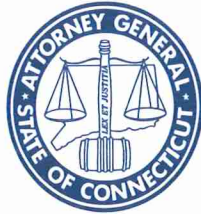


GEORGE JEPSEN
ATTORNEY GENERAL



55 Elm Street
P.O. Box 120
Hartford, CT 06141-0120

Office of the Attorney General
State of Connecticut

August 25, 2014

VIA U.S. MAIL and FACSIMILE

Ms. Barbara Simonetta, President
Connecticut Health Care Associates, NUHHCE/AFSCME
261 Center Street
Wallingford, Connecticut 06492

Re: Certificate of Need Application, OHCA Docket No. 13-31838-CON, AG Docket No. 13-486-01 – The Greater Waterbury Health Systems, Inc./Vanguard Health Systems

Dear Ms. Simonetta:

Thank you for your July 2 and 9, 2014, letters asking our Offices to delay the July 24, 2014 hearing that tentatively had been scheduled for Vanguard Health Systems, Inc.'s ("Vanguard") application to acquire Waterbury Health Network, Inc. ("Waterbury Hospital").

Since receiving your letters, we have received an application from Tenet Healthcare Corporation ("Tenet") to acquire St. Mary's Hospital in Waterbury. Because these transactions will have a significant impact on the provision of healthcare services in the Greater Waterbury region, we have agreed to schedule coordinated hearings for both applications on October 15, 16 and/or 17, 2014. We also have agreed to extend the deadline for deciding the Waterbury Hospital application to December 2014. Importantly, Vanguard also has agreed not to seek to renegotiate its proposed joint venture with Waterbury Hospital before December 5, 2014, notwithstanding any contractual right it may have to do so under the terms of the proposed transaction. Our Offices and Saint Mary's Hospital also have agreed to make every effort to proceed in a manner that will permit us to issue a final decision in that matter on or before December 5, 2014. I have attached a copy of the latest scheduling agreement for your review. We believe this schedule, which extends the hearings for the Waterbury Hospital transaction by approximately three months from when they tentatively had been scheduled, provides sufficient time for meaningful participation by the public in both transactions.

In your letters, you also asked us to require the Waterbury Hospital application to be re-filed by Tenet because of Tenet's acquisition of Vanguard since the time the original application was filed. You argue this is necessary because Certificates of Need ("CONs") are not

August 25, 2014

Page 2

transferrable or assignable and Tenet will be the "ultimate holder" of any CONs issued as a result of the approval process. Based upon the information we have received thus far, we do not believe it is necessary to require Tenet to re-file the Waterbury Hospital application. As a result of the transaction between Tenet and Vanguard, Vanguard remains a valid corporate entity with multiple holdings throughout the United States. Though Vanguard's stock is now wholly owned by Tenet, Vanguard continues to function as a legal corporate entity and remains the appropriate applicant under our conversion statutes over which we have jurisdiction. Moreover, in the event we receive additional information that makes clear Tenet's formal participation in the application process is necessary, we can require that participation without requiring the application to be re-filed by Tenet.

We very much appreciate the concerns you have raised. Our determination that the Waterbury Hospital application need not be re-filed in no way inhibits us from undertaking a thorough review of the transaction, including an investigation into related parties. Indeed, through written requests for information, our Offices already have compiled a significant amount of information about the proposed transaction. That information is publicly available on our websites. The agreement to extend the deadline for approval of the transaction and to delay the public hearings until October ensures that our Offices and the public will have ample time to investigate all aspects of the proposed transaction.

Thank you once again for sharing your concerns. We hope this information is helpful and responsive.

Very truly yours,



Gary W. Hawes
Assistant Attorney General



Kimberly R. Martone
Director of Operations