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Presentment Date: July 29, 2014 at 10:00 a.m.

*Counsel for the Debtor  
and Debtor-in-Possession*

**UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK**

-----X  
In re:

SOUND SHORE MEDICAL CENTER OF  
WESTCHESTER, et al.

Chapter 11  
Case No. 13-22840 (RDD)

Debtors.

(Jointly Administered)

-----X

**NOTICE OF PRESENTMENT FOR ENTRY OF STIPULATION AND AGREEMENT  
AMONG DEBTORS, BUYERS AND THE NEW YORK STATE ATTORNEY GENERAL  
MEDICAID FRAUD CONTROL UNIT, THE NEW YORK STATE DEPARTMENT OF  
HEALTH, AND THE NEW YORK STATE OFFICE OF THE MEDICAID INSPECTOR  
GENERAL REGARDING DEBTORS' ASSUMPTION AND ASSIGNMENT OF  
PROVIDER AGREEMENTS AND PROVIDER NUMBERS FOR SOUND SHORE  
MEDICAL CENTER OF WESTCHESTER, THE MOUNT VERNON HOSPITAL AND  
HOWE AVENUE NURSING HOME D/B/A HELEN AND MICHAEL SCHAFFER  
EXTENDED CARE CENTER**

**PLEASE TAKE NOTICE** that upon the annexed Stipulation (the "Stipulation") and Agreement by and among Sound Shore Medical Center of Westchester ("SSMC"), The Mount Vernon Hospital ("MVH") and the Howe Avenue Nursing Home d/b/a Helen and Michael Schaffer Extended Care Center ("SECC," together with SSMC and MVH, the "Medical Centers"), as debtors and debtors-in-possession and (ii) Montefiore New Rochelle Hospital, Schaffer Extended Care Center, Montefiore Mount Vernon Hospital (collectively, the "Buyers"), the New York State Attorney General Medicaid Fraud Control Unit ("MFCU"), the New York State Department of Health ("DOH") and the New York State Office of the Medicaid

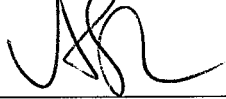
Inspector General (“OMIG”) dated July 22, 2014, the attached proposed stipulation will be presented for settlement and signature to the Honorable Robert D. Drain, United States Bankruptcy Judge for the Southern District of New York, at the United States Bankruptcy Court, Southern District of New York, 300 Quarropas Street, White Plains, New York 10601, on the 29th day of July, 2014 at 10:00 o’clock in the forenoon of that day.

**PLEASE TAKE FURTHER NOTICE**, that objections to the relief requested shall be made in writing, shall state with particularity the grounds for the objection, and shall be and filed with the Bankruptcy Court, in electronic format, by utilizing the Court’s electronic case filing system at [www.nysb.uscourts.gov](http://www.nysb.uscourts.gov), or if the same cannot be filed electronically, by manually filing same with the Clerk of the Court together with a cd-rom containing same in Word, Wordperfect or pdf format, with a hard copy provided to the Clerk’s Office at the Bankruptcy Court for delivery to the Chambers of the Honorable Robert D. Drain and upon (i) Garfunkel Wild, P.C., 111 Great Neck Road, Great Neck, New York 11021, attention Burton S. Weston, Esq., Afsheen A. Shah, Esq., and Adam T. Berkowitz, Esq., counsel for the Debtors; (ii) Alston & Bird, LLP, 90 Park Avenue, New York, New York 10016, Attn: Martin G. Bunin, Esq. and Craig Freeman, Esq., counsel to the official committee of unsecured creditors; (iii) MidCap Financial, LLC, 7255 Woodmont Avenue, Suite 200, Bethesda, MD 20814, attention: Lisa J. Lenderman, Esq., Deputy General Counsel, counsel to Debtors’ postpetition lender; (iv) Togut, Segal and Segal, One Penn Plaza, New York, New York 10019, attention Frank Oswald, Esq., and Scott Griffin, Esq, counsel to Montefiore Buyers; and (v) Office of the United States Trustee, 201 Varick Street, Room 1006, New York, New York 10014, Attn: Susan Golden, Esq.

**PLEASE TAKE FURTHER NOTICE** that if you fail to respond in accordance with this Notice, the Court may grant the relief demanded by the Order without further notice or hearing.

Dated: Great Neck, New York  
July 22, 2014

Respectfully submitted,

By: 

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*Attorneys for the Debtors and Debtors-in-Possession*

UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK

|                               |   |                         |
|-------------------------------|---|-------------------------|
| -----X                        |   |                         |
| In re:                        | : | Chapter 11              |
|                               | : |                         |
| SOUND SHORE MEDICAL CENTER OF | : | Case No. 13-22840 (RDD) |
| WESTCHESTER, <u>et al.</u> ,  | : |                         |
|                               | : |                         |
| Debtors:                      | : | (Jointly Administered)  |
|                               | : |                         |
| -----X                        |   |                         |

**STIPULATION AND AGREEMENT AMONG DEBTORS,  
BUYERS AND THE NEW YORK STATE ATTORNEY GENERAL  
MEDICAID FRAUD CONTROL UNIT, THE NEW YORK STATE  
DEPARTMENT OF HEALTH, AND THE NEW YORK STATE OFFICE OF THE  
MEDICAID INSPECTOR GENERAL REGARDING DEBTORS' ASSUMPTION  
AND ASSIGNMENT OF PROVIDER AGREEMENTS AND PROVIDER NUMBERS  
FOR SOUND SHORE MEDICAL CENTER OF WESTCHESTER, THE MOUNT  
VERNON HOSPITAL AND HOWE AVENUE NURSING HOME D/B/A  
HELEN AND MICHAEL SCHAFFER EXTENDED CARE CENTER**

TO THE HONORABLE ROBERT D. DRAIN,  
UNITED STATES BANKRUPTCY JUDGE:

**IT IS HEREBY STIPULATED AND AGREED**, by and among Sound Shore Medical Center of Westchester ("SSMC"), The Mount Vernon Hospital ("MVH") and the Howe Avenue Nursing Home d/b/a Helen and Michael Schaffer Extended Care Center ("SECC," together with SSMC and MVH, the "Medical Centers"), as debtors and debtors-in-possession in the above-captioned case, Montefiore New Rochelle Hospital, Schaffer Extended Care Center, Montefiore Mount Vernon Hospital (collectively, the "Buyers"), the New York State Attorney General

Medicaid Fraud Control Unit (“MFCU”), the New York State Department of Health (“DOH”) and the New York State Office of the Medicaid Inspector General (“OMIG”), acting by and through their respective counsel, as follows:

**RECITALS**

**WHEREAS:**

A. SSMC was a not-for-profit 242-bed, community-based teaching hospital offering primary, acute, emergency and long-term health care to the working class residents of southern Westchester.

B. MVH was a voluntary, not-for-profit, 176-bed hospital located in Mount Vernon, New York. MVH also offered comprehensive inpatient and outpatient behavioral health programs consisting of psychiatric services designed specifically for individuals whose needs had not been met through traditional approaches.

C. SECC was a 150-bed, comprehensive facility offering short-term rehabilitation/sub-acute care, as well as skilled long-term care. SECC dedicated 100-beds for long-term skilled medical management for individuals with chronic conditions or disabilities who were no longer capable to live independently. The remaining 50-beds were utilized for short-term stays and rehabilitation to accommodate patients recovering from heart surgery, heart attacks, strokes, and orthopedic surgery.

D. On May 29, 2013, the Medical Centers and each of their affiliated debtor entities (collectively, the “Debtors”) filed voluntary petitions for relief under title 11 of Chapter 11 of the United States Code (the “Bankruptcy Code”). Since the commencement of these jointly administered cases, the Debtors have been managing their affairs as debtors-in-possession pursuant to sections 1107 and 1108 of the Bankruptcy Code.

**The Medicaid Reimbursement System**

E. Under Title XIX of the Social Security Act, the Medicaid program provides medical assistance to low-income individuals and individuals with disabilities. The federal and state governments jointly fund and administer the Medicaid program. In New York State, DOH administers the Medicaid program. As part of this responsibility and as mandated by New York Public Health Law § 31, OMIG, an independent office within DOH, is tasked with preserving the integrity of the New York State Medicaid program by preventing and detecting fraudulent, abusive and wasteful practices within the Medicaid program and recovering improperly expended Medicaid funds. Accordingly, OMIG conducts audits and reviews of various providers of Medicaid reimbursable services, equipment and supplies. These audits and reviews are conducted to determine if the provider complied with applicable laws, regulations, rules and policies of the Medicaid program as set forth by the Departments of Health and Mental Hygiene Titles 10, 14, and 18 of the Official Compilation of Codes, Rules and Regulations of the State of New York and the Medicaid Provider Manuals.

F. Medicaid fee for service providers are reimbursed by Medicaid on the basis of the information they submit in support of their claims. The information provided in relation to any claim must be true, accurate and complete. Providers must maintain records demonstrating the right to receive payment for six years, and all claims for payment are subject to audit for six years. 18 NYCRR §§ 504.3(a)&(h), 571.3(b), 540.7(a)(8).

G. If a DOH or OMIG audit reveals an overpayment, DOH or OMIG may require repayment of the amount determined to have been overpaid. An overpayment includes any amount not authorized to be paid under the Medicaid program, whether paid as the result of inaccurate or improper cost reporting, improper claiming, unacceptable practices, fraud or

mistake. 18 NYCRR §518.1(c).

**Assumption and Transfer of the Medical Centers'  
Medicare Provider Agreements and Provider Numbers**

H. The Medical Centers participate in the Medicaid program and render services to Medicaid beneficiaries. The Medical Centers' participation in the Medicaid program is governed by Provider Agreements (the "Medical Centers' Provider Agreements") with the DOH. The Medical Centers were assigned several provider numbers for billing purposes (the "Medical Centers' Provider Numbers"), including #00274126, NPI #1104847888 for SSMC; #00274117, NPI # 1538173372 for Mount Vernon, NPI #1154389211 for the Mount Vernon Psychiatric Program; #00314067, NPI #1154382911 for SSMC and #01719382 for the SSMC Adult Day Care Program.

I. By Order dated August 8, 2013 [Docket No. 259], and as supplemented by Order dated October 15, 2013 [Docket No. 381] (collectively, the "Sale Order"), this Court approved the sale (the "Sale") of substantially all of the Debtors' assets to certain of the Buyers affiliates (the "Montefiore Buyers") pursuant to the terms and subject to the conditions contained in that certain Amended and Restated Asset Purchase Agreement filed with the Court on June 27, 2013 [Docket No. 123-2] (the "APA").

J. Section 10.1(q) of the APA provides that as a condition to close the Montefiore Buyers must have received reasonably acceptable assurances, in Buyers' sole discretion, from counsel and/or appropriate regulatory agencies that Buyers shall have no successor liability resulting from the transactions contemplated under the Purchase Agreement, including with respect to the assignment of the Provider Agreements and Provider Numbers. *See* APA, Sec. 10.1(q).

K. To receive an uninterrupted stream of Medicaid reimbursements for

services provided to Medicaid beneficiaries at the Medical Centers after the Sale, the Montefiore Buyers and the Medical Centers seek to have the Medical Centers' Provider Agreements and Provider Numbers assigned to the Montefiore Buyers in conjunction with the APA.

L. DOH desires to facilitate the Sale so as to ensure the continuing availability of medical services for the communities that traditionally have relied on the Medical Centers.

**The Liability to MFCU**

M. Pursuant to a Settlement Agreement, dated April 12, 2012, between MFCU and SSMC, SSMC agreed to repay an overpayment for cancer drugs billed at excess rates in an original aggregate amount of \$2,241,760.35 at the rate of \$67,600.40 until due on April 1, 2015. Monthly payments have been made by SSMC, both before and since the filing of the petitions initiating these cases, and there remains due and owing under the Settlement Agreement the sum of \$1,134,279 (the "MFCU Settlement Balance").

**The Liabilities and Receivables Arising Under the Provider Agreements**

N. In addition to the MFCU Settlement Balance described above, the Debtors owe DOH an aggregate of \$87,792 for New York Health Care Reform Act Pool Payments. The Debtors also owe DOH \$76,222 for reconciliation of initially paid to actual inpatient psychiatric transition pool payments. In addition, the Debtors and DOH estimate that no indigent care pool liabilities are due related to Medicaid Disproportionate Share Hospital (DSH) cap audits for 2011, 2012, and 2013 through November 5, 2013. Additionally, the Debtors owe OMIG an aggregate of \$128,015 for overpayments identified though four audits conducted by OMIG. In sum, the Debtors believe they currently owe DOH and OMIG, as of July 22, 2014, an aggregate of \$1,426,308 for all liabilities relating to the Provider Agreements (the "Medicaid Claims"),



inclusive of the MFCU Settlement Balance.

O. The Debtors and DOH estimate that DOH currently owes the Debtors an aggregate of \$1,523,298 relating to the Provider Agreements (the “Medicaid Receivables”).

P. A detailed schedule of the Medicaid Claims and Medicaid Receivables is annexed hereto as Exhibit A.

Q. Medicaid reimbursements have a capital and operating component. Capital reimbursements are based on budgeted historical rates, which DOH subsequently audits and adjusts based on actual rates. DOH has not completed its reconciliation for actual capital rates for SSMC and MVH for the years 2012 and 2013 (the “Capital Budgeted to Actual Reconciliations”). Moreover, the reconciliation of estimated to actual SSMC and MVH indigent care pool payments for the period January 1, 2013 through November 5, 2013 remain outstanding (the “Indigent Care Pool Reconciliations”). Additionally, certain amounts that are undetermined at this time may be due from the DOH to SECC relating to a potential universal settlement in connection with the Wage Equalization Factor (WEF) appeal for New York State skilled care-nursing home facilities (the “WEF Settlement Amounts,” together with the Capital Budgeted to Actual Reconciliations and the Indigent Care Pool Reconciliations, the “Excluded Claim Estimates”).

R. Buyers have filed applications for certificate of need (“CON”) approvals pursuant to Article 28 of the Public Health Law. In connection therewith, and as a condition precedent to receiving CON approval, Buyers’ representative executed an affidavit sworn to as of November 1, 2013 in support of its Medicaid audit (successor) liability cap request, a copy of which is annexed hereto as Exhibit B and incorporated herein by reference, outlining the terms of this settlement.

S. The parties wish to resolve certain issues relating to the assumption and assignment of the Provider Agreements and related Provider Numbers, including the resolution and payment of the Medicaid Claims, inclusive of the MFCU Settlement Balance and the Medicaid Receivables. Absent the assignment of the Provider Agreement to the Montefiore Buyers the Sale cannot close. Accordingly, the parties agree to the Debtors' assumption and assignment of the Provider Agreements and related Provider Numbers to the Montefiore Buyers subject to the terms and conditions set forth herein.

**NOW, THEREFORE, IT IS HEREBY AGREED that:**

1. Pursuant to 11 U.S.C. § 365(a), under the conditions set forth in the APA, the Sale Order, and this Stipulation and Agreement, the Medical Centers hereby assume their respective Provider Agreements and related Provider Numbers and Buyers shall accept assignment of the Provider Agreements and related Provider Numbers effective upon the date the Sale closes (the "Closing Date").

2. In full satisfaction and release of the parties' respective claims and rights arising from, or related to, the Medicaid Claims (including the MFCU Settlement Balance) and Medicaid Receivables included on Exhibit A hereto, the same will be paid through the eMedNY system by way of Medicaid rate adjustments once all OMIG and MFCU claims are entered on the eMedNY system. DOH will apply positive retroactive adjustments against not just those liabilities associated with a specific provider identification number, but in addition, against any of the liabilities set forth in Exhibit A.

3. DOH will attempt to process all of the Medicaid Claims during one Medicaid cycle after the full execution and delivery of this Stipulation and Agreement.

4. The Debtors shall timely prepare and submit the Medical Centers' DSH

cap surveys for 2011, 2012, and 2013 through the Closing Date in conformance with the timelines established by DOH and will maintain all of the supporting documentation necessary to comply with the DOH's DSH cap audit protocols. The Debtors shall also timely prepare and submit the Medical Centers' Residential Health Care Facility (RHC4) and Medicaid Institutional Cost Reports (ICRs) for 2012 and 2013 through the Closing Date. In the event the Debtors fail to submit the above-mentioned surveys and reports, the Buyers shall be responsible for filing these surveys and reports; provided that if Buyers are responsible for filing these surveys and reports, the Debtors shall be obligated to reimburse Buyers for the cost of preparing and filing such surveys and reports, including the imputed salary of Buyers' employees working on the matter and the fees and costs of Buyers' agents, advisors and professionals. Buyers' claims for reimbursement against the Debtors shall be an allowed administrative expense claim under section 503(b)(1)(A) of the Bankruptcy Code and shall be payable 10 days after invoicing by Buyers unless the Debtors or the Creditors Committee contest the amount thereof (including, but not limited to, the reasonableness of the fees and the costs), in which case the amount shall be paid to Buyers promptly after the parties agree on the amount or the Court enters an Order fixing the amount.

5. Montefiore Buyers, DOH, and OMIG further agree that on the Closing Date the Montefiore Buyers shall each be severally liable to DOH and OMIG for repayment of amounts, exclusive of and not including the estimates set forth in Exhibit A, finally determined to have been overpaid by the Medicaid program to SSMC, MVH and SSEC, respectively, on a dollar for dollar basis, for the provision of services at the relevant predecessor location to Medicaid recipients provided during the period prior to the Closing Date in an amount not to exceed \$3,000,000 (the "Liabilities Cap"). For the avoidance of doubt, neither the Montefiore

Buyers, nor any affiliates, shall be responsible for any interest, penalties, surcharges, assessments, fees or liabilities arising out of the Medicaid program alleged to be owed by SSMC, MVH or SECC to DOH in excess of the Liabilities Cap. The Liabilities Cap is in addition to the Medicaid Claims amount and the Excluded Claim Estimates, to the extent such Excluded Claim Estimates become liabilities due and owing to DOH by SSMC, MVH or SECC.

6. Notwithstanding anything contained herein, the parties agree that the Excluded Claim Estimates shall not be deemed to be resolved as part, or pursuant to the terms, of this Stipulation and Agreement.

7. DOH and OMIG agree, in consideration of the Montefiore Buyers' payment of the Medicaid Claims and the Liabilities Cap, that they will not file or assert in the Bankruptcy Court or in any other forum any claims of any kind or nature against the Debtors, Buyers, Montefiore Buyers or Montefiore Buyers' affiliates that arise from pre-Closing Date conduct of Debtors with respect to the Medicaid Claims.

8. The terms of this Stipulation and Agreement shall not be altered or amended in any plan of liquidation submitted for approval by the Bankruptcy Court.

9. This Stipulation and Agreement may not be modified except by a writing executed by the parties that is approved by the Bankruptcy Court.

10. The parties understand and agree that this Stipulation and Agreement contains the entire agreement among them with respect to the subject matter hereof and thereof, and that no statements, representations, promises, agreements, or negotiations, oral or otherwise, among the parties or their respective counsel that are not included herein shall be of any force or effect. Any disputes regarding the rights arising under this Stipulation and Agreement shall be governed by federal law and the laws of the State of New York.

11. This Stipulation and Agreement is binding upon the parties and any of their respective successors or assigns.

12. The undersigned signatories represent and warrant that they are authorized to execute this Stipulation and Agreement in their official capacity on behalf of the parties.

13. This Stipulation and Agreement shall not be effective until all of the following have occurred: (i) execution of this Stipulation and Agreement by the parties, (ii) the Bankruptcy Court's approval of this Stipulation and Agreement, and (iii) the Closing Date. If this Stipulation and Agreement does not become effective, then this Stipulation and Agreement shall be deemed to be nullified and void ab initio and nothing contained herein shall constitute an admission by any party.

14. The parties hereto agree that the Bankruptcy Court shall retain exclusive jurisdiction to interpret and enforce this Stipulation and Agreement, and to resolve any disputes arising out of or relating to this Stipulation and Agreement including after confirmation of a chapter 11 plan for the Debtors, or the conversion, dismissal and/or closing of the Debtors' chapter 11 cases.

15. Nothing in this Stipulation and Agreement shall be construed as limiting the liability of Buyers for any overpayments incurred subsequent to the Closing Date or of DOH or OMIG in respect of any payments or underpayments arising from services provided by Buyers subsequent to the Closing Date.

16. This Stipulation and Agreement may be executed in counterparts by the parties, each of which may be transmitted by electronic mail or facsimile, and each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

Dated: New York, New York  
July 22, 2014

MEDICAID FRAUD CONTROL UNIT

By: Eric T. Schneiderman  
Attorney General of the State of New York

By:/s/ Amy Held  
AMY HELD  
Acting Director  
Medicaid Fraud Control Unit  
120 Broadway, 13<sup>th</sup> Floor  
New York, New York 10271

Dated: New York, New York  
July 22, 2014

GARFUNKEL WILD, P.C.  
*Attorneys for the Debtors and Debtors-in-Possession*

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Dated: New York, New York  
July 22, 2014

OFFICE OF THE MEDICAID INSPECTOR  
GENERAL

By: Eric T. Schneiderman  
Attorney General of the State of New York

By:/s/ Enid Nagler Stuart  
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Enid.Stuart@ag.ny.gov

Dated: New York, New York  
July 22, 2014

NEW YORK STATE DEPARTMENT OF  
HEALTH

By: Eric T. Schneiderman  
Attorney General of the State of New York

By: /s/ Enid Nagler Stuart  
ENID NAGLER STUART, Esq.  
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Enid.Stuart@ag.ny.gov

Dated: New York, New York  
July 22, 2014

TOGUT, SEGAL & SEGAL, LLP  
*Attorneys for the Buyers*

By: /s/ Frank A. Oswald  
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**EXHIBIT A**



| SUMMARY OF SOUND SHORE AND MOUNT VERNON MEDICARE AND MEDICAID LIABILITIES AND RECEIVABLES |                    |                |                    |                  |                 |                  |                 |                |                 |                    |                    |
|---|--------------------|----------------|--------------------|------------------|-----------------|------------------|-----------------|----------------|-----------------|--------------------|--------------------|
|   | SOUND SHORE        |                |                    | MOUNT VERNON     |                 |                  | HOWE AVENUE     |                |                 | TOTAL              |                    |
|   | Known              | Estimate       | TOTAL              | Known            | Estimate        | TOTAL            | Known           | Estimate       | TOTAL           | Known              | TOTAL              |
| <b>MEDICAID</b>   |                    |                |                    |                  |                 |                  |                 |                |                 |                    |                    |
| MFCU Pharmacy Audit   | (1,134,279)        | 0              | (1,134,279)        | 0                | 0               | 0                | 0               | 0              | 0               | (1,134,279)        | (1,134,279)        |
| Outstanding HCRA Pool Payments  | (55,234)           | 0              | (55,234)           | (19,242)         | 0               | (19,242)         | (13,316)        | 0              | (13,316)        | (87,792)           | (87,792)           |
| Psychiatric Transition-10/20/10-12/31/13  | 0                  | 0              | 0                  | 0                | (76,222)        | (76,222)         | 0               | 0              | 0               | 0                  | 0                  |
| DSF Cap Audits 2011, 2012 and 1/01-11/15/2013   |                    |                |                    |                  |                 |                  |                 |                |                 |                    |                    |
| OMIG Audit 05-1133  |                    |                |                    |                  |                 |                  |                 |                |                 |                    |                    |
| OMIG Audit 2010257-008P   |                    |                |                    | (52,406)         |                 | (52,406)         |                 |                |                 |                    |                    |
| OMIG Audit 12-5386  | (30,811)           |                | (30,811)           | (40,211)         |                 | (40,211)         |                 |                |                 |                    |                    |
| OMIG Audit 2011256-108W   | (4,587)            |                | (4,587)            |                  |                 |                  |                 |                |                 |                    |                    |
| <b>TOTAL MEDICAID LIABILITIES</b>   | <b>(1,224,911)</b> | <b>0</b>       | <b>(1,224,911)</b> | <b>(111,859)</b> | <b>(76,222)</b> | <b>(188,081)</b> | <b>(13,316)</b> | <b>0</b>       | <b>(13,316)</b> | <b>(1,222,071)</b> | <b>(1,426,308)</b> |
| Budget to Actual Capital 2010-2011  | 0                  | 305,299        | 305,299            | 0                | 212,894         | 212,894          | 0               | 0              | 0               | 0                  | 0                  |
| Psych Volume Adjustment 2010  | 0                  | 0              | 0                  | 0                | 41,005          | 41,005           | 0               | 0              | 0               | 0                  | 0                  |
| Howe Avenue 2007 Medicaid Capital   | 0                  | 0              | 0                  | 0                | 0               | 0                | 0               | 141,000        | 141,000         | 0                  | 141,000            |
| Howe Avenue 2013 Medicaid Capital (netof payment received in 3/2014)                      | 0                  | 0              | 0                  | 0                | 0               | 0                | 0               | 270,119        | 270,119         | 0                  | 270,119            |
| Transition Pool Reconciliation 10/1/2010-12/31/13   | 0                  | 243,867        | 243,867            | 0                | 68,564          | 68,564           | 0               | 0              | 0               | 0                  | 0                  |
| APG Capital- Clinic & ER 1/1/09-12/31/13  | 0                  | 139,951        | 139,951            | 0                | 100,599         | 100,599          | 0               | 0              | 0               | 0                  | 0                  |
| <b>TOTAL MEDICAID RECEIVABLES</b>   | <b>0</b>           | <b>689,117</b> | <b>689,117</b>     | <b>0</b>         | <b>423,062</b>  | <b>423,062</b>   | <b>0</b>        | <b>411,119</b> | <b>411,119</b>  | <b>0</b>           | <b>1,523,298</b>   |
| <b>NET MEDICAID LIABILITY</b>   | <b>(1,224,911)</b> | <b>689,117</b> | <b>(535,794)</b>   | <b>(111,859)</b> | <b>346,840</b>  | <b>(234,981)</b> | <b>(13,316)</b> | <b>411,119</b> | <b>397,803</b>  | <b>(1,222,071)</b> | <b>96,989</b>      |
| TBD:  |                    |                |                    |                  |                 |                  |                 |                |                 |                    |                    |
| Sound Shore and Mount Vernon- Budget to Actual Capital 2012- 2013                         |                    |                |                    |                  |                 |                  |                 |                |                 |                    |                    |
| Howe Avenue WEF Appeal 1/01/2009-11/05/2013   |                    |                |                    |                  |                 |                  |                 |                |                 |                    |                    |
| Indigent Care Pool Reconciliation 1/01/2013-11/05/2013                                    |                    |                |                    |                  |                 |                  |                 |                |                 |                    |                    |
| Mount Vernon 2013 Indigent Care Pool Distribution   |                    |                |                    |                  |                 |                  |                 |                |                 |                    |                    |

2012 Claims used for the 2013 reconciliation as a proxy

2011 RHCFA-4 filed 11/11/13

2012 Claims used for the 2013 reconciliation as a proxy

Diff. between 2009 volume current and 2010 actual