive with respect to compliance matters, and, in the event an issue is discovered, will self-report or otherwise cooperate with the relevant regulatory authorities to resolve the issue in question. As of December 31, 2022, the Health System's management is not aware of liability, if any, to CNE and the Hospitals resulting from any compliance failures that will have a material adverse effect on the combined financial position of Care New England.



**EXHIBIT A**

**Debt Compliance and Supplemental Reporting Summary**

(attached)

**Care New England Health System  
Debt Compliance Tests  
For the 3 Months Ending December 31, 2022**

**2016 Series B, 2016 Series C Debt Compliance Tests:**

	<u>Consolidated</u>	<u>Obligated Group</u>
<b>Debt Service Coverage Ratio - As of December 31, 2022</b>		
Calculated Debt Service Coverage	-0.91	-0.92
Required Debt Service Coverage annually at September 30th	1.10	1.10
<b>Interim Compliance Status</b>	<u>Below</u>	<u>Below</u>
<b>Days Cash on Hand - as of December 31, 2022</b>		
Calculated Days Cash on Hand	45.50	44.46
Required Days Cash on Hand annually at September 30th	30.00	30.00
<b>Interim</b>	<u>Above</u>	<u>Above</u>



**Exhibit B**  
**Days Cash on Hand**

**Care New England Health System**  
**Debt Compliance Calculations**  
**As of December 31, 2022**

**Days Cash on Hand Inclusive of Unrestricted Board Designated**

Cash & Cash Equivalents per Financial Statements  
 Plus: Short-Term Investments  
 Less: Cash & Cash Equivalents Restricted for Specific Purposes  
 Less: Foundation Unrestricted Cash and Board Designated Funds  
 Unrestricted Cash & Cash Equivalents, net

Unrestricted Board-designated investments per Financial Statements  
 Less: Cash Surrender Value of Life Insurance  
 Unrestricted Board-designated investments, net

Subtotal

Divided By:

Operating Expenses  
 Less: Depreciation and Amortization Expense  
 Less: Loss on Disposition of Assets (intangibles)  
 Less: Loss on Impairment of Assets  
 Less: Loss on Refinancing  
 Less: Adjustments to Goodwill and Intangibles

Net Operating Expenses  
 Divided By Days YTD  
 Subtotal - Daily

Days Cash on Hand

	<b>CNE Consolidated Dec-22</b>	<b>CNE Obligated Grp Dec-22</b>
	\$ 26,439,176	\$ 26,439,176
	\$ 38,466,894	\$ 38,466,894
	\$ 24,077,211	\$ 23,523,668
	\$ -	\$ 4,106,566
	<u>\$ 40,828,859</u>	<u>\$ 37,275,836</u>
	\$ 137,087,821	\$ 137,087,821
	\$ 22,321,114	\$ 22,321,114
	<u>\$ 114,766,707</u>	<u>\$ 114,766,707</u>
	<u>\$ 155,595,566</u>	<u>\$ 152,042,543</u>
	\$ 321,788,171	\$ 321,788,171
	\$ 7,160,777	\$ 7,160,777
	\$ -	\$ -
	\$ -	\$ -
	\$ -	\$ -
	\$ -	\$ -
	\$ -	\$ -
	<u>\$ 314,627,394</u>	<u>\$ 314,627,394</u>
	<u>\$ 3,419,863</u>	<u>\$ 3,419,863</u>
	<u>45.50 days</u>	<u>44.46</u>
		92 days

**Exhibit C**  
**Historical Indebtedness Ratio**

**Care New England Health System**  
**Debt Compliance Calculations**  
**As of December 31, 2022**

<b>Indebtedness Ratio</b>	<b>CNE Consolidated Dec-22</b>	<b>CNE Obligated Group Dec-22</b>	<b>Excluded from OG Time Mortg. HUD</b>
Current portion of long term debt	\$10,194,544	\$9,983,511	\$177,259
Long term debt, net of current portion + Other Leases	\$146,484,393	\$144,407,281	\$2,077,112
Total Deferred Financing Costs	\$1,776,982	\$1,776,982	
Less: 2016 Series B Debt Service reserve Fund deposits	\$12,021,401	\$12,021,401	
Long-Term Indebtedness	\$146,434,518	\$144,146,374	\$2,254,371
Net Assets Without Donor Restrictions	\$133,532,415	\$133,532,415	
Total Net Assets	\$240,294,748	\$240,294,748	
Indebtedness Ratio	60.94%	59.99%	
Capitalization Ratio	52.30%	51.91%	
Total Outstanding Indebtedness	\$158,455,919	\$156,167,775	
			\$0

**Care New England Health System  
Outstanding Indebtedness  
Unaudited  
As of December 31, 2022**

	Consolidated		Obligated Group		Excluding Premiums and Discounts	
	FY 2023	FY 2022	FY 2023	FY 2022	FY 2023	FY 2022
Series 2016 B	\$114,220,000		\$114,220,000		\$114,220,000	
Series 2016 C	\$21,610,000		\$21,610,000		\$21,610,000	
Series 2016 B Bond Premium	\$8,943,666		\$8,943,666			
Series 2016 C Bond Discount	-\$211,751		-\$211,751			
Financing Leases	\$5,561,508		\$5,561,508		\$6,040,197	
Loan -US Bank - Hill Rom Beds	\$1,424,121		\$1,424,121		\$1,424,121	
101 Plain St. -4th floor Tenant Improvements	\$2,828,973		\$2,828,973		\$2,899,681	
Deferred Payment Arrangement - National Grid	\$328,557		\$328,557		\$367,900	
Deferred Payment Arrangement - Medtronic - Electrosurgical	\$195,000		\$195,000		\$195,000	
Deferred Payment Arrangement - Medtronic - Paccart	\$80,817		\$80,817		\$80,817	
Deferred Payment Arrangement - ConMed	\$188,637		\$188,637		\$188,637	
Deferred Payment Arrangement - Marsh	\$33,428		\$33,428		\$33,428	
Deferred Payment Arrangement - Zoll	\$0		\$0		\$0	
Seavest Note	\$964,818		\$964,818		\$964,818	
Time Mortgage Note	\$2,254,371		\$2,254,371		\$2,254,371	
The Providence Center	\$33,773		\$33,773		\$33,773	
	<u>\$158,455,919</u>		<u>\$156,167,774</u>		<u>\$149,724,003</u>	
					<u>\$42,738</u>	
					<u>\$9,635</u>	

**EXHIBIT B**

**Consolidated Key Ratios**

(attached)

Care New England Health System  
Consolidated Financial Ratios

	FY2019	FY2020	FY2021	FY2022	FY2023 as of Dec 2022
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**Liquidity Ratios:**

**Days Cash on Hand - Operating Only**

Cash & Cash Equivalents & ST Investments	74,019,320	133,131,336	118,946,959	85,812,951	64,906,070
Less: Restricted Cash & Cash Equivalents and Investments	14,923,922	16,064,856	18,349,388	19,205,069	24,077,211
Less: Integra Contract Performance Cash	5,620,207	3,044,738	6,844,543	0	0
Less: MHRI Trust Distributions	339,377	337,813	0	0	0
Less: Outstanding borrowings on line of credit	0	0	0	0	0
Unrestricted Cash & Cash Equivalents and Investments	53,135,814	113,683,929	93,753,028	66,607,882	40,828,859
Operating Expenses	1,142,634,435	1,151,897,241	1,232,122,762	1,289,005,177	321,788,171
Depreciation and Amortization Expense	29,358,711	29,640,134	31,181,265	29,855,847	7,160,777
Restructuring or merger costs (Max \$4m/year)	0	0	0	0	0
Loss on Asset Impairment	0	0	0	24,345,364	0
Net Operating Expenses	1,113,275,724	1,122,257,107	1,200,941,497	1,234,803,966	314,627,394
	<b>17.4</b>	<b>37.1</b>	<b>28.5</b>	<b>19.7</b>	<b>11.9</b>
	<b>Calculation</b>	<b>Calculation</b>	<b>Calculation</b>	<b>Calculation</b>	<b>Calculation</b>

**Days Cash on Hand - Operating Only**

**Days Cash on Hand - Inclusive of Unrestricted Board Designated**

Cash & Cash Equivalents & Investments	53,135,814	113,683,929	93,753,028	66,607,882	40,828,859
Unrestricted Board Designated Funds, excluding CSV of life insurance	102,712,579	109,787,802	133,726,647	106,481,134	114,766,707
Operating Expenses	1,142,634,435	1,151,897,241	1,232,122,762	1,289,005,177	321,788,171
Depreciation and Amortization Expense	29,358,711	29,640,134	31,181,265	29,855,847	7,160,777
Restructuring or merger costs (Max \$4m/year)	0	0	0	0	0
Loss on Asset Impairment	0	0	0	24,345,364	0
Net Operating Expenses	1,113,275,724	1,122,257,107	1,200,941,497	1,234,803,966	314,627,394
	<b>51.1</b>	<b>72.9</b>	<b>69.1</b>	<b>51.2</b>	<b>45.5</b>
	<b>Calculation</b>	<b>Calculation</b>	<b>Calculation</b>	<b>Calculation</b>	<b>Calculation</b>

**Days Cash on Hand - Inclusive of Unrestricted Board Designated**

**Cash to Debt Ratio**

Cash & Cash Equivalents & Investments (including Board Designated, excluding CSV)	155,848,393	223,471,731	227,479,675	173,089,016	155,595,566
Long-term Debt (reduced by Debt Service Reserve Funds)	156,563,189	162,290,223	154,854,705	147,318,177	146,434,517
	<b>1.00</b>	<b>1.38</b>	<b>1.47</b>	<b>1.17</b>	<b>1.06</b>
	<b>Calculation</b>	<b>Calculation</b>	<b>Calculation</b>	<b>Calculation</b>	<b>Calculation</b>

**Cash to Debt Ratio**

**Current Ratio**

Current Assets	221,739,432	280,359,161	283,491,838	249,946,299	246,539,700
Current Liabilities	167,902,611	227,811,701	234,393,118	215,403,681	213,577,076
	<b>1.32</b>	<b>1.23</b>	<b>1.21</b>	<b>1.16</b>	<b>1.15</b>
	<b>Calculation</b>	<b>Calculation</b>	<b>Calculation</b>	<b>Calculation</b>	<b>Calculation</b>

**Current Ratio**

**Average Payment Period**

Current Liabilities	167,902,611	227,811,701	234,393,118	215,403,681	213,577,076
Operating Expenses	1,142,634,435	1,151,897,241	1,232,122,762	1,289,005,177	321,788,171
Days in Measurement Period	365	366	365	365	92
Average Daily Operating Expenses	3,130,505	3,147,260	3,375,679	3,531,521	3,497,698
	<b>53.6</b>	<b>72.4</b>	<b>69.4</b>	<b>61.0</b>	<b>61.1</b>
	<b>Calculation</b>	<b>Calculation</b>	<b>Calculation</b>	<b>Calculation</b>	<b>Calculation</b>

**Average Payment Period**



Care New England Health System  
Consolidated Financial Ratios

	FY2019	FY2020	FY2021	FY2022	FY2023 as of Dec 2022
<b>Profitability Ratios:</b>					
<b>Operating Margin</b>					
Income from Operations	3,768,705	(28,052,311)	16,206,152	(58,562,660)	(13,753,478)
Total Operating Revenue	1,146,403,140	1,123,844,930	1,248,328,914	1,230,442,517	308,034,693
	0.33%	-2.50%	1.30%	-4.76%	-4.46%
	<b>Calculation</b>				
<b>Excess Margin <sup>(1)</sup></b>					
Excess (deficiency) of Revenues & Gains over Expenses	8,208,477	(13,241,857)	50,284,425	(111,759,230)	1,340,627
Total Operating Revenue	1,146,403,140	1,123,844,930	1,248,328,914	1,230,442,517	308,034,693
	0.72%	-1.18%	4.03%	-9.08%	0.44%
	<b>Calculation</b>				
<b>Capital Structure:</b>					
<b>L.T Debt to Equity</b>					
Long-term Debt (reduced by 2013 Series A Debt Service Reserve Fund)	156,563,189	162,290,223	154,854,705	147,318,177	146,434,517
Total Net Assets	247,650,109	221,616,002	340,672,650	232,299,746	240,294,748
	63.22%	73.23%	45.46%	63.42%	60.94%
	<b>Calculation</b>				
<b>Indebtedness/Capitalization</b>					
Long-term Debt (reduced by 2016 Series B DSRF)	156,563,189	162,290,223	154,854,705	147,318,177	146,434,517
Net Assets w/o Donor Restrictions + Debt	317,087,218	293,232,847	387,859,968	279,179,413	279,966,932
	49.39%	55.35%	39.93%	52.77%	52.30%
	<b>Calculation</b>				
<b>Debt Service Coverage <sup>(2)</sup></b>					
Excess (deficiency) of Revenues & Gains over Expenses	8,208,477	(13,241,857)	50,284,425	(111,759,230)	1,340,627
Change in unrealized (gains) and losses	(216,611)	(7,768,798)	(30,266,415)	77,278,674	(14,089,818)
Pension Settlement	-	-	9,356,441	-	-
Depreciation and Amortization	29,358,711	29,640,134	31,181,265	29,855,847	7,160,777
Interest Expense, including swap agreement payments/(receipts)	7,781,823	7,679,342	7,724,938	7,463,553	1,784,516
Net (gain) / loss on disposition of assets	-	-	-	(7,345,285)	-
Loss on asset impairment	-	-	-	24,345,364	-
Merger costs	-	-	-	7,778,076	-
Principal Payment	45,132,400	16,308,821	68,280,854	27,616,999	(3,803,898)
Interest Expense, including swap agreement payments/(receipts)	5,855,259	7,376,780	9,946,214	9,574,899	2,388,913
	7,781,823	7,679,342	7,724,938	7,463,553	1,784,516
	13,637,082	15,056,122	16,671,152	17,038,452	4,173,429
	3.31	1.08	4.10	1.62	-0.91
	<b>Calculation (A)/(B)</b>				
<b>Average Age of Plant</b>					
Accumulated Depreciation	508,647,985	535,215,821	555,541,968	572,692,315	579,853,092
Depreciation Expense (Annualized)	29,358,711	29,640,134	31,181,265	29,855,847	28,643,108
	17.3	18.1	17.8	19.2	20.2
	<b>Calculation</b>				

Note: (1)  
Note: (2)  
FY2018 Excess (deficiency) of Revenues & Gains over Expenses includes the Pension Settlement of \$31.1 million.  
The debt service coverage calculation is based on current year activity.

**EXHIBIT C**

**Combined Unaudited Statement of Operations, Unaudited Balance Sheet  
and Unaudited Statement of Cash Flows of  
Care New England for the Three Months Ended December 31, 2022**

(attached)

# Income Statement Summary

Care New England Health System  
For The Three Months Ending December 31, 2022

Account	Description	Q1 2023 Actual	Q4 2022 Actual	Q3 2022 Actual	Q2 2022 Actual	Q1 2022 Actual	Variance Q1 2023 to Q1 2022	Variance %
<b>Operating revenues:</b>								
	Net patient service revenue	\$ 259,135,825	\$ 254,414,271	\$ 257,883,529	\$ 248,423,150	\$ 254,194,195	\$ 4,941,630	1.94%
	Net assets released from restrictions	\$ 397,026	\$ 2,248,546	389,028	565,792	353,352	43,674	12.36%
	Research revenue	\$ 8,659,187	\$ 9,796,922	7,359,944	8,852,813	9,004,028	(344,841)	-3.83%
	Grant revenue - relief funding	\$ 276,752	\$ 14,140,277	-	7,814,749	2,298,587	(2,021,835)	-87.96%
	Other revenue	\$ 39,565,903	\$ 38,954,851	47,461,970	34,803,849	31,482,664	8,083,239	25.68%
	<b>Total operating revenues, gains and other support</b>	<b>\$ 308,034,693</b>	<b>\$ 319,554,867</b>	<b>\$ 313,094,471</b>	<b>\$ 300,460,353</b>	<b>\$ 297,332,826</b>	<b>\$ 10,701,867</b>	<b>3.60%</b>
<b>Operating expenses:</b>								
	Salaries and wages	\$ 152,651,986	\$ 148,663,073	\$ 143,707,577	\$ 145,271,310	\$ 150,548,642	\$ (2,103,344)	-1.40%
	Fringe benefits	\$ 38,118,541	\$ 38,808,394	38,879,087	37,706,782	39,169,286	1,050,745	2.68%
	Insurance	\$ 9,791,640	\$ 7,377,821	7,029,643	7,473,104	8,531,105	(1,260,535)	-14.78%
	Medical supplies and drugs	\$ 34,453,400	\$ 35,917,536	33,560,747	33,843,052	32,576,858	(1,876,542)	-5.76%
	Other expenses	\$ 58,672,009	\$ 64,619,530	60,338,274	62,470,289	58,911,643	239,634	0.41%
	Research expenses	\$ 8,891,044	\$ 8,865,933	7,598,975	7,658,197	8,537,720	(353,324)	-4.14%
	Licensure fee	\$ 10,164,258	\$ 9,793,954	9,554,999	9,913,441	9,913,441	(250,817)	-2.53%
	Interest	\$ 1,784,516	\$ 1,835,923	1,869,367	1,882,681	1,875,582	91,066	4.86%
	Depreciation and amortization	\$ 7,160,777	\$ 6,255,916	7,074,106	8,446,745	8,079,080	918,303	11.37%
	Goodwill impairment	\$ -	\$ 24,345,364	-	-	-	-	0.00%
	Restructuring costs - Memorial Hospital	\$ 100,000	-	-	-	100,000	-	0.00%
	<b>Total operating expenses</b>	<b>\$ 321,788,171</b>	<b>\$ 346,483,444</b>	<b>\$ 309,612,775</b>	<b>\$ 314,665,601</b>	<b>\$ 318,243,357</b>	<b>\$ (3,544,814)</b>	<b>-1.11%</b>
	<b>Income (loss) from operations</b>	<b>\$ (13,753,478)</b>	<b>\$ (26,928,577)</b>	<b>\$ 3,481,696</b>	<b>\$ (14,205,248)</b>	<b>\$ (20,910,531)</b>	<b>\$ 7,157,053</b>	<b>-34.23%</b>
<b>Non-operating gains and (losses):</b>								
	Contributions	\$ 108,451	\$ 39,907	\$ 45,805	\$ 216,499	\$ 78,307	\$ 30,144	38.49%
	Income on investments whose use is limited	\$ 1,292,995	\$ 914,826	778,819	966,306	1,145,726	147,269	12.85%
	Gains (losses) on investments whose use is limited	\$ 1,466,256	\$ 2,698,431	11,199,820	2,378,886	4,500,559	(3,034,303)	-67.42%
	Change in net unrealized gains (losses)	\$ 14,089,818	\$ (17,199,958)	(41,749,307)	(20,213,906)	1,884,497	12,205,321	647.67%
	Other components of current period pension expense	\$ (1,930,528)	\$ 142,867	142,870	142,867	142,870	(2,073,398)	-1451.25%
	Pension settlement	\$ -	\$ -	-	-	-	-	0.00%
	Other	\$ 67,113	\$ (225,487)	(405,870)	(430,322)	(391,582)	458,695	-117.14%
	<b>Net non-operating gains (losses)</b>	<b>\$ 15,094,105</b>	<b>\$ (13,629,414)</b>	<b>\$ (29,987,863)</b>	<b>\$ (16,939,670)</b>	<b>\$ 7,360,377</b>	<b>\$ 7,733,728</b>	<b>105.07%</b>
	<b>Excess (deficiency) of revenues and gains over expenses</b>	<b>\$ 1,340,627</b>	<b>\$ (40,557,991)</b>	<b>\$ (26,506,167)</b>	<b>\$ (31,144,918)</b>	<b>\$ (13,550,154)</b>	<b>\$ 14,890,781</b>	<b>-109.89%</b>
	Pension and post retirement adjustment	\$ -	\$ 9,588,818	\$ -	\$ -	\$ -	\$ -	0.00%
	Net assets released from restrictions	\$ 330,553	\$ 536,389	178,093	264,669	125,871	204,682	162.61%
	Transfer (to) from net assets with donor restrictions	\$ -	\$ (50,000)	-	(28,637)	-	-	0.00%
	Other transfers	\$ -	\$ -	-	-	-	-	0.00%
	<b>Increase (decrease) in net assets without donor restr.</b>	<b>\$ 1,671,180</b>	<b>\$ (30,482,784)</b>	<b>\$ (26,328,074)</b>	<b>\$ (30,908,886)</b>	<b>\$ (13,424,283)</b>	<b>\$ 15,095,463</b>	<b>-112.45%</b>

Care New England  
 Combined Statement of Operations  
 For the Three Months Ending December 31, 2022  
 (Unaudited)

CONSOLIDATED

	Current YTD Actual	Current YTD Budget	Variance Actual to Budget	%	Current YTD Actual	Prior YTD Actual	Variance Actual to Actual	%
<b>Operating revenues:</b>								
Patient service revenue (net of contractual allowances)	\$269,779,753	\$273,319,599	(\$3,539,846)	-1.30%	\$269,779,753	\$265,371,343	4,408,410	1.66%
Less: Charity care	(3,152,740)	(2,912,617)	(240,123)	-8.24%	(3,152,740)	(2,557,970)	(594,770)	-23.25%
Provision for bad debts	(7,491,188)	(9,294,819)	1,803,631	19.40%	(7,491,188)	(8,619,178)	1,127,990	13.09%
Net patient service revenue	259,135,825	261,112,163	(1,976,338)	-0.76%	259,135,825	254,194,195	4,941,630	1.94%
Net assets released from restrictions	397,026	452,588	(55,562)	-12.28%	397,026	353,352	43,674	12.36%
Research revenue	8,659,187	8,782,840	(123,653)	-1.41%	8,659,187	9,004,028	(344,841)	-3.83%
Grant revenue - relief funding	276,752	0	276,752	0.00%	276,752	2,298,587	(2,021,835)	-87.96%
Other revenue	39,565,903	38,396,826	1,169,077	3.04%	39,565,903	31,482,664	8,083,239	25.68%
<b>Total operating revenues, gains and other support</b>	<b>308,034,693</b>	<b>308,744,417</b>	<b>(709,724)</b>	<b>-0.23%</b>	<b>308,034,693</b>	<b>297,332,826</b>	<b>10,701,867</b>	<b>3.60%</b>
<b>Operating expenses:</b>								
Salaries and wages	152,651,986	147,440,386	(5,211,600)	-3.53%	152,651,986	150,548,642	(2,103,344)	-1.40%
Fringe benefits	38,118,541	38,835,290	716,749	1.85%	38,118,541	39,169,286	1,050,745	2.68%
Insurance	9,791,640	11,427,266	1,635,626	14.31%	9,791,640	8,531,105	(1,260,535)	-14.78%
Medical supplies and drugs	34,453,400	34,406,156	(47,244)	-0.14%	34,453,400	32,576,858	(1,876,542)	-5.76%
Other expenses	58,672,009	60,276,723	1,604,714	2.66%	58,672,009	58,911,643	239,634	0.41%
Research expenses	8,891,044	8,374,433	(516,611)	-6.17%	8,891,044	8,537,720	(353,324)	-4.14%
Licensure fee	10,164,258	10,164,258	0	0.00%	10,164,258	9,913,441	(250,817)	-2.53%
Interest	1,784,516	1,897,011	112,495	5.93%	1,784,516	1,875,582	91,066	4.86%
Depreciation and amortization	7,160,777	6,987,008	(173,769)	-2.49%	7,160,777	8,079,080	918,303	11.37%
Restructuring costs - Memorial Hospital	100,000	25,000	(75,000)	-300.00%	100,000	100,000	0	0.00%
<b>Total operating expenses</b>	<b>321,788,171</b>	<b>319,833,531</b>	<b>(1,954,640)</b>	<b>-0.61%</b>	<b>321,788,171</b>	<b>318,243,357</b>	<b>(3,544,814)</b>	<b>-1.11%</b>
<b>Income (loss) from operations</b>	<b>(13,753,478)</b>	<b>(11,089,114)</b>	<b>(2,664,364)</b>	<b>-24.03%</b>	<b>(13,753,478)</b>	<b>(20,910,531)</b>	<b>7,157,053</b>	<b>34.23%</b>
<b>Non-operating gains (losses):</b>								
Contributions	108,451	121,944	(13,493)	-11.06%	108,451	78,307	30,144	38.49%
Income on investments whose use is limited	1,292,995	1,085,453	207,542	19.12%	1,292,995	1,145,726	147,269	12.85%
Gains (losses) on investments whose use is limited	1,466,256	3,145,165	(1,678,909)	-53.38%	1,466,256	4,500,559	(3,034,303)	-67.42%
Change in net unrealized gains (losses)	14,089,818	(168)	14,089,986	0.00%	14,089,818	1,884,497	12,205,321	647.67%
Other components of current period pension expense	(1,930,528)	76,438	(2,006,966)	-2625.61%	(1,930,528)	142,870	(2,073,398)	-1451.25%
Other	67,113	(395,351)	462,464	116.98%	67,113	(391,582)	458,695	117.14%
<b>Net non-operating gains (losses)</b>	<b>15,094,105</b>	<b>4,033,481</b>	<b>11,060,624</b>	<b>274.22%</b>	<b>15,094,105</b>	<b>7,360,377</b>	<b>7,733,728</b>	<b>105.07%</b>
<b>Excess (deficiency) of revenues and gains over expenses</b>	<b>1,340,627</b>	<b>(7,055,633)</b>	<b>8,396,260</b>	<b>119.00%</b>	<b>1,340,627</b>	<b>(13,550,154)</b>	<b>14,890,781</b>	<b>109.89%</b>
Pension and post retirement adjustment	0	0	0	0.00%	0	0	0	0.00%
Net assets released from restrictions	330,553	142,379	188,174	132.16%	330,553	125,871	204,682	162.61%
Other transfers	0	0	0	0.00%	0	0	0	0.00%
Transfer (to) from net assets with donor restrictions	0	0	0	0.00%	0	0	0	0.00%
<b>Increase (decrease) in net assets without donor restrictions</b>	<b>1,671,180</b>	<b>(6,913,254)</b>	<b>8,584,434</b>	<b>124.17%</b>	<b>1,671,180</b>	<b>(13,424,283)</b>	<b>15,095,463</b>	<b>112.45%</b>

**Care New England**  
**Combined Statement of Operations**  
**For the Three Months Ending December 31, 2022**  
**(Unaudited)**

	Butler	Kent	CNE/IMG	WIC	SHS	Year to Date Actual				Eliminations	Total	
						Integra	KCVNA	TPC				
<b>Operating revenues:</b>												
Patient service revenue (net of contractual allowances)	23,762,760	90,475,895	23,672,664	118,265,086	2,897	61	4,402,797	9,207,593	-	269,779,753		
Less: Charity care	(1,371,061)	(475,542)	(195,104)	(1,107,123)	-	-	(3,916)	-	-	(3,152,740)		
Provision for bad debts	(281,109)	(3,597,654)	(23,212)	(2,629,318)	54	-	(35,59)	(222,354)	-	(7,491,188)		
Net patient service revenue	22,110,590	86,402,699	22,748,348	114,528,645	2,951	61	4,363,292	8,985,239	-	259,135,825		
Net assets released from restrictions	216,086	-	-	38,679	-	-	-	80,949	-	397,026		
Research revenue	4,035,825	331,273	61,312	4,284,785	-	-	7,304	-	-	8,659,187		
Grant revenue - relief funding	4,568,680	14,469,673	3,574,439	13,591,549	443,033	-	631,193	276,752	(46,999,672)	39,565,903		
Other revenue	-	-	19,013,553	-	-	-	-	3,634,300	(19,013,553)	-		
CNE/IMG subsidy revenue	-	-	-	-	-	-	-	-	-	-		
<b>Total operating revenues, gains and other support</b>	<b>30,931,181</b>	<b>101,264,957</b>	<b>45,336,340</b>	<b>132,437,658</b>	<b>445,984</b>	<b>38,524,632</b>	<b>4,994,485</b>	<b>12,977,240</b>	<b>(66,013,225)</b>	<b>308,034,693</b>		
<b>Operating expenses:</b>												
Salaries and wages	13,150,021	35,394,831	32,143,110	42,946,121	-	16,602,734	1,193,674	8,084,305	(121,627)	152,651,986		
Fringe benefits	3,743,342	5,797,944	6,567,023	15,213,232	42,434	3,479,234	858,019	1,838,747	227,031	38,118,541		
Insurance	794,097	3,887,245	774,580	5,149,552	7,998	99,834	137,062	242,442	(1,343,442)	9,791,640		
Medical supplies and drugs	581,219	18,419,722	317,746	15,210,755	-	72,277	491,108	4,646	(644,073)	34,453,400		
Other expenses	1,192,326	15,315,468	7,526,862	17,464,503	630,125	16,473,019	4,585,239	2,207,341	(7,399,935)	58,672,009		
Research expenses	4,095,478	375,869	-	4,471,347	-	7,304	-	-	-	8,891,044		
License fee	-	4,756,712	-	5,407,546	-	-	-	-	-	10,164,258		
Interest	190,098	356,959	-	691,546	-	467,674	-	77,852	-	1,764,516		
Depreciation and amortization	651,583	2,646,576	-	2,475,950	133,564	945,935	8,736	298,433	(37,717,625)	7,160,777		
Shared services	4,280,743	14,658,131	450,000	17,203,756	100,000	-	249,996	724,999	-	100,000		
Restructuring costs - Memorial Hospital	-	-	-	-	-	-	309,471	-	-	-		
CNE/IMG subsidy expense	2,692,806	9,460,191	-	6,512,235	-	-	38,851	-	(19,013,554)	-		
<b>Total operating expenses</b>	<b>31,371,713</b>	<b>111,069,648</b>	<b>47,779,321</b>	<b>132,687,589</b>	<b>914,121</b>	<b>38,140,907</b>	<b>5,719,837</b>	<b>13,476,765</b>	<b>(66,013,225)</b>	<b>321,768,171</b>		
<b>Income (loss) from operations</b>	<b>(440,532)</b>	<b>(9,804,691)</b>	<b>(2,442,981)</b>	<b>(249,931)</b>	<b>(468,137)</b>	<b>353,725</b>	<b>(725,352)</b>	<b>(501,525)</b>	<b>-</b>	<b>(13,753,478)</b>		
<b>Non-operating gains (losses):</b>												
Contributions	46,537	18,806	-	14,726	-	-	-	16,137	-	108,451		
Income on investments whose use is limited	177,889	277,803	-	681,169	-	152,139	3,995	1,292,995	-	1,292,995		
Gains (losses) on investments whose use is limited	132,709	57,597	-	1,129,581	31	126,994	16,792	1,224	-	1,486,256		
Change in net unrealized gains (losses)	655,698	4,058,114	-	9,329,659	51	(811)	44,596	1,818	-	14,089,818		
Other components of current period pension expense	(329,749)	(334,554)	-	(171,824)	322	(387,674)	(23,260)	-	-	(1,930,528)		
Other	18,478	68,075	-	343,434	-	-	48	11,976	-	67,113		
<b>Net non-operating gains (losses)</b>	<b>701,762</b>	<b>4,145,841</b>	<b>-</b>	<b>11,326,745</b>	<b>404</b>	<b>(1,182,493)</b>	<b>54,416</b>	<b>31,155</b>	<b>-</b>	<b>15,094,105</b>		
<b>Excess (deficiency) of revenues and gains over expenses</b>	<b>261,230</b>	<b>(5,658,850)</b>	<b>(2,442,981)</b>	<b>11,076,814</b>	<b>(467,733)</b>	<b>(798,768)</b>	<b>(670,936)</b>	<b>(470,370)</b>	<b>-</b>	<b>1,340,627</b>		
Pension and post-retirement adjustments	-	-	-	-	-	-	-	-	-	-		
Net assets released from restrictions	-	330,553	-	-	-	-	-	-	-	330,553		
Transfer - net assets with donor restrictions	-	-	-	-	-	-	-	-	-	-		
Transfers	-	-	-	-	-	-	-	-	-	-		
<b>Incr/(decr.) in net assets without donor restrictions</b>	<b>261,230</b>	<b>(5,328,297)</b>	<b>(2,442,981)</b>	<b>11,076,814</b>	<b>(467,733)</b>	<b>(798,768)</b>	<b>(670,936)</b>	<b>(470,370)</b>	<b>-</b>	<b>1,671,160</b>		

**Care New England**  
**Combined Statement of Operations**  
**For the Three Months Ending December 31, 2022**  
(Unaudited)

	Year To Date Budget										Total	
	Butler	Kent	CNEMG	WIC	SHS	CNE	Integra	KCVNA	TPC	Eliminations		
<b>Operating revenues:</b>												
Patient service revenue (net of contractual allowances)	23,343,917	99,176,835	24,261,170	112,069,658	(26)	(200)	-	4,897,324	9,570,921	-	273,319,599	
Less: Charity care	(789,209)	(576,408)	(196,866)	(1,365,031)	-	-	-	(4,997)	(108)	-	(2,912,617)	
Provision for bad debts	(884,898)	(4,656,453)	(789,658)	(2,796,724)	-	-	-	(29,767)	(156,719)	-	(9,294,819)	
Net patient service revenue	21,690,010	93,945,178	23,294,646	107,907,903	(26)	(200)	-	4,862,560	9,412,094	-	261,112,163	
Net assets released from restrictions	249,915	86,270	-	45,034	-	-	-	-	71,369	-	452,588	
Research revenue	4,128,791	585,596	-	4,068,453	-	-	-	-	-	-	8,782,840	
Grant revenue - relief funding	-	-	-	-	-	-	-	-	-	-	-	
Other revenue	5,554,348	12,950,611	2,921,215	14,848,671	54,358	38,472,367	6,304,433	446,242	4,158,268	(47,313,687)	38,396,826	
CNEMG subsidy revenue	-	-	20,061,242	-	-	-	-	-	-	20,061,242	-	
<b>Total operating revenues, gains and other support</b>	<b>31,623,064</b>	<b>107,567,653</b>	<b>46,277,103</b>	<b>126,870,061</b>	<b>54,332</b>	<b>38,472,167</b>	<b>6,304,433</b>	<b>5,308,802</b>	<b>13,641,731</b>	<b>(67,374,929)</b>	<b>308,744,417</b>	
<b>Operating expenses:</b>												
Salaries and wages	12,776,520	35,033,934	31,829,574	40,687,469	-	14,904,477	1,174,841	3,175,981	7,953,948	(96,338)	147,440,386	
Fringe benefits	4,104,952	5,688,443	6,800,247	15,119,564	44,742	3,639,734	393,995	880,047	1,994,992	168,574	38,835,290	
Insurance	808,393	5,066,731	879,384	5,414,022	9,513	109,015	47,650	146,241	237,628	(1,291,211)	11,427,266	
Medical supplies and drugs	728,437	18,972,335	365,830	14,761,374	-	60,092	20	331,480	16,661	(830,073)	34,406,156	
Other expenses	1,394,384	15,777,736	7,812,956	17,054,000	75,407	18,620,860	4,191,388	683,101	2,213,905	(7,547,014)	60,276,723	
Research expenses	3,853,122	727,509	-	3,793,802	-	-	-	-	-	-	8,374,433	
License fee	-	4,756,712	-	5,407,546	-	-	-	-	-	-	10,164,258	
Interest	204,906	372,055	-	753,921	-	483,318	-	214	82,597	-	1,897,011	
Depreciation and amortization	588,059	2,515,390	-	2,536,578	136,179	925,584	150,000	10,546	274,672	-	6,987,008	
Shared services	4,280,743	14,658,131	450,000	17,203,756	-	-	-	249,996	724,999	(37,717,625)	-	
Restructuring costs - Memorial Hospital	-	-	-	-	25,000	-	-	-	-	-	-	
CNEMG subsidy expense	3,155,581	9,697,026	-	6,847,639	-	-	310,138	50,858	-	(20,061,242)	25,000	
<b>Total operating expenses</b>	<b>31,895,097</b>	<b>113,266,002</b>	<b>48,137,891</b>	<b>129,579,671</b>	<b>290,841</b>	<b>38,743,080</b>	<b>6,267,932</b>	<b>5,528,444</b>	<b>13,499,402</b>	<b>(67,374,929)</b>	<b>319,833,531</b>	
<b>Income (loss) from operations</b>	<b>(272,033)</b>	<b>(5,698,349)</b>	<b>(1,860,888)</b>	<b>(2,709,610)</b>	<b>(236,509)</b>	<b>(270,913)</b>	<b>36,501</b>	<b>(219,642)</b>	<b>142,329</b>	<b>-</b>	<b>(11,089,114)</b>	
<b>Non-operating gains (losses):</b>												
Contributions	2,981	10,881	-	23,682	-	28,137	-	19,400	36,763	-	121,944	
Income on investments whose use is limited	178,334	209,440	-	404,446	-	291,350	-	1,863	-	-	1,085,453	
Gains (losses) on investments whose use is limited	267,783	923,786	-	3,097,187	-	(1,169,377)	(56)	26,223	(381)	-	3,145,165	
Change in net unrealized gains (losses)	-	-	-	-	(52)	-	(116)	-	-	-	(168)	
Other components of current period pension expense	124,420	109,312	-	26,011	(333)	(186,659)	-	3,687	-	-	76,438	
Other	4,451	37,155	-	65,504	18	(502,879)	32	32	436	-	(395,351)	
<b>Net non-operating gains (losses)</b>	<b>577,969</b>	<b>1,290,674</b>	<b>-</b>	<b>3,616,830</b>	<b>(367)</b>	<b>(1,539,528)</b>	<b>(140)</b>	<b>51,225</b>	<b>36,818</b>	<b>-</b>	<b>4,033,481</b>	
<b>Excess (deficiency) of revenues and gains over expenses</b>	<b>305,936</b>	<b>(4,407,675)</b>	<b>(1,860,888)</b>	<b>907,220</b>	<b>(236,876)</b>	<b>(1,810,441)</b>	<b>36,361</b>	<b>(168,417)</b>	<b>179,147</b>	<b>-</b>	<b>(7,055,633)</b>	
Pension and post retirement adjustments	-	-	-	-	-	-	-	-	-	-	-	
Net assets released from restrictions	-	124,910	-	5,779	-	-	-	-	11,690	-	142,379	
Transfer - net assets with donor restrictions	-	-	-	-	-	-	-	-	-	-	-	
Transfers	-	-	-	-	-	-	-	-	-	-	-	
<b>Incr./(decr.) in net assets without donor restrictions</b>	<b>305,936</b>	<b>(4,282,765)</b>	<b>(1,860,888)</b>	<b>912,999</b>	<b>(236,876)</b>	<b>(1,810,441)</b>	<b>36,361</b>	<b>(168,417)</b>	<b>190,837</b>	<b>-</b>	<b>(6,913,254)</b>	



**Care New England**  
**Combined Statement of Operations**  
**For the Three Months Ending December 31, 2022**  
(Unaudited)

	Variance Actual Vs Budget										
	Butler	Kent	CNEMG	WIC	SHS	CNE	Integra	KCVNA	TPC	Eliminations	Total
<b>Operating revenues:</b>											
Patient service revenue (net of contractual allowances)	418,843	(8,700,940)	(588,506)	6,185,428	2,923	261	-	(494,527)	(363,328)	-	(3,539,846)
Less: Charity care	(601,852)	100,864	1,762	257,908	-	-	-	1,087	108	-	(240,123)
Provision for bad debts	609,589	1,057,599	40,446	171,406	54	-	-	(5,828)	(63,635)	-	1,903,631
Net patient service revenue	420,580	(7,542,477)	(546,298)	6,614,742	2,977	261	-	(489,268)	(428,855)	-	(1,976,338)
Net assets released from restrictions	(33,829)	(24,958)	-	(6,355)	-	-	-	-	9,580	-	(56,562)
Research revenue	(92,946)	(254,323)	-	216,332	-	-	7,304	-	-	-	(123,653)
Grant revenue - relief funding	-	-	-	-	-	-	-	-	-	-	-
Other revenue	(985,668)	1,519,062	653,224	(1,257,122)	388,675	52,204	823,704	184,951	276,752	314,015	216,752
CNE/MG subsidy revenue	-	-	(1,047,689)	-	-	-	-	-	(523,968)	-	1,169,077
<b>Total operating revenues, gains and other support</b>	<b>(691,863)</b>	<b>(6,302,696)</b>	<b>(940,763)</b>	<b>5,567,597</b>	<b>391,652</b>	<b>52,465</b>	<b>831,008</b>	<b>(314,317)</b>	<b>(664,491)</b>	<b>1,361,704</b>	<b>(709,724)</b>
<b>Operating expenses:</b>											
Salaries and wages	373,501	360,897	313,536	2,258,652	-	1,698,257	18,833	82,856	130,357	(25,289)	5,211,600
Fringe benefits	(361,610)	19,501	(233,224)	93,698	(2,308)	(160,500)	(42,460)	(2,028)	(156,245)	58,457	(716,749)
Insurance	(14,296)	(179,486)	(104,804)	(264,470)	(1,515)	(9,181)	(5,278)	4,814	(9,179)	(52,231)	(1,635,626)
Medical supplies and drugs	(147,218)	(5,526,133)	(48,084)	449,387	-	12,185	(20)	159,628	(12,015)	186,000	47,244
Other expenses	(202,058)	(462,268)	(286,094)	410,505	554,718	(2,147,841)	393,851	(6,040)	(6,564)	147,079	(1,604,714)
Research expenses	242,356	(351,640)	-	618,591	-	7,304	-	-	-	-	516,611
License fee	-	-	-	-	-	-	-	-	-	-	-
Interest	(14,808)	(15,096)	-	(62,375)	-	(15,444)	-	(27)	(4,745)	-	(112,495)
Depreciation and amortization	63,524	131,186	-	(60,628)	(2,615)	20,361	-	(1,810)	23,761	-	173,769
Shared services	-	-	-	-	-	-	-	-	-	-	-
Restructuring costs - Memorial Hospital	-	-	-	-	75,000	-	-	-	-	-	75,000
CNE/MG subsidy expense	(462,775)	(236,835)	-	(335,404)	-	-	(667)	(12,007)	-	1,047,689	-
<b>Total operating expenses</b>	<b>(523,394)</b>	<b>(2,196,354)</b>	<b>(358,670)</b>	<b>3,107,918</b>	<b>623,280</b>	<b>(602,173)</b>	<b>371,563</b>	<b>191,393</b>	<b>(20,637)</b>	<b>1,361,704</b>	<b>1,954,640</b>
<b>Income (loss) from operations</b>	<b>(168,499)</b>	<b>(4,106,342)</b>	<b>(582,093)</b>	<b>2,459,679</b>	<b>(231,628)</b>	<b>654,638</b>	<b>459,445</b>	<b>(505,710)</b>	<b>(643,854)</b>	<b>-</b>	<b>(2,664,364)</b>
<b>Non-operating gains (losses):</b>											
Contributions	43,556	7,825	-	(8,956)	-	(28,137)	-	(7,155)	(20,626)	-	(13,493)
Income on investments whose use is limited	(445)	68,363	-	276,723	-	(1,39,211)	-	2,112	-	-	207,542
Gains (losses) on investments whose use is limited	(135,074)	(866,183)	-	(1,967,606)	31	1,296,371	1,384	(9,431)	1,605	-	(1,678,909)
Change in net unrealized gains (losses)	655,898	4,058,119	-	9,329,859	103	(2,811)	2,609	44,596	1,818	-	14,089,986
Other components of current period pension expense	(454,169)	(443,864)	-	(197,35)	333	(84,482)	-	(26,947)	-	-	(2,006,986)
Other	14,027	30,920	-	277,930	304	115,305	12,422	16	11,540	-	462,464
<b>Net non-operating gains (losses)</b>	<b>123,793</b>	<b>2,855,167</b>	<b>-</b>	<b>7,709,915</b>	<b>771</b>	<b>357,035</b>	<b>16,415</b>	<b>3,191</b>	<b>(5,663)</b>	<b>-</b>	<b>11,060,624</b>
<b>Excess (deficiency) of revenues and gains over expenses</b>	<b>(44,706)</b>	<b>(1,251,176)</b>	<b>(582,093)</b>	<b>10,169,594</b>	<b>(230,857)</b>	<b>1,011,673</b>	<b>475,860</b>	<b>(502,519)</b>	<b>(649,517)</b>	<b>-</b>	<b>8,396,260</b>
Pension and post retirement adjustments	-	-	-	-	-	-	-	-	-	-	-
Net assets released from restrictions	-	205,643	-	(5,779)	-	-	-	-	(11,690)	-	188,174
Transfer - net assets with donor restrictions	-	-	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-	-	-	-
<b>Incr/(decr.) in net assets without donor restrictions</b>	<b>(44,706)</b>	<b>(1,045,532)</b>	<b>(582,093)</b>	<b>10,163,815</b>	<b>(230,857)</b>	<b>1,011,673</b>	<b>475,860</b>	<b>(502,519)</b>	<b>(661,207)</b>	<b>-</b>	<b>8,584,434</b>



**Care New England**  
**Combined Statement of Operations**  
**For the Three Months Ending December 31, 2022**  
(Unaudited)

	Variance Current Actual Vs Prior Actual										Total	
	Buffer	Kent	CNEMG	WIC	SHS	CNE	Integra	KCVNA	TPC	Eliminations		
<b>Operating revenues:</b>												
Patient service revenue (net of contractual allowances)	2,266,944	(6,240,532)	743,403	8,991,310	2,268	(344)	-	(1,156,074)	(198,565)	-	4,408,410	
Less: Charity care	(845,005)	(269,262)	(20,643)	547,062	251	-	-	1,027	-	-	(594,770)	
Provision for bad debts	333,583	121,803	93,346	513,443	(1,591)	-	-	6,794	60,612	-	1,127,990	
Net patient service revenue	1,755,522	(6,386,991)	806,906	10,051,815	928	(344)	-	(1,148,253)	(137,953)	-	4,941,630	
Net assets released from restrictions	14,842	3,142	-	2,231	-	-	-	-	23,459	-	43,674	
Research revenue	268,082	(438,352)	-	(181,875)	-	-	7,304	(143,228)	137,518	-	(344,841)	
Grant revenue - relief funding	(1,963,591)	(52,534)	-	-	-	-	-	2,248	112,771	(144,068)	(2,021,835)	
Other revenue	(329,607)	1,915,145	919,062	439,822	29,985	638,387	4,439,494	-	-	(685,428)	8,083,239	
CNEMG subsidy revenue	-	-	665,428	-	-	-	-	-	-	-	-	
<b>Total operating revenues, gains and other support</b>	(264,752)	(4,959,590)	2,451,306	10,311,993	30,913	638,043	4,446,798	(1,289,233)	135,795	(809,496)	10,701,867	
<b>Operating expenses:</b>												
Salaries and wages	444,021	(1,161,529)	3,037,422	44,638	(127,397)	9,434	(85,741)	(514,947)	480,630	(23,187)	2,103,344	
Fringe benefits	(733,621)	(182,050)	836,760	(378,807)	27,721	(266,617)	(85,962)	(139,650)	(143,896)	15,377	(1,050,745)	
Insurance	15,563	78,800	(2,388)	1,255,255	(3,166)	2,369	(148)	4,216	29,117	(119,084)	1,260,535	
Medical supplies and drugs	(123,265)	398,561	61,087	1,164,504	-	(21,956)	154,623	(12,632)	255,608	-	1,876,542	
Other expenses	(139,211)	(1,253,367)	961,486	1,338,099	227,522	(3,369,219)	1,607,127	(112,563)	273,767	226,701	(239,634)	
Research expenses	354,582	(330,453)	-	321,888	-	-	7,304	-	-	-	353,324	
Licensure fee	-	461,466	-	(210,651)	-	-	-	-	(2,308)	-	250,817	
Interest	(10,518)	(17,85)	-	(45,231)	-	(15,130)	-	(26)	(91,066)	-	(91,066)	
Depreciation and amortization	(64,206)	40,192	-	(74,152)	(934)	(805,210)	-	(6,233)	(7,763)	(1)	(918,303)	
Shared services	38,270	301,020	-	160,196	-	-	-	(4)	-	-	-	
Restructuring costs - Memorial Hospital	-	-	-	-	-	-	-	-	-	-	-	
CNEMG subsidy expense	(49,699)	246,556	-	1,285,768	6,917	(1,016,029)	205,495	5,422	-	(665,430)	-	
<b>Total operating expenses</b>	(267,084)	(1,418,638)	4,694,377	4,841,507	130,663	(5,482,358)	1,648,075	(609,146)	616,914	(809,496)	3,544,814	
<b>Income (loss) from operations</b>	12,332	(3,540,952)	(2,442,981)	5,470,486	(99,750)	6,120,401	2,798,723	(680,087)	(481,119)	-	7,157,053	
<b>Non-operating gains (losses):</b>												
Contributions	43,556	7,825	-	(7,048)	-	(350)	-	(26,037)	12,168	-	30,144	
Income on investments whose use is limited	(445)	32,011	-	(2,646)	-	118,778	-	(429)	-	-	147,269	
Gains (losses) on investments whose use is limited	(135,074)	(780,821)	-	(2,215,034)	95	104,390	1,328	(11,467)	2,284	-	(3,034,303)	
Change in net unrealized gains (losses)	443,987	3,253,615	-	8,403,552	63	47,360	2,493	51,889	2,361	-	12,205,321	
Other components of current period pension expense	(454,169)	(443,866)	-	(229,154)	-	(913,897)	-	(32,312)	-	-	(2,073,398)	
Other	14,027	30,920	-	286,547	254	103,802	12,454	(3)	10,694	-	458,695	
<b>Net non-operating gains (losses)</b>	(88,116)	2,099,681	-	6,236,217	412	(539,917)	16,275	(19,359)	27,537	-	7,733,728	
<b>Excess (deficiency) of revenues and gains over expenses</b>	(75,786)	(1,441,271)	(2,442,981)	11,706,703	(99,338)	5,660,484	2,814,998	(698,446)	(453,682)	-	14,890,761	
Pension and post retirement adjustments	-	-	-	-	-	-	-	-	-	-	-	
Net assets released from restrictions	-	205,643	-	-	-	-	-	-	(961)	-	204,682	
Transfer - net assets with donor restrictions	-	-	-	-	-	-	-	-	-	-	-	
Transfers	-	-	-	-	-	-	-	-	-	-	-	
<b>Incr./decr. in net assets without donor restrictions</b>	(75,786)	(1,235,628)	(2,442,981)	11,706,703	(99,338)	5,660,484	2,814,998	(698,446)	(454,543)	-	15,095,463	

Care New England  
Combined Statement of Operations  
For the Three Months Ending December 31, 2022  
(Unaudited)

WI & TG INDEMNITY PROGRAMS

	Year to Date Actual			Year to Date Actual		
	Kent & Affiliates	TG Indemnity	Eliminations	WIH Indemnity	Eliminations	WIC Consolidated
<b>Operating revenues:</b>						
Patient service revenue (net of contractual allowances)	\$90,475,895	\$0	\$0	\$0	\$0	\$118,255,086
Less: Charity care	(475,542)	0	0	0	0	(1,107,123)
Provision for bad debts	(3,597,654)	0	0	0	0	(2,625,318)
Net patient service revenue	86,402,699	0	0	0	0	114,522,645
Net assets released from restrictions	61,312	0	0	0	0	38,679
Research revenue	331,273	0	0	0	0	4,284,785
Grant revenue - relief funding	0	0	0	0	0	0
Other revenue	13,272,744	4,168,861	(2,971,932)	4,078,654	(4,018,608)	13,591,549
<b>Total operating revenues, gains and other support</b>	<b>100,068,028</b>	<b>4,168,861</b>	<b>(2,971,932)</b>	<b>4,078,654</b>	<b>(4,018,608)</b>	<b>132,437,658</b>
<b>Operating expenses:</b>						
Salaries and wages	35,394,831	0	0	0	0	42,946,121
Fringe benefits	5,797,944	0	0	0	0	15,213,232
Insurance	3,965,467	2,893,710	(2,971,932)	4,318,807	(3,908,058)	5,149,552
Medical supplies and drugs	18,419,722	0	0	0	0	15,210,755
Other expenses	15,128,110	187,358	0	200,995	(110,550)	17,464,503
Research expenses	375,869	0	0	0	0	4,412,393
Licensure fee	4,756,712	0	0	5,407,546	0	5,407,546
Interest	356,959	0	0	691,546	0	691,546
Depreciation and amortization	2,646,576	0	0	2,475,950	0	2,475,950
Shared services	14,480,489	177,642	0	17,032,081	0	17,203,756
CNEMG subsidy expense	9,460,191	0	0	6,512,235	0	6,512,235
<b>Total operating expenses</b>	<b>110,782,870</b>	<b>3,258,710</b>	<b>(2,971,932)</b>	<b>4,691,477</b>	<b>(4,018,608)</b>	<b>132,687,569</b>
<b>Income (loss) from operations</b>	<b>(10,714,842)</b>	<b>910,151</b>	<b>0</b>	<b>(612,823)</b>	<b>0</b>	<b>(249,931)</b>
<b>Non-operating gains (losses):</b>						
Contributions	18,806	0	0	0	0	14,726
Income on investments whose use is limited	89,218	188,585	0	253,327	0	681,169
Gains (losses) on investments whose use is limited	377,096	(319,499)	0	(461,102)	0	1,129,581
Change in net unrealized gains (losses)	1,004,492	3,053,622	0	5,023,377	0	9,329,659
Other components of current period pension expense	(334,554)	0	0	0	0	(171,824)
Other	68,075	0	0	343,434	0	343,434
<b>Net non-operating gains (losses)</b>	<b>1,223,133</b>	<b>2,922,708</b>	<b>0</b>	<b>4,815,602</b>	<b>0</b>	<b>11,326,745</b>
<b>Excess (deficiency) of revenues and gains over expenses</b>	<b>(9,491,709)</b>	<b>3,832,859</b>	<b>0</b>	<b>4,202,779</b>	<b>0</b>	<b>11,076,814</b>
Pension and post retirement adjustment	0	0	0	0	0	0
Net assets released from restrictions	330,553	0	0	0	0	0
Transfer (to) from net assets with donor restrictions	0	0	0	0	0	0
Other transfers	0	0	0	0	0	0
<b>Increase (decrease) in net assets without donor restrictions</b>	<b>(\$9,161,156)</b>	<b>\$3,832,859</b>	<b>\$0</b>	<b>\$4,202,779</b>	<b>\$0</b>	<b>\$11,076,814</b>

**Care New England Health System  
Consolidated Balance Sheet  
(Unaudited)**

**CONSOLIDATED**

**ASSETS**

**Current assets**

Cash and cash equivalents	26,439,176	47,706,108	25,440,359	(21,326,932)	998,817	3.93%
Short-term investments	38,466,894	38,046,843	50,213,744	420,051	(11,746,850)	-23.39%
Receivables	107,743,887	104,805,091	105,790,789	2,938,796	1,953,098	1.85%
Patient accounts receivable	44,111,390	33,146,975	41,970,975	10,964,415	2,140,415	5.10%
Other receivables	151,855,277	137,952,066	147,761,764	13,903,211	4,093,513	2.77%
<b>Total receivables</b>	<b>258,569,164</b>	<b>241,099,041</b>	<b>249,732,743</b>	<b>8,634,302</b>	<b>6,233,928</b>	<b>2.53%</b>
Current portion of assets whose use is limited	5,743,504	2,538,386	5,346,185	3,205,118	397,319	7.43%
Inventories	9,103,730	9,025,176	9,779,517	78,554	(675,787)	-6.91%
Prepaid expenses	10,705,343	7,791,235	12,530,938	2,914,108	(1,825,595)	-14.57%
Notes receivable, net	3,820	3,820	20,609	-	(16,789)	-81.46%
Pledges receivable, net	4,221,956	6,822,665	1,350,326	(2,600,709)	2,871,630	212.66%
<b>Total current assets</b>	<b>308,230,457</b>	<b>299,295,299</b>	<b>314,683,442</b>	<b>15,388,143</b>	<b>(5,903,742)</b>	<b>-2.34%</b>

**Assets whose use is limited or restricted as to use**

Endowment funds	69,070,802	65,203,141	85,011,607	3,867,661	(16,630,805)	-19.41%
Board-designated funds	137,087,821	128,802,248	159,520,766	8,285,573	(22,432,945)	-14.06%
Self insurance trust funds	167,934,656	167,537,977	189,697,194	396,679	(21,762,538)	-11.47%
Deferred compensation funds	1,872,282	1,896,762	(24,480)	(24,480)	31,451	1.71%
Trustee-held funds	17,558,872	14,275,651	17,350,658	3,283,221	208,214	1.20%
<b>Total assets limited as to use</b>	<b>372,524,333</b>	<b>361,713,779</b>	<b>454,111,056</b>	<b>15,808,654</b>	<b>(60,586,623)</b>	<b>-13.34%</b>

Less: Amounts required to meet current obligations

**Noncurrent assets limited as to use**

Property, plant and equipment, net	5,743,504	2,538,386	5,346,185	3,205,118	397,319	7.43%
Goodwill	387,780,929	375,177,393	448,764,871	12,603,536	(60,983,942)	-13.59%
	202,866,670	205,586,356	225,557,879	(2,719,686)	(22,691,209)	-10.06%
	-	-	24,345,364	-	(24,345,364)	-100.00%

**Other assets**

Finance lease right-of-use assets, net	5,808,566	6,346,406	6,110,664	(537,850)	(302,108)	-4.94%
Operating lease right-of-use assets, net	83,989,579	86,348,981	89,944,364	(2,359,402)	(5,954,785)	-6.62%
Investments	3,668,925	3,837,455	3,706,465	(168,530)	(37,540)	-1.01%
Notes and advances receivable, net	-	-	-	-	-	0.00%
Other assets	2,064,687	1,862,659	2,486,349	202,028	(421,662)	-16.96%
Insurance receivable	2,241,389	2,241,389	3,988,763	-	(1,747,374)	-43.81%
Pledges receivable, net	4,200,272	4,503,472	2,367,014	(303,200)	1,833,258	77.45%
Prepaid expenses and other	320,860	480,621	646,619	(159,761)	(325,759)	-50.38%
<b>Total other assets</b>	<b>102,294,268</b>	<b>105,620,983</b>	<b>109,250,238</b>	<b>(3,326,715)</b>	<b>(6,955,970)</b>	<b>-6.37%</b>
<b>Total assets</b>	<b>939,481,567</b>	<b>936,331,031</b>	<b>1,060,361,794</b>	<b>3,150,536</b>	<b>(120,880,227)</b>	<b>-11.40%</b>

12/31/2022	9/30/2022	12/31/2021	12/22-9/22	12/22-12/21
Change	%	Change	%	Change

12/22-9/22	%
Change	%

12/31/2021
Change

9/30/2022
Change

12/31/2022
Change

**LIABILITIES AND NET ASSETS**

	12/31/2022	9/30/2022	12/31/2021	12/22-9/22 Change	% Change	12/22-12/21 Change	% Change
<b>Current liabilities</b>							
Pension liability	27,459,563	28,010,425	23,170,812	(550,862)	-1.97%	4,288,751	18.51%
Current portion of long-term debt	7,957,220	7,953,796	7,586,433	3,424	0.04%	307,787	4.89%
Current portion of finance lease liability	1,779,939	1,919,019	1,887,771	(139,080)	-7.5%	(107,832)	-5.71%
Current portion of operating lease liability	8,637,294	9,170,716	8,911,829	(333,422)	-7.2%	(74,535)	-0.84%
Accounts payable and accrued expenses	140,093,175	141,481,354	145,828,356	(1,488,179)	-0.8%	(5,735,181)	-3.93%
Self-insurance reserves	6,604,657	7,071,476	6,608,819	8,000	0.12%	(1,923,577)	-22.56%
Deferred revenue	8,779,312	6,448,447	3,355,773	2,333,865	36.15%	5,423,539	161.62%
Current portion of estimated third-party payor settlements	10,933,464	12,143,047	24,631,875	(1,209,583)	-9.96%	(13,698,411)	-55.61%
Deferred compensation	1,132,452	1,205,401	794,779	(72,949)	-6.05%	337,673	42.49%
<b>Total current liabilities</b>	<b>213,577,076</b>	<b>215,403,681</b>	<b>224,695,862</b>	<b>(1,828,605)</b>	<b>-0.85%</b>	<b>(11,118,786)</b>	<b>-4.95%</b>
<b>Long-term liabilities</b>							
Long-term portion of estimated third-party payor settlements	22,562,218	24,479,113	26,259,710	(1,896,895)	-7.75%	(3,677,492)	-14.00%
Pension liability	62,520,254	60,843,594	69,797,594	1,676,660	76%	(7,277,337)	-10.43%
Postretirement liability	700,365	708,385	892,319	-	2.00%	(183,929)	-24.60%
Asset retirement obligation	3,129,054	3,095,678	2,991,549	33,376	0.08%	137,505	4.60%
Other liabilities	369,054	495,923	415,708	(126,869)	-25.58%	(46,654)	-1.6%
Self-insurance reserves	166,590,213	166,795,335	160,718,513	(245,122)	-0.15%	5,831,700	3.23%
Long-term debt	142,333,768	142,597,357	150,414,338	(263,589)	-0.18%	(8,080,570)	-5.6%
Long-term finance lease liability	3,781,569	4,121,179	4,031,073	(339,610)	-8.24%	(249,504)	-6.39%
Long-term operating lease liability	82,841,625	84,795,022	87,886,623	(1,953,397)	-2.30%	(5,044,998)	-5.74%
Deferred compensation	793,603	696,018	878,838	97,585	14.02%	(85,235)	-9.0%
<b>Total liabilities</b>	<b>699,186,819</b>	<b>704,031,285</b>	<b>728,982,119</b>	<b>(4,844,466)</b>	<b>-0.69%</b>	<b>(29,795,300)</b>	<b>-4.09%</b>
<b>Net assets</b>							
Without donor restrictions	133,532,415	131,861,236	219,580,978	1,671,179	1.27%	(86,048,563)	-39.19%
With donor restrictions	106,762,333	100,438,510	111,798,697	6,323,823	6.30%	(5,036,364)	-4.50%
<b>Total net assets</b>	<b>240,294,748</b>	<b>232,299,746</b>	<b>331,379,675</b>	<b>7,995,002</b>	<b>3.44%</b>	<b>(91,084,927)</b>	<b>-27.49%</b>
<b>Total liabilities and net assets</b>	<b>939,481,567</b>	<b>936,331,031</b>	<b>1,060,361,794</b>	<b>3,150,536</b>	<b>0.34%</b>	<b>(120,880,227)</b>	<b>-11.40%</b>

Care New England  
Balance Sheet  
(Unaudited)

ASSETS	As of December 31, 2022										TOTAL	
	BUTLER	KENT	CNEMG	WIC	SHS	CNE	Integra	KCVNA	TPC	Eliminations		
<b>Current assets</b>												
Cash and cash equivalents	8,616,935	26,212,529	(23,775,742)	181,053,846	-	(166,244,466)	4,880,777	(10,723,458)	6,418,755	-	-	26,439,176
Short-term investments	-	-	-	-	-	38,466,894	-	-	-	-	-	38,466,894
Receivables												
Patient accounts receivable	8,461,090	34,051,766	6,183,168	52,102,379	3,029	(57,572)	-	3,998,362	3,001,865	-	-	107,743,887
Other receivables	4,517,521	11,171,465	3,434,778	14,346,872	430,259	1,793,432	5,180,968	780,985	2,455,110	-	-	44,111,390
<b>Total receivables</b>	<b>12,978,611</b>	<b>45,223,231</b>	<b>9,617,946</b>	<b>66,449,251</b>	<b>433,288</b>	<b>1,735,860</b>	<b>5,180,968</b>	<b>4,779,347</b>	<b>5,456,775</b>	<b>-</b>	<b>-</b>	<b>151,855,277</b>
Current portion of assets limited as to use												
Inventories	246,888	5,817,702	299,240	2,739,900	-	5,743,504	-	-	-	-	-	5,743,504
Prepaid expenses	570,726	398,862	17,087	2,104,598	25,129	5,271,555	2,140,701	26,301	150,384	-	-	9,103,730
Notes receivable, net	-	-	3,820	-	-	-	-	-	-	-	-	10,705,343
Pledges receivable, net	221,291	125,988	-	3,835,531	-	-	-	-	39,146	-	-	4,221,956
Due from affiliates	-	-	-	2,844	1,550	28,220	(3,196)	-	-	(29,418)	-	4,221,956
<b>Total current assets</b>	<b>22,634,451</b>	<b>77,778,312</b>	<b>(13,837,649)</b>	<b>256,185,970</b>	<b>459,967</b>	<b>(114,998,433)</b>	<b>12,202,446</b>	<b>(5,917,810)</b>	<b>12,061,864</b>	<b>(29,418)</b>	<b>(29,418)</b>	<b>246,539,700</b>
<b>Assets limited as to use</b>												
Endowment funds	19,349,948	17,637,038	-	17,603,172	12,631,288	-	-	-	1,849,356	-	-	69,070,802
Board-designated funds	8,369,348	26,764,145	-	101,066,697	-	-	-	887,631	-	-	-	137,087,821
Self insurance trust funds	3,106,212	59,447,297	-	102,707,784	-	2,673,363	-	-	-	-	-	167,934,656
Deferred compensation funds	172,647	65,154	-	172,815	-	1,461,666	-	-	-	-	-	1,872,282
Trustee-held funds	-	-	-	-	-	16,632,453	-	-	926,419	-	-	17,558,872
<b>Total assets limited as to use</b>	<b>30,998,155</b>	<b>103,913,634</b>	<b>-</b>	<b>221,550,468</b>	<b>12,631,288</b>	<b>20,767,482</b>	<b>-</b>	<b>887,631</b>	<b>2,775,775</b>	<b>-</b>	<b>-</b>	<b>393,524,433</b>
Less amount required to meet current obligations	-	-	-	-	-	5,743,504	-	-	-	-	-	5,743,504
<b>Noncurrent assets limited as to use</b>	<b>30,998,155</b>	<b>103,913,634</b>	<b>-</b>	<b>221,550,468</b>	<b>12,631,288</b>	<b>15,023,978</b>	<b>-</b>	<b>887,631</b>	<b>2,775,775</b>	<b>-</b>	<b>-</b>	<b>387,780,929</b>
Property, plant and equipment, net	16,402,127	64,556,160	-	94,720,395	5,947,149	6,323,803	-	88,988	14,828,048	-	-	202,866,670
Goodwill	-	-	-	-	-	-	-	-	-	-	-	-
<b>Other assets</b>												
Finance lease right-of-use assets, net	-	3,112,525	-	598,601	-	2,070,744	-	4,923	21,763	-	-	5,808,556
Operating lease right-of-use assets	721,381	23,435,627	2,767,790	48,669,801	5,000	7,400,385	-	-	794,595	-	-	83,989,579
Investments	-	-	-	-	-	3,863,925	-	-	-	-	-	3,668,925
Notes and advances receivable, net	-	-	-	-	-	-	-	-	-	-	-	-
Other assets	1,916,955	145,208	-	2,524	-	-	-	-	-	-	-	2,064,687
Insurance receivable	-	-	-	-	1,870,005	121,384	-	-	250,000	-	-	2,241,389
Pledges receivable, net	266,809	164,238	-	3,748,255	-	-	-	-	20,970	-	-	4,200,272
Due from affiliates	-	-	-	-	-	121,217,255	-	-	-	(121,217,255)	-	-
Prepaid expenses and other	11,647	-	-	53,840	-	255,369	-	-	4	-	-	320,860
<b>Total other assets</b>	<b>2,916,792</b>	<b>26,857,598</b>	<b>2,767,790</b>	<b>53,273,021</b>	<b>1,875,005</b>	<b>134,729,062</b>	<b>-</b>	<b>4,923</b>	<b>1,067,332</b>	<b>(121,217,255)</b>	<b>(121,217,255)</b>	<b>102,294,268</b>
<b>Total assets</b>	<b>72,951,525</b>	<b>273,105,704</b>	<b>(11,069,859)</b>	<b>625,729,854</b>	<b>20,913,409</b>	<b>41,078,410</b>	<b>12,202,446</b>	<b>(4,936,268)</b>	<b>30,753,019</b>	<b>(121,246,673)</b>	<b>(121,246,673)</b>	<b>939,481,567</b>

As of December 31, 2022

	BUTLER	KENT	CNEMG	WFC	SHS	CNE	Integra	KCVNA	TPC	Eliminations	TOTAL
<b>LIABILITIES AND NET ASSETS</b>											
<b>Current liabilities</b>											
Pension liability	1,166,964	17,548,913	-	2,474,003	-	4,591,086	-	143,794	1,532,803	-	27,459,563
Current portion of long-term debt	177,259	534,757	-	572,411	-	6,639,020	-	-	33,773	-	7,957,220
Current portion of finance lease liability	-	923,247	-	226,051	-	621,039	-	2,332	7,270	-	1,779,939
Current portion of operating lease liability	73,339	1,369,040	1,034,917	3,836,732	-	2,247,727	-	-	275,539	-	8,837,294
Accounts payable and accrued expenses	7,695,724	37,484,200	8,847,681	34,529,817	594,872	27,076,920	19,809,720	2,131,986	1,932,255	-	140,093,175
Self-insurance reserves	-	-	-	-	-	6,604,657	-	-	-	-	6,604,657
Deferred revenue	206,982	1,892,803	76,590	2,272,379	-	4	18,327	141,670	4,170,567	-	8,778,312
Estimated third party payor settlements	822,929	5,482,747	-	4,002,502	386,662	2,756	-	-	238,624	-	10,933,464
Due to affiliates	-	26,662	-	-	-	-	-	-	-	(29,418)	-
Deferred compensation	-	-	-	-	-	1,132,452	-	-	-	-	1,132,452
<b>Total current liabilities</b>	<b>10,145,197</b>	<b>65,262,369</b>	<b>9,959,178</b>	<b>47,913,895</b>	<b>971,534</b>	<b>48,915,661</b>	<b>19,828,047</b>	<b>2,419,782</b>	<b>8,190,831</b>	<b>(29,418)</b>	<b>213,577,076</b>
<b>Long-term liabilities</b>											
Estimated third party payor settlements	1,946,028	7,531,613	-	12,765,657	51,571	-	-	287,349	-	-	22,582,218
Pension liability	7,377,980	7,026,771	-	3,608,898	-	44,018,079	-	488,536	-	-	62,520,254
Postretirement liability	-	708,385	-	-	-	-	-	-	-	-	708,385
Asset retirement obligation	1,130,788	1,196,126	-	170,850	686,632	-	-	-	115,508	-	3,129,054
Other liabilities	-	183,878	-	-	-	14,326	-	-	-	-	369,054
Self-insurance reserves	631,056	59,344,237	-	97,249,679	1,920,005	7,155,236	-	-	250,000	-	166,550,213
Long-term debt	2,077,112	1,290,799	-	2,819,944	-	136,145,913	-	-	-	-	142,333,768
Long-term finance lease liability	-	1,861,803	-	461,848	-	1,439,249	-	2,820	15,849	-	3,781,569
Long-term operating lease liability	667,768	23,630,516	1,769,632	50,645,411	-	5,562,228	-	-	566,070	-	82,841,625
Due to affiliates	-	-	-	-	121,217,255	-	-	-	-	(121,217,255)	-
Deferred compensation	172,647	65,154	-	172,815	-	382,987	-	-	-	-	793,603
<b>Total liabilities</b>	<b>24,148,576</b>	<b>168,101,651</b>	<b>11,728,810</b>	<b>215,808,987</b>	<b>124,846,997</b>	<b>243,633,679</b>	<b>19,828,047</b>	<b>3,198,487</b>	<b>9,136,258</b>	<b>(121,246,673)</b>	<b>699,186,819</b>
<b>Net assets:</b>											
Without donor restrictions	25,145,119	84,753,117	(22,835,572)	366,824,243	(117,118,429)	(202,665,269)	(7,637,059)	(8,320,980)	15,387,245	-	133,532,415
With donor restrictions	23,657,830	20,250,936	36,903	43,096,624	13,184,841	110,000	11,458	186,225	6,227,516	-	106,762,333
<b>Total net assets</b>	<b>48,802,949</b>	<b>105,004,053</b>	<b>(22,798,669)</b>	<b>409,920,867</b>	<b>(103,933,588)</b>	<b>(202,555,269)</b>	<b>(7,625,601)</b>	<b>(8,134,755)</b>	<b>21,614,761</b>	<b>-</b>	<b>240,294,748</b>
<b>Total liabilities and net assets</b>	<b>72,951,525</b>	<b>273,105,704</b>	<b>(11,069,859)</b>	<b>625,729,854</b>	<b>20,913,409</b>	<b>41,078,410</b>	<b>12,202,446</b>	<b>(4,936,268)</b>	<b>30,753,019</b>	<b>(121,246,673)</b>	<b>939,481,567</b>

Care New England  
Statement of Cash Flows  
(Unaudited)

For the period ended 12/31/2022

	\$	7,995,002
<b>Operating activities</b>		
Change in net assets		6,593,218
Adjustments to reconcile change in net assets to cash provided by (used in) operating activities		29,711
Depreciation and amortization		537,848
Depreciation and amortization - assets with donor restrictions		38,741
Amortization of finance lease right-of-use assets		(162,612)
Amortization of debt issuance costs		14,117
Bond premium amortization		(1,466,256)
Bond discount amortization		(14,089,818)
Realized (gains) losses on assets limited as to use		(2,938,796)
Net unrealized (gains) losses on investments		(8,567,501)
Changes in		(1,388,179)
Patient accounts receivable		(3,106,478)
Other current and long-term assets		(24,649)
Accounts payable and accrued expenses		1,125,798
Estimated third-party payor settlements		(711,941)
Other liabilities		(16,121,795)
Net pension liability		(3,937,743)
Self-insurance reserves		34,500
Net cash provided by (used in) operating activities		(420,051)
<b>Investing activities</b>		(252,580)
Purchase of property, plant and equipment		(4,575,874)
Proceeds from the sale of property, plant and equipment		-
Net change in short-term investments		(150,411)
Net change in assets limited as to use		(478,852)
Net cash provided by (used in) investing activities		(629,263)
<b>Financing activities</b>		(21,328,932)
Proceeds from the issuance of long-term debt		-
Payments on long-term debt		(150,411)
Repayments of obligations under a financing lease		(478,852)
Net cash provided by (used in) financing activities		(629,263)
Net increase (decrease) in cash and cash equivalents		(21,328,932)
<b>Cash and cash equivalents</b>		
Beginning of year		47,766,108
End of year		\$ 26,439,176



**EXHIBIT D**

**Revenue Cycle Report and Payor Mix**

(attached)

**Care New England Revenue Cycle Quarterly Report**  
**Issued January 13, 2023, for services through December 31, 2022**

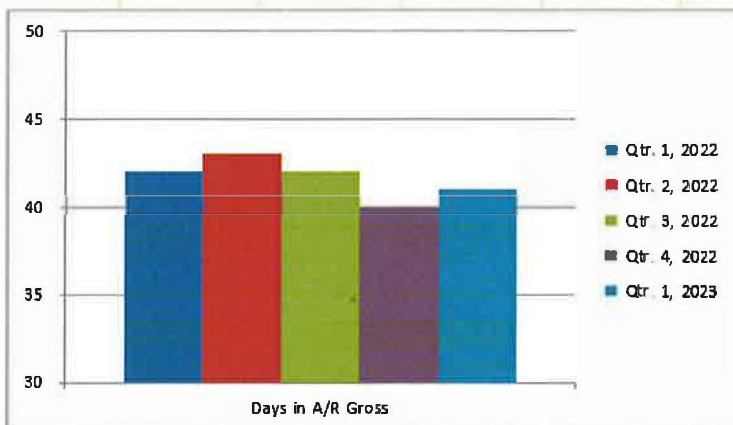
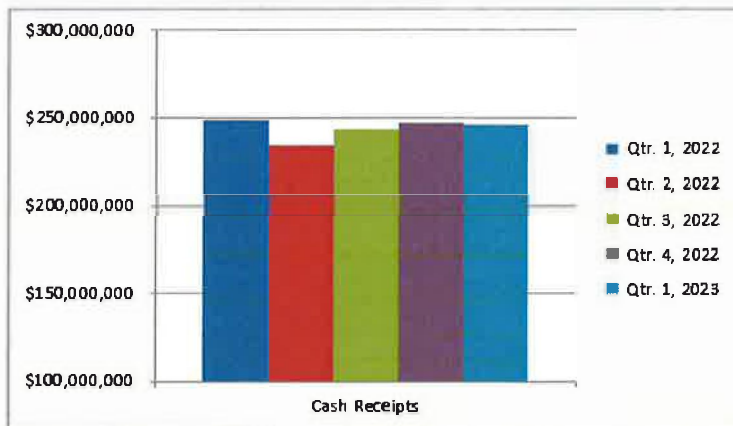
The Care New England Consolidated Revenue Cycle includes the following business units:

- |   |  |
|---|--|
| <p><b>Butler Hospital</b><br/> <b>Kent County Memorial Hospital</b><br/> <b>Women &amp; Infants' Hospital</b></p> | <p><b>Care New England Medical Group [CNEMG]</b><br/> <b>The Providence Center [TPC]</b><br/> <b>VNA of Care New England</b></p> |
|---|--|

The system's Revenue Cycle gross charges resulted in an \$8M decrease compared to last quarter. The cash performance comparatively remained strong with a decrease of only \$1M compared to last quarter.

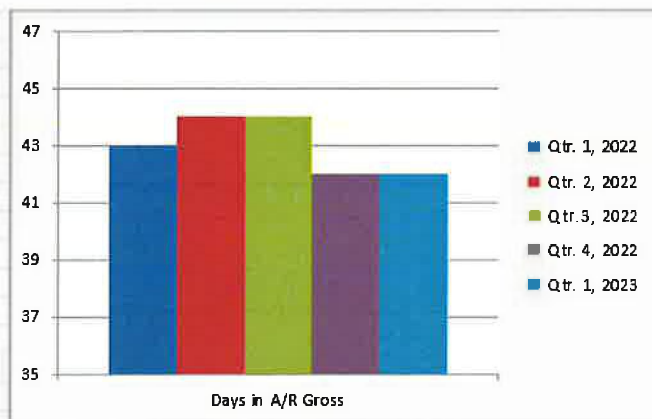
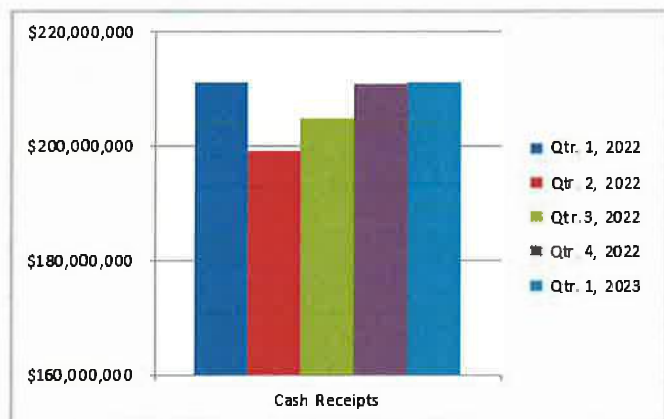
A/R days increased to 41 days. The metric for A/R aging over 180 days stayed at 9%. Aging remains a struggle across the Care New England system due to increased denials and slower processing at the major insurance plans. Beginning this quarter, reporting for all operating units will separate Charity Care Adjustments from the Avoidable Write Offs for an accurate representation of the dollars.

CNE Consolidated Revenue Cycle					
	Qtr.1, 2022	Qtr. 2, 2022	Qtr. 3, 2022	Qtr. 4, 2022	Qtr. 1, 2023
Gross Charges	\$626,866,698	\$613,673,200	\$632,677,304	\$636,573,021	\$628,177,791
Cash Receipts	\$ 248,513,082	\$234,080,937	\$ 243,603,189	\$246,828,906	\$245,753,617
Contractual Adjustments	\$366,659,082	\$354,777,311	\$ 370,744,573	\$383,006,687	\$366,334,220
Write-Offs	\$ 6,690,991	\$ 9,301,868	\$ 10,431,343	\$ 12,341,002	\$ 7,921,408
Charity Care Adjustments					\$ 3,368,256
Days in A/R Gross	42	43	42	40	41
Total A/R Balances	\$ 282,953,425	\$289,835,104	\$292,256,572	\$ 278,341,477	\$272,120,512
A/R % over 180 Days	9%	10%	9%	9%	9%



**All Hospital Combined Revenue Cycle: Butler Hospital, Kent County Memorial Hospital and Women & Infants' Hospital**

All Hospital Combined Revenue Cycle Summary					
	Qtr. 1, 2022	Qtr. 2, 2022	Qtr. 3, 2022	Qtr. 4, 2022	Qtr. 1, 2023
Gross Charges	\$548,063,302	\$532,463,431	\$550,570,930	\$556,235,632	\$548,684,886
Cash Receipts	\$210,967,425	\$199,114,049	\$204,904,376	\$210,849,910	\$210,992,177
Contractual Adjustments	\$326,135,764	\$312,380,750	\$326,537,532	\$341,945,073	\$322,622,910
Write-Offs	\$ 5,342,811	\$ 7,891,504	\$ 9,330,191	\$ 10,787,820	\$ 6,474,658
Charity Care Adjustments					\$ 3,170,878
Days in A/R Gross	43	44	44	42	42
Total A/R Balances	\$255,420,403	\$260,767,761	\$265,440,403	\$251,540,954	\$ 252,423,340
A/R % over 180 Days	9%	9%	8%	9%	9%



The All-Hospital Revenue Cycle illustrates the combined movement in the A/R across all of the Care New England Hospitals. There was a \$8M decrease in charges, yet cash remained consistent compared to last quarter. The Revenue Cycle billing and collections teams were diligent in prioritizing bill hold review along with resolving higher dollar cases and payer issues.

The Coding teams across Revenue Cycle continue to have some inconsistencies affecting the bill hold. DNFB landed between 9 and 10 which is much higher than normal operating. This increase is a result of staffing obstacles for filling roles and covering leave of absences. However, the teams remained close to the detailed data in order to prioritize encounters by date and dollar.

The A/R days combined remained at 42 days and aging remained at 9%. Controlling the aging of high dollar encounters has proven to be the most difficult task through the year for the Revenue Cycle team. Across all OU's the team is grappling with the health plans denying more claims thus causing numerous calls and appeals submissions to get to a resolution. These efforts are compounded atop of staffing issues. The Revenue Cycle groups are seeing delays up to 9 months for claims payments to which we are calling upon weekly.

Throughout the 1<sup>st</sup> quarter the Revenue Cycle management team continued to take on projects to assist operations with efficiencies including assessing portions of access and through-put at both Butler and Kent Hospitals. The team implemented all new coding regulations for 10/1 and also prepared and built necessary system updates for the 1/1 changes. All RC teams (coding, charging, systems, etc.) also continue to communicate to the OU's opportunities to reduce both denials and touches. As tasks such as authorization, follow up and collections on claims becomes more complicated, we remain deeply focused on up front improvements.

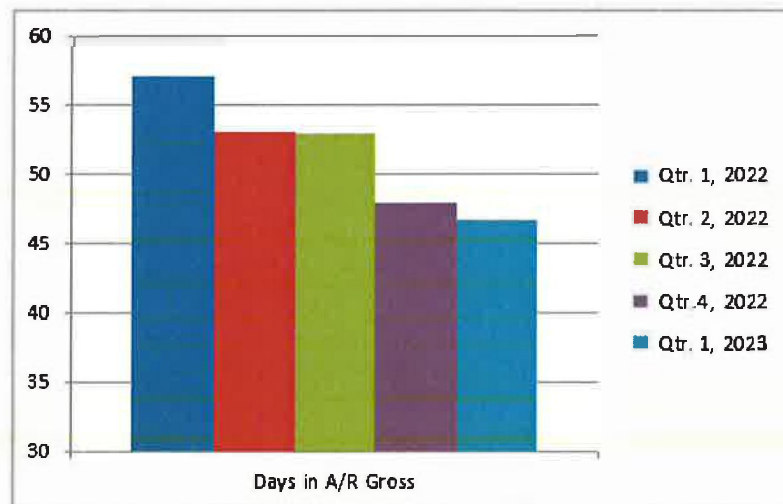
## Butler Hospital:

Butler Hospital is dedicated to inpatient and outpatient psychiatric services, substance abuse and neurological services.

In Q1 FY23, the Revenue Cycle metrics again resulted positively. Gross charges remain higher than previous quarters, as expected, based on the charge interface from EPIC. Cash receipts also remain strong ending the quarter with the highest collections month Butler Hospital has had at \$9.1M. Avoidable write offs as they compare to gross charges resulted at 1.12%. The goal will be to get this below 1% in the coming quarters.

A/R days decreased down to 47. The aging improved due to resolution on numerous payer issues. The total A/R balances however remained the same and exist largely in the earlier A/R.

Butler Hospital Revenue Cycle Summary, Quarterly Review					
	Qtr. 1, 2022	Qtr. 2, 2022	Qtr. 3, 2022	Qtr. 4, 2022	Qtr. 1, 2023
Gross Charges	\$37,131,719	\$41,895,532	\$42,672,313	\$41,710,085	\$42,450,665
Cash Receipts	\$17,371,821	\$20,734,080	\$21,802,355	\$22,438,804	\$22,190,452
Contractual Adjustments	\$14,215,168	\$14,343,587	\$18,158,956	\$18,930,286	\$17,964,118
Write-Offs	\$ 92,116	\$ 1,766,942	\$ 1,090,765	2,439,718	\$ 475,167
Charity Care Adjustments					\$ 1,371,268
Days in A/R Gross	57	53	53	48	47
Total A/R Balances	\$23,017,235	\$24,468,246	\$24,831,338	\$21,710,539	\$21,532,402
A/R % over 180 Days	6%	7%	9%	9%	7%



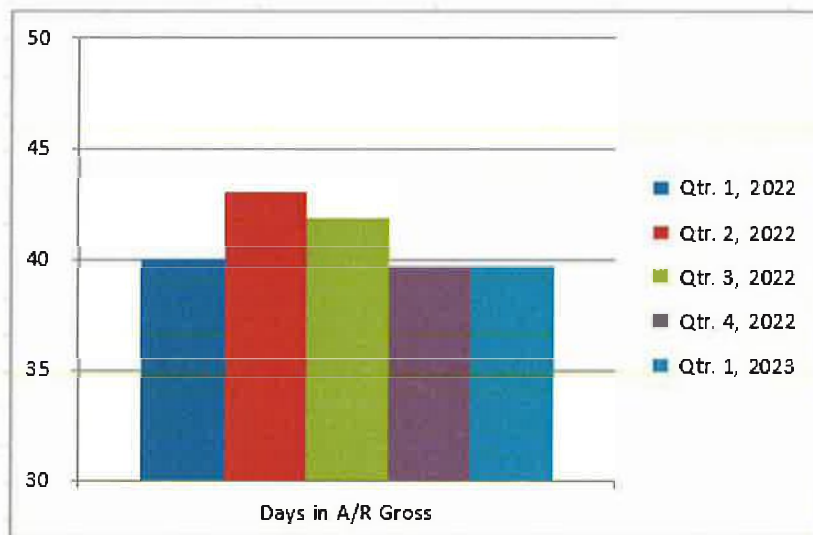
## Kent Hospital:

Kent Hospital is a General Medical/Surgical Hospital with rehabilitation, cardiac and obstetric specialty components.

Kent Hospital had a large decrease in gross charges at \$10M compared to last quarter. Cash collections however were strong comparatively with only a \$1M decrease.

The A/R days remained at 40 days. Avoidable write offs as they compare to gross charges resulted at 1.69%. The aging also increased to 12%. With less revenue coming into the earlier aging days and continued barriers with the health plans, the aging over 180 continues to suffer. The Revenue Cycle team continues to be persistent with the plans on denials issues taking months to resolve. These denials are mostly inpatient level of care denials along with medical record reviews which only extend time to payment. The write-offs resulted high again this quarter due to many lost appeals on those denials.

Kent Hospital Revenue Cycle Summary, Quarterly Review					
	Qtr. 1, 2022	Qtr. 2, 2022	Qtr. 3, 2022	Qtr. 4, 2022	Qtr. 1, 2023
Gross Charges	\$262,640,671	\$247,497,449	\$257,756,668	\$261,512,518	\$251,289,151
Cash Receipts	\$ 85,405,151	\$ 80,144,860	\$ 81,694,430	\$ 81,135,305	\$ 80,248,981
Contractual Adjustments	\$169,137,247	\$157,667,222	\$167,608,061	\$178,068,665	\$ 166,283,498
Write-Offs	\$ 2,522,985	\$ 3,592,677	\$ 5,005,178	\$ 4,890,989	\$ 4,252,522
Charity Care Adjustments					\$ 624,696
Days in A/R Gross	40	43	42	40	40
Total A/R Balances	\$113,843,037	\$117,116,188	\$118,472,462	\$112,824,383	\$110,518,459
A/R % over 180 Days	8%	9%	10%	11%	12%

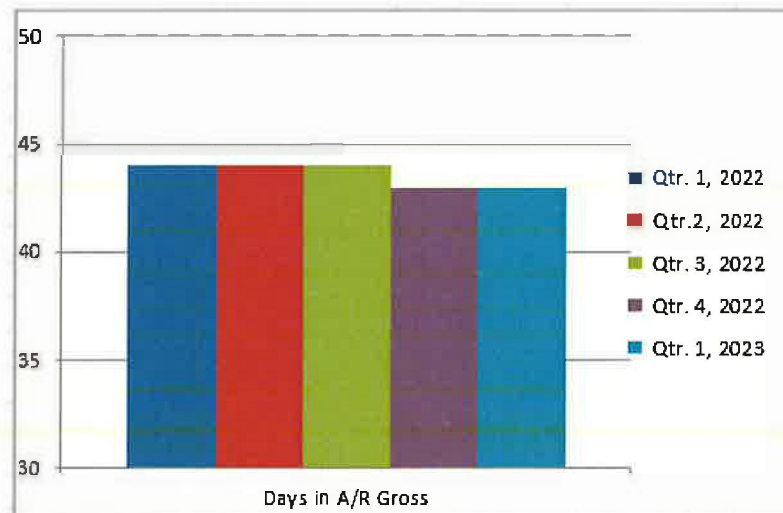


## Women and Infants' Hospital:

Women & Infants is the primary obstetric hospital in Rhode Island and the region's largest Neonatal Intensive Care Unit (NICU). Compared to the last quarter, gross charges increased by \$2M and are \$6.6M over Q1 22. Cash receipts are comparatively strong with collections being \$1M higher compared to last quarter, resulting in the highest cash collection quarter over the last 6 years.

The days in A/R remained at 43. Avoidable write offs as they compare to gross charges resulted at .069%, well below the 1% goal. The A/R % over 180 remained at 7% due to some high dollars claims and payer issues overturning on appeal or projects. Like Kent Hospital, Women and Infants' Hospital has been negatively impacted with insurance plan's slow processing times and increased phone calls for COB issues, medical record requests and appeals. The Revenue Cycle team continues to prioritize the high dollars and also reporting of the lag times to the responsible plans.

Women & Infants Hospital Revenue Cycle Summary, Quarterly Review					
	Qtr. 1, 2022	Qtr. 2, 2022	Qtr. 3, 2022	Qtr. 4, 2022	Qtr. 1, 2023
Gross Charges	\$248,290,912	\$243,070,450	\$250,141,949	\$253,013,030	\$254,945,070
Cash Receipts	\$108,190,453	\$98,235,109	\$101,407,591	\$107,275,801	\$108,552,744
Contractual Adjustments	\$142,783,349	\$140,369,941	\$140,770,515	\$144,946,123	\$138,375,293
Write-Offs	\$2,727,710	\$2,531,883	\$3,234,248	\$3,457,113	\$1,746,969
Charity Care Adjustments					\$1,174,913
Days in A/R Gross	44	44	44	43	43
Total A/R Balances	\$118,560,131	\$119,183,327	\$122,136,604	\$117,006,031	\$120,372,479
A/R% over 180 Days	10%	10%	7%	7%	7%





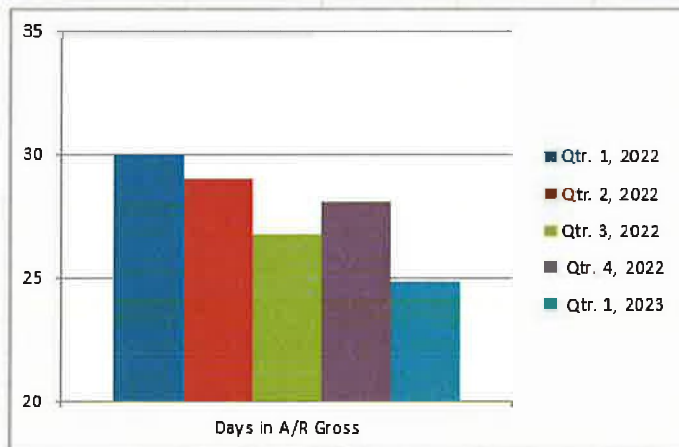
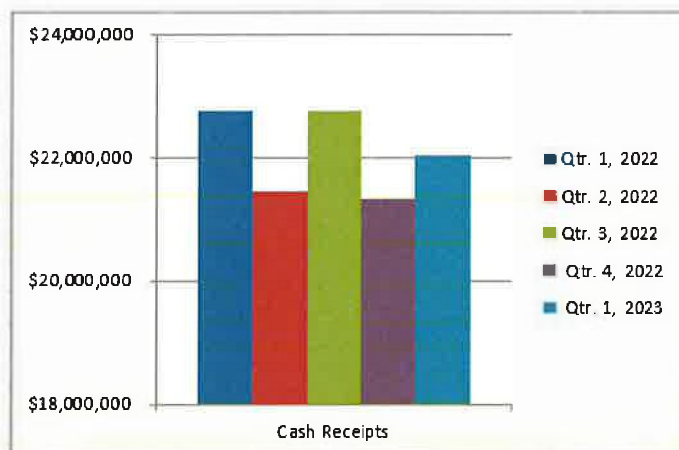
## Care New England Medical Group [CNEMG]:

With more than 500 physicians and advanced practitioners, Care New England Medical Group (CNEMG) offers primary care and specialty services in offices throughout Rhode Island and Southeastern Massachusetts as well as at Women & Infants Hospital, Kent Hospital, Butler Hospital, and the VNA of Care New England.

Compared to the last quarter CNEMG gross charges decreased by \$900K. Cash collections however increased by \$700K. The days in A/R decreased to 25, while aging over 180 increased to 12%.

A lot of work has been done within the patient accounting system surrounding charging and coding edits along with 835 posting validation to which we are seeing some early results this quarter. This denial work throughout FY 23 will affect a number of metrics including avoidable write offs and aging. Avoidable write offs as they compare to gross charges resulted at 1.52%. There is a lot of room for improvement and opportunity in this figure. The goal will be to get this below 1% in the coming quarters.

Care New England Medical Group Revenue Cycle Summary, Quarterly Review					
	Qtr. 1, 2022	Qtr. 2, 2022	Qtr. 3, 2022	Qtr. 4, 2022	Qtr. 1, 2023
Gross Charges	\$60,312,944	\$63,423,343	\$64,087,976	\$ 63,177,693	\$62,289,806
Cash Receipts	\$22,757,915	\$21,449,481	\$22,744,943	\$ 21,325,228	\$22,033,701
Contractual Adjustments	\$36,961,460	\$38,840,363	\$41,728,116	\$ 38,516,322	\$40,203,646
Write-Offs	\$ 1,014,311	\$ 1,152,653	\$ 830,580	\$ 1,138,994	\$ 947,786
Charity Care Adjustments					\$ 196,106
Days in A/R Gross	30	29	27	28	25
Total A/R Balances	\$19,383,580	\$20,448,457	\$18,864,079	\$ 19,284,679	\$16,788,322
A/R % over 180 Days	15%	13%	12%	10%	12%





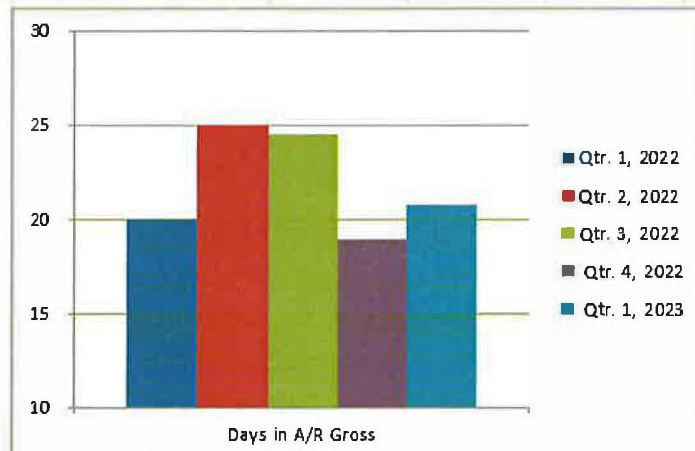
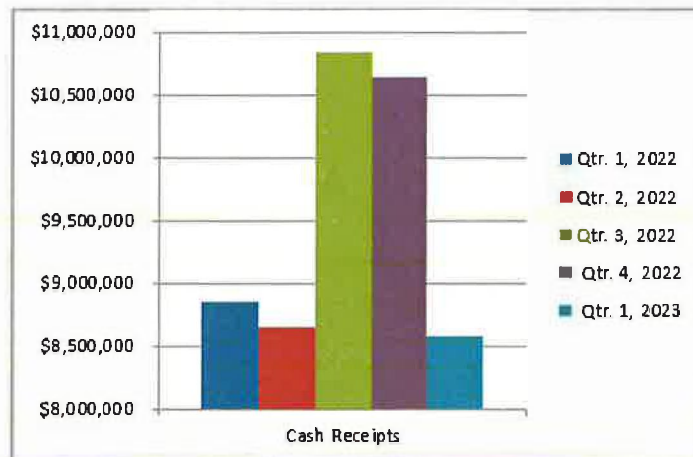
## The Providence Center [TPC]:

The Providence Center is Rhode Island's largest community behavioral health services network. Services focus on delivery with the client, families, and other community resources. It provides services to over 21,000 clients annually.

Q1 of FY23 resulted in a \$200K increase in gross charges, yet we are still seeing a notable decrease from previous fiscal years. The decreases can be attributed to program shifts and also less clinical staff. Cash receipts reported much less this quarter compared to the last two quarters due to the ARPA funding being remit through claims. Collections otherwise have been consistent in relation to total charges.

The days in A/R increased to 21. The aging figures continue to result negatively with 10% over 180 days. The high aging correlates to some major payer issues in which the insurance plans are yet to resolve. Traction on the claims reprocessing has been identified to have occurred the first week of January 2023.

The Providence Center Revenue Cycle Summary, Quarterly Review					
	Qtr. 1, 2022	Qtr. 2, 2022	Qtr. 3, 2022	Qtr. 4, 2022	Qtr. 1, 2023
Gross Charges	\$13,035,223	\$13,256,296	\$13,557,490	\$12,624,500	\$12,889,488
Cash Receipts	\$ 8,856,833	\$ 8,657,192	\$10,846,513	\$10,639,213	\$ 8,581,792
Contractual Adjustments	\$ 3,561,858	\$ 3,556,198	\$ 2,478,925	\$ 2,545,292	\$ 3,507,664
Write-Offs	\$ 330,623	\$ 251,557	\$ 270,263	\$ 414,188	\$ 489,780
Charity Care Adjustments					\$ 1,272
Days in A/R Gross	20	25	25	19	21
Total A/R Balances	\$ 2,874,280	\$ 3,711,918	\$ 3,610,790	\$ 2,599,871	\$ 2,908,850
A/R % over 180 Days	6%	5%	9%	8%	10%



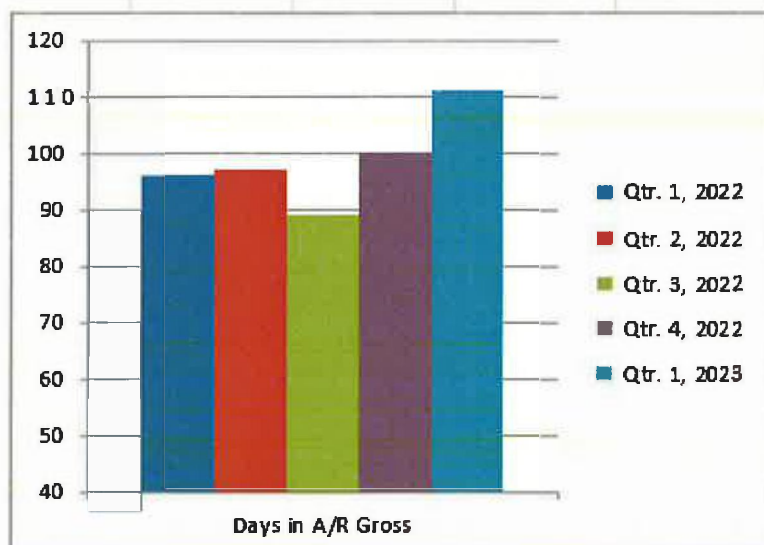
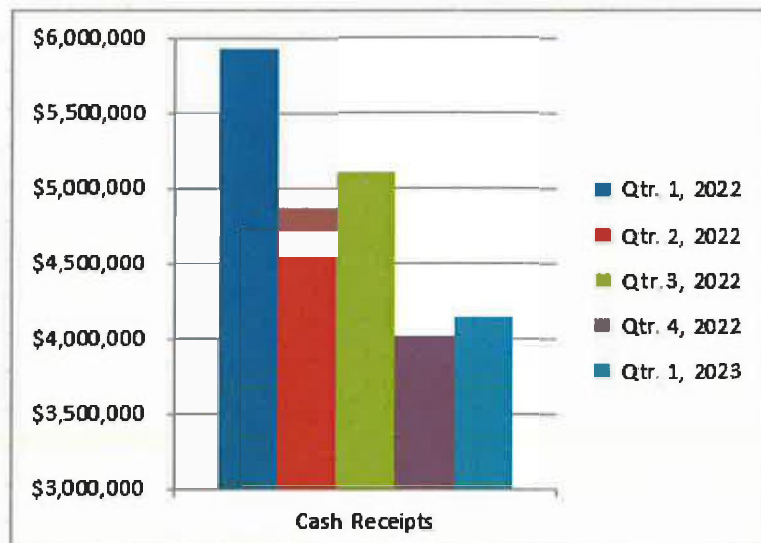
## Visiting Nurses Association [VNA]:

The VNA of Care New England is a home health care and hospice agency that provides quality health care in homes with skilled nursing, rehabilitative, palliative care, and hospice services within the State of Rhode Island.

Q1 resulted in an 11 day increase in A/R days. This increase has much to do with pending processing of corrected rates with some of our major payers. Gross charges remain low due to staffing struggles. The cash also continues to suffer as a result of both these issues.

VNA of Care New England Revenue Cycle Summary, Quarterly Review					
	Qtr.1,2022	Qtr. 2, 2022	Qtr. 3, 2022	Qtr.4, 2022	Qtr.1, 2023
Gross Charges	\$ 5,455,229	\$ 4,530,130	\$ 4,460,907	\$ 4,535,196	\$ 4,313,611
Cash Receipts	\$ 5,930,909	\$ 4,860,215	\$ 5,107,357	\$ 4,014,555	\$ 4,145,947
Write-Offs	\$ 3,246	\$ 6,156	\$ 309	\$ -	\$ 9,184
Days in A/R Gross	96	97	89	100	111
Total A/R Balances	\$ 5,275,162	\$ 4,906,967	\$ 4,341,300	\$ 4,915,974	\$ 5,183,754
A/R % over 180 Days	30%	30%	31%	30%	35%

*\* All charges and AR is reported at Net*



CARE NEW ENGLAND HEALTH SYSTEM  
REVENUE CYCLE QUARTERLY REPORT

<b>Pavor Mix by Gross Revenue:</b>	Q1, FY 20	Q2, FY 20	Q3, FY 20	Q4, FY 20	Q1, FY 21	Q2, FY 21	Q3, FY 21	Q4, FY 21	Q1, FY 22	Q2, FY 22	Q3, FY 22	Q4, FY 22	Q1, FY 23
Medicare and Medicare Managed Care	29.99%	30.14%	29.39%	30.23%	31.94%	32.28%	31.56%	31.96%	31.25%	30.99%	31.73%	31.11%	31.23%
Blue Cross	18.89%	22.18%	22.28%	22.62%	21.88%	23.60%	22.69%	22.66%	21.91%	23.53%	22.93%	22.75%	22.98%
Medicaid and Medicaid Managed Care	28.43%	28.58%	29.69%	27.99%	27.13%	26.77%	28.20%	27.67%	28.75%	27.82%	28.05%	28.78%	28.48%
Managed Care	10.53%	7.57%	7.26%	7.35%	7.44%	5.72%	5.46%	5.95%	5.66%	5.79%	5.59%	5.22%	5.91%
Self Pay	1.20%	1.35%	1.34%	1.11%	1.01%	0.93%	0.99%	0.97%	1.23%	0.87%	1.05%	1.00%	1.00%
All Other	10.97%	10.19%	10.03%	10.71%	10.60%	10.69%	11.10%	10.80%	11.19%	11.00%	10.65%	11.13%	10.40%
Total	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

<b>Analysis of Revenues &amp; Deductions:</b>	Q1, FY 20	Q2, FY 20	Q3, FY 20	Q4, FY 20	Q1, FY 21	Q2, FY 21	Q3, FY 21	Q4, FY 21	Q1, FY 22	Q2, FY 22	Q3, FY 22	Q4, FY 22	Q1, FY 23
<b>Gross Patient Service Revenues</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>
Less Contractual Discounts	-59.4%	-59.8%	-58.0%	-59.6%	-58.3%	-59.3%	-59.2%	-59.5%	-59.4%	-59.5%	-60.0%	-60.4%	-58.8%
Plus Disproportionate Share Receipts	1.2%	1.3%	1.6%	1.3%	1.3%	1.3%	1.5%	1.2%	1.7%	2.0%	1.6%	1.6%	1.7%
Plus Upper Payment Limit Receipts	0.0%	0.0%	0.1%	0.0%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	1.3%	0.5%	0.4%
<b>Net Patient Service Revenues (NPSR)</b>	<b>41.9%</b>	<b>41.5%</b>	<b>43.6%</b>	<b>41.7%</b>	<b>43.1%</b>	<b>42.1%</b>	<b>42.4%</b>	<b>41.8%</b>	<b>42.4%</b>	<b>42.5%</b>	<b>42.9%</b>	<b>41.7%</b>	<b>43.2%</b>
Less:													
Charity Care (CC)	-0.5%	-0.7%	-0.5%	-0.7%	-1.0%	-0.5%	-0.4%	-0.4%	-0.4%	-0.5%	-0.5%	-0.6%	-0.5%
Bad Debt Expense (BD)	-1.3%	-1.4%	-1.3%	-1.4%	-1.2%	-1.1%	-1.3%	-1.5%	-1.4%	-1.5%	-1.5%	-1.3%	-1.2%
<b>NPSR less Uncompensated Care</b>	<b>40.1%</b>	<b>39.4%</b>	<b>41.8%</b>	<b>39.7%</b>	<b>40.9%</b>	<b>40.4%</b>	<b>40.7%</b>	<b>39.9%</b>	<b>40.5%</b>	<b>40.5%</b>	<b>41.0%</b>	<b>39.8%</b>	<b>41.5%</b>
<b>Total Uncompensated Care (CC &amp; BD)</b>	<b>1.8%</b>	<b>2.1%</b>	<b>1.8%</b>	<b>2.0%</b>	<b>2.2%</b>	<b>1.6%</b>	<b>1.7%</b>	<b>1.9%</b>	<b>1.8%</b>	<b>2.0%</b>	<b>2.0%</b>	<b>1.9%</b>	<b>1.8%</b>

**EXHIBIT E**

**Patient Statistics**

(attached)





**PATIENT ACTIVITY SUMMARY**  
**Care New England Health System**  
**December-22**

	Current Month December				YEAR-TO-DATE December								
	ACTUAL	BUDGET	VAR.	% VAR.	PRIOR YR	VAR.	% VAR.	VAR.	% VAR.				
146.7	138.8	7.9	5.7%	166.2	(19.5)	(11.7%)	143.4	137.7	5.7	4.1%	166.9	(23.4)	(14.0%)
76.8	67.3	9.5	14.0%	71.5	5.3	7.3%	80.3	69.7	10.6	15.2%	76.5	3.8	5.0%
135.8	128.9	6.9	5.3%	121.0	14.8	12.2%	140.6	132.0	8.6	6.5%	127.4	13.2	10.3%
27.7	24.5	3.2	13.3%	27.3	0.5	1.7%	28.6	26.8	1.8	6.8%	26.5	2.1	8.0%
51.7	48.1	3.5	7.3%	50.4	1.3	2.6%	53.9	50.9	3.0	5.9%	53.2	0.7	1.3%
62.9	63.2	(0.3)	(0.4%)	66.3	(3.4)	(5.2%)	66.0	63.2	2.8	4.4%	2.1	63.9	3111.1%
8.8	11.4	(2.5)	(22.3%)	10.5	(1.6)	(15.7%)	9.3	11.6	(2.3)	(19.9%)	31.5	(22.2)	(70.4%)
<b>510.5</b>	<b>482.2</b>	<b>28.2</b>	<b>5.8%</b>	<b>513.2</b>	<b>(2.7)</b>	<b>(0.5%)</b>	<b>522.1</b>	<b>492.0</b>	<b>30.1</b>	<b>6.1%</b>	<b>529.0</b>	<b>(6.9)</b>	<b>(1.3%)</b>

**AVERAGE DAILY CENSUS**

MED SURG	143.4	137.7	5.7	4.1%	166.9	(23.4)	(14.0%)
OBSTETRICS	80.3	69.7	10.6	15.2%	76.5	3.8	5.0%
PSYCH	140.6	132.0	8.6	6.5%	127.4	13.2	10.3%
KENT UNIT AT BUTLER	28.6	26.8	1.8	6.8%	26.5	2.1	8.0%
NURSERY-NEWBORN	53.9	50.9	3.0	5.9%	53.2	0.7	1.3%
NICU	66.0	63.2	2.8	4.4%	2.1	63.9	3111.1%
REHAB	9.3	11.6	(2.3)	(19.9%)	31.5	(22.2)	(70.4%)
<b>TOTAL</b>	<b>522.1</b>	<b>492.0</b>	<b>30.1</b>	<b>6.1%</b>	<b>529.0</b>	<b>(6.9)</b>	<b>(1.3%)</b>

**OBSERVATION**

Inpatient Hours	10,392	11,110	(718)	(6.5%)	13,537	(3,145)	(23.2%)
Outpatient Hours	50,328	51,397	(1,069)	(2.1%)	46,716	3,612	7.7%
<b>Total Hours</b>	<b>60,720</b>	<b>62,508</b>	<b>(1,788)</b>	<b>(2.9%)</b>	<b>60,253</b>	<b>467</b>	<b>0.8%</b>
Inpatient Cases	382	423	(41)	(9.8%)	449	(67)	(14.9%)
Outpatient Cases	1,433	1,498	(65)	(4.3%)	1,393	40	2.9%
<b>Total Cases</b>	<b>1,815</b>	<b>1,921</b>	<b>(106)</b>	<b>(5.5%)</b>	<b>1,842</b>	<b>(27)</b>	<b>(1.5%)</b>

**PARTIAL HOSPITAL DAYS**

2,050	1,868	182	9.8%	2,097	(47)	(2.2%)	6,414	5,794	620	10.7%	5,902	512	8.7%
567	583	(16)	(2.7%)	390	177	45.4%	1,712	1,604	108	6.7%	1,439	273	19.0%
727	705	22	3.1%	744	(17)	(2.3%)	2,267	2,190	77	3.5%	2,285	(18)	(0.8%)

**PATIENT ACTIVITY SUMMARY**  
**Care New England Health System**  
**December-22**

		Current Month December			YEAR-TO-DATE December		
ACTUAL	BUDGET	VAR.	% VAR.	PRIOR YR	VAR.	% VAR.	% VAR.
1,332	1,306	26	2.0%	1,383	(51)	(3.7%)	
5,117	5,609	(492)	(8.8%)	5,120	(3)	(0.1%)	
<b>6,449</b>	<b>6,915</b>	<b>(466)</b>	<b>(6.7%)</b>	<b>6,503</b>	<b>(54)</b>	<b>(0.8%)</b>	
<b>EMERGENCY ROOM/TRIAGE</b>							
186	207	(21)	(10.0%)	185	1	0.5%	
1,022	1,003	19	1.9%	1,057	(35)	(3.3%)	
<b>1,208</b>	<b>1,209</b>	<b>(1)</b>	<b>(0.1%)</b>	<b>1,242</b>	<b>(34)</b>	<b>(2.7%)</b>	
<b>OPERATING ROOM</b>							
554	623	(69)	(11.1%)	568	(14)	(2.5%)	
2,955	3,084	(129)	(4.2%)	3,322	(367)	(11.0%)	
<b>3,509</b>	<b>3,707</b>	<b>(198)</b>	<b>(5.3%)</b>	<b>3,890</b>	<b>(381)</b>	<b>(9.8%)</b>	
<b>ENDOSCOPY</b>							
231	251	(20)	(7.9%)	249	(18)	(7.2%)	
1,259	1,263	(4)	(0.3%)	1,296	(37)	(2.9%)	
<b>1,490</b>	<b>1,513</b>	<b>(23)</b>	<b>(1.5%)</b>	<b>1,545</b>	<b>(55)</b>	<b>(3.6%)</b>	
<b>LABORATORY</b>							
198,122	189,978	8,144	4.3%	206,252	(8,130)	(3.9%)	
458,986	449,883	9,103	2.0%	473,209	(14,223)	(3.0%)	
<b>657,108</b>	<b>639,861</b>	<b>17,247</b>	<b>2.7%</b>	<b>679,461</b>	<b>(22,353)</b>	<b>(3.3%)</b>	
<b>BLOOD BANK</b>							
16,052	16,456	(404)	(2.5%)	16,139	(87)	(0.5%)	
19,804	20,273	(469)	(2.3%)	19,936	(132)	(0.7%)	
<b>35,856</b>	<b>36,728</b>	<b>(872)</b>	<b>(2.4%)</b>	<b>36,075</b>	<b>(219)</b>	<b>(0.6%)</b>	



**PATIENT ACTIVITY SUMMARY**  
Care New England Health System  
December-22

				Current Month December				YEAR-TO-DATE December						
ACTUAL	BUDGET	VAR.	% VAR.	PRIOR YR	VAR.	% VAR.		ACTUAL	BUDGET	VAR.	% VAR.	PRIOR YR	VAR.	% VAR.
1,864	1,922	(58)	(3.0%)	2,045	(181)	(8.9%)		5,710	5,678	32	0.6%	5,700	10	0.2%
2,822	3,060	(238)	(7.8%)	2,660	162	6.1%		9,230	9,329	(99)	(1.1%)	8,652	578	6.7%
<b>4,686</b>	<b>4,982</b>	<b>(296)</b>	<b>(6.0%)</b>	<b>4,705</b>	<b>(19)</b>	<b>(0.4%)</b>		<b>14,940</b>	<b>15,007</b>	<b>(67)</b>	<b>(0.4%)</b>	<b>14,352</b>	<b>588</b>	<b>4.1%</b>
<b>DIAGNOSTIC RADIOLOGY</b>														
<b>MRI</b>														
142	129	13	10.1%	140	2	1.4%		421	381	40	10.6%	440	(19)	(4.3%)
553	539	14	2.6%	500	53	10.6%		1,565	1,571	(6)	(0.4%)	1,391	174	12.5%
<b>695</b>	<b>668</b>	<b>27</b>	<b>4.1%</b>	<b>640</b>	<b>55</b>	<b>8.6%</b>		<b>1,986</b>	<b>1,951</b>	<b>35</b>	<b>1.8%</b>	<b>1,831</b>	<b>155</b>	<b>8.5%</b>
<b>CT SCAN</b>														
1,045	1,079	(34)	(3.1%)	1,133	(88)	(7.8%)		3,068	3,166	(98)	(3.1%)	3,142	(74)	(2.4%)
2,422	2,468	(46)	(1.9%)	2,212	210	9.5%		7,739	7,355	384	5.2%	7,136	603	8.5%
<b>3,467</b>	<b>3,547</b>	<b>(80)</b>	<b>(2.2%)</b>	<b>3,345</b>	<b>122</b>	<b>3.6%</b>		<b>10,807</b>	<b>10,521</b>	<b>286</b>	<b>2.7%</b>	<b>10,278</b>	<b>529</b>	<b>5.1%</b>
<b>ULTRASOUND</b>														
446	475	(29)	(6.0%)	411	35	8.5%		1,288	1,413	(125)	(8.9%)	1,343	(55)	(4.1%)
4,062	3,718	344	9.2%	3,577	485	13.6%		12,116	11,225	891	7.9%	10,465	1,651	15.8%
<b>4,508</b>	<b>4,193</b>	<b>315</b>	<b>7.5%</b>	<b>3,988</b>	<b>520</b>	<b>13.0%</b>		<b>13,404</b>	<b>12,638</b>	<b>766</b>	<b>6.1%</b>	<b>11,808</b>	<b>1,596</b>	<b>13.5%</b>
<b>NUCLEAR MEDICINE</b>														
30	38	(8)	(21.7%)	29	1	3.4%		89	112	(23)	(20.7%)	95	(6)	(6.3%)
158	149	9	6.1%	148	10	6.8%		478	441	37	8.4%	465	13	2.8%
<b>188</b>	<b>187</b>	<b>1</b>	<b>0.4%</b>	<b>177</b>	<b>11</b>	<b>6.2%</b>		<b>567</b>	<b>553</b>	<b>14</b>	<b>2.5%</b>	<b>560</b>	<b>7</b>	<b>1.3%</b>
<b>SPECIAL PROCEDURES</b>														
120	163	(43)	(26.3%)	147	(27)	(18.4%)		365	477	(112)	(23.5%)	469	(104)	(22.2%)
151	194	(43)	(22.0%)	179	(28)	(15.6%)		521	563	(42)	(7.4%)	504	17	3.4%
<b>271</b>	<b>356</b>	<b>(85)</b>	<b>(24.0%)</b>	<b>326</b>	<b>(55)</b>	<b>(16.9%)</b>		<b>886</b>	<b>1,040</b>	<b>(154)</b>	<b>(14.8%)</b>	<b>973</b>	<b>(87)</b>	<b>(8.9%)</b>
<b>MAMMOGRAPHY</b>														
-	1	(1)	(100.0%)	-	0	0.0%		4	3	1	31.7%	3	1	33.3%
3,956	3,692	264	7.1%	3,722	234	6.3%		12,024	11,176	848	7.6%	10,883	1,141	10.5%
<b>3,956</b>	<b>3,693</b>	<b>263</b>	<b>7.1%</b>	<b>3,722</b>	<b>234</b>	<b>6.3%</b>		<b>12,028</b>	<b>11,179</b>	<b>849</b>	<b>7.6%</b>	<b>10,886</b>	<b>1,142</b>	<b>10.5%</b>





**PATIENT ACTIVITY SUMMARY**  
Care New England Health System  
December-22

				Current Month December				YEAR-TO-DATE December						
ACTUAL	BUDGET	VAR.	% VAR.	PRIOR YR	VAR.	% VAR.		ACTUAL	BUDGET	VAR.	% VAR.	PRIOR YR	VAR.	% VAR.
<b>BREAST HEALTH CTR.</b>														
		0	0.0%	-	0	0.0%		1	-	1	100.0%	1	0	0.0%
939	1,085	(146)	(13.5%)	1,085	(146)	(13.5%)		3,900	3,712	188	5.1%	3,574	326	9.1%
4	-	4	100.0%	-	4	100.0%		13	-	13	100.0%	-	13	100.0%
<b>943</b>	<b>1,085</b>	<b>(142)</b>	<b>(13.1%)</b>	<b>1,085</b>	<b>(142)</b>	<b>(13.1%)</b>		<b>3,914</b>	<b>3,712</b>	<b>202</b>	<b>5.4%</b>	<b>3,575</b>	<b>339</b>	<b>9.5%</b>
<b>CARDIAC CATH</b>														
106	97	9	8.7%	102	4	3.9%		324	314	10	3.3%	301	23	7.6%
82	107	(25)	(23.2%)	129	(47)	(36.4%)		271	317	(46)	(14.5%)	328	(57)	(17.4%)
<b>188</b>	<b>204</b>	<b>(16)</b>	<b>(8.0%)</b>	<b>231</b>	<b>(43)</b>	<b>(18.6%)</b>		<b>595</b>	<b>631</b>	<b>(36)</b>	<b>(5.6%)</b>	<b>629</b>	<b>(34)</b>	<b>(5.4%)</b>
<b>VASCULAR LAB</b>														
16	14	2	13.3%	12	4	33.3%		42	41	1	1.5%	44	(2)	(4.5%)
298	294	4	1.3%	315	(17)	(5.4%)		862	898	(36)	(4.0%)	870	(8)	(0.9%)
<b>314</b>	<b>308</b>	<b>6</b>	<b>1.8%</b>	<b>327</b>	<b>(13)</b>	<b>(4.0%)</b>		<b>904</b>	<b>939</b>	<b>(35)</b>	<b>(3.8%)</b>	<b>914</b>	<b>(10)</b>	<b>(1.1%)</b>
<b>EKG</b>														
1,686	1,616	70	4.3%	1,752	(66)	(3.8%)		4,934	4,745	189	4.0%	4,969	(35)	(0.7%)
2,274	2,389	(115)	(4.8%)	2,158	116	5.4%		7,126	6,919	207	3.0%	6,817	309	4.5%
<b>3,960</b>	<b>4,005</b>	<b>(45)</b>	<b>(1.1%)</b>	<b>3,910</b>	<b>50</b>	<b>1.3%</b>		<b>12,060</b>	<b>11,664</b>	<b>396</b>	<b>3.4%</b>	<b>11,786</b>	<b>274</b>	<b>2.3%</b>
<b>EEG</b>														
22	28	(6)	(21.4%)	17	5	29.4%		73	82	(9)	(11.0%)	39	34	87.2%
49	34	15	44.7%	31	18	58.1%		129	115	14	12.2%	76	53	69.7%
<b>71</b>	<b>62</b>	<b>9</b>	<b>14.8%</b>	<b>48</b>	<b>23</b>	<b>47.9%</b>		<b>202</b>	<b>197</b>	<b>5</b>	<b>2.5%</b>	<b>115</b>	<b>87</b>	<b>75.7%</b>
<b>ECHOCARDIOLOGY</b>														
313	353	(40)	(11.2%)	315	(2)	(0.6%)		924	1,034	(110)	(10.6%)	1,036	(112)	(10.8%)
693	841	(148)	(17.6%)	736	(43)	(5.8%)		2,148	2,430	(282)	(11.6%)	1,989	159	8.0%
<b>1,006</b>	<b>1,193</b>	<b>(187)</b>	<b>(15.7%)</b>	<b>1,051</b>	<b>(45)</b>	<b>(4.3%)</b>		<b>3,072</b>	<b>3,464</b>	<b>(392)</b>	<b>(11.3%)</b>	<b>3,025</b>	<b>47</b>	<b>1.6%</b>

**PATIENT ACTIVITY SUMMARY**  
Care New England Health System  
December-22

	Current Month December			YEAR-TO-DATE December		
	ACTUAL	BUDGET	VAR. % VAR.	PRIOR YR	VAR.	% VAR.
534	491	43	8.7%	423	111	26.2%
<b>534</b>	<b>491</b>	<b>43</b>	<b>8.7%</b>	<b>423</b>	<b>111</b>	<b>26.2%</b>
2,203	1,730	473	27.4%	1,616	587	36.3%
2,580	2,904	(324)	(11.2%)	2,838	(258)	(9.1%)
<b>4,783</b>	<b>4,634</b>	<b>149</b>	<b>3.2%</b>	<b>4,454</b>	<b>329</b>	<b>7.4%</b>
419	444	(25)	(5.6%)	359	60	16.7%
567	639	(72)	(11.3%)	620	(53)	(8.5%)
<b>986</b>	<b>1,083</b>	<b>(97)</b>	<b>(8.9%)</b>	<b>979</b>	<b>7</b>	<b>0.7%</b>
-	0	(0)	(100.0%)	-	(1)	100.0%
167	184	(17)	(9.5%)	195	(28)	(14.4%)
<b>167</b>	<b>185</b>	<b>(18)</b>	<b>(9.5%)</b>	<b>195</b>	<b>(28)</b>	<b>(14.4%)</b>
2	2	(0)	(12.4%)	2	0	0.0%
579	619	(40)	(6.4%)	546	33	6.0%
<b>581</b>	<b>621</b>	<b>(40)</b>	<b>(6.5%)</b>	<b>548</b>	<b>33</b>	<b>6.0%</b>
-	5	(5)	(100.0%)	15	(15)	(100.0%)
21	77	(56)	(72.6%)	77	(56)	(72.7%)
<b>21</b>	<b>81</b>	<b>(60)</b>	<b>(74.1%)</b>	<b>92</b>	<b>(71)</b>	<b>(77.2%)</b>
7,258	9,327	(2,069)	(22.2%)	8,899	(1,641)	(18.4%)
22,920	25,018	(2,098)	(8.4%)	24,160	(1,240)	(5.1%)
<b>30,178</b>	<b>34,344</b>	<b>(4,166)</b>	<b>(12.1%)</b>	<b>33,059</b>	<b>(2,881)</b>	<b>(8.7%)</b>
1,739	1,474	265	18.0%	1,317	422	32.0%
<b>1,739</b>	<b>1,474</b>	<b>265</b>	<b>18.0%</b>	<b>1,317</b>	<b>422</b>	<b>32.0%</b>
5,254	5,069	185	3.7%	4,894	360	7.4%
7,911	9,040	(1,129)	(12.5%)	9,032	(1,121)	(12.4%)
<b>13,165</b>	<b>14,108</b>	<b>(943)</b>	<b>(6.7%)</b>	<b>13,926</b>	<b>(761)</b>	<b>(5.5%)</b>
1,210	1,301	(91)	(7.0%)	1,187	23	1.9%
1,959	1,826	133	7.3%	1,792	167	9.3%
<b>3,169</b>	<b>3,127</b>	<b>42</b>	<b>1.3%</b>	<b>2,979</b>	<b>190</b>	<b>6.4%</b>
-	0	(0)	(100.0%)	-	(1)	100.0%
562	542	20	3.6%	674	(112)	(16.6%)
<b>562</b>	<b>543</b>	<b>19</b>	<b>3.5%</b>	<b>674</b>	<b>(112)</b>	<b>(16.6%)</b>
7	7	0	4.6%	7	0	0.0%
1,840	1,819	21	1.1%	1,711	129	7.5%
<b>1,847</b>	<b>1,826</b>	<b>21</b>	<b>1.2%</b>	<b>1,718</b>	<b>129</b>	<b>7.5%</b>
1	13	(12)	(92.5%)	20	(19)	(95.0%)
137	228	(91)	(39.8%)	147	(10)	(6.8%)
<b>138</b>	<b>241</b>	<b>(103)</b>	<b>(42.7%)</b>	<b>167</b>	<b>(29)</b>	<b>(17.4%)</b>

**PATIENT ACTIVITY SUMMARY**  
Care New England Health System  
December-22

				Current Month December				YEAR-TO-DATE December						
ACTUAL	BUDGET	VAR.	% VAR.	PRIOR YR	VAR.	% VAR.		ACTUAL	BUDGET	VAR.	% VAR.	PRIOR YR	VAR.	% VAR.
-	1	(1)	(100.0%)	-	0	100.0%		3	2	1	59.1%	-	3	100.0%
837	692	145	20.9%	853	(16)	(1.9%)		2,505	2,186	319	14.6%	2,423	82	3.4%
<b>837</b>	<b>693</b>	<b>144</b>	<b>20.8%</b>	<b>853</b>	<b>(16)</b>	<b>(1.9%)</b>		<b>2,508</b>	<b>2,188</b>	<b>320</b>	<b>14.6%</b>	<b>2,423</b>	<b>85</b>	<b>3.5%</b>
<b>INFUSION THERAPY</b>														
1,166	1,073	93	8.7%	1,198	(32)	(2.7%)		3,185	3,176	9	0.3%	3,270	(85)	(2.6%)
<b>1,166</b>	<b>1,073</b>	<b>93</b>	<b>8.7%</b>	<b>1,198</b>	<b>(32)</b>	<b>(2.7%)</b>		<b>3,185</b>	<b>3,176</b>	<b>9</b>	<b>0.3%</b>	<b>3,270</b>	<b>(85)</b>	<b>(2.6%)</b>
<b>KENT INFUSION THERAPY</b>														
-	-	0	0.0%	2	(2)	(100.0%)		3	-	3	100.0%	5	(2)	(40.0%)
522	545	(23)	(4.2%)	566	(44)	(7.8%)		1,531	1,635	(104)	(6.4%)	1,689	(158)	(9.4%)
<b>522</b>	<b>545</b>	<b>(23)</b>	<b>(4.2%)</b>	<b>568</b>	<b>(46)</b>	<b>(8.1%)</b>		<b>1,534</b>	<b>1,635</b>	<b>(101)</b>	<b>(6.2%)</b>	<b>1,694</b>	<b>(160)</b>	<b>(9.4%)</b>
<b>CRANSTON INFUSION THERAPY</b>														
85	219	(134)	(61.1%)	159	(74)	(46.5%)		448	521	(73)	(14.0%)	567	(119)	(21.0%)
<b>85</b>	<b>219</b>	<b>(134)</b>	<b>(61.1%)</b>	<b>159</b>	<b>(74)</b>	<b>(46.5%)</b>		<b>448</b>	<b>521</b>	<b>(73)</b>	<b>(14.0%)</b>	<b>567</b>	<b>(119)</b>	<b>(21.0%)</b>
<b>IVF</b>														
-	2	(2)	(100.0%)	-	0	100.0%		1	7	(6)	(85.7%)	7	(6)	(85.7%)
1,458	1,560	(102)	(6.5%)	1,252	206	16.5%		4,776	4,726	50	1.1%	4,528	248	5.5%
<b>1,458</b>	<b>1,562</b>	<b>(104)</b>	<b>(6.7%)</b>	<b>1,252</b>	<b>206</b>	<b>16.5%</b>		<b>4,777</b>	<b>4,733</b>	<b>44</b>	<b>0.9%</b>	<b>4,535</b>	<b>242</b>	<b>5.3%</b>
<b>PATIENT ASSESSMENT</b>														
467	445	22	4.8%	439	28	6.4%		1,426	1,407	19	1.3%	1,368	58	4.2%
220	247	(27)	(10.8%)	195	25	12.8%		694	786	(92)	(11.7%)	716	(22)	(3.1%)
<b>687</b>	<b>692</b>	<b>(5)</b>	<b>(0.7%)</b>	<b>634</b>	<b>53</b>	<b>8.4%</b>		<b>2,120</b>	<b>2,193</b>	<b>(73)</b>	<b>(3.3%)</b>	<b>2,084</b>	<b>36</b>	<b>1.7%</b>
<b>ELECTRO CONVULSIVE TREATMENT</b>														
62	36	26	70.4%	45	17	37.8%		133	113	20	17.5%	138	(5)	(3.6%)
93	81	12	15.0%	67	26	38.8%		329	221	108	48.7%	229	100	43.7%
<b>155</b>	<b>117</b>	<b>38</b>	<b>32.2%</b>	<b>112</b>	<b>43</b>	<b>38.4%</b>		<b>462</b>	<b>334</b>	<b>128</b>	<b>38.1%</b>	<b>367</b>	<b>95</b>	<b>25.9%</b>

**Births  
November 2022**

**Year-to-date Totals vs. Prior Year Total**

Hospital	FY 2021 (November)	% of Total	FY 2022 (November)	% of Total	FY 2023 (November)	% of Total
Women & Infants	8,539	79.9%	8,647	80.9%	1,478	82.0%
Kent	507	4.7%	476	4.5%	86	4.8%
<b>CNE Subtotal</b>	<b>9,046</b>	<b>84.7%</b>	<b>9,123</b>	<b>85.3%</b>	<b>1,564</b>	<b>86.7%</b>
Newport	426	4.0%	422	3.9%	66	3.7%
South County	745	7.0%	680	6.4%	99	5.5%
Landmark	468	4.4%	469	4.4%	74	4.1%
<b>All Other Subtotal</b>	<b>1,639</b>	<b>15.3%</b>	<b>1,571</b>	<b>14.7%</b>	<b>239</b>	<b>13.3%</b>
<b>TOTAL</b>	<b>10,685</b>	<b>100.0%</b>	<b>10,694</b>	<b>100.0%</b>	<b>1,803</b>	<b>100.0%</b>

**Volume Change: Year-to-date Total (November) vs. Same time period prior years**

Hospital	FY 2021 (November)	FY 2022 (November)	FY 2023 (November)	FY 22 - 23 Change		FY 21 - 23 Change	
				# Diff	% Diff	# Diff	% Diff
Women & Infants	1,359	1,489	1,478	(11)	-0.7%	119	8.8%
Kent	94	73	86	13	17.8%	(8)	-8.5%
<b>CNE Subtotal</b>	<b>1,453</b>	<b>1,562</b>	<b>1,564</b>	<b>2</b>	<b>0.1%</b>	<b>111</b>	<b>7.6%</b>
Newport	61	63	66	3	4.8%	5	8.2%
South County	104	111	99	(12)	-10.8%	(5)	-4.8%
Landmark	58	80	74	(6)	-7.5%	16	27.6%
<b>All Other Subtotal</b>	<b>223</b>	<b>254</b>	<b>239</b>	<b>(15)</b>	<b>-5.9%</b>	<b>16</b>	<b>7.2%</b>
<b>TOTAL</b>	<b>1,676</b>	<b>1,816</b>	<b>1,803</b>	<b>(13)</b>	<b>-0.7%</b>	<b>127</b>	<b>7.6%</b>

**EXHIBIT F**  
**Efficiency Metrics**

(attached)

**Care New England, Consolidated (excludes VNA & TPC)**  
**Metrics**  
**Fiscal 2023**

	Dec-2022 YTD Actual			Dec-2022 YTD Budget			Dec-2022 YTD Variance			
	Butler	Kent	WIH	Butler	Kent	WIH	Butler	Kent	WIH	
<b>Adjusted Discharge Metrics:</b>										
Cost per Adjusted Discharge	\$ 10,443	\$ 13,794	\$ 20,561	\$ 8,538	\$ 12,986	\$ 19,763	-22.3%	-6.2%	-4.0%	-9.7%
Paid Hours per Adjusted Discharge	148.18	127.24	163.30	125.58	116.05	160.83	-18.0%	-9.6%	-1.5%	-9.4%
Worked Hours per Adjusted Discharge	128.10	115.17	136.62	109.11	103.63	136.29	-17.4%	-11.1%	-0.2%	-9.3%
<b>Adjusted Day Metrics:</b>										
Cost per Adjusted Day	\$ 1,265	\$ 2,795	\$ 3,972	\$ 1,267	\$ 2,817	\$ 4,129	0.2%	0.8%	3.8%	1.7%
Paid Hours per Adjusted Day	17.94	25.78	31.55	18.64	25.17	33.60	3.7%	-2.4%	6.1%	1.9%
Worked Hours per Adjusted Day	15.51	23.33	26.40	16.20	22.48	28.48	4.2%	-3.8%	7.3%	2.0%
<b>FTE Metrics:</b>										
FTEs per Adjusted Occupied Bed	3.14	4.51	5.52	3.26	4.40	5.88	3.7%	-2.4%	6.1%	1.9%
Salary per FTE	\$ 74,550	\$ 85,375	\$ 93,074	\$ 73,145	\$ 83,886	\$ 88,122	-1.9%	-1.8%	-5.6%	-3.5%
Salary and Fringe per FTE	\$ 95,772	\$ 99,170	\$ 126,013	\$ 96,646	\$ 97,369	\$ 120,842	0.9%	-1.8%	-4.3%	-2.6%

**EXHIBIT G**  
**Capital Report**

(attached)

## Capital Cash Outlay and PPE in A/P as of 12/31/2022 FY 2022

Capital Payments by Type	Payments				Total
	10/21	11/21	12/21	Total	
<b>Capital Budget Funded</b>					
CIP	1,174,790	1,946,053	549,768	3,670,611	3,825,395
Cloud Computing	11,096		11,496	22,592	49,262
Deferred Payments	17,918	165,098	52,569	235,585	235,585
Finance Leases	154,396	110,174	108,587	373,157	412,554
Fixed Asset Holding	-	16,193	29,271	45,464	45,464
<b>Capital Budget Funded Total</b>	<b>1,358,200</b>	<b>2,237,518</b>	<b>751,691</b>	<b>4,347,409</b>	<b>4,568,259</b>
<b>Grant Funded</b>	<b>543</b>	<b>42,448</b>	<b>67</b>	<b>43,057</b>	<b>89,705</b>
<b>Total</b>	<b>1,358,742</b>	<b>2,279,966</b>	<b>751,758</b>	<b>4,390,466</b>	<b>4,657,963</b>

### Capital Payments on Prior Year Projects (included in totals above)

<b>Prior Year</b>	<b>1,117,376</b>	<b>2,027,502</b>	<b>606,583</b>	<b>3,751,461</b>	<b>3,918,772</b>
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