STATE OF NEW HAMPSHIRE
DEPARTMENT OF HEALTH AND HUMAN SERVICES
DIVISION OF PUBLIC HEALTH SERVICES

Lori A. Shibinette
Commissioner

Lisa M. Morris
Director

29 HAZEN DRIVE, CONCORD, NH 03301
603-271-4501 1-800-852-3345 Ext. 4501
Fax: 603-271-4827 TDD Access: 1-800-735-2964
www.dhhs.nh.gov

August 7, 2020

His Excellency, Governor Christopher T. Sununu
and the Honorable Council
State House
Concord, New Hampshire 03301

INFORMATIONAL ITEM

Pursuant to RSA 4:45, RSA 21-P:43, and Section 4 of Executive Order 2020-04, as extended by Executive Orders 2020-05, 2020-08, 2020-09, 2020-10, 2020-14, and 2020-15, Governor Sununu authorized the Department of Health and Human Services, Division of Public Health Services, to enter into **Sole Source** contracts with the vendors listed below in an amount not to exceed $2,842,000 for conducting hospital-based COVID-19 community testing and testing-related activities, with the option to renew for up to one (1) additional year, for the period August 1, 2020, through December 1, 2020. 100% Federal Funds.

Vendor Name	Vendor Code	Contract Amount
North Country Healthcare, Inc. Whitefield, NH	VC301179	$435,000
Catholic Medical Center Manchester, NH	TBD	$290,000
The Cheshire Medical Center Keene, NH	TBD	$232,000
Elliot Health System Manchester, NH	TBD	$290,000
LRGHealthcare Laconia, NH	VC177318	$290,000
Huggins Hospital Wolfeboro, NH	TBD	$145,000
Southern New Hampshire Health System, Inc. Nashua, NH	TBD	$290,000
Speare Memorial Hospital Plymouth, NH	VC177178	$145,000
St. Joseph Hospital of Nashua, NH Nashua, NH	VC177169	$290,000
Valley Regional Hospital, Inc. Claremont, NH	VC232794	$145,000
Wentworth-Douglass Hospital Dover, NH	VC177187	$290,000
		$2,842,000

Funds are available in the following account for State Fiscal Year 2021, with the authority to adjust budget line items within the price limitation through the Budget Office, if needed and justified.

05-095-090-903010-19010000 HEALTH AND SOCIAL SERVICES, HEALTH AND HUMAN SVCS DEPT OF, HHS: PUBLIC HEALTH DIVISION, BUREAU OF LABORATORY SERVICES, ELC CARES COVID-19

State Fiscal Year	Class / Account	Class Title	Job Number	Total Amount
2021	102-500731	Contracts for Prog Svc	90183518	$2,842,000
			Total	**$2,842,000**

EXPLANATION

This item is **Sole Source** because the Department, in the interest of the public's health and safety, identified hospitals with catchment areas throughout New Hampshire and capacity to immediately begin conducting community COVID-19 testing and testing-related activities. The Contractors are therefore uniquely qualified to provide COVID-19 testing to individuals who reside within each hospital's catchment area or local community.

The exact number of residents of the State of New Hampshire served from August 1, 2020, to December 1, 2020, will depend on the trajectory of the COVID-19 pandemic.

Contractors will conduct COVID-19 specimen collection and testing for individuals who reside within each hospital's catchment area or local community, regardless of the individuals' prior affiliations with the hospital. The Contractors will test both individuals who have symptoms of COVID-19 or who are pre-symptomatic or asymptomatic at the request of the individuals to be tested or the Department. Contractors will also utilize various communication methods, including the hospitals' websites, newsletters, and social media platforms, to inform the local community members how and when they can access the services and the location of the specimen collection sites.

The Department will monitor contracted services by requiring each Contractor to report:

- Number of persons who received COVID-19 testing.
- Number of persons assisted with enrollment in the Medicaid COVID-19 Testing benefit or other assistance program who received COVID-19 testing.
- Number of persons for whom race and/or ethnicity is documented.
- Allowable expenses incurred during the duration of the contract.

As referenced in Exhibit A Revisions to Standard Contract Provisions, Section 1, Revisions to Form P-37, General Provisions, Subsection 1.2., Paragraph 3.3 of the attached contracts, the parties have the option to extend the agreements for up to one (1) additional year, contingent upon satisfactory delivery of services, available funding, agreement of the parties, and appropriate State approval.

Areas served: Statewide

Source of Funds: 100% Federal Funds. CFDA #93.323, FAIN #NU50CK000522

In the event that the Federal Funds become no longer available, General Funds will not be requested to support this program.

Respectfully submitted,

Lori A. Shibinette
Commissioner

Subject: Hospital-Based COVID-19 Community Testing (SS-2021-DPHS-04-HOSPI-20)

Notice: This agreement and all of its attachments shall become public upon submission to Governor and Executive Council for approval. Any information that is private, confidential or proprietary must be clearly identified to the agency and agreed to in writing prior to signing the contract.

AGREEMENT

The State of New Hampshire and the Contractor hereby mutually agree as follows:

GENERAL PROVISIONS

1. IDENTIFICATION.

1.1 State Agency Name New Hampshire Department of Health and Human Services		1.2 State Agency Address 129 Pleasant Street Concord, NH 03301-3857	
1.3 Contractor Name Wentworth-Douglass Hospital		1.4 Contractor Address 789 Central Avenue Dover, NH 03820	
1.5 Contractor Phone Number (603) 740-2804	1.6 Account Number 05-095-090-903010-19010000	1.7 Completion Date December 1, 2020	1.8 Price Limitation $290,000
1.9 Contracting Officer for State Agency Nathan D. White, Director		1.10 State Agency Telephone Number (603) 271-9631	
1.11 Contractor Signature Date: 7.24.2020		1.12 Name and Title of Contractor Signatory PETER WALCEK VP FINANCE / CFO	
1.13 State Agency Signature Date: 7/29/20		1.14 Name and Title of State Agency Signatory ANN H. LAMBERT, ASSOC. COMMISSIONER	
1.15 Approval by the N.H. Department of Administration, Division of Personnel *(if applicable)* By:		Director, On:	
1.16 Approval by the Attorney General (Form, Substance and Execution) *(if applicable)* By: Catherine Pinos		On: 08/07/20	
1.17 Approval by the Governor and Executive Council *(if applicable)* G&C Item number:		G&C Meeting Date:	

Contractor Initials PW
Date 7.24.2020

2. SERVICES TO BE PERFORMED. The State of New Hampshire, acting through the agency identified in block 1.1 ("State"), engages contractor identified in block 1.3 ("Contractor") to perform, and the Contractor shall perform, the work or sale of goods, or both, identified and more particularly described in the attached EXHIBIT B which is incorporated herein by reference ("Services").

3. EFFECTIVE DATE/COMPLETION OF SERVICES.

3.1 Notwithstanding any provision of this Agreement to the contrary, and subject to the approval of the Governor and Executive Council of the State of New Hampshire, if applicable, this Agreement, and all obligations of the parties hereunder, shall become effective on the date the Governor and Executive Council approve this Agreement as indicated in block 1.17, unless no such approval is required, in which case the Agreement shall become effective on the date the Agreement is signed by the State Agency as shown in block 1.13 ("Effective Date").

3.2 If the Contractor commences the Services prior to the Effective Date, all Services performed by the Contractor prior to the Effective Date shall be performed at the sole risk of the Contractor, and in the event that this Agreement does not become effective, the State shall have no liability to the Contractor, including without limitation, any obligation to pay the Contractor for any costs incurred or Services performed. Contractor must complete all Services by the Completion Date specified in block 1.7.

4. CONDITIONAL NATURE OF AGREEMENT.

Notwithstanding any provision of this Agreement to the contrary, all obligations of the State hereunder, including, without limitation, the continuance of payments hereunder, are contingent upon the availability and continued appropriation of funds affected by any state or federal legislative or executive action that reduces, eliminates or otherwise modifies the appropriation or availability of funding for this Agreement and the Scope for Services provided in EXHIBIT B, in whole or in part. In no event shall the State be liable for any payments hereunder in excess of such available appropriated funds. In the event of a reduction or termination of appropriated funds, the State shall have the right to withhold payment until such funds become available, if ever, and shall have the right to reduce or terminate the Services under this Agreement immediately upon giving the Contractor notice of such reduction or termination. The State shall not be required to transfer funds from any other account or source to the Account identified in block 1.6 in the event funds in that Account are reduced or unavailable.

5. CONTRACT PRICE/PRICE LIMITATION/ PAYMENT.

5.1 The contract price, method of payment, and terms of payment are identified and more particularly described in EXHIBIT C which is incorporated herein by reference.

5.2 The payment by the State of the contract price shall be the only and the complete reimbursement to the Contractor for all expenses, of whatever nature incurred by the Contractor in the performance hereof, and shall be the only and the complete compensation to the Contractor for the Services. The State shall have no liability to the Contractor other than the contract price.

5.3 The State reserves the right to offset from any amounts otherwise payable to the Contractor under this Agreement those liquidated amounts required or permitted by N.H. RSA 80:7 through RSA 80:7-c or any other provision of law.

5.4 Notwithstanding any provision in this Agreement to the contrary, and notwithstanding unexpected circumstances, in no event shall the total of all payments authorized, or actually made hereunder, exceed the Price Limitation set forth in block 1.8.

6. COMPLIANCE BY CONTRACTOR WITH LAWS AND REGULATIONS/ EQUAL EMPLOYMENT OPPORTUNITY.

6.1 In connection with the performance of the Services, the Contractor shall comply with all applicable statutes, laws, regulations, and orders of federal, state, county or municipal authorities which impose any obligation or duty upon the Contractor, including, but not limited to, civil rights and equal employment opportunity laws. In addition, if this Agreement is funded in any part by monies of the United States, the Contractor shall comply with all federal-executive orders, rules, regulations and statutes, and with any rules, regulations and guidelines as the State or the United States issue to implement these regulations. The Contractor shall also comply with all applicable intellectual property laws.

6.2 During the term of this Agreement, the Contractor shall not discriminate against employees or applicants for employment because of race, color, religion, creed, age, sex, handicap, sexual orientation, or national origin and will take affirmative action to prevent such discrimination.

6.3. The Contractor agrees to permit the State or United States access to any of the Contractor's books, records and accounts for the purpose of ascertaining compliance with all rules, regulations and orders, and the covenants, terms and conditions of this Agreement.

7. PERSONNEL.

7.1 The Contractor shall at its own expense provide all personnel necessary to perform the Services. The Contractor warrants that all personnel engaged in the Services shall be qualified to perform the Services, and shall be properly licensed and otherwise authorized to do so under all applicable laws.

7.2 Unless otherwise authorized in writing, during the term of this Agreement, and for a period of six (6) months after the Completion Date in block 1.7, the Contractor shall not hire, and shall not permit any subcontractor or other person, firm or corporation with whom it is engaged in a combined effort to perform the Services to hire, any person who is a State employee or official, who is materially involved in the procurement, administration or performance of this Agreement. This provision shall survive termination of this Agreement.

7.3 The Contracting Officer specified in block 1.9, or his or her successor, shall be the State's representative. In the event of any dispute concerning the interpretation of this Agreement, the Contracting Officer's decision shall be final for the State.

Contractor Initials PW

Date 7.24.2020

8. EVENT OF DEFAULT/REMEDIES.

8.1 Any one or more of the following acts or omissions of the Contractor shall constitute an event of default hereunder ("Event of Default"):

8.1.1 failure to perform the Services satisfactorily or on schedule;

8.1.2 failure to submit any report required hereunder; and/or

8.1.3 failure to perform any other covenant, term or condition of this Agreement.

8.2 Upon the occurrence of any Event of Default, the State may take any one, or more, or all, of the following actions:

8.2.1 give the Contractor a written notice specifying the Event of Default and requiring it to be remedied within, in the absence of a greater or lesser specification of time, thirty (30) days from the date of the notice; and if the Event of Default is not timely cured, terminate this Agreement, effective two (2) days after giving the Contractor notice of termination;

8.2.2 give the Contractor a written notice specifying the Event of Default and suspending all payments to be made under this Agreement and ordering that the portion of the contract price which would otherwise accrue to the Contractor during the period from the date of such notice until such time as the State determines that the Contractor has cured the Event of Default shall never be paid to the Contractor;

8.2.3 give the Contractor a written notice specifying the Event of Default and set off against any other obligations the State may owe to the Contractor any damages the State suffers by reason of any Event of Default; and/or

8.2.4 give the Contractor a written notice specifying the Event of Default, treat the Agreement as breached, terminate the Agreement and pursue any of its remedies at law or in equity, or both.

8.3. No failure by the State to enforce any provisions hereof after any Event of Default shall be deemed a waiver of its rights with regard to that Event of Default, or any subsequent Event of Default. No express failure to enforce any Event of Default shall be deemed a waiver of the right of the State to enforce each and all of the provisions hereof upon any further or other Event of Default on the part of the Contractor.

9. TERMINATION.

9.1 Notwithstanding paragraph 8, the State may, at its sole discretion, terminate the Agreement for any reason, in whole or in part, by thirty (30) days written notice to the Contractor that the State is exercising its option to terminate the Agreement.

9.2 In the event of an early termination of this Agreement for any reason other than the completion of the Services, the Contractor shall, at the State's discretion, deliver to the Contracting Officer, not later than fifteen (15) days after the date of termination, a report ("Termination Report") describing in detail all Services performed, and the contract price earned, to and including the date of termination. The form, subject matter, content, and number of copies of the Termination Report shall be identical to those of any Final Report described in the attached EXHIBIT B. In addition, at the State's discretion, the Contractor shall, within 15 days of notice of early termination, develop and submit to the State a Transition Plan for services under the Agreement.

10. DATA/ACCESS/CONFIDENTIALITY/ PRESERVATION.

10.1 As used in this Agreement, the word "data" shall mean all information and things developed or obtained during the performance of, or acquired or developed by reason of, this Agreement, including, but not limited to, all studies, reports, files, formulae, surveys, maps, charts, sound recordings, video recordings, pictorial reproductions, drawings, analyses, graphic representations, computer programs, computer printouts, notes, letters, memoranda, papers, and documents, all whether finished or unfinished.

10.2 All data and any property which has been received from the State or purchased with funds provided for that purpose under this Agreement, shall be the property of the State, and shall be returned to the State upon demand or upon termination of this Agreement for any reason.

10.3 Confidentiality of data shall be governed by N.H. RSA chapter 91-A or other existing law. Disclosure of data requires prior written approval of the State.

11. CONTRACTOR'S RELATION TO THE STATE. In the performance of this Agreement the Contractor is in all respects an independent contractor, and is neither an agent nor an employee of the State. Neither the Contractor nor any of its officers, employees, agents or members shall have authority to bind the State or receive any benefits, workers' compensation or other emoluments provided by the State to its employees.

12. ASSIGNMENT/DELEGATION/SUBCONTRACTS.

12.1 The Contractor shall not assign, or otherwise transfer any interest in this Agreement without the prior written notice, which shall be provided to the State at least fifteen (15) days prior to the assignment, and a written consent of the State. For purposes of this paragraph, a Change of Control shall constitute assignment. "Change of Control" means (a) merger, consolidation, or a transaction or series of related transactions in which a third party, together with its affiliates, becomes the direct or indirect owner of fifty percent (50%) or more of the voting shares or similar equity interests, or combined voting power of the Contractor, or (b) the sale of all or substantially all of the assets of the Contractor.

12.2 None of the Services shall be subcontracted by the Contractor without prior written notice and consent of the State. The State is entitled to copies of all subcontracts and assignment agreements and shall not be bound by any provisions contained in a subcontract or an assignment agreement to which it is not a party.

13. INDEMNIFICATION. Unless otherwise exempted by law, the Contractor shall indemnify and hold harmless the State, its officers and employees, from and against any and all claims, liabilities and costs for any personal injury or property damages, patent or copyright infringement, or other claims asserted against the State, its officers or employees, which arise out of (or which may be claimed to arise out of) the acts or omission of the

Contractor Initials PD

Date 7.24.2020

Contractor, or subcontractors, including but not limited to the negligence, reckless or intentional conduct. The State shall not be liable for any costs incurred by the Contractor arising under this paragraph 13. Notwithstanding the foregoing, nothing herein contained shall be deemed to constitute a waiver of the sovereign immunity of the State, which immunity is hereby reserved to the State. This covenant in paragraph 13 shall survive the termination of this Agreement.

14. INSURANCE.

14.1 The Contractor shall, at its sole expense, obtain and continuously maintain in force, and shall require any subcontractor or assignee to obtain and maintain in force, the following insurance:

14.1.1 commercial general liability insurance against all claims of bodily injury, death or property damage, in amounts of not less than $1,000,000 per occurrence and $2,000,000 aggregate or excess; and

14.1.2 special cause of loss coverage form covering all property subject to subparagraph 10.2 herein, in an amount not less than 80% of the whole replacement value of the property.

14.2 The policies described in subparagraph 14.1 herein shall be on policy forms and endorsements approved for use in the State of New Hampshire by the N.H. Department of Insurance, and issued by insurers licensed in the State of New Hampshire.

14.3 The Contractor shall furnish to the Contracting Officer identified in block 1.9, or his or her successor, a certificate(s) of insurance for all insurance required under this Agreement. Contractor shall also furnish to the Contracting Officer identified in block 1.9, or his or her successor, certificate(s) of insurance for all renewal(s) of insurance required under this Agreement no later than ten (10) days prior to the expiration date of each insurance policy. The certificate(s) of insurance and any renewals thereof shall be attached and are incorporated herein by reference.

15. WORKERS' COMPENSATION.

15.1 By signing this agreement, the Contractor agrees, certifies and warrants that the Contractor is in compliance with or exempt from, the requirements of N.H. RSA chapter 281-A *("Workers' Compensation")*.

15.2 To the extent the Contractor is subject to the requirements of N.H. RSA chapter 281-A, Contractor shall maintain, and require any subcontractor or assignee to secure and maintain, payment of Workers' Compensation in connection with activities which the person proposes to undertake pursuant to this Agreement. The Contractor shall furnish the Contracting Officer identified in block 1.9, or his or her successor, proof of Workers' Compensation in the manner described in N.H. RSA chapter 281-A and any applicable renewal(s) thereof, which shall be attached and are incorporated herein by reference. The State shall not be responsible for payment of any Workers' Compensation premiums or for any other claim or benefit for Contractor, or any subcontractor or employee of Contractor, which might arise under applicable State of New Hampshire Workers' Compensation laws in connection with the performance of the Services under this Agreement.

16. NOTICE. Any notice by a party hereto to the other party shall be deemed to have been duly delivered or given at the time of mailing by certified mail, postage prepaid, in a United States Post Office addressed to the parties at the addresses given in blocks 1.2 and 1.4, herein.

17. AMENDMENT. This Agreement may be amended, waived or discharged only by an instrument in writing signed by the parties hereto and only after approval of such amendment, waiver or discharge by the Governor and Executive Council of the State of New Hampshire unless no such approval is required under the circumstances pursuant to State law, rule or policy.

18. CHOICE OF LAW AND FORUM. This Agreement shall be governed, interpreted and construed in accordance with the laws of the State of New Hampshire, and is binding upon and inures to the benefit of the parties and their respective successors and assigns. The wording used in this Agreement is the wording chosen by the parties to express their mutual intent, and no rule of construction shall be applied against or in favor of any party. Any actions arising out of this Agreement shall be brought and maintained in New Hampshire Superior Court which shall have exclusive jurisdiction thereof.

19. CONFLICTING TERMS. In the event of a conflict between the terms of this P-37 form (as modified in EXHIBIT A) and/or attachments and amendment thereof, the terms of the P-37 (as modified in EXHIBIT A) shall control.

20. THIRD PARTIES. The parties hereto do not intend to benefit any third parties and this Agreement shall not be construed to confer any such benefit.

21. HEADINGS. The headings throughout the Agreement are for reference purposes only, and the words contained therein shall in no way be held to explain, modify, amplify or aid in the interpretation, construction or meaning of the provisions of this Agreement.

22. SPECIAL PROVISIONS. Additional or modifying provisions set forth in the attached EXHIBIT A are incorporated herein by reference.

23. SEVERABILITY. In the event any of the provisions of this Agreement are held by a court of competent jurisdiction to be contrary to any state or federal law, the remaining provisions of this Agreement will remain in full force and effect.

24. ENTIRE AGREEMENT. This Agreement, which may be executed in a number of counterparts, each of which shall be deemed an original, constitutes the entire agreement and understanding between the parties, and supersedes all prior agreements and understandings with respect to the subject matter hereof.

Contractor Initials PW

Date 7.24.2020

REVISIONS TO STANDARD CONTRACT PROVISIONS

1. Revisions to Form P-37, General Provisions

1.1. Paragraph 3, Subparagraph 3.1, Effective Date/Completion of Services, is amended as follows:

3.1. Notwithstanding any provision of this Agreement to the contrary, and subject to the approval of the Governor of the State of New Hampshire, issued under the Executive Order 2020-04 and any extensions thereof, this Agreement, and all obligations of the parties hereunder, shall become effective on August 1, 2020. ("Effective Date").

1.2. Paragraph 3, Effective Date/Completion of Services, is amended by adding subparagraph 3.3 as follows:

3.3. The parties may extend the Agreement for up to one (1) additional year from the Completion Date, contingent upon satisfactory delivery of services, available funding, agreement of the parties, and required governmental approval.

1.3. Paragraph 12, Subparagraph 12.3, Assignment/Delegation/Subcontracts, is amended as follows:

12.3. Subcontractors are subject to the same contractual conditions as the Contractor and the Contractor is responsible to ensure subcontractor compliance with those conditions. The Contractor shall have written agreements with all subcontractors, specifying the work to be performed and how corrective action shall be managed if the subcontractor's performance is inadequate. The Contractor shall manage the subcontractor's performance on an ongoing basis and take corrective action as necessary. The Contractor shall annually provide the State with a list of all subcontractors provided for under this Agreement and notify the State of any inadequate subcontractor performance.

Scope of Services

1. Statement of Work

1.1. For the purposes of this agreement, any references to days shall mean calendar days.

1.2. The Contractor shall conduct specimen collection and testing for SARS-CoV-2 in an outpatient setting for pre-procedural hospital patients and individuals referred by primary care providers within the hospital's network no later than August 1, 2020.

1.3. The Contractor shall begin conducting specimen collection and testing for SARS-CoV-2 in an outpatient setting for individuals who reside within the hospital catchment area or local community, regardless of individuals' prior affiliations with the hospital's network no later than August 17, 2020.

1.4. The Contractor shall conduct specimen collection and testing for patients who have symptoms of COVID-19 or who are pre-symptomatic or asymptomatic at the request of:

1.4.1. The individual to be tested; or

1.4.2. The Department of Health and Human Services (Department) Division of Public Health Services (DPHS).

1.5. The Contractor shall not require an office or telemedicine visit for asymptomatic patients in order for patients to receive COVID-19 testing.

1.6. In the event of a significant increase in community transmission of COVID-19, the Contractor shall not be responsible for meeting significantly increased levels of testing and may request the Department to provide additional testing capacity.

1.7. The Contractor shall determine the appropriate venue and physical location for specimen collection, which may include, but is not limited to:

1.7.1. An existing physical location.

1.7.2. A temporary drive-through location.

1.7.3. A drive-up facility.

1.8. The Contractor shall request a waiver, if necessary, from the Department's Bureau of Health Facilities Administration for a temporary drive-through location or drive-up facility.

1.9. The Contractor shall determine the appropriate number of days per week and the duration of time per day to perform community specimen collection for COVID-19 testing to meet the needs of the hospital catchment area and local community and communicate the hours of operation to the Department.

1.10. The Contractor shall ensure the collection, handling, processing and testing of

specimens comply with guidelines issued by the Centers for Disease Control and Prevention (CDC), available at https://www.cdc.gov/coronavirus/2019-nCoV/lab/guidelines-clinical-specimens.html and by the laboratory used for processing specimens.

1.11. The Contractor shall ensure patients sign an appropriate consent form, prior to collection of specimens, authorizing testing at the laboratory and reporting to the ordering medical provider, the Department, and any other individual or entity designated to receive the test results.

1.12. The Contractor shall identify of any communication access needs to ensure needed language assistance is provided, which may include, but is not limited to:

1.12.1. Over-the-phone interpretation of spoken languages.

1.12.2. Video remote interpretation to access American Sign Language.

1.13. The Contractor shall ensure communication and language assistance is provided to individuals, as appropriate and needed, to ensure the validity of any signed consent by utilizing translated consent forms and/or interpreters.

1.14. The Contractor shall ensure all personnel collecting, handling, processing and transporting specimens are trained to safeguard the confidentiality of the patient and protected health information (PHI), as defined in the Health Information Portability and Accountability Act (HIPAA).

1.15. The Contractor shall ensure the secure and confidential transporting of specimens to the laboratory.

1.16. The Contractor shall ensure the ordering provider for each COVID-19 test is a licensed medical provider.

1.17. The Contractor shall ensure the licensed medical provider ordering COVID-19 tests notifies patients of testing results received from the laboratory in a timely manner. The Contractor shall ensure:

1.17.1. Patients with positive results confirming the diagnosis of COVID-19 are informed:

1.17.1.1. By telephone or other electronic method.

1.17.1.2. By first-class U.S. mail, if telephone or other electronic method is unsuccessful

1.17.2. Patients with negative results are informed of test results in a method determined by the Contractor.

1.18. The Contractor shall utilize existing communication methods to inform the local community of the availability of outpatient COVID-19 testing, which may include, but are not limited to:

1.18.1. The hospital's website.

1.18.2. Hospital newsletters.

1.18.3. Social media platforms.

1.19. The Contractor shall ensure published information includes how and when patients can access the services and the location of the specimen collection site.

1.20. The Contractor shall ensure any marketing materials abide by existing requirements for communication access, including but not limited to:

1.20.1. Vital and significant materials should be made available in additional languages, as appropriate, and must be translated by qualified, competent translation providers, as follows:

1.20.1.1. Statewide, only Spanish meets the criteria for translation.

1.20.1.2. Translation is required for languages depending on factors including the number and proportion of LEP persons served or likely to seek services in the Contractor's service areas, and the frequency with which LEP individuals come into contact with the Contractor's programs, activities and services. .

1.20.1.3. Notification on all materials of the availability of free communication access and language assistance for any individuals who may require it.

1.20.1.4. All materials have a phone number to call for further information, ensuring staff answering that phone number shall have access to over-the-phone interpretation to assist callers who need spoken language interpretation.

1.21. The Contractor shall provide communication and language assistance at all points of contact in accessing COVID-19 testing to individuals with communication access needs, including individuals with limited English proficiency, or individuals who are deaf or have hearing loss.

1.22. The Contractor shall conduct outreach to vulnerable populations and minority populations in the hospital catchment area or local community, including notifying partner organizations who work with these populations about the availability of COVID-19 testing.

1.23. The Contractor shall report both positive and negative test results to the Division of Public Health Services through the Electronic Laboratory Reporting (ELR) system, or ensure the laboratory used for processing specimens and conducting testing reports both positive and negative results to the Division of Public Health Services through the ELR system.

1.24. The Contractor shall report all positive cases of COVID-19 with complete case information by fax to (603) 271-0545 to the Division of Public Health Services.

using the New Hampshire Confidential COVID-19 Case Report Form available at: https://www.dhhs.nh.gov/dphs/cdcs/covid19/covid19-reporting-form.pdf.

1.25. The Contractor may bill patients and their insurance carriers and may retain all payments made to the Contractor for testing.

1.26. The Contractor shall notify patients who are uninsured or do not have full coverage benefits for COVID-19 testing that New Hampshire Medicaid has established a COVID-19 Testing Benefit that may pay for testing and diagnosis of COVID-19 for persons who are not already a Medicaid beneficiary and do not have full coverage for COVID-19 testing and diagnosis. The Contractor shall assist patients in completing the application available at https://nheasy.nh.gov.

2. Exhibits Incorporated

2.1. The Contractor shall use and disclose Protected Health Information in compliance with the Standards for Privacy of Individually Identifiable Health Information (Privacy Rule) (45 CFR Parts 160 and 164) under the Health Insurance Portability and Accountability Act (HIPAA) of 1996, and in accordance with the attached Exhibit I, Business Associate Agreement, which has been executed by the parties.

2.2. The Contractor shall comply with all Exhibits D through K, which are attached hereto and incorporated by reference herein.

2.3. The Contractor's Use and Responsibilities for Confidential Information are as follows.

2.3.1. The Contractor agrees to use, disclose, maintain, or transmit Confidential Data from Providers as required, specifically authorized, or permitted under the Contract or this Agreement. Further, the Contractor, including but not limited to all its directors, officers, employees, and agents, agrees not to use, disclose, maintain, or transmit PHI in any manner that would constitute a violation of the Privacy and Security Rules. The Contractor shall provide Confidential Information as required by the Contract, RSA 141-C:7, 141-C:9, RSA 141-C:10, and in a form required by He-P 301.03 and the "New Hampshire Local Implementation Guide for Electronic Laboratory Reporting for Communicable Disease and Lead Test Results Using HL7 2.5.1," Version 4.0 (5/23/2016), found at: https://www.dhhs.nh.gov/dphs/bphsi/documents/elrguide.pdf.

2.3.2. The Contractor shall transmit Confidential Information to the Division of Public Health Services by means of a secure file transport protocol (sFTP) provided by the Department and agreed to by the parties and approved by the Department's Information Security Officer.

2.3.2.1. Any individual seeking credentials to access the sFTP site shall sign and return to the Department a "Data Use and

Confidentiality Agreement" (Attachment A) when requesting sFTP account.

2.3.3. The Contractor shall transmit the Confidential Information to the Division of Public Health Services as required by statute and this Agreement, namely:

2.3.3.1. All test results, including but not limited to positive and negative results, shall be reported electronically via electronic laboratory reporting procedures, also referred to as "ELR," as noted above.

2.3.3.2. Test results shall be provided within 24 hours of the test being completed.

2.4. As necessary, the Contractor agrees to comply with any request to correct or complete the data once transmitted to the Division of Public Health Services.

2.5. The Contractor agrees that the data submitted shall be the "minimum necessary" to carry out the stated use of the data, as defined in the HIPAA Privacy Rule and in accordance with all applicable confidentiality laws.

2.6. The parties agree that this Agreement shall be construed in accordance the terms of Contract and governed by the laws of the State of New Hampshire.

2.7. The Contractor and the Department agree to negotiate an amendment to this Agreement as needed to address a Contract amendment, or any changes in policy issues, fiscal issues, information security, and other specific safeguards required for maintaining confidentiality of the data.

3. Reporting Requirements

3.1. The Contractor shall submit monthly reports to the Department showing that the public is able to access COVID-19 testing, including, but not limited to:

3.1.1. Number of persons who received COVID-19 testing.

3.1.2. Number of persons assisted with enrollment in the Medicaid COVID-19 Testing benefit or other assistance program who received COVID-19 testing.

3.1.3. Number of persons for whom race and/or ethnicity is documented.

3.2. The Contractor shall ensure race and/or ethnicity demographic identifiers for the persons who received COVID-19 testing are collected consistently and correctly, in accordance with best practice standards and processes as provided by the Office of Heath Equity, and entered either manually or electronically on the hospital or reference laboratory COVID-19 test requisition forms.

4. Additional Terms

4.1. **Impacts Resulting from Court Orders or Legislative Changes**

4.1.1. The Contractor agrees that, to the extent future state or federal legislation or court orders may have an impact on the Services described herein, the State has the right to modify service priorities and expenditure requirements under this Agreement so as to achieve compliance therewith.

4.2. **Federal Civil Rights Laws Compliance: Culturally and Linguistically Appropriate Programs and Services**

4.2.1. The Contractor shall submit within ten (10) days of the contract effective date, and comply with, a detailed description of the communication access and language assistance services they will provide to ensure meaningful access to their programs and/or services to persons with limited English proficiency, people who are deaf or have hearing loss, are blind or have low vision, or who have speech challenges.

4.3. **Credits and Copyright Ownership**

4.3.1. All documents, notices, press releases, research reports and other materials prepared during or resulting from the performance of the services of the Contract shall include the following statement, "The preparation of this (report, document etc.) was financed under a Contract with the State of New Hampshire, Department of Health and Human Services, with funds provided in part by the State of New Hampshire and/or such other funding sources as were available or required, e.g., the United States Department of Health and Human Services."

4.3.2. All materials produced or purchased under the contract shall have prior approval from the Department before printing, production, distribution or use.

4.3.3. The Department shall retain copyright ownership for any and all original materials produced, including, but not limited to: brochures, resource directories, protocols or guidelines, posters and reports.

4.3.4. The Contractor shall not reproduce any materials produced under the contract without prior written approval from the Department.

4.4. **Operation of Facilities: Compliance with Laws and Regulations**

4.4.1. In the operation of any facilities for providing services, the Contractor shall comply with all laws, orders and regulations of federal, state, county and municipal authorities and with any direction of any Public Officer or officers pursuant to laws which shall impose an order or duty upon the contractor with respect to the operation of the facility or the provision of the services at such facility. If any governmental license or permit shall be required for the operation of the said facility or the performance of the said services, the Contractor will procure

said license or permit, and will at all times comply with the terms and conditions of each such license or permit. In connection with the foregoing requirements, the Contractor hereby covenants and agrees that, during the term of this Contract the facilities shall comply with all rules, orders, regulations, and requirements of the State Office of the Fire Marshal and the local fire protection agency, and shall be in conformance with local building and zoning codes, by-laws and regulations.

5. Records

5.1. The Contractor shall keep records that include, but are not limited to:

5.1.1. Books, records, documents and other electronic or physical data evidencing and reflecting all costs and other expenses incurred by the Contractor in the performance of the Contract, and all income received or collected by the Contractor.

5.1.2. All records must be maintained in accordance with accounting procedures and practices, which sufficiently and properly reflect all such costs and expenses, and which are acceptable to the Department, and to include, without limitation, all ledgers, books, records, and original evidence of costs such as purchase requisitions and orders, vouchers, requisitions for materials, inventories, valuations of in-kind contributions, labor time cards, payrolls, and other records requested or required by the Department.

5.1.3. Statistical, enrollment, attendance or visit records for each recipient of services, which records shall include all records of application and eligibility (including all forms required to determine eligibility for each such recipient), records regarding the provision of services and all invoices submitted to the Department to obtain payment for such services.

5.1.4. Medical records on each patient/recipient of services.

5.2. During the term of this Contract and the period for retention hereunder, the Department, the United States Department of Health and Human Services, and any of their designated representatives shall have access to all reports and records maintained pursuant to the Contract for purposes of audit, examination, excerpts and transcripts. Upon the purchase by the Department of the maximum number of units provided for in the Contract and upon payment of the price limitation hereunder, the Contract and all the obligations of the parties hereunder (except such obligations as, by the terms of the Contract are to be performed after the end of the term of this Contract and/or survive the termination of the Contract) shall terminate, provided however, that if, upon review of the Final Expenditure Report the Department shall disallow any expenses claimed by the Contractor as costs hereunder the Department shall

retain the right, at its discretion, to deduct the amount of such expenses as are disallowed or to recover such sums from the Contractor.

New Hampshire Department of Health and Human Services
HOSPITAL-BASED COVID-19 COMMUNITY TESTING

EXHIBIT B -1

Reporting Entity Data Use and Confidentiality Agreement

By requesting and receiving approval to use confidential data for Department purposes:

- I understand that I will have direct and indirect access to confidential information in the course of performing my work activities.
- I agree to protect the confidential nature of all information to which I have access.
- I understand that there are state and federal laws and regulations that ensure the confidentiality of an individual's information.
- I understand that there are Department policies and agency procedures with which I am required to comply related to the protection of individually identifiable information.
- I understand that the information extracted from the site shall not be shared outside this Scope of Work or related signed Memorandum of Understanding and/or Information Exchange Agreement/Data Sharing Agreement agreed upon.
- I understand that my SFTP or any information security credentials (user name and password) should not be shared with anyone. This applies to credentials used to access the site directly or indirectly through a third party application.
- I will not disclose or make use of the identity, financial or health information of any person or establishment discovered inadvertently. I will report such discoveries as soon as feasible to DHHSInformationSecurityOffice@dhhs.nh.gov and DHHSPrivacyOfficer@dhhs.nh.gov, but no more than 24 hours after the aforementioned has occurred and that Confidential Data may have been exposed or compromised. If a suspected or known information security event, Computer Security Incident, Incident or Breach involves Social Security Administration (SSA) provided data or Internal Revenue Services (IRS) provided Federal Tax Information (FTI).
- I will not imply or state, either in written or oral form, that interpretations based on the data are those of the original data sources or the State of NH unless the data user and the Department are formally collaborating.
- I will acknowledge, in all reports or presentations based on these data, the original source of the data.
- I understand how I am expected to ensure the protection of individually identifiable information. Should questions arise in the future about how to protect information to which I have access, I will immediately notify my supervisor.
- I understand that I am legally and ethically obligated to maintain the confidentiality of Department client, patient, and other sensitive information that is protected by information security, privacy or confidentiality rules and state and federal laws even after I leave the employment of the Department.
- I have been informed that this signed agreement will be retained on file for future reference.

Signature	Date
Printed Name	Title
Business Name	

Payment Terms

1. This Agreement is funded by the Epidemiology and Laboratory Capacity for Prevention and Control of Emerging Infectious Diseases (ELC) cooperative agreement from the Centers for Disease Control and Prevention Division of Prepardness and Emerging Infections, CFDA #93.323, FAIN #NU50CK000522.
2. For the purposes of this Agreement:
   - 2.1. The Department has identified the Contractor as a Subrecipient, in accordance with 2 CFR 200.330.
   - 2.2. The Department has identified this Contract as NON-R&D, in accordance with 2 CFR §200.87.
3. This Agreement is for COVID-19 testing and testing-related activities to be conducted between August 1, 2020 and December 1, 2020.
4. Payment:
   - 4.1. The Department will pay the Contractor the amount listed in box 1.8 Price Limitation included in the General Provisions Form Number P-37, for providing the services included in Exhibit B, Scope of Services, after the Effective Date of the Contract.
     - 4.1.1. The Contractor shall submit an expense report in a form satisfactory to the State every sixty (60) days, which identifies allowable expenses incurred during the duration of the contract.
     - 4.1.2. Any unspent start-up payment funds will be returned to the Department within sixty (60) calendar days of contract expiration date.
     - 4.1.3. In lieu of hard copies, all expense reports may be assigned an electronic signature and must be emailed to dphscontractbilling@dhhs.nh.gov.
5. The Contractor must provide the services in Exhibit B, Scope of Services, in compliance with funding requirements.
6. The Contractor agrees that funding under this Agreement may be recouped, in whole or in part in the event of non-compliance with the terms and conditions of Exhibit B, Scope of Services.
7. The Contractor shall keep detailed records of their activities related to Department-funded programs and services and have records available for Department review, as requested.
8. Notwithstanding anything to the contrary herein, the Contractor agrees that funding under this agreement may be recouped, in whole or in part, in the event

of non-compliance with any Federal or State law, rule or regulation applicable to the services provided, or if the said services or products have not been satisfactorily completed in accordance with the terms and conditions of this agreement.

9. Notwithstanding Paragraph 17 of the General Provisions Form P-37, changes limited to adjusting amounts within the price limitation and adjusting encumbrances between State Fiscal Years and budget class lines through the Budget Office may be made by written agreement of both parties, without obtaining approval of the Governor and Executive Council, if needed and justified.

10. Audits

10.1. The Contractor is required to submit an annual audit to the Department if **any** of the following conditions exist:

10.1.1. Condition A - The Contractor expended $750,000 or more in federal funds received as a subrecipient pursuant to 2 CFR Part 200, during the most recently completed fiscal year.

10.1.2. Condition B - The Contractor is subject to audit pursuant to the requirements of NH RSA 7:28, III-b, pertaining to charitable organizations receiving support of $1,000,000 or more.

10.1.3. Condition C - The Contractor is a public company and required by Security and Exchange Commission (SEC) regulations to submit an annual financial audit.

10.2. If Condition A exists, the Contractor shall submit an annual single audit performed by an independent Certified Public Accountant (CPA) to the Department within 120 days after the close of the Contractor's fiscal year, conducted in accordance with the requirements of 2 CFR Part 200, Subpart F of the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal awards.

10.3. If Condition B or Condition C exists, the Contractor shall submit an annual financial audit performed by an independent CPA within 120 days after the close of the Contractor's fiscal year.

10.4. In addition to, and not in any way in limitation of obligations of the Contract, it is understood and agreed by the Contractor that the Contractor shall be held liable for any state or federal audit exceptions and shall return to the Department all payments made under the Contract to which exception has been taken, or which have been disallowed because of such an exception.

CERTIFICATION REGARDING DRUG-FREE WORKPLACE REQUIREMENTS

The Vendor identified in Section 1.3 of the General Provisions agrees to comply with the provisions of Sections 5151-5160 of the Drug-Free Workplace Act of 1988 (Pub. L. 100-690, Title V, Subtitle D; 41 U.S.C. 701 et seq.), and further agrees to have the Contractor's representative, as identified in Sections 1.11 and 1.12 of the General Provisions execute the following Certification:

ALTERNATIVE I - FOR GRANTEES OTHER THAN INDIVIDUALS

US DEPARTMENT OF HEALTH AND HUMAN SERVICES - CONTRACTORS
US DEPARTMENT OF EDUCATION - CONTRACTORS
US DEPARTMENT OF AGRICULTURE - CONTRACTORS

This certification is required by the regulations implementing Sections 5151-5160 of the Drug-Free Workplace Act of 1988 (Pub. L. 100-690, Title V, Subtitle D; 41 U.S.C. 701 et seq.). The January 31, 1989 regulations were amended and published as Part II of the May 25, 1990 Federal Register (pages 21681-21691), and require certification by grantees (and by inference, sub-grantees and sub-contractors), prior to award, that they will maintain a drug-free workplace. Section 3017.630(c) of the regulation provides that a grantee (and by inference, sub-grantees and sub-contractors) that is a State may elect to make one certification to the Department in each federal fiscal year in lieu of certificates for each grant during the federal fiscal year covered by the certification. The certificate set out below is a material representation of fact upon which reliance is placed when the agency awards the grant. False certification or violation of the certification shall be grounds for suspension of payments, suspension or termination of grants, or government wide suspension or debarment. Contractors using this form should send it to:

Commissioner
NH Department of Health and Human Services
129 Pleasant Street,
Concord, NH 03301-6505

1. The grantee certifies that it will or will continue to provide a drug-free workplace by:
   - 1.1. Publishing a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession or use of a controlled substance is prohibited in the grantee's workplace and specifying the actions that will be taken against employees for violation of such prohibition;
   - 1.2. Establishing an ongoing drug-free awareness program to inform employees about
     - 1.2.1. The dangers of drug abuse in the workplace;
     - 1.2.2. The grantee's policy of maintaining a drug-free workplace;
     - 1.2.3. Any available drug counseling, rehabilitation, and employee assistance programs; and
     - 1.2.4. The penalties that may be imposed upon employees for drug abuse violations occurring in the workplace;
   - 1.3. Making it a requirement that each employee to be engaged in the performance of the grant be given a copy of the statement required by paragraph (a);
   - 1.4. Notifying the employee in the statement required by paragraph (a) that, as a condition of employment under the grant, the employee will
     - 1.4.1. Abide by the terms of the statement; and
     - 1.4.2. Notify the employer in writing of his or her conviction for a violation of a criminal drug statute occurring in the workplace no later than five calendar days after such conviction;
   - 1.5. Notifying the agency in writing, within ten calendar days after receiving notice under subparagraph 1.4.2 from an employee or otherwise receiving actual notice of such conviction. Employers of convicted employees must provide notice, including position title, to every grant officer on whose grant activity the convicted employee was working, unless the Federal agency

has designated a central point for the receipt of such notices. Notice shall include the identification number(s) of each affected grant;

1.6. Taking one of the following actions, within 30 calendar days of receiving notice under subparagraph 1.4.2, with respect to any employee who is so convicted

1.6.1. Taking appropriate personnel action against such an employee, up to and including termination, consistent with the requirements of the Rehabilitation Act of 1973, as amended; or

1.6.2. Requiring such employee to participate satisfactorily in a drug abuse assistance or rehabilitation program approved for such purposes by a Federal, State, or local health, law enforcement, or other appropriate agency;

1.7. Making a good faith effort to continue to maintain a drug-free workplace through implementation of paragraphs 1.1, 1.2, 1.3, 1.4, 1.5, and 1.6.

2. The grantee may insert in the space provided below the site(s) for the performance of work done in connection with the specific grant.

Place of Performance (street address, city, county, state, zip code) (list each location)

Check ☐ if there are workplaces on file that are not identified here.

CONTRACTOR
~~Vendor~~ Name:

7.24.2020
Date

Name: PETER E. WALCEK
Title: VP FINANCE/CFO

~~Vendor~~ Initials PW
CONTRACTOR Date 7.24.2020

CERTIFICATION REGARDING LOBBYING

The Vendor identified in Section 1.3 of the General Provisions agrees to comply with the provisions of Section 319 of Public Law 101-121, Government wide Guidance for New Restrictions on Lobbying, and 31 U.S.C. 1352, and further agrees to have the Contractor's representative, as identified in Sections 1.11 and 1.12 of the General Provisions execute the following Certification:

US DEPARTMENT OF HEALTH AND HUMAN SERVICES - CONTRACTORS
US DEPARTMENT OF EDUCATION - CONTRACTORS
US DEPARTMENT OF AGRICULTURE - CONTRACTORS

Programs (indicate applicable program covered):
*Temporary Assistance to Needy Families under Title IV-A
*Child Support Enforcement Program under Title IV-D
*Social Services Block Grant Program under Title XX
*Medicaid Program under Title XIX
*Community Services Block Grant under Title VI
*Child Care Development Block Grant under Title IV

The undersigned certifies, to the best of his or her knowledge and belief, that:

1. No Federal appropriated funds have been paid or will be paid by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement (and by specific mention sub-grantee or sub-contractor).

2. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement (and by specific mention sub-grantee or sub-contractor), the undersigned shall complete and submit Standard Form LLL, (Disclosure Form to Report Lobbying, in accordance with its instructions, attached and identified as Standard Exhibit E-I.)

3. The undersigned shall require that the language of this certification be included in the award document for sub-awards at all tiers (including subcontracts, sub-grants, and contracts under grants, loans, and cooperative agreements) and that all sub-recipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by Section 1352, Title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than $10,000 and not more than $100,000 for each such failure.

CONTRACTOR
Vendor Name:

7.24.2020
Date

Peter E. Walcek
Name: PETER E. WALCEK
Title: VP FINANCE/CFO

CERTIFICATION REGARDING DEBARMENT, SUSPENSION AND OTHER RESPONSIBILITY MATTERS

The Vendor identified in Section 1.3 of the General Provisions agrees to comply with the provisions of Executive Office of the President, Executive Order 12549 and 45 CFR Part 76 regarding Debarment, Suspension, and Other Responsibility Matters, and further agrees to have the Contractor's representative, as identified in Sections 1.11 and 1.12 of the General Provisions execute the following Certification:

INSTRUCTIONS FOR CERTIFICATION

1. By signing and submitting this proposal (contract), the prospective primary participant is providing the certification set out below.

2. The inability of a person to provide the certification required below will not necessarily result in denial of participation in this covered transaction. If necessary, the prospective participant shall submit an explanation of why it cannot provide the certification. The certification or explanation will be considered in connection with the NH Department of Health and Human Services' (DHHS) determination whether to enter into this transaction. However, failure of the prospective primary participant to furnish a certification or an explanation shall disqualify such person from participation in this transaction.

3. The certification in this clause is a material representation of fact upon which reliance was placed when DHHS determined to enter into this transaction. If it is later determined that the prospective primary participant knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government, DHHS may terminate this transaction for cause or default.

4. The prospective primary participant shall provide immediate written notice to the DHHS agency to whom this proposal (contract) is submitted if at any time the prospective primary participant learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances.

5. The terms "covered transaction," "debarred," "suspended," "ineligible," "lower tier covered transaction," "participant," "person," "primary covered transaction," "principal," "proposal," and "voluntarily excluded," as used in this clause, have the meanings set out in the Definitions and Coverage sections of the rules implementing Executive Order 12549: 45 CFR Part 76. See the attached definitions.

6. The prospective primary participant agrees by submitting this proposal (contract) that, should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transaction with a person who is debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by DHHS.

7. The prospective primary participant further agrees by submitting this proposal that it will include the clause titled "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion - Lower Tier Covered Transactions," provided by DHHS, without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions.

8. A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that it is not debarred, suspended, ineligible, or involuntarily excluded from the covered transaction, unless it knows that the certification is erroneous. A participant may decide the method and frequency by which it determines the eligibility of its principals. Each participant may, but is not required to, check the Nonprocurement List (of excluded parties).

9. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and

Vendor Initials AW
Contractor Date 7.24.2020

information of a participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.

10. Except for transactions authorized under paragraph 6 of these instructions, if a participant in a covered transaction knowingly enters into a lower tier covered transaction with a person who is suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction, in addition to other remedies available to the Federal government, DHHS may terminate this transaction for cause or default.

PRIMARY COVERED TRANSACTIONS

11. The prospective primary participant certifies to the best of its knowledge and belief, that it and its principals:
    11.1. are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any Federal department or agency;
    11.2. have not within a three-year period preceding this proposal (contract) been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State or local) transaction or a contract under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;
    11.3. are not presently indicted for otherwise criminally or civilly charged by a governmental entity (Federal, State or local) with commission of any of the offenses enumerated in paragraph (l)(b) of this certification; and
    11.4. have not within a three-year period preceding this application/proposal had one or more public transactions (Federal, State or local) terminated for cause or default.

12. Where the prospective primary participant is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this proposal (contract).

LOWER TIER COVERED TRANSACTIONS

13. By signing and submitting this lower tier proposal (contract), the prospective lower tier participant, as defined in 45 CFR Part 76, certifies to the best of its knowledge and belief that it and its principals:
    13.1. are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any federal department or agency.
    13.2. where the prospective lower tier participant is unable to certify to any of the above, such prospective participant shall attach an explanation to this proposal (contract).

14. The prospective lower tier participant further agrees by submitting this proposal (contract) that it will include this clause entitled "Certification Regarding Debarment, Suspension, Ineligibility, and Voluntary Exclusion - Lower Tier Covered Transactions," without modification in all lower tier covered transactions and in all solicitations for lower tier covered transactions.

Vendor Name:

7.24.2020
Date

Name: PETER E. WALCH
Title: VP FINANCE/CFO

CERTIFICATION OF COMPLIANCE WITH REQUIREMENTS PERTAINING TO FEDERAL NONDISCRIMINATION, EQUAL TREATMENT OF FAITH-BASED ORGANIZATIONS AND WHISTLEBLOWER PROTECTIONS

The Vendor identified in Section 1.3 of the General Provisions agrees by signature of the Contractor's representative as identified in Sections 1.11 and 1.12 of the General Provisions, to execute the following certification:

Vendor will comply, and will require any subgrantees or subcontractors to comply, with any applicable federal nondiscrimination requirements, which may include:

- the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. Section 3789d) which prohibits recipients of federal funding under this statute from discriminating, either in employment practices or in the delivery of services or benefits, on the basis of race, color, religion, national origin, and sex. The Act requires certain recipients to produce an Equal Employment Opportunity Plan;

- the Juvenile Justice Delinquency Prevention Act of 2002 (42 U.S.C. Section 5672(b)) which adopts by reference, the civil rights obligations of the Safe Streets Act. Recipients of federal funding under this statute are prohibited from discriminating, either in employment practices or in the delivery of services or benefits, on the basis of race, color, religion, national origin, and sex. The Act includes Equal Employment Opportunity Plan requirements;

- the Civil Rights Act of 1964 (42 U.S.C. Section 2000d, which prohibits recipients of federal financial assistance from discriminating on the basis of race, color, or national origin in any program or activity);

- the Rehabilitation Act of 1973 (29 U.S.C. Section 794), which prohibits recipients of Federal financial assistance from discriminating on the basis of disability, in regard to employment and the delivery of services or benefits, in any program or activity;

- the Americans with Disabilities Act of 1990 (42 U.S.C. Sections 12131-34), which prohibits discrimination and ensures equal opportunity for persons with disabilities in employment, State and local government services, public accommodations, commercial facilities, and transportation;

- the Education Amendments of 1972 (20 U.S.C. Sections 1681, 1683, 1685-86), which prohibits discrimination on the basis of sex in federally assisted education programs;

- the Age Discrimination Act of 1975 (42 U.S.C. Sections 6106-07), which prohibits discrimination on the basis of age in programs or activities receiving Federal financial assistance. It does not include employment discrimination;

- 28 C.F.R. pt. 31 (U.S. Department of Justice Regulations – OJJDP Grant Programs); 28 C.F.R. pt. 42 (U.S. Department of Justice Regulations – Nondiscrimination; Equal Employment Opportunity; Policies and Procedures); Executive Order No. 13279 (equal protection of the laws for faith-based and community organizations); Executive Order No. 13559, which provide fundamental principles and policy-making criteria for partnerships with faith-based and neighborhood organizations;

- 28 C.F.R. pt. 38 (U.S. Department of Justice Regulations – Equal Treatment for Faith-Based Organizations); and Whistleblower protections 41 U.S.C. §4712 and The National Defense Authorization Act (NDAA) for Fiscal Year 2013 (Pub. L. 112-239, enacted January 2, 2013) the Pilot Program for Enhancement of Contract Employee Whistleblower Protections, which protects employees against reprisal for certain whistle blowing activities in connection with federal grants and contracts.

The certificate set out below is a material representation of fact upon which reliance is placed when the agency awards the grant. False certification or violation of the certification shall be grounds for suspension of payments, suspension or termination of grants, or government wide suspension or debarment.

In the event a Federal or State court or Federal or State administrative agency makes a finding of discrimination after a due process hearing on the grounds of race, color, religion, national origin, or sex against a recipient of funds, the recipient will forward a copy of the finding to the Office for Civil Rights, to the applicable contracting agency or division within the Department of Health and Human Services, and to the Department of Health and Human Services Office of the Ombudsman.

The Vendor identified in Section 1.3 of the General Provisions agrees by signature of the Contractor's representative as identified in Sections 1.11 and 1.12 of the General Provisions, to execute the following certification:

1. By signing and submitting this proposal (contract) the Vendor agrees to comply with the provisions indicated above.

CONTRACTOR
Vendor Name:

7.24.2020
Date

Name: PETER E. WALICK
Title: VP FINANCE/CFO

CERTIFICATION REGARDING ENVIRONMENTAL TOBACCO SMOKE

Public Law 103-227, Part C - Environmental Tobacco Smoke, also known as the Pro-Children Act of 1994 (Act), requires that smoking not be permitted in any portion of any indoor facility owned or leased or contracted for by an entity and used routinely or regularly for the provision of health, day care, education, or library services to children under the age of 18, if the services are funded by Federal programs either directly or through State or local governments, by Federal grant, contract, loan, or loan guarantee. The law does not apply to children's services provided in private residences, facilities funded solely by Medicare or Medicaid funds, and portions of facilities used for inpatient drug or alcohol treatment. Failure to comply with the provisions of the law may result in the imposition of a civil monetary penalty of up to $1000 per day and/or the imposition of an administrative compliance order on the responsible entity.

The Vendor identified in Section 1.3 of the General Provisions agrees, by signature of the Contractor's representative as identified in Section 1.11 and 1.12 of the General Provisions, to execute the following certification:

1. By signing and submitting this contract, the Vendor agrees to make reasonable efforts to comply with all applicable provisions of Public Law 103-227, Part C, known as the Pro-Children Act of 1994.

CONTRACTOR
Vendor Name:

7.24.2020
Date

Name: PETER L. MACEK
Title: VP FINANCE/CFO

HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY ACT BUSINESS ASSOCIATE AGREEMENT

The Contractor identified in Section 1.3 of the General Provisions of the Agreement agrees to comply with the Health Insurance Portability and Accountability Act, Public Law 104-191 and with the Standards for Privacy and Security of Individually Identifiable Health Information, 45 CFR Parts 160 and 164 applicable to business associates. As defined herein, "Business Associate" shall mean the Contractor and subcontractors and agents of the Contractor that receive, use or have access to protected health information under this Agreement and "Covered Entity" shall mean the State of New Hampshire, Department of Health and Human Services.

(1) Definitions.

a. "Breach" shall have the same meaning as the term "Breach" in section 164.402 of Title 45, Code of Federal Regulations.

b. "Business Associate" has the meaning given such term in section 160.103 of Title 45, Code of Federal Regulations.

c. "Covered Entity" has the meaning given such term in section 160.103 of Title 45, Code of Federal Regulations.

d. "Designated Record Set" shall have the same meaning as the term "designated record set" in 45 CFR Section 164.501.

e. "Data Aggregation" shall have the same meaning as the term "data aggregation" in 45 CFR Section 164.501.

f. "Health Care Operations" shall have the same meaning as the term "health care operations" in 45 CFR Section 164.501.

g. "HITECH Act" means the Health Information Technology for Economic and Clinical Health Act, TitleXIII, Subtitle D, Part 1 & 2 of the American Recovery and Reinvestment Act of 2009.

h. "HIPAA" means the Health Insurance Portability and Accountability Act of 1996, Public Law 104-191 and the Standards for Privacy and Security of Individually Identifiable Health Information, 45 CFR Parts 160, 162 and 164 and amendments thereto.

i. "Individual" shall have the same meaning as the term "individual" in 45 CFR Section 160.103 and shall include a person who qualifies as a personal representative in accordance with 45 CFR Section 164.501(g).

j. "Privacy Rule" shall mean the Standards for Privacy of Individually Identifiable Health Information at 45 CFR Parts 160 and 164, promulgated under HIPAA by the United States Department of Health and Human Services.

k. "Protected Health Information" shall have the same meaning as the term "protected health information" in 45 CFR Section 160.103, limited to the information created or received by Business Associate from or on behalf of Covered Entity.

Contractor Initials

Date 7.24.2020

l. "Required by Law" shall have the same meaning as the term "required by law" in 45 CFR Section 164.103.

m. "Secretary" shall mean the Secretary of the Department of Health and Human Services or his/her designee.

n. "Security Rule" shall mean the Security Standards for the Protection of Electronic Protected Health Information at 45 CFR Part 164, Subpart C, and amendments thereto.

o. "Unsecured Protected Health Information" means protected health information that is not secured by a technology standard that renders protected health information unusable, unreadable, or indecipherable to unauthorized individuals and is developed or endorsed by a standards developing organization that is accredited by the American National Standards Institute.

p. Other Definitions - All terms not otherwise defined herein shall have the meaning established under 45 C.F.R. Parts 160, 162 and 164, as amended from time to time, and the HITECH
Act.

(2) **Business Associate Use and Disclosure of Protected Health Information.**

a. Business Associate shall not use, disclose, maintain or transmit Protected Health Information (PHI) except as reasonably necessary to provide the services outlined under Exhibit A of the Agreement. Further, Business Associate, including but not limited to all its directors, officers, employees and agents, shall not use, disclose, maintain or transmit PHI in any manner that would constitute a violation of the Privacy and Security Rule.

b. Business Associate may use or disclose PHI:
   I. For the proper management and administration of the Business Associate;
   II. As required by law, pursuant to the terms set forth in paragraph d. below; or
   III. For data aggregation purposes for the health care operations of Covered Entity.

c. To the extent Business Associate is permitted under the Agreement to disclose PHI to a third party, Business Associate must obtain, prior to making any such disclosure, (i) reasonable assurances from the third party that such PHI will be held confidentially and used or further disclosed only as required by law or for the purpose for which it was disclosed to the third party; and (ii) an agreement from such third party to notify Business Associate, in accordance with the HIPAA Privacy, Security, and Breach Notification Rules of any breaches of the confidentiality of the PHI, to the extent it has obtained knowledge of such breach.

d. The Business Associate shall not, unless such disclosure is reasonably necessary to provide services under Exhibit A of the Agreement, disclose any PHI in response to a request for disclosure on the basis that it is required by law, without first notifying Covered Entity so that Covered Entity has an opportunity to object to the disclosure and to seek appropriate relief. If Covered Entity objects to such disclosure, the Business

Associate shall refrain from disclosing the PHI until Covered Entity has exhausted all remedies.

e. If the Covered Entity notifies the Business Associate that Covered Entity has agreed to be bound by additional restrictions over and above those uses or disclosures or security safeguards of PHI pursuant to the Privacy and Security Rule, the Business Associate shall be bound by such additional restrictions and shall not disclose PHI in violation of such additional restrictions and shall abide by any additional security safeguards.

(3) **Obligations and Activities of Business Associate.**

a. The Business Associate shall notify the Covered Entity's Privacy Officer immediately after the Business Associate becomes aware of any use or disclosure of protected health information not provided for by the Agreement including breaches of unsecured protected health information and/or any security incident that may have an impact on the protected health information of the Covered Entity.

b. The Business Associate shall immediately perform a risk assessment when it becomes aware of any of the above situations. The risk assessment shall include, but not be limited to:

- The nature and extent of the protected health information involved, including the types of identifiers and the likelihood of re-identification;
- The unauthorized person used the protected health information or to whom the disclosure was made;
- Whether the protected health information was actually acquired or viewed
- The extent to which the risk to the protected health information has been mitigated.

The Business Associate shall complete the risk assessment within 48 hours of the breach and immediately report the findings of the risk assessment in writing to the Covered Entity.

c. The Business Associate shall comply with all sections of the Privacy, Security, and Breach Notification Rule.

d. Business Associate shall make available all of its internal policies and procedures, books and records relating to the use and disclosure of PHI received from, or created or received by the Business Associate on behalf of Covered Entity to the Secretary for purposes of determining Covered Entity's compliance with HIPAA and the Privacy and Security Rule.

e. Business Associate shall require all of its business associates that receive, use or have access to PHI under the Agreement, to agree in writing to adhere to the same restrictions and conditions on the use and disclosure of PHI contained herein, including the duty to return or destroy the PHI as provided under Section 3 (l). The Covered Entity shall be considered a direct third party beneficiary of the Contractor's business associate agreements with Contractor's intended business associates, who will be receiving PHI

pursuant to this Agreement, with rights of enforcement and indemnification from such business associates who shall be governed by standard Paragraph #13 of the standard contract provisions (P-37) of this Agreement for the purpose of use and disclosure of protected health information.

f. Within five (5) business days of receipt of a written request from Covered Entity, Business Associate shall make available during normal business hours at its offices all records, books, agreements, policies and procedures relating to the use and disclosure of PHI to the Covered Entity, for purposes of enabling Covered Entity to determine Business Associate's compliance with the terms of the Agreement.

g. Within ten (10) business days of receiving a written request from Covered Entity, Business Associate shall provide access to PHI in a Designated Record Set to the Covered Entity, or as directed by Covered Entity, to an individual in order to meet the requirements under 45 CFR Section 164.524.

h. Within ten (10) business days of receiving a written request from Covered Entity for an amendment of PHI or a record about an individual contained in a Designated Record Set, the Business Associate shall make such PHI available to Covered Entity for amendment and incorporate any such amendment to enable Covered Entity to fulfill its obligations under 45 CFR Section 164.526.

i. Business Associate shall document such disclosures of PHI and information related to such disclosures as would be required for Covered Entity to respond to a request by an individual for an accounting of disclosures of PHI in accordance with 45 CFR Section 164.528..

j. Within ten (10) business days of receiving a written request from Covered Entity for a request for an accounting of disclosures of PHI, Business Associate shall make available to Covered Entity such information as Covered Entity may require to fulfill its obligations to provide an accounting of disclosures with respect to PHI in accordance with 45 CFR Section 164.528.

k. In the event any individual requests access to, amendment of, or accounting of PHI directly from the Business Associate, the Business Associate shall within two (2) business days forward such request to Covered Entity. Covered Entity shall have the responsibility of responding to forwarded requests. However, if forwarding the individual's request to Covered Entity would cause Covered Entity or the Business Associate to violate HIPAA and the Privacy and Security Rule, the Business Associate shall instead respond to the individual's request as required by such law and notify Covered Entity of such response as soon as practicable.

l. Within ten (10) business days of termination of the Agreement, for any reason, the Business Associate shall return or destroy, as specified by Covered Entity, all PHI received from, or created or received by the Business Associate in connection with the Agreement, and shall not retain any copies or back-up tapes of such PHI. If return or destruction is not feasible, or the disposition of the PHI has been otherwise agreed to in the Agreement, Business Associate shall continue to extend the protections of the Agreement, to such PHI and limit further uses and disclosures of such PHI to those purposes that make the return or destruction infeasible, for so long as Business

Contractor Initials PA

Date 7.24.2020

Associate maintains such PHI. If Covered Entity, in its sole discretion, requires that the Business Associate destroy any or all PHI, the Business Associate shall certify to Covered Entity that the PHI has been destroyed.

(4) Obligations of Covered Entity

a. Covered Entity shall notify Business Associate of any changes or limitation(s) in its Notice of Privacy Practices provided to individuals in accordance with 45 CFR Section 164.520, to the extent that such change or limitation may affect Business Associate's use or disclosure of PHI.

b. Covered Entity shall promptly notify Business Associate of any changes in, or revocation of permission provided to Covered Entity by individuals whose PHI may be used or disclosed by Business Associate under this Agreement, pursuant to 45 CFR Section 164.506 or 45 CFR Section 164.508.

c. Covered entity shall promptly notify Business Associate of any restrictions on the use or disclosure of PHI that Covered Entity has agreed to in accordance with 45 CFR 164.522, to the extent that such restriction may affect Business Associate's use or disclosure of PHI.

(5) Termination for Cause

In addition to Paragraph 10 of the standard terms and conditions (P-37) of this Agreement the Covered Entity may immediately terminate the Agreement upon Covered Entity's knowledge of a breach by Business Associate of the Business Associate Agreement set forth herein as Exhibit I. The Covered Entity may either immediately terminate the Agreement or provide an opportunity for Business Associate to cure the alleged breach within a timeframe specified by Covered Entity. If Covered Entity determines that neither termination nor cure is feasible, Covered Entity shall report the violation to the Secretary.

(6) Miscellaneous

a. Definitions and Regulatory References. All terms used, but not otherwise defined herein, shall have the same meaning as those terms in the Privacy and Security Rule, amended from time to time. A reference in the Agreement, as amended to include this Exhibit I, to a Section in the Privacy and Security Rule means the Section as in effect or as amended.

b. Amendment. Covered Entity and Business Associate agree to take such action as is necessary to amend the Agreement, from time to time as is necessary for Covered Entity to comply with the changes in the requirements of HIPAA, the Privacy and Security Rule, and applicable federal and state law.

c. Data Ownership. The Business Associate acknowledges that it has no ownership rights with respect to the PHI provided by or created on behalf of Covered Entity.

d. Interpretation. The parties agree that any ambiguity in the Agreement shall be resolved to permit Covered Entity to comply with HIPAA, the Privacy and Security Rule.

e. Segregation. If any term or condition of this Exhibit I or the application thereof to any person(s) or circumstance is held invalid, such invalidity shall not affect other terms or conditions which can be given effect without the invalid term or condition; to this end the terms and conditions of this Exhibit I are declared severable.

f. Survival. Provisions in this Exhibit I regarding the use and disclosure of PHI, return or destruction of PHI, extensions of the protections of the Agreement in section (3) I, the defense and indemnification provisions of section (3) e and Paragraph 13 of the standard terms and conditions (P-37), shall survive the termination of the Agreement.

IN WITNESS WHEREOF, the parties hereto have duly executed this Exhibit I.

Department of Health and Human Services	WENTWORTH-DOUGLASS HOSPITAL
The State	Name of the Contractor
Signature of Authorized Representative	Signature of Authorized Representative
ANN H. LANDRY	PETER E. WALCEK
Name of Authorized Representative	Name of Authorized Representative
ASSOCIATE COMMISSIONER	VP FINANCE/CFO
Title of Authorized Representative	Title of Authorized Representative
7/29/20	JULY 24, 2020
Date	Date

CERTIFICATION REGARDING THE FEDERAL FUNDING ACCOUNTABILITY AND TRANSPARENCY ACT (FFATA) COMPLIANCE

The Federal Funding Accountability and Transparency Act (FFATA) requires prime awardees of individual Federal grants equal to or greater than $25,000 and awarded on or after October 1, 2010, to report on data related to executive compensation and associated first-tier sub-grants of $25,000 or more. If the initial award is below $25,000 but subsequent grant modifications result in a total award equal to or over $25,000, the award is subject to the FFATA reporting requirements, as of the date of the award.
In accordance with 2 CFR Part 170 (Reporting Subaward and Executive Compensation Information), the Department of Health and Human Services (DHHS) must report the following information for any subaward or contract award subject to the FFATA reporting requirements:

1. Name of entity
2. Amount of award
3. Funding agency
4. NAICS code for contracts / CFDA program number for grants
5. Program source
6. Award title descriptive of the purpose of the funding action
7. Location of the entity
8. Principle place of performance
9. Unique identifier of the entity (DUNS #)
10. Total compensation and names of the top five executives if:
    - 10.1. More than 80% of annual gross revenues are from the Federal government, and those revenues are greater than $25M annually and
    - 10.2. Compensation information is not already available through reporting to the SEC.

Prime grant recipients must submit FFATA required data by the end of the month, plus 30 days, in which the award or award amendment is made.
The Contractor identified in Section 1.3 of the General Provisions agrees to comply with the provisions of The Federal Funding Accountability and Transparency Act, Public Law 109-282 and Public Law 110-252, and 2 CFR Part 170 (Reporting Subaward and Executive Compensation Information), and further agrees to have the Contractor's representative, as identified in Sections 1.11 and 1.12 of the General Provisions execute the following Certification:
The below named Contractor agrees to provide needed information as outlined above to the NH Department of Health and Human Services and to comply with all applicable provisions of the Federal Financial Accountability and Transparency Act.

Contractor Name:

7.24.2020
Date

Name: PETER E. WALCH
Title: VP FINANCE/CFO

FORM A

As the Contractor identified in Section 1.3 of the General Provisions, I certify that the responses to the below listed questions are true and accurate.

1. The DUNS number for your entity is: 069909281

2. In your business or organization's preceding completed fiscal year, did your business or organization receive (1) 80 percent or more of your annual gross revenue in U.S. federal contracts, subcontracts, loans, grants, sub-grants, and/or cooperative agreements; and (2) $25,000,000 or more in annual gross revenues from U.S. federal contracts, subcontracts, loans, grants, subgrants, and/or cooperative agreements?

   X NO _____ YES

   If the answer to #2 above is NO, stop here

   If the answer to #2 above is YES, please answer the following:

3. Does the public have access to information about the compensation of the executives in your business or organization through periodic reports filed under section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C.78m(a), 78o(d)) or section 6104 of the Internal Revenue Code of 1986?

   _____ NO _____ YES

   If the answer to #3 above is YES, stop here

   If the answer to #3 above is NO, please answer the following:

4. The names and compensation of the five most highly compensated officers in your business or organization are as follows:

   Name: _____ Amount: _____

   Name: _____ Amount: _____

   Name: _____ Amount: _____

   Name: _____ Amount: _____

   Name: _____ Amount: _____

Contractor Initials PW

Date 7.24.2020

A. Definitions

The following terms may be reflected and have the described meaning in this document:

1. "Breach" means the loss of control, compromise, unauthorized disclosure, unauthorized acquisition, unauthorized access, or any similar term referring to situations where persons other than authorized users and for an other than authorized purpose have access or potential access to personally identifiable information, whether physical or electronic. With regard to Protected Health Information, " Breach" shall have the same meaning as the term "Breach" in section 164.402 of Title 45, Code of Federal Regulations.

2. "Computer Security Incident" shall have the same meaning "Computer Security Incident" in section two (2) of NIST Publication 800-61, Computer Security Incident Handling Guide, National Institute of Standards and Technology, U.S. Department of Commerce.

3. "Confidential Information" or "Confidential Data" means all confidential information disclosed by one party to the other such as all medical, health, financial, public assistance benefits and personal information including without limitation, Substance Abuse Treatment Records, Case Records, Protected Health Information and Personally Identifiable Information.

   Confidential Information also includes any and all information owned or managed by the State of NH - created, received from or on behalf of the Department of Health and Human Services (DHHS) or accessed in the course of performing contracted services - of which collection, disclosure, protection, and disposition is governed by state or federal law or regulation. This information includes, but is not limited to Protected Health Information (PHI), Personal Information (PI), Personal Financial Information (PFI), Federal Tax Information (FTI), Social Security Numbers (SSN), Payment Card Industry (PCI), and or other sensitive and confidential information.

4. "End User" means any person or entity (e.g., contractor, contractor's employee, business associate, subcontractor, other downstream user, etc.) that receives DHHS data or derivative data in accordance with the terms of this Contract.

5. "HIPAA" means the Health Insurance Portability and Accountability Act of 1996 and the regulations promulgated thereunder.

6. "Incident" means an act that potentially violates an explicit or implied security policy, which includes attempts (either failed or successful) to gain unauthorized access to a system or its data, unwanted disruption or denial of service, the unauthorized use of a system for the processing or storage of data; and changes to system hardware, firmware, or software characteristics without the owner's knowledge, instruction, or consent. Incidents include the loss of data through theft or device misplacement, loss or misplacement of hardcopy documents, and misrouting of physical or electronic

mail, all of which may have the potential to put the data at risk of unauthorized access, use, disclosure, modification or destruction.

7. "Open Wireless Network" means any network or segment of a network that is not designated by the State of New Hampshire's Department of Information Technology or delegate as a protected network (designed, tested, and approved, by means of the State, to transmit) will be considered an open network and not adequately secure for the transmission of unencrypted PI, PFI, PHI or confidential DHHS data.

8. "Personal Information" (or "PI") means information which can be used to distinguish or trace an individual's identity, such as their name, social security number, personal information as defined in New Hampshire RSA 359-C:19, biometric records, etc., alone, or when combined with other personal or identifying information which is linked or linkable to a specific individual, such as date and place of birth, mother's maiden name, etc.

9. "Privacy Rule" shall mean the Standards for Privacy of Individually Identifiable Health Information at 45 C.F.R. Parts 160 and 164, promulgated under HIPAA by the United States Department of Health and Human Services.

10. "Protected Health Information" (or "PHI") has the same meaning as provided in the definition of "Protected Health Information" in the HIPAA Privacy Rule at 45 C.F.R. § 160.103.

11. "Security Rule" shall mean the Security Standards for the Protection of Electronic Protected Health Information at 45 C.F.R. Part 164, Subpart C, and amendments thereto.

12. "Unsecured Protected Health Information" means Protected Health Information that is not secured by a technology standard that renders Protected Health Information unusable, unreadable, or indecipherable to unauthorized individuals and is developed or endorsed by a standards developing organization that is accredited by the American National Standards Institute.

I. RESPONSIBILITIES OF DHHS AND THE CONTRACTOR

A. Business Use and Disclosure of Confidential Information.

1. The Contractor must not use, disclose, maintain or transmit Confidential Information except as reasonably necessary as outlined under this Contract. Further, Contractor, including but not limited to all its directors, officers, employees and agents, must not use, disclose, maintain or transmit PHI in any manner that would constitute a violation of the Privacy and Security Rule.
2. The Contractor must not disclose any Confidential Information in response to a

request for disclosure on the basis that it is required by law, in response to a subpoena, etc., without first notifying DHHS so that DHHS has an opportunity to consent or object to the disclosure.

3. If DHHS notifies the Contractor that DHHS has agreed to be bound by additional restrictions over and above those uses or disclosures or security safeguards of PHI pursuant to the Privacy and Security Rule, the Contractor must be bound by such additional restrictions and must not disclose PHI in violation of such additional restrictions and must abide by any additional security safeguards.
4. The Contractor agrees that DHHS Data or derivative there from disclosed to an End User must only be used pursuant to the terms of this Contract.
5. The Contractor agrees DHHS Data obtained under this Contract may not be used for any other purposes that are not indicated in this Contract.
6. The Contractor agrees to grant access to the data to the authorized representatives of DHHS for the purpose of inspecting to confirm compliance with the terms of this Contract.

II. METHODS OF SECURE TRANSMISSION OF DATA

1. Application Encryption. If End User is transmitting DHHS data containing Confidential Data between applications, the Contractor attests the applications have been evaluated by an expert knowledgeable in cyber security and that said application's encryption capabilities ensure secure transmission via the internet.
2. Computer Disks and Portable Storage Devices. End User may not use computer disks or portable storage devices, such as a thumb drive, as a method of transmitting DHHS data.
3. Encrypted Email. End User may only employ email to transmit Confidential Data if email is encrypted and being sent to and being received by email addresses of persons authorized to receive such information.
4. Encrypted Web Site. If End User is employing the Web to transmit Confidential Data, the secure socket layers (SSL) must be used and the web site must be secure. SSL encrypts data transmitted via a Web site.
5. File Hosting Services, also known as File Sharing Sites. End User may not use file hosting services, such as Dropbox or Google Cloud Storage, to transmit Confidential Data.
6. Ground Mail Service. End User may only transmit Confidential Data via *certified* ground mail within the continental U.S. and when sent to a named individual.
7. Laptops and PDA. If End User is employing portable devices to transmit Confidential Data said devices must be encrypted and password-protected.
8. Open Wireless Networks. End User may not transmit Confidential Data via an open

wireless network. End User must employ a virtual private network (VPN) when remotely transmitting via an open wireless network.

9. Remote User Communication. If End User is employing remote communication to access or transmit Confidential Data, a virtual private network (VPN) must be installed on the End User's mobile device(s) or laptop from which information will be transmitted or accessed.
10. SSH File Transfer Protocol (SFTP), also known as Secure File Transfer Protocol. If End User is employing an SFTP to transmit Confidential Data, End User will structure the Folder and access privileges to prevent inappropriate disclosure of information. SFTP folders and sub-folders used for transmitting Confidential Data will be coded for 24-hour auto-deletion cycle (i.e. Confidential Data will be deleted every 24 hours).
11. Wireless Devices. If End User is transmitting Confidential Data via wireless devices, all data must be encrypted to prevent inappropriate disclosure of information.

III. RETENTION AND DISPOSITION OF IDENTIFIABLE RECORDS

The Contractor will only retain the data and any derivative of the data for the duration of this Contract. After such time, the Contractor will have 30 days to destroy the data and any derivative in whatever form it may exist, unless, otherwise required by law or permitted under this Contract. To this end, the parties must:

A. Retention

1. The Contractor agrees it will not store, transfer or process data collected in connection with the services rendered under this Contract outside of the United States. This physical location requirement shall also apply in the implementation of cloud computing, cloud service or cloud storage capabilities, and includes backup data and Disaster Recovery locations.
2. The Contractor agrees to ensure proper security monitoring capabilities are in place to detect potential security events that can impact State of NH systems and/or Department confidential information for contractor provided systems.
3. The Contractor agrees to provide security awareness and education for its End Users in support of protecting Department confidential information.
4. The Contractor agrees to retain all electronic and hard copies of Confidential Data in a secure location and identified in section IV. A.2
5. The Contractor agrees Confidential Data stored in a Cloud must be in a FedRAMP/HITECH compliant solution and comply with all applicable statutes and regulations regarding the privacy and security. All servers and devices must have currently-supported and hardened operating systems, the latest anti-viral, anti-hacker, anti-spam, anti-spyware, and anti-malware utilities. The environment, as a

whole, must have aggressive intrusion-detection and firewall protection.

6. The Contractor agrees to and ensures its complete cooperation with the State's Chief Information Officer in the detection of any security vulnerability of the hosting infrastructure.

B. Disposition

1. If the Contractor will maintain any Confidential Information on its systems (or its sub-contractor systems), the Contractor will maintain a documented process for securely disposing of such data upon request or contract termination; and will obtain written certification for any State of New Hampshire data destroyed by the Contractor or any subcontractors as a part of ongoing, emergency, and or disaster recovery operations. When no longer in use, electronic media containing State of New Hampshire data shall be rendered unrecoverable via a secure wipe program in accordance with industry-accepted standards for secure deletion and media sanitization, or otherwise physically destroying the media (for example, degaussing) as described in NIST Special Publication 800-88, Rev 1, Guidelines for Media Sanitization, National Institute of Standards and Technology, U. S. Department of Commerce. The Contractor will document and certify in writing at time of the data destruction, and will provide written certification to the Department upon request. The written certification will include all details necessary to demonstrate data has been properly destroyed and validated. Where applicable, regulatory and professional standards for retention requirements will be jointly evaluated by the State and Contractor prior to destruction.
2. Unless otherwise specified, within thirty (30) days of the termination of this Contract, Contractor agrees to destroy all hard copies of Confidential Data using a secure method such as shredding.
3. Unless otherwise specified, within thirty (30) days of the termination of this Contract, Contractor agrees to completely destroy all electronic Confidential Data by means of data erasure, also known as secure data wiping.

IV. PROCEDURES FOR SECURITY

A. Contractor agrees to safeguard the DHHS Data received under this Contract, and any derivative data or files, as follows:

1. The Contractor will maintain proper security controls to protect Department confidential information collected, processed, managed, and/or stored in the delivery of contracted services.
2. The Contractor will maintain policies and procedures to protect Department confidential information throughout the information lifecycle, where applicable, (from creation, transformation, use, storage and secure destruction) regardless of the media used to store the data (i.e., tape, disk, paper, etc.).

3. The Contractor will maintain appropriate authentication and access controls to contractor systems that collect, transmit, or store Department confidential information where applicable.

4. The Contractor will ensure proper security monitoring capabilities are in place to detect potential security events that can impact State of NH systems and/or Department confidential information for contractor provided systems.

5. The Contractor will provide regular security awareness and education for its End Users in support of protecting Department confidential information.

6. If the Contractor will be sub-contracting any core functions of the engagement supporting the services for State of New Hampshire, the Contractor will maintain a program of an internal process or processes that defines specific security expectations, and monitoring compliance to security requirements that at a minimum match those for the Contractor, including breach notification requirements.

7. The Contractor will work with the Department to sign and comply with all applicable State of New Hampshire and Department system access and authorization policies and procedures, systems access forms, and computer use agreements as part of obtaining and maintaining access to any Department system(s). Agreements will be completed and signed by the Contractor and any applicable sub-contractors prior to system access being authorized.

8. If the Department determines the Contractor is a Business Associate pursuant to 45 CFR 160.103, the Contractor will execute a HIPAA Business Associate Agreement (BAA) with the Department and is responsible for maintaining compliance with the agreement.

9. The Contractor will work with the Department at its request to complete a System Management Survey. The purpose of the survey is to enable the Department and Contractor to monitor for any changes in risks, threats, and vulnerabilities that may occur over the life of the Contractor engagement. The survey will be completed annually, or an alternate time frame at the Departments discretion with agreement by the Contractor, or the Department may request the survey be completed when the scope of the engagement between the Department and the Contractor changes.

10. The Contractor will not store, knowingly or unknowingly, any State of New Hampshire or Department data offshore or outside the boundaries of the United States unless prior express written consent is obtained from the Information Security Office leadership member within the Department.

11. Data Security Breach Liability. In the event of any security breach Contractor shall make efforts to investigate the causes of the breach, promptly take measures to prevent future breach and minimize any damage or loss resulting from the breach. The State shall recover from the Contractor all costs of response and recovery from

the breach, including but not limited to: credit monitoring services, mailing costs and costs associated with website and telephone call center services necessary due to the breach.

12. Contractor must, comply with all applicable statutes and regulations regarding the privacy and security of Confidential Information, and must in all other respects maintain the privacy and security of PI and PHI at a level and scope that is not less than the level and scope of requirements applicable to federal agencies, including, but not limited to, provisions of the Privacy Act of 1974 (5 U.S.C. § 552a), DHHS Privacy Act Regulations (45 C.F.R. §5b), HIPAA Privacy and Security Rules (45 C.F.R. Parts 160 and 164) that govern protections for individually identifiable health information and as applicable under State law.

13. Contractor agrees to establish and maintain appropriate administrative, technical, and physical safeguards to protect the confidentiality of the Confidential Data and to prevent unauthorized use or access to it. The safeguards must provide a level and scope of security that is not less than the level and scope of security requirements established by the State of New Hampshire, Department of Information Technology. Refer to Vendor Resources/Procurement at https://www.nh.gov/doit/vendor/index.htm for the Department of Information Technology policies, guidelines, standards, and procurement information relating to vendors.

14. Contractor agrees to maintain a documented breach notification and incident response process. The Contractor will notify the State's Privacy Officer and the State's Security Officer of any security breach immediately, at the email addresses provided in Section VI. This includes a confidential information breach, computer security incident, or suspected breach which affects or includes any State of New Hampshire systems that connect to the State of New Hampshire network.

15. Contractor must restrict access to the Confidential Data obtained under this Contract to only those authorized End Users who need such DHHS Data to perform their official duties in connection with purposes identified in this Contract.

16. The Contractor must ensure that all End Users:

    a. comply with such safeguards as referenced in Section IV A. above, implemented to protect Confidential Information that is furnished by DHHS under this Contract from loss, theft or inadvertent disclosure.

    b. safeguard this information at all times.

    c. ensure that laptops and other electronic devices/media containing PHI, PI, or PFI are encrypted and password-protected.

    d. send emails containing Confidential Information only if encrypted and being sent to and being received by email addresses of persons authorized to receive such information.

e. limit disclosure of the Confidential Information to the extent permitted by law.

f. Confidential Information received under this Contract and individually identifiable data derived from DHHS Data, must be stored in an area that is physically and technologically secure from access by unauthorized persons during duty hours as well as non-duty hours (e.g., door locks, card keys, biometric identifiers, etc.).

g. only authorized End Users may transmit the Confidential Data, including any derivative files containing personally identifiable information, and in all cases, such data must be encrypted at all times when in transit, at rest, or when stored on portable media as required in section IV above.

h. in all other instances Confidential Data must be maintained, used and disclosed using appropriate safeguards, as determined by a risk-based assessment of the circumstances involved.

i. understand that their user credentials (user name and password) must not be shared with anyone. End Users will keep their credential information secure. This applies to credentials used to access the site directly or indirectly through a third party application.

Contractor is responsible for oversight and compliance of their End Users. DHHS reserves the right to conduct onsite inspections to monitor compliance with this Contract, including the privacy and security requirements provided in herein, HIPAA, and other applicable laws and Federal regulations until such time the Confidential Data is disposed of in accordance with this Contract.

V. LOSS REPORTING

The Contractor must notify the State's Privacy Officer and Security Officer of any Security Incidents and Breaches immediately, at the email addresses provided in Section VI.

The Contractor must further handle and report Incidents and Breaches involving PHI in accordance with the agency's documented Incident Handling and Breach Notification procedures and in accordance with 42 C.F.R. §§ 431.300 - 306. In addition to, and notwithstanding, Contractor's compliance with all applicable obligations and procedures, Contractor's procedures must also address how the Contractor will:

1. Identify Incidents;
2. Determine if personally identifiable information is involved in Incidents;
3. Report suspected or confirmed Incidents as required in this Exhibit or P-37;
4. Identify and convene a core response group to determine the risk level of Incidents and determine risk-based responses to Incidents; and

5. Determine whether Breach notification is required, and, if so, identify appropriate Breach notification methods, timing, source, and contents from among different options, and bear costs associated with the Breach notice as well as any mitigation measures.

Incidents and/or Breaches that implicate PI must be addressed and reported, as applicable, in accordance with NH RSA 359-C:20.

VI. PERSONS TO CONTACT

A. DHHS Privacy Officer:

DHHSPrivacyOfficer@dhhs.nh.gov

B. DHHS Security Officer:

DHHSInformationSecurityOffice@dhhs.nh.gov

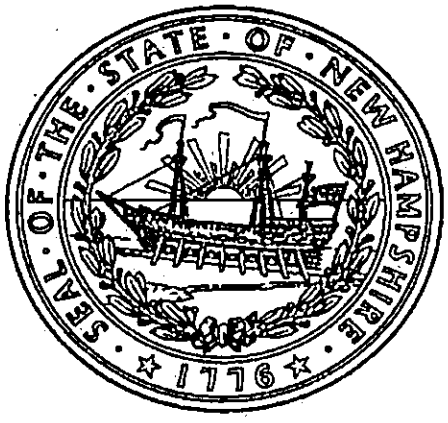
State of New Hampshire
Department of State

CERTIFICATE

I, William M. Gardner, Secretary of State of the State of New Hampshire, do hereby certify that WENTWORTH-DOUGLASS HOSPITAL is a New Hampshire Nonprofit Corporation registered to transact business in New Hampshire on February 09, 1905. I further certify that all fees and documents required by the Secretary of State's office have been received and is in good standing as far as this office is concerned.

Business ID: **68727**

Certificate Number: **0004961501**



IN TESTIMONY WHEREOF,

I hereto set my hand and cause to be affixed the Seal of the State of New Hampshire, this 20th day of July A.D. 2020.

William M. Gardner

Secretary of State

CERTIFICATE OF AUTHORITY

I, Carol Bailey, hereby certify that:
(Name of the elected Officer of the Corporation/LLC; cannot be contract signatory)

1. I am a duly elected Clerk/Secretary/Officer of Wentworth-Douglass Hospital.
(Corporation/LLC Name)

2. The following is a true copy of a vote taken at a meeting of the Executive Committee of the Board of Trustees, duly called and held on July 24, 2020, at which a quorum of the Trustees/members were present and voting.
(Date)

VOTED: That Peter Walcek, Vice President of Finance/Chief Financial Officer is duly authorized on behalf of Wentworth-Douglass Hospital to enter into contracts or agreements with the State of New Hampshire and any of its agencies or departments and further is authorized to execute any and all documents, agreements and other instruments, and any amendments, revisions, or modifications thereto, which may in his/her judgment be desirable or necessary to affect the purpose of this vote.

3. I hereby certify that said vote has not been amended or repealed and remains in full force and effect as of the date of the contract/contract amendment to which this certificate is attached. This authority **remains valid for thirty (30)** days from the date of this Certificate of Authority. I further certify that it is understood that the State of New Hampshire will rely on this certificate as evidence that the person(s) listed above currently occupy the position(s) indicated and that they have full authority to bind the corporation. To the extent that there are any limits on the authority of any listed individual to bind the corporation in contracts with the State of New Hampshire, all such limitations are expressly stated herein.

Dated: 7/24/2020

Carol D Bailey

Signature of Elected Officer
Name: Carol Bailey
Title: Chairman

Controlled Risk Insurance Company of Vermont, Inc.
(A Risk Retention Group)
Burlington, Vermont

Medical Professional Liability and General Liability Policy

Additional Insured Endorsement

Named Insured: THE MASSACHUSETTS GENERAL HOSPITAL Effective Date: 01/01/2020

Policy No: MGH-CRICO-C-GLPL-1606-2020 Endorsement No: E2-36

Endorsement Effective Date: 07/21/2020 Policy Period: 01/01/2020 to 12/31/2020

Additional Insured: State of New Hampshire, Department of Health and Human Services

STATE OF NEW HAMPSHIRE
DEPARTMENT OF HEALTH AND HUMAN SERVICES
129 PLEASANT STREET
CONCORD, NH 03301

This Endorsement modifies the General Liability Policy.

I. For purposes of this Endorsement only, Section IV of the General Liability Policy, PERSONS INSURED, is amended to include the person(s), organization(s) or entities set forth above as an additional insured ("**Additional Insured**"), but only with respect to liability for **Bodily Injury**, **Property Damage**, or **Personal and Advertising Injury** caused by:

1. the negligence of the **Named Insured**; or

2. the negligence of others acting on behalf of the **Named Insured**;

and, in either case of 1 or 2 above, only to the extent such liability arises out of Wentworth-Douglass Hospital agreement with the State of New Hampshire for the COVID Program (the "**Agreement**").

However, the insurance afforded to such **Additional Insured** pursuant to this Endorsement:

1. Only applies to the extent permitted by law; and

2. Only applies to **Claims** resulting from an **Event** occurring within the **Policy Territory**, **Policy Period**, and subsequent to the Endorsement Effective Date; and,

3. Will not be broader than that which the **Named Insured** is required by the **Agreement** to provide to such **Additional Insured**.

II. With respect to the insurance afforded to the **Additional Insured** only, Section II "LIMITS OF LIABILITY" is deleted and replaced with the following:

Regardless of the number of **Claims** made, **Suits** brought, **Insureds**, **Additional Insureds**, persons injured, or persons asserting **Claims**, the **Company's** liability is limited as follows:

a. The limit of liability applicable to each **Claim** arising out of an **Event** is the amount required by the **Agreement**; or $5,000,000 (Five Million Dollars), whichever is less. That amount is the most the **Company** will pay for all **Damages** as well as all **Claims Expense** arising out of each **Event** under this policy and endorsements attached hereto.

b. The limit of liability applicable to each **Claim** because of all **Personal and Advertising Injury** sustained by any one person or organization or group of related persons or organizations is the amount required by the **Agreement** or $5,000,000 (Five Million Dollars), whichever is less. That amount is the most the **Company** will pay for all **Damages** as well as all **Claims Expense** because of all **Personal and Advertising Injury** sustained by any one person or organization or group of related persons or organizations.

Subject to the limits of liability stated in a and b above, the most the **Company** will pay on behalf of the **Insureds**, **Additional**

Insureds, and the **Named Insured** combined for all **Damages** and all **Claims Expense** for any one **Claim** is the amount required by the **Agreement** or $5,000,000 (Five Million Dollars), whichever is less.

Any claims that have or are alleged to have as a common nexus or cause, any fact, circumstance, situation, act, decision, event, treatment, transaction or negligence or have or are alleged to have a series of logically connected facts, circumstances, situations, acts, decisions, events, treatments, transactions or negligence, shall be treated as arising from one **Event** or one **Personal and Advertising Injury** liability, as the case may be, and shall be considered a single **Claim** under this policy.

Notwithstanding the limits described in this LIMITS OF LIABILITY section, a sub-limit of $50,000 per **Loss** applies to **Property Damage** to structures or portions thereof, including fixtures permanently attached thereto, which are rented or occupied, but not owned, by an **Insured** and caused by fire.

Notwithstanding the limits described in this LIMITS OF LIABILITY section, a sub-limit of $25,000 per **Loss** applies to **Property Damage** to property which is:

1. An **Elevator** rented or occupied, but not owned, by an **Insured**; or

2. Rented or occupied, but not owned, by an **Insured** and the **Property Damage** is caused by an **Elevator Collision**.

In addition, the LIMITS OF LIABLITY applicable to a **Claim** against the **Additional Insured** shall not exceed the LIMITS OF LIABILITY as required under the terms of the **Agreement**.

This endorsement shall not increase the applicable Limits of Liability shown on the DECLARATIONS page of the Policy regardless of the number of **Claims, Insureds** or **Additional Insureds**.

III. Should the above described policy be canceled before the expiration date thereof, the **Company** will endeavor to mail 30 days written notice to the **Additional Insured**, but failure to mail such notice shall impose no obligation or liability of any kind upon the **Company**.

All other terms and conditions of the policy shall remain unchanged by this Endorsement.

Terms appearing in bold in this Endorsement shall have the same meaning as the definition of that term in the policy which this Endorsement modifies.

Notice: The Policy and this endorsement are issued by a risk retention group. A risk retention group may not be subject to all of the insurance laws and regulations of your state. State insurance insolvency guaranty funds are not available for risk retention groups.

IN WITNESS WHEREOF the **Company** has caused this Endorsement to be signed by its duly authorized representative.

Rev. 08-2019

Duly Authorized Representative

ACORD

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY): 07/30/2020

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER
Willis Towers Watson Northeast, Inc.
c/o 26 Century Blvd
P.O. Box 305191
Nashville, TN 372305191 USA

CONTACT NAME: Willis Towers Watson Certificate Center
PHONE (A/C, No, Ext): 1-877-945-7378 FAX (A/C, No): 1-888-467-2378
E-MAIL ADDRESS: certificates@willis.com

INSURER(S) AFFORDING COVERAGE	NAIC #
INSURER A: Safety National Casualty Corporation	15105
INSURER B:	
INSURER C:	
INSURER D:	
INSURER E:	
INSURER F:	

INSURED
Wentworth-Douglass Hospital
789 Central Avenue
Dover, NH 03820

COVERAGES **CERTIFICATE NUMBER:** W17416888 **REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
	COMMERCIAL GENERAL LIABILITY						EACH OCCURRENCE	$
	☐ CLAIMS-MADE ☐ OCCUR						DAMAGE TO RENTED PREMISES (Ea occurrence)	$
							MED EXP (Any one person)	$
							PERSONAL & ADV INJURY	$
	GEN'L AGGREGATE LIMIT APPLIES PER:						GENERAL AGGREGATE	$
	☐ POLICY ☐ PRO-JECT ☐ LOC						PRODUCTS - COMP/OP AGG	$
	☐ OTHER:							$
	AUTOMOBILE LIABILITY						COMBINED SINGLE LIMIT (Ea accident)	$
	☐ ANY AUTO						BODILY INJURY (Per person)	$
	☐ OWNED AUTOS ONLY ☐ SCHEDULED AUTOS						BODILY INJURY (Per accident)	$
	☐ HIRED AUTOS ONLY ☐ NON-OWNED AUTOS ONLY						PROPERTY DAMAGE (Per accident)	$
								$
	☐ UMBRELLA LIAB ☐ OCCUR						EACH OCCURRENCE	$
	☐ EXCESS LIAB ☐ CLAIMS-MADE						AGGREGATE	$
	☐ DED ☐ RETENTION $							$
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY Y/N						☐ PER STATUTE ☐ OTH-ER	
	ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? ☐ (Mandatory in NH)	N/A					E.L. EACH ACCIDENT	$
	If yes, describe under DESCRIPTION OF OPERATIONS below						E.L. DISEASE - EA EMPLOYEE	$
							E.L. DISEASE - POLICY LIMIT	$
A	Employers Liability			AGC4062094	01/01/2020	01/01/2021	Per Occurrence	$1,000,000
	Employers Liability						Aggregate	$1,000,000
	Self Insured Retention						Per Occurrence	$650,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

CERTIFICATE HOLDER

State of NH
Department of Health and Human Services
129 Pleasant Street
Concord, NH 03301

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

Julia M Powers

SR ID: 19924185 BATCH: 1765338

WENTWORTH-DOUGLASS HOSPITAL
A Mass General Community Hospital

Wentworth-Douglass Hospital
Mission Statement

We partner with individuals and families to attain their highest level of health.

Amended	Ratified
May 4, 1998	April 5, 2003
February 7, 2000	April 5, 2004
May 6, 2002	April 8, 2006
April 2, 2005	April 2, 2007
April 4, 2011	April 7, 2008
January 9, 2017	February 2, 2009
	April 5, 2010
	February 6, 2012
	February 4, 2013
	April 7, 2014
	April 6, 2015
	April 4, 2016
	August 6, 2018
	August 5, 2019

Wentworth-Douglass Hospital
Vision Statement

Wentworth-Douglass Hospital will be the regional hub for health care services on the Seacoast of New Hampshire and York County, Maine. We will be recognized for the breadth of clinical services provided, the quality of clinical outcomes, and the value of health care services delivered.

Amended	Ratified
April 5, 1999	April 5, 2004
June 3, 2002	April 2, 2007
September 12, 2005	April 7, 2008
April 5, 2010	February 2, 2009
February 6, 2012	April 4, 2011
October 6, 2012	February 4, 2013
April 6, 2015	April 7, 2014
January 9, 2017	April 4, 2016
	August 6, 2018
	August 5, 2019

Partners HealthCare System, Inc. and Affiliates
Consolidated Balance Sheets
September 30, 2019 and 2018

(in thousands of dollars)	2019	2018
Assets		
Current assets		
Cash and equivalents	$ 283,807	$ 398,413
Investments	2,791,502	1,942,117
Current portion of investments limited as to use	2,235,171	1,465,354
Patient accounts receivable, net	1,129,594	1,078,086
Research grants receivable	136,557	154,449
Other current assets	556,954	517,812
Receivable for settlements with third-party payers	116,791	115,561
Total current assets	7,250,376	5,671,792
Investments limited as to use, less current portion	4,498,716	3,716,162
Long-term investments	1,997,617	1,628,972
Net pledges and contributions receivable, less current portion	284,924	246,951
Property and equipment, net	6,557,206	6,401,710
Other assets	643,534	637,944
Total assets	$ 21,232,373	$ 18,303,531
Liabilities and Net Assets		
Current liabilities		
Current portion of long-term obligations	$ 455,165	$ 459,390
Accounts payable and accrued expenses	790,820	696,890
Accrued medical claims and related expenses	57,550	64,398
Accrued employee compensation and benefits	932,870	854,375
Accrual for settlements with third-party payers	75,287	68,711
Unexpended funds on research grants	262,017	284,178
Total current liabilities	2,573,709	2,427,942
Accrued professional liability	542,136	512,516
Accrued employee benefits	2,410,974	958,275
Interest rate swaps liability	510,579	254,295
Accrued other	187,060	231,954
Long-term obligations, less current portion	5,260,196	4,945,968
Total liabilities	11,484,654	9,330,950
Commitments and contingencies		
Net assets		
Unrestricted	7,358,335	7,073,335
Donor restricted	2,389,384	1,899,246
Total net assets	9,747,719	8,972,581
Total liabilities and net assets	$ 21,232,373	$ 18,303,531

The accompanying notes are an integral part of these consolidated financial statements.

Partners HealthCare System, Inc. and Affiliates
Consolidated Statements of Operations
Years Ended September 30, 2019 and 2018

(in thousands of dollars)	2019	2018
Operating revenues		
Net patient service revenue	$ 10,145,150	$ 9,239,118
Premium revenue	791,356	1,420,489
Direct academic and research revenue	1,594,085	1,485,467
Indirect academic and research revenue	463,247	420,559
Other revenue	957,499	741,636
Total operating revenues	13,951,337	13,307,269
Operating expenses		
Employee compensation and benefit expenses	7,110,009	6,635,581
Supplies and other expenses	3,339,331	3,027,832
Medical claims and related expenses	556,110	993,870
Direct academic and research expenses	1,594,085	1,485,467
Depreciation and amortization expenses	686,374	674,030
Interest expense	180,922	180,590
Total operating expenses	13,466,831	12,997,370
Income from operations	484,506	309,899
Nonoperating gains (expenses)		
Income from investments	182,829	198,118
Change in fair value of interest rate swaps	(271,527)	131,182
Other nonoperating income (expenses)	(123,911)	(61,321)
Academic and research gifts, net of expenses	214,267	91,415
Contribution income - affiliates	-	157,312
Total nonoperating gains, net	1,658	516,706
Excess of revenues over expenses	486,164	826,605
Other changes in net assets		
Change in net unrealized appreciation on marketable investments	-	(90,243)
Funds utilized for property and equipment	111,641	39,052
Change in funded status of defined benefit plans	(1,415,364)	399,318
Other changes in net assets	2,478	9,433
Cumulative effect of accounting change	1,100,081	-
Increase in unrestricted net assets	$ 285,000	$ 1,184,165

The accompanying notes are an integral part of these consolidated financial statements.

Partners HealthCare System, Inc. and Affiliates
Consolidated Statements of Changes in Net Assets
Years Ended September 30, 2019 and 2018

(in thousands of dollars)	Unrestricted	Donor Restricted	Total
Net assets at September 30, 2017	$ 5,889,170	$ 1,574,939	$ 7,464,109
Increases (decreases)			
Income from operations	309,899	-	309,899
Income from investments	198,118	35,691	233,809
Change in fair value of interest rate swaps	131,182	-	131,182
Other nonoperating income (expenses)	(61,321)	143,387	82,066
Academic and research gifts, net of expenses	91,415	-	91,415
Contribution income - affiliates	157,312	166,281	323,593
Change in net unrealized appreciation on marketable investments	(90,243)	8,449	(81,794)
Funds utilized for property and equipment	39,052	(18,598)	20,454
Change in funded status of defined benefit plans	399,318	-	399,318
Other changes in net assets	9,433	(10,903)	(1,470)
Change in net assets	1,184,165	324,307	1,508,472
Net assets at September 30, 2018	7,073,335	1,899,246	8,972,581
Increases (decreases)			
Income from operations	484,506	-	484,506
Income (loss) from investments	182,829	(5,536)	177,293
Change in fair value of interest rate swaps	(271,527)	-	(271,527)
Other nonoperating income (expenses)	(123,911)	379,892	255,981
Academic and research gifts, net of expenses	214,267	-	214,267
Funds utilized for property and equipment	111,641	(83,281)	28,360
Change in funded status of defined benefit plans	(1,415,364)	-	(1,415,364)
Other changes in net assets	2,478	1,880	4,358
Cumulative effect of accounting change	1,100,081	197,183	1,297,264
Change in net assets	285,000	490,138	775,138
Net assets at September 30, 2019	$ 7,358,335	$ 2,389,384	$ 9,747,719

The accompanying notes are an integral part of these consolidated financial statements.

Partners HealthCare System, Inc. and Affiliates
Supplementary Consolidating Balance Sheets
September 30, 2019
(In Thousands)

	BH	MGH	NSMC	NWHCS	MEEI	PCC	PCPO	AllWays Health	PHS	PUC	PAC	ELIMS	PHS CONSOLIDATED	INVESTMENT ELIMS	PHS CONSOLIDATED WITH INVESTMENT ELIMS
ASSETS															
Current assets															
Cash and equivalents	(16,958)	139,204	37,839	11,984	66,453	39,624	(21,113)	55,093	(49,004)	695		-	283,607		283,607
Investments	650,392	1,603,085	(1,264)	146,500	(16,094)	(1,196)	43,737	-	537,687	(1,603)	(64,164)	(156,406)	2,761,502	-	2,761,502
Current portion of investments limited as to use	567,813	779,508	54,158	46,687	23,195	37,594	37,729	-	701,153	1,803	64,164	135,406	2,235,171	-	2,235,171
Patient accounts receivable, net	404,093	547,483	57,607	55,371	23,989	55,554	5,149	-	(15,517)	1,464	-	(5,468)	1,129,594	-	1,129,594
Due from affiliates	476	-			-		-		216,755	-	-	(217,229)			
Research grants receivable	55,672	72,048			6,283	914	-		(400)	-		-	136,557		136,557
Other current assets	147,645	254,110	10,253	15,500	15,231	10,422	5,493	145,190	65,920	34	-	(60,434)	656,954		656,954
Receivable for settlements with third-party payers	17,462	30,252	6,036	2,202	365	857	370	-	57,271		-	-	116,791		116,791
Current portion of notes receivable from affiliates	-	28	-				-		264,322	-		(299,346)		-	
Total current assets	1,644,498	3,375,712	166,390	274,355	141,628	143,549	65,284	200,253	1,813,165	2,183	-	(592,875)	7,253,376	-	7,253,376
Investments limited as to use, less current portion	1,117,137	2,714,506	48,045	33,484	114,925	37,250	723	155,637	277,722				4,498,715		4,498,715
Long-term investments	278,706	1,426,957	44,235	79,139	153,595	5,452	-	-	1,271	-	-		1,597,617	-	1,597,617
Net pledges and contributions receivable, less current portion	84,260	176,715	1,325	2,506	10,435	5,519	-	-		-	-	-	284,924		284,924
Interest in the net assets of affiliate	-				-		-	-		-			-		
Property and equipment, net	1,955,543	2,851,204	363,120	243,065	162,878	290,240	6,140	2,121	463,843	7,503	241	-	6,557,238		6,557,238
Other assets	325,977	258,296	26,256	25,939	16,462	56	2,689	-	9,554		-	-	643,534		643,534
Notes receivable from affiliates, less current portion	-	157	-		-		-		3,578,690	-		(3,578,607)	-	-	
Total assets	5,369,123	10,783,552	651,935	682,546	625,925	460,386	77,035	356,011	6,349,309	9,992	241	(4,161,646)	21,252,373	-	21,252,373
LIABILITIES AND NET ASSETS															
Current liabilities															
Current portion of long-term obligations		4		-	3,900	175	-	-	451,077	-			455,165		455,165
Current portion of notes payable to affiliates	110,352	106,556	55,929	14,305	6,564	2,557	-		-	-		(299,346)	-		
Accounts payable and accrued expenses	76,845	147,620	12,533	14,538	13,250	9,630	22,336	65,825	481,153	870	-	(54,380)	790,820		790,820
Accrued medical claims and related expenses	-		-	-	-			63,018	-	-	-	(5,468)	57,550		57,550
Accrued employee compensation and benefits	274,021	402,273	42,356	33,584	19,551	33,653	7,753	6,780	112,233	339	-	-	932,870	-	932,870
Accrued for settlements with third-party payers	6,616	36,062	2,393	4,036	9,017	565	-		25,347	-	-	(5,961)	75,287	-	75,287
Unexpended funds on research grants	185,423	66,430	(94)	57	8,516	1,529	-		44	-	-	-	262,017	-	262,017
Due to affiliates	96,418	59,048	5,435	14,477	15,485	5,347	17,610	1,944	-	410	241	(217,722)		-	-
Total current liabilities	491,685	879,853	118,564	40,722	73,829	53,601	40,699	137,567	1,068,254	1,419	241	(582,877)	2,573,706	-	2,573,709
Other liabilities															
Accrued professional liability	224,072	244,042	30,030	30,508	13,424						-	-	542,136	-	542,136
Accrued employee benefits	146,837	309,673	13,615	11,727	6,970	3,203	725	355	1,974,831	-	-	-	2,410,974	-	2,410,974
Interest rate swaps liability		-			-				510,579		-	-	510,579		510,579
Accrued other	10,937	50,119	5,105	5,427	5,269	693			105,372	-	-		187,080	-	187,080
Long-term obligations, less current portion		(785)		-	416	1,758	-		5,259,524	-	-	-	5,260,196	-	5,260,196
Notes payable to affiliates, less current portion	1,354,372	1,195,392	695,364	130,559	132,986	29,804	-		-	-	-	(3,578,637)		-	
Total liabilities	2,467,907	2,877,632	862,909	256,003	232,648	85,541	49,422	137,650	8,847,460	1,419	241	(4,161,646)	11,484,854	-	11,484,854
Net assets															
Unrestricted	2,529,976	6,430,072	(255,468)	321,024	219,137	376,780	27,613	220,051	(2,519,422)	8,573	-		7,358,335		7,358,335
Donor restricted	351,240	1,675,848	44,494	82,521	171,939	23,767	-	-	1,271		-		2,389,384	-	2,389,384
Total net assets	2,621,216	8,105,920	(210,974)	403,545	391,076	399,547	27,613	220,051	(2,518,151)	8,573	-	-	9,747,719	-	9,747,719
Total liabilities and net assets	5,569,123	10,783,552	651,935	662,546	625,925	460,386	77,035	358,011	6,349,309	9,992	241	(4,161,646)	21,252,373		21,252,373

Note: Certain amounts have been rounded to the nearest thousand

Partners HealthCare System, Inc. and Affiliates
Consolidating Balance Sheets
September 30, 2019
(In Thousands)

	GH	WDH	CDH	MVH	NKT	McLean	CD VNA	MGPO	CD Practices	NPO	WDPC
ASSETS											
Current assets:											
Cash and equivalents	6,470	18,022	742	19,555	1,937	12,625	1,258	30,695	1,422	6	11,361
Investments	200	145,789	-	20,085	-	-	3,405	446,356	-	-	-
Patient accounts receivable, net	54,857	35,629	74	8,558	-	1,371	-	62,612	-	-	-
Due from affiliates	371,359	38,373	20,727	7,361	5,096	16,249	1,701	78,768	1,332	87	6,410
Research grants receivable	-	26,583	-	-	2,667	-	-	12,168	998	-	-
Other current assets	66,211	260	117	-	-	3,088	-	-	-	-	-
Receivable for settlements with third-party payers	109,216	6,763	3,592	2,287	10,548	6,874	173	27,463	947	-	7,605
Current portion of notes receivable from affiliates	23,096	(4,311)	-	-	32	556	-	10,879	-	-	-
Total current assets	663,509	267,133	25,252	58,346	20,280	42,783	6,537	668,941	4,699	93	25,776
Investments limited as to use, less current portion	222,196	12,711	6,155	34,301	2,457	1,730	1,372	40,907	231	-	429
Long-term investments	10,048	1,411	-	13,013	30,219	311	-	-	-	-	-
Net pledges and contributions receivable, less current portion	33,922	922	-	-	15,822	36,092	-	-	-	-	-
Interest in the net assets of affiliate	1,295,265	-	8,452	-	-	156,990	-	-	-	-	-
Property and equipment, net	1,865,860	249,959	89,342	58,868	97,961	79,861	105	166,940	392	-	21,700
Other assets	113,815	14,567	9,069	4,926	2,183	4,053	-	83,981	-	95	-
Notes receivable from affiliates, less current portion	-	-	-	-	-	-	-	-	-	-	-
Total assets	4,204,615	548,703	137,260	169,456	168,922	321,800	8,014	962,769	5,322	188	47,905
LIABILITIES AND NET ASSETS											
Current liabilities:											
Current portion of long-term obligations	-	4	-	-	-	-	-	-	-	-	-
Current portion of notes payable to affiliates	58,912	2,402	4,657	-	77	11,013	-	1,742	-	-	-
Accounts payable and accrued expenses	57,398	3,934	5,310	1,629	2,792	4,440	840	15,247	1,032	(3)	337
Accrued medical claims and related expenses	-	-	-	-	-	-	-	-	-	-	-
Accrued employee compensation and benefits	213,090	27,040	9,415	4,040	3,053	13,727	589	115,707	3,683	96	7,929
Accrual for settlements with third-party payers	2,433	7,967	6,813	16,383	-	876	-	1,690	-	-	-
Unexpended funds on research grants	84,857	-	74	-	-	1,371	-	(1)	-	-	-
Due to affiliates	50,102	-	4,314	5,922	-	1,992	195	-	-	5,084	48,029
Total current liabilities	466,732	41,247	30,583	27,974	5,922	32,819	1,624	134,385	5,015	5,757	56,295
Other liabilities											
Accrued professional liability	121,048	4,395	10,036	5,853	2,287	4,481	-	96,962	-	-	-
Accrued employee benefits	290,436	8,355	5,319	4,024	7	1,310	-	38,780	231	-	429
Interest rate swaps liability	-	-	-	-	-	-	-	-	-	-	-
Accrued other	35,602	9,256	487	792	-	455	-	110	-	-	333
Long-term obligations, less current portion	-	-	-	-	-	-	-	-	-	-	-
Notes payable to affiliates, less current portion	628,433	99,200	38,568	-	2,050	75,647	-	41,387	-	-	-
Total liabilities	1,503,253	162,453	85,020	38,643	10,246	114,712	1,624	314,604	5,246	5,757	57,057
Net assets											
Unrestricted	1,330,270	382,151	43,809	117,601	103,691	62,662	6,390	648,165	76	(5,569)	(9,152)
Donor restricted	1,371,492	2,099	8,432	13,012	54,985	144,426	-	-	-	-	-
Total net assets	2,701,762	384,220	52,260	130,613	158,676	207,088	6,390	648,165	76	(5,569)	(9,152)
Total liabilities and net assets	4,204,015	546,703	137,280	169,456	168,922	321,800	8,014	962,769	5,322	188	47,905

Note: Certain amounts have been rounded to the nearest thousand

Partners HealthCare System, Inc. and Affiliates
Consolidating Balance Sheets
September 30, 2019
(In Thousands)

cont.

	MGH	CDHHC	MHC	WDMF	IMP	HSC	ELIMS	TOTAL MGH
ASSETS								
Current assets:								
Cash and equivalents	12,348	4,559	-	2,066	15,637	101	-	139,204
Investments	992,380	(26,192)	20,398	631	27,805	3,708	-	1,605,083
Current portion of investments limited as to use	555,259		19,939	-	11,109	-	-	779,506
Patient accounts receivable, net	-	-		-	-	-	-	547,483
Due from affiliates	-	-	1,264	-	-	-	(43,685)	-
Research grants receivable	-	-	-	-	412	-	-	72,088
Other current assets	23,616	359	-	48	2,305	-	-	204,110
Receivable for settlements with third-party payers	-	-	-	-	-	-	-	30,252
Current portion of notes receivable from affiliates	105	-	-	-	-	-	(77)	26
Total current assets	1,583,808	(23,260)	41,601	2,743	57,468	3,809	(43,762)	3,375,714
Investments limited as to use, less current portion	2,283,403	44,304	72,424	7,154	4,735	-	-	2,713,509
Long-term investments	1,359,129	6,571	1,529	1,826	5,906	-	-	1,429,957
Net pledges and contributions receivable, less current portion	68,962	1,529	-	63	3	-	-	178,715
Interest in the net assets of affiliate	-	-	-	-	30,689	-	(1,491,576)	-
Property and equipment, net	191,732	-	-	3	26,471	-	-	2,851,204
Other assets	1,000	-	-	-	141	2,464	-	238,256
Notes receivable from affiliates, less current portion	2,207	-	-	-	-	-	(2,050)	157
Total assets	5,460,235	29,124	115,554	11,789	125,593	6,271	(1,537,388)	10,789,552
LIABILITIES AND NET ASSETS								
Current liabilities:								
Current portion of long-term obligations	29,669	-	-	-	1,143	-	-	4
Current portion of notes payable to affiliates	35,203	4	4	3	15,450	-	(77)	109,558
Accounts payable and accrued expenses	-	-	-	-	-	-	-	147,620
Accrued medical claims and related expenses	1,975	19	-	7	1,859	-	-	-
Accrued employee compensation and benefits	-	-	-	-	-	-	-	402,273
Accrual for settlements with third-party payers	-	-	-	-	129	-	-	36,082
Unexpended funds on research grants	7,279	15,664	-	1,314	1,856	-	(43,685)	86,430
Due to affiliates	74,150	15,687	4	1,324	20,237	-	(43,762)	98,046
Total current liabilities								870,993
Other liabilities								
Accrued professional liability	-	-	-	1	-	-	-	244,042
Accrued employee benefits	-	-	-	-	-	-	-	306,873
Interest rate swaps liability	578	-	-	-	2,478	-	-	-
Accrued other	(785)	-	-	-	-	-	-	50,119
Long-term obligations, less current portion	300,261	-	-	-	11,867	-	(2,050)	(785)
Notes payable to affiliates, less current portion	374,202	15,687	4	1,324	34,582	-	(45,812)	1,195,390
Total liabilities								2,677,932
Net assets								
Unrestricted	3,614,932	4,985	114,021	8,125	67,272	6,271	(65,827)	6,430,072
Donor restricted	1,471,101	8,452	1,529	2,340	23,739	-	(1,425,749)	1,675,846
Total net assets	5,086,033	13,437	115,550	10,465	91,011	6,271	(1,491,576)	8,105,920
Total liabilities and net assets	5,460,235	29,124	115,554	11,789	125,593	6,271	(1,537,388)	10,783,552

Note: Certain amounts have been rounded to the nearest thousand

Partners HealthCare System, Inc. and Affiliates
Supplementary Consolidating Statements of Operations
Year Ended September 30, 2018
(In Thousands)

	BH	MGH	NSMC	NWHCS	WEEI	PCC	PCPO	AllWays Health	PHS	PLIC	PAC	ELIMS	PHS CONSOLIDATED	INVESTMENT ELIMS	PHS CONSOLIDATED WITH INVESTMENT ELIMS
Operating revenues															
Net patient service revenue	3,358,054	4,980,445	599,524	558,096	349,791	395,352	67,096	-	28,766	13,652	-	(201,832)	10,145,150	-	10,145,150
Premium revenue	-	-	-	-	-	-	-	783,699	-	-	-	(2,343)	781,356	-	781,356
Direct academic and research revenue	566,963	941,151	1,662	7,678	52,786	10,774	-	-	13,071	-	-	-	1,594,085	-	1,594,085
Indirect academic and research revenue	174,040	262,586	(18)	550	21,514	3,045	-	-	1,530	-	-	-	463,247	-	463,247
Other revenue	180,899	549,162	38,895	23,948	23,557	5,475	41,887	23,858	1,118,761	-	-	(1,658,810)	957,452	47	957,499
Total operating revenues	4,329,980	6,718,384	600,063	600,274	447,628	415,646	108,983	807,557	1,162,128	13,652	-	(1,862,785)	13,951,290	47	13,951,337
Operating expenses															
Employee compensation and benefit expenses	1,995,888	3,125,399	366,637	371,111	217,804	302,625	89,917	66,027	582,882	11,997	-	(10,276)	7,110,009	-	7,110,009
Supplies and other expenses	1,225,270	1,827,968	185,569	226,950	148,087	107,577	49,069	59,597	292,240	7,213	-	(760,850)	3,339,931	-	3,339,931
Medical claims and related expenses	-	-	-	-	-	-	-	717,710	-	-	-	(161,600)	556,110	-	556,110
Direct academic and research expenses	566,963	941,151	1,662	7,678	52,786	10,774	-	-	13,071	-	-	-	1,594,085	-	1,594,085
Depreciation and amortization expenses	210,219	298,073	29,615	33,202	21,453	21,281	1,950	646	68,801	934	-	-	686,374	-	686,374
Interest expense	53,025	49,931	24,935	4,131	5,741	1,437	-	-	179,983	-	-	(137,481)	180,922	-	180,922
Total operating expenses	4,051,365	6,241,522	609,029	643,092	445,851	444,074	120,936	843,980	1,146,977	20,144	-	(1,100,189)	13,466,831	-	13,466,831
Income (loss) from operations	278,595	476,842	(8,966)	(42,818)	1,777	(28,428)	(11,953)	(36,423)	15,151	(6,492)	-	(762,596)	484,459	47	484,506
Nonoperating gains (expenses)															
Income (loss) from investments	11,071	55,102	3,433	9,155	7,794	2,479	2,302	6,893	89,104	-	-	17,847	165,156	(2,329)	162,829
Change in fair value of interest rate swaps	-	-	-	-	-	-	-	-	(271,527)	-	-	-	(271,527)	-	(271,527)
Other nonoperating income (expenses)	(22,180)	(58,424)	(958)	(3,660)	267	(4,071)	-	-	(43,179)	-	-	8,264	(123,911)	-	(123,911)
Academic and research gifts, net of expenses	63,213	136,312	3,830	(91)	17,559	7,526	-	-	(3,309)	-	-	(17,175)	210,267	4,000	214,267
Systems development funding	(53,315)	(71,842)	(8,851)	(9,982)	-	(7,367)	-	(2,243)	-	-	-	153,660	-	-	-
Total nonoperating gains (expenses), net	(1,211)	63,078	(6,456)	(4,600)	25,620	(1,053)	2,302	4,650	(248,911)	-	-	162,596	(13)	1,671	1,658
Excess (deficit) of revenues over expenses	277,384	539,920	(11,452)	(47,418)	27,397	(29,479)	(9,651)	(21,973)	(233,760)	(6,492)	-	-	484,446	1,718	486,164
Other changes in net assets															
Funds utilized for property and equipment	17,521	89,852	(1)	2,758	1,266	265	-	-	-	-	-	-	111,641	-	111,641
Transfers (to) from affiliates	179,185	258,404	20,558	(4,607)	24,106	20,887	9,324	(100,000)	(409,341)	8,500	-	-	-	-	-
Other changes in net assets	82	-	-	-	(965)	-	-	-	3,349	-	-	-	2,476	-	2,476
Change in funded status of defined benefit plans	(11,995)	(9,610)	(2,294)	(2,711)	1	-	-	-	(1,388,555)	-	-	-	(1,415,364)	-	(1,415,364)
Cumulative effect of accounting change	-	-	-	-	-	-	-	-	-	-	-	-	-	1,100,081	1,100,081
Increase (decrease) in unrestricted net assets	459,197	878,566	6,803	(51,996)	51,811	(8,327)	(357)	(121,973)	(2,028,307)	2,008	-	-	(813,799)	1,101,799	288,000

Partners HealthCare System, Inc. and Affiliates
Consolidating Statements of Operations
Year Ended September 30, 2019
(In Thousands)

	GH	WDH	CDH	MVH	NKT	MGL	CD VNA	MGPO	CD Practices	NPO	WDPC
Operating revenues											
Net patient service revenue	3,115,966	365,673	199,765	100,869	43,823	176,791	12,592	847,863	42,020	4,008	55,015
Premium revenue	-	-	-	-	-	-	-	-	-	-	-
Direct academic and research revenue	364,006	1,048	943	201	2,246	48,912	5	-	-	-	
Indirect academic and research revenue	247,558	56	60	-	15	13,806	-	-	-	-	
Other revenue	243,008	12,862	3,333	2,547	552	15,572	186	356,586	818	29	2,270
Total operating revenues	4,490,538	380,689	204,101	103,617	46,636	255,081	12,783	1,204,449	42,806	4,037	57,285
Operating expenses											
Employee compensation and benefit expenses	1,467,734	170,106	92,342	60,311	27,416	135,075	10,547	979,385	46,643	8,506	82,496
Supplies and other expenses	1,461,022	133,511	85,308	32,747	20,430	54,124	2,176	163,536	10,239	601	22,240
Medical claims and related expenses	-	-	-	-	-	-	-	-	-	-	-
Direct academic and research expenses	894,008	1,048	943	201	2,246	48,912	5	-	-	-	-
Depreciation and amortization expenses	216,639	21,675	12,462	6,306	3,412	9,586	22	12,473	141	-	-
Interest expense	28,575	4,292	1,922	-	107	3,780	-	1,680	-	-	1,917
Total operating expenses	4,068,178	331,532	190,977	99,565	53,611	251,477	12,750	1,157,074	57,023	7,307	106,653
Income (loss) from operations	430,360	50,157	13,124	3,952	(6,975)	3,604	33	47,375	(14,187)	(3,210)	(49,368)
Nonoperating gains (expenses)											
Income (loss) from investments	848	5,737	-	1,072	34	7	191	20,913	-	-	-
Change in fair value of interest rate swaps	-	-	-	-	-	-	-	-	-	-	-
Other nonoperating income (expenses)	(136)	(12,364)	2,507	2,444	3,045	(702)	160	(73)	-	-	-
Academic and research gifts, net of expenses	-	600	25	1,996	1,536	-	71	-	-	-	-
System development funding	-	-	-	(1,240)	(984)	-	-	-	-	-	-
Total nonoperating gains (expenses), net	712	(5,827)	2,532	4,272	3,631	(695)	352	20,840	-	-	-
Excess (deficit) of revenues over expenses	431,072	44,310	15,656	8,224	(3,324)	2,909	385	68,215	(14,187)	(3,210)	(49,368)
Other changes in net assets											
Funds utilized for property and equipment	32,617	-	224	-	74,799	1,276	-	-	-	-	-
Transfers (to) from affiliates	(513,445)	(38,246)	11,998	-	6,182	521	-	(12,940)	14,250	-	34,084
Other changes in net assets	-	-	-	-	-	-	-	-	-	-	-
Change in funded status of defined benefit plans	(7,520)	2	-	(150)	(6)	31	-	(2,117)	-	-	-
Cumulative effect of accounting change	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in unrestricted net assets	(57,316)	8,066	27,878	8,074	77,631	4,727	385	53,158	63	(3,210)	(15,284)

Partners HealthCare System, Inc. and Affiliates
Consolidating Statements of Operations
Year Ended September 30, 2019
(In Thousands)

cont.

	MGH	CDH&HC	MHC	WDHF	IHP	HSC	ELIMS	TOTAL MGH
Operating revenues								
Net patient service revenue	-	-	-	-	-	-	-	4,965,445
Premium revenue	-	-		-	-	-	-	-
Direct academic and research revenue	-	-	-	122	3,668			841,151
Indirect academic and research revenue			-	-	1,093	-	-	282,586
Other revenue	43,030	-	-	-	55,884	(50)	(187,373)	549,182
Total operating revenues	43,030	-	-	122	60,643	(50)	(187,373)	6,718,364
Operating expenses								
Employee compensation and benefit expenses	10,476	-	-	-	36,362	-	-	3,125,399
Supplies and other expenses	16,448	-	-	1	14,052	-	(187,266)	1,827,368
Medical claims and related expenses	-	-	-	-	-	-	-	-
Direct academic and research expenses			-	122	3,668		-	841,151
Depreciation and amortization expenses	6,377	-	-	1	2,942	-	-	298,073
Interest expense	9,062	-	-	-	238	-	(107)	49,531
Total operating expenses	34,363	-	-	124	57,261	-	(187,373)	6,241,522
Income (loss) from operations	(1,333)	-	-	(2)	3,382	(50)	-	476,842
Nonoperating gains (expenses)								
Income (loss) from investments	21,093	1,032	1,855	127	1,687	149	247	55,102
Change in fair value of interest rate swaps	-	-	-	-	-	-	-	-
Other nonoperating income (expenses)	(58,535)	(3,768)	(2,809)	(668)	82	-	11,823	(58,494)
Academic and research gifts, net of expenses	125,503	7	8,077	535	(238)	-	-	136,312
System development funding	(82,520)	(3,639)	(3,475)	-	(4)	-	-	(71,852)
Total nonoperating gains (expenses), net	25,741	(6,068)	3,648	(6)	1,707	149	12,070	63,078
Excess (deficit) of revenues over expenses	24,408	(6,068)	3,648	(6)	5,089	99	12,070	539,920
Other changes in net assets								
Funds utilized for property and equipment	(18,948)	-	(116)	-	-	-	-	89,652
Transfers (to) from affiliates	761,942	(10,436)	2,328	(691)	116	-	763	259,404
Other changes in net assets	-	-	-		-		-	-
Change in funded status of defined benefit plans	-	-	-	-	-		-	-
Cumulative effect of accounting change	-	-	-	-	-		-	(9,810)
Increase (decrease) in unrestricted net assets	767,402	(16,504)	5,860	(699)	5,205	99	12,833	878,366

WENTWORTH-DOUGLASS HOSPITAL
A Mass General Community Hospital

Wentworth-Douglass Hospital
789 Central Avenue
Dover, NH 03820

Board of Trustees as August 2019

Madame Chairman – Carol Bailey
Vice Chairman – John Salmon
Treasurer – James Brannen
Secretary – Atty. Michael Bolduc

Dr. Marcela Del Carmen
Dr. Peter Dirksmeier
James Heffernan
Roger Hamel
Tony James
Anne Jamieson
Dr. Anne Kalter
Dr. Terri Lally
Dr. Nancy Pettinari
Ingo Roemer
Dr. Andrew Warshaw
Gregory Walker

WENTWORTH-DOUGLASS HOSPITAL
A Mass General Community Hospital

Wentworth-Douglass Hospital

Initial Key Personnel

Name	Title	FTEs	Expense (5mo)	% Paid from this Contract	Amount Paid from this Contract
TBD	Scheduler	*1.4*	*$31,318*	*100%*	*$31,318*
TBD	Check-in personnel	*1.4*	*$31,318*	*100%*	*$31,318*
TBD	Nurse level swabber	*1.4*	*$53,469*	*100%*	*$53,469*
TBD	Medical Assistant	*1.4*	*$30,553*	*100%*	*$30,553*
TBD	Laboratory personnel	*0.5*	*$13,115*	*100%*	*$13,115*
TBD	Results personnel	*0.7*	*$15,277*	*100%*	*$15,277*

Subject: Hospital-Based COVID-18 Community Testing (SS-2021-DPHS-04-HOSPI-01)

Notice: This agreement and all of its attachments shall become public upon submission to Governor and Executive Council for approval. Any information that is private, confidential or proprietary must be clearly identified to the agency and agreed to in writing prior to signing the contract.

AGREEMENT

The State of New Hampshire and the Contractor hereby mutually agree as follows:

GENERAL PROVISIONS

1. IDENTIFICATION.

1.1 State Agency Name New Hampshire Department of Health and Human Services		1.2 State Agency Address 129 Pleasant Street Concord, NH 03301-3857	
1.3 Contractor Name North Country Healthcare, Inc.		1.4 Contractor Address 8 Clover Lane Whitefield, NH 03574	
1.5 Contractor Phone Number (603) 389-2205	1.6 Account Number 05-095-090-903010-19010000	1.7 Completion Date December 1, 2020	1.8 Price Limitation $435,000
1.9 Contracting Officer for State Agency Nathan D. White, Director		1.10 State Agency Telephone Number (603) 271-9631	
1.11 Contractor Signature Date: 7/20/20		1.12 Name and Title of Contractor Signatory Thomas Mee CEO	
1.13 State Agency Signature Date: 7/19/20		1.14 Name and Title of State Agency Signatory Ann H. Landry, Assoc. Commissioner	
1.15 Approval by the N.H. Department of Administration, Division of Personnel *(if applicable)* By:		Director, On:	
1.16 Approval by the Attorney General (Form, Substance and Execution) *(if applicable)* By: Catherine Pinos		On: 07/30/20	
1.17 Approval by the Governor and Executive Council *(if applicable)* G&C Item number:		G&C Meeting Date:	

Contractor Initials TM
Date 7/20/20

2. SERVICES TO BE PERFORMED. The State of New Hampshire, acting through the agency identified in block 1.1 ("State"), engages contractor identified in block 1.3 ("Contractor") to perform, and the Contractor shall perform, the work or sale of goods, or both, identified and more particularly described in the attached EXHIBIT B which is incorporated herein by reference ("Services").

3. EFFECTIVE DATE/COMPLETION OF SERVICES.

3.1 Notwithstanding any provision of this Agreement to the contrary, and subject to the approval of the Governor and Executive Council of the State of New Hampshire, if applicable, this Agreement, and all obligations of the parties hereunder, shall become effective on the date the Governor and Executive Council approve this Agreement as indicated in block 1.17, unless no such approval is required, in which case the Agreement shall become effective on the date the Agreement is signed by the State Agency as shown in block 1.13 ("Effective Date").

3.2 If the Contractor commences the Services prior to the Effective Date, all Services performed by the Contractor prior to the Effective Date shall be performed at the sole risk of the Contractor, and in the event that this Agreement does not become effective, the State shall have no liability to the Contractor, including without limitation, any obligation to pay the Contractor for any costs incurred or Services performed. Contractor must complete all Services by the Completion Date specified in block 1.7.

4. CONDITIONAL NATURE OF AGREEMENT.

Notwithstanding any provision of this Agreement to the contrary, all obligations of the State hereunder, including, without limitation, the continuance of payments hereunder, are contingent upon the availability and continued appropriation of funds affected by any state or federal legislative or executive action that reduces, eliminates or otherwise modifies the appropriation or availability of funding for this Agreement and the Scope for Services provided in EXHIBIT B, in whole or in part. In no event shall the State be liable for any payments hereunder in excess of such available appropriated funds. In the event of a reduction or termination of appropriated funds, the State shall have the right to withhold payment until such funds become available, if ever, and shall have the right to reduce or terminate the Services under this Agreement immediately upon giving the Contractor notice of such reduction or termination. The State shall not be required to transfer funds from any other account or source to the Account identified in block 1.6 in the event funds in that Account are reduced or unavailable.

5. CONTRACT PRICE/PRICE LIMITATION/ PAYMENT.

5.1 The contract price, method of payment, and terms of payment are identified and more particularly described in EXHIBIT C which is incorporated herein by reference.

5.2 The payment by the State of the contract price shall be the only and the complete reimbursement to the Contractor for all expenses, of whatever nature incurred by the Contractor in the performance hereof, and shall be the only and the complete compensation to the Contractor for the Services. The State shall have no liability to the Contractor other than the contract price.

5.3 The State reserves the right to offset from any amounts otherwise payable to the Contractor under this Agreement those liquidated amounts required or permitted by N.H. RSA 80:7 through RSA 80:7-c or any other provision of law.

5.4 Notwithstanding any provision in this Agreement to the contrary, and notwithstanding unexpected circumstances, in no event shall the total of all payments authorized, or actually made hereunder, exceed the Price Limitation set forth in block 1.8.

6. COMPLIANCE BY CONTRACTOR WITH LAWS AND REGULATIONS/ EQUAL EMPLOYMENT OPPORTUNITY.

6.1 In connection with the performance of the Services, the Contractor shall comply with all applicable statutes, laws, regulations, and orders of federal, state, county or municipal authorities which impose any obligation or duty upon the Contractor, including, but not limited to, civil rights and equal employment opportunity laws. In addition, if this Agreement is funded in any part by monies of the United States, the Contractor shall comply with all federal executive orders, rules, regulations and statutes, and with any rules, regulations and guidelines as the State or the United States issue to implement these regulations. The Contractor shall also comply with all applicable intellectual property laws.

6.2 During the term of this Agreement, the Contractor shall not discriminate against employees or applicants for employment because of race, color, religion, creed, age, sex, handicap, sexual orientation, or national origin and will take affirmative action to prevent such discrimination.

6.3. The Contractor agrees to permit the State or United States access to any of the Contractor's books, records and accounts for the purpose of ascertaining compliance with all rules, regulations and orders, and the covenants, terms and conditions of this Agreement.

7. PERSONNEL.

7.1 The Contractor shall at its own expense provide all personnel necessary to perform the Services. The Contractor warrants that all personnel engaged in the Services shall be qualified to perform the Services, and shall be properly licensed and otherwise authorized to do so under all applicable laws.

7.2 Unless otherwise authorized in writing, during the term of this Agreement, and for a period of six (6) months after the Completion Date in block 1.7, the Contractor shall not hire, and shall not permit any subcontractor or other person, firm or corporation with whom it is engaged in a combined effort to perform the Services to hire, any person who is a State employee or official, who is materially involved in the procurement, administration or performance of this Agreement. This provision shall survive termination of this Agreement.

7.3 The Contracting Officer specified in block 1.9, or his or her successor, shall be the State's representative. In the event of any dispute concerning the interpretation of this Agreement, the Contracting Officer's decision shall be final for the State.

Contractor Initials _____

Date 7/20/20

8. EVENT OF DEFAULT/REMEDIES.

8.1 Any one or more of the following acts or omissions of the Contractor shall constitute an event of default hereunder ("Event of Default"):

8.1.1 failure to perform the Services satisfactorily or on schedule;

8.1.2 failure to submit any report required hereunder; and/or

8.1.3 failure to perform any other covenant, term or condition of this Agreement.

8.2 Upon the occurrence of any Event of Default, the State may take any one, or more, or all, of the following actions:

8.2.1 give the Contractor a written notice specifying the Event of Default and requiring it to be remedied within, in the absence of a greater or lesser specification of time, thirty (30) days from the date of the notice; and if the Event of Default is not timely cured, terminate this Agreement, effective two (2) days after giving the Contractor notice of termination;

8.2.2 give the Contractor a written notice specifying the Event of Default and suspending all payments to be made under this Agreement and ordering that the portion of the contract price which would otherwise accrue to the Contractor during the period from the date of such notice until such time as the State determines that the Contractor has cured the Event of Default shall never be paid to the Contractor;

8.2.3 give the Contractor a written notice specifying the Event of Default and set off against any other obligations the State may owe to the Contractor any damages the State suffers by reason of any Event of Default; and/or

8.2.4 give the Contractor a written notice specifying the Event of Default, treat the Agreement as breached, terminate the Agreement and pursue any of its remedies at law or in equity, or both.

8.3. No failure by the State to enforce any provisions hereof after any Event of Default shall be deemed a waiver of its rights with regard to that Event of Default, or any subsequent Event of Default. No express failure to enforce any Event of Default shall be deemed a waiver of the right of the State to enforce each and all of the provisions hereof upon any further or other Event of Default on the part of the Contractor.

9. TERMINATION.

9.1 Notwithstanding paragraph 8, the State may, at its sole discretion, terminate the Agreement for any reason, in whole or in part, by thirty (30) days written notice to the Contractor that the State is exercising its option to terminate the Agreement.

9.2 In the event of an early termination of this Agreement for any reason other than the completion of the Services, the Contractor shall, at the State's discretion, deliver to the Contracting Officer, not later than fifteen (15) days after the date of termination, a report ("Termination Report") describing in detail all Services performed, and the contract price earned, to and including the date of termination. The form, subject matter, content, and number of copies of the Termination Report shall be identical to those of any Final Report described in the attached EXHIBIT B. In addition, at the State's discretion, the Contractor shall, within 15 days of notice of early termination, develop and submit to the State a Transition Plan for services under the Agreement.

10. DATA/ACCESS/CONFIDENTIALITY/ PRESERVATION.

10.1 As used in this Agreement, the word "data" shall mean all information and things developed or obtained during the performance of, or acquired or developed by reason of, this Agreement, including, but not limited to, all studies, reports, files, formulae, surveys, maps, charts, sound recordings, video recordings, pictorial reproductions, drawings, analyses, graphic representations, computer programs, computer printouts, notes, letters, memoranda, papers, and documents, all whether finished or unfinished.

10.2 All data and any property which has been received from the State or purchased with funds provided for that purpose under this Agreement, shall be the property of the State, and shall be returned to the State upon demand or upon termination of this Agreement for any reason.

10.3 Confidentiality of data shall be governed by N.H. RSA chapter 91-A or other existing law. Disclosure of data requires prior written approval of the State.

11. CONTRACTOR'S RELATION TO THE STATE. In the performance of this Agreement the Contractor is in all respects an independent contractor, and is neither an agent nor an employee of the State. Neither the Contractor nor any of its officers, employees, agents or members shall have authority to bind the State or receive any benefits, workers' compensation or other emoluments provided by the State to its employees.

12. ASSIGNMENT/DELEGATION/SUBCONTRACTS.

12.1 The Contractor shall not assign, or otherwise transfer any interest in this Agreement without the prior written notice, which shall be provided to the State at least fifteen (15) days prior to the assignment, and a written consent of the State. For purposes of this paragraph, a Change of Control shall constitute assignment. "Change of Control" means (a) merger, consolidation, or a transaction or series of related transactions in which a third party, together with its affiliates, becomes the direct or indirect owner of fifty percent (50%) or more of the voting shares or similar equity interests, or combined voting power of the Contractor, or (b) the sale of all or substantially all of the assets of the Contractor.

12.2 None of the Services shall be subcontracted by the Contractor without prior written notice and consent of the State. The State is entitled to copies of all subcontracts and assignment agreements and shall not be bound by any provisions contained in a subcontract or an assignment agreement to which it is not a party.

13. INDEMNIFICATION. Unless otherwise exempted by law, the Contractor shall indemnify and hold harmless the State, its officers and employees, from and against any and all claims, liabilities and costs for any personal injury or property damages, patent or copyright infringement, or other claims asserted against the State, its officers or employees, which arise out of (or which may be claimed to arise out of) the acts or omission of the

Contractor Initials

Date 7/20/20

Contractor, or subcontractors, including but not limited to the negligence, reckless or intentional conduct. The State shall not be liable for any costs incurred by the Contractor arising under this paragraph 13. Notwithstanding the foregoing, nothing herein contained shall be deemed to constitute a waiver of the sovereign immunity of the State, which immunity is hereby reserved to the State. This covenant in paragraph 13 shall survive the termination of this Agreement.

14. INSURANCE.

14.1 The Contractor shall, at its sole expense, obtain and continuously maintain in force, and shall require any subcontractor or assignee to obtain and maintain in force, the following insurance:

14.1.1 commercial general liability insurance against all claims of bodily injury, death or property damage, in amounts of not less than $1,000,000 per occurrence and $2,000,000 aggregate or excess; and

14.1.2 special cause of loss coverage form covering all property subject to subparagraph 10.2 herein, in an amount not less than 80% of the whole replacement value of the property.

14.2 The policies described in subparagraph 14.1 herein shall be on policy forms and endorsements approved for use in the State of New Hampshire by the N.H. Department of Insurance, and issued by insurers licensed in the State of New Hampshire.

14.3 The Contractor shall furnish to the Contracting Officer identified in block 1.9, or his or her successor, a certificate(s) of insurance for all insurance required under this Agreement. Contractor shall also furnish to the Contracting Officer identified in block 1.9, or his or her successor, certificate(s) of insurance for all renewal(s) of insurance required under this Agreement no later than ten (10) days prior to the expiration date of each insurance policy. The certificate(s) of insurance and any renewals thereof shall be attached and are incorporated herein by reference.

15. WORKERS' COMPENSATION.

15.1 By signing this agreement, the Contractor agrees, certifies and warrants that the Contractor is in compliance with or exempt from, the requirements of N.H. RSA chapter 281-A *("Workers' Compensation")*.

15.2 To the extent the Contractor is subject to the requirements of N.H. RSA chapter 281-A, Contractor shall maintain, and require any subcontractor or assignee to secure and maintain, payment of Workers' Compensation in connection with activities which the person proposes to undertake pursuant to this Agreement. The Contractor shall furnish the Contracting Officer identified in block 1.9, or his or her successor, proof of Workers' Compensation in the manner described in N.H. RSA chapter 281-A and any applicable renewal(s) thereof, which shall be attached and are incorporated herein by reference. The State shall not be responsible for payment of any Workers' Compensation premiums or for any other claim or benefit for Contractor, or any subcontractor or employee of Contractor, which might arise under applicable State of New Hampshire Workers' Compensation laws in connection with the performance of the Services under this Agreement.

16. NOTICE. Any notice by a party hereto to the other party shall be deemed to have been duly delivered or given at the time of mailing by certified mail, postage prepaid, in a United States Post Office addressed to the parties at the addresses given in blocks 1.2 and 1.4, herein.

17. AMENDMENT. This Agreement may be amended, waived or discharged only by an instrument in writing signed by the parties hereto and only after approval of such amendment, waiver or discharge by the Governor and Executive Council of the State of New Hampshire unless no such approval is required under the circumstances pursuant to State law, rule or policy.

18. CHOICE OF LAW AND FORUM. This Agreement shall be governed, interpreted and construed in accordance with the laws of the State of New Hampshire, and is binding upon and inures to the benefit of the parties and their respective successors and assigns. The wording used in this Agreement is the wording chosen by the parties to express their mutual intent, and no rule of construction shall be applied against or in favor of any party. Any actions arising out of this Agreement shall be brought and maintained in New Hampshire Superior Court which shall have exclusive jurisdiction thereof.

19. CONFLICTING TERMS. In the event of a conflict between the terms of this P-37 form (as modified in EXHIBIT A) and/or attachments and amendment thereof, the terms of the P-37 (as modified in EXHIBIT A) shall control.

20. THIRD PARTIES. The parties hereto do not intend to benefit any third parties and this Agreement shall not be construed to confer any such benefit.

21. HEADINGS. The headings throughout the Agreement are for reference purposes only, and the words contained therein shall in no way be held to explain, modify, amplify or aid in the interpretation, construction or meaning of the provisions of this Agreement.

22. SPECIAL PROVISIONS. Additional or modifying provisions set forth in the attached EXHIBIT A are incorporated herein by reference.

23. SEVERABILITY. In the event any of the provisions of this Agreement are held by a court of competent jurisdiction to be contrary to any state or federal law, the remaining provisions of this Agreement will remain in full force and effect.

24. ENTIRE AGREEMENT. This Agreement, which may be executed in a number of counterparts, each of which shall be deemed an original, constitutes the entire agreement and understanding between the parties, and supersedes all prior agreements and understandings with respect to the subject matter hereof.

Contractor Initials _____

Date 7/20/20

REVISIONS TO STANDARD CONTRACT PROVISIONS

1. Revisions to Form P-37, General Provisions

1.1. Paragraph 3; Subparagraph 3.1, Effective Date/Completion of Services, is amended as follows:

3.1. Notwithstanding any provision of this Agreement to the contrary, and subject to the approval of the Governor of the State of New Hampshire, issued under the Executive Order 2020-04 and any extensions thereof, this Agreement, and all obligations of the parties hereunder, shall become effective on August 1, 2020. ("Effective Date").

1.2. Paragraph 3, Effective Date/Completion of Services, is amended by adding subparagraph 3.3 as follows:

3.3. The parties may extend the Agreement for up to one (1) additional year from the Completion Date, contingent upon satisfactory delivery of services, available funding, agreement of the parties, and required governmental approval.

1.3. Paragraph 12, Subparagraph 12.3, Assignment/Delegation/Subcontracts, is amended as follows:

12.3. Subcontractors are subject to the same contractual conditions as the Contractor and the Contractor is responsible to ensure subcontractor compliance with those conditions. The Contractor shall have written agreements with all subcontractors, specifying the work to be performed and how corrective action shall be managed if the subcontractor's performance is inadequate. The Contractor shall manage the subcontractor's performance on an ongoing basis and take corrective action as necessary. The Contractor shall annually provide the State with a list of all subcontractors provided for under this Agreement and notify the State of any inadequate subcontractor performance.

Scope of Services

1. Statement of Work

1.1. For the purposes of this agreement, any references to days shall mean calendar days.

1.2. The Contractor shall conduct specimen collection and testing for SARS-CoV-2 in an outpatient setting for individuals who reside within the hospital catchment area or local community, regardless of individuals' prior affiliations with the hospital.

1.3. The Contractor shall conduct specimen collection and testing for patients who have symptoms of COVID-19 or who are pre-symptomatic or asymptomatic at the request of:

1.3.1. The individual to be tested; or

1.3.2. The Department of Health and Human Services (Department) Division of Public Health Services (DPHS).

1.4. The Contractor shall not require an office or telemedicine visit for asymptomatic patients in order for patients to receive COVID-19 testing.

1.5. In the event of a significant increase in community transmission of COVID-19, the Contractor shall not be responsible for meeting significantly increased levels of testing and may request the Department to provide additional testing capacity.

1.6. The Contractor shall determine the appropriate venue and physical location for specimen collection, which may include, but is not limited to:

1.6.1. An existing physical location.

1.6.2. A temporary drive-through location.

1.6.3. A drive-up facility.

1.7. The Contractor shall request a waiver, if necessary, from the Department's Bureau of Health Facilities Administration for a temporary drive-through location or drive-up facility.

1.8. The Contractor shall determine the appropriate number of days per week and the duration of time per day to perform community specimen collection for COVID-19 testing to meet the needs of the hospital catchment area and local community and communicate the hours of operation to the Department.

1.9. The Contractor shall ensure the collection, handling, processing and testing of specimens comply with guidelines issued by the Centers for Disease Control and Prevention (CDC), available at https://www.cdc.gov/coronavirus/2019-nCoV/lab/guidelines-clinical-specimens.html and by the laboratory used for processing specimens.

1.10. The Contractor shall ensure patients sign an appropriate consent form, prior to

collection of specimens, authorizing testing at the laboratory and reporting to the ordering medical provider, the Department, and any other individual or entity designated to receive the test results.

1.11. The Contractor shall identify of any communication access needs to ensure needed language assistance is provided, which may include, but is not limited to:

1.11.1. Over-the-phone interpretation of spoken languages.

1.11.2. Video remote interpretation to access American Sign Language.

1.12. The Contractor shall ensure communication and language assistance is provided to individuals, as appropriate and needed, to ensure the validity of any signed consent by utilizing translated consent forms and/or interpreters.

1.13. The Contractor shall ensure all personnel collecting, handling, processing and transporting specimens are trained to safeguard the confidentiality of the patient and protected health information (PHI), as defined in the Health Information Portability and Accountability Act (HIPAA).

1.14. The Contractor shall ensure the secure and confidential transporting of specimens to the laboratory.

1.15. The Contractor shall ensure the ordering provider for each COVID-19 test is a licensed medical provider.

1.16. The Contractor shall ensure the licensed medical provider ordering COVID-19 tests notifies patients of testing results received from the laboratory in a timely manner. The Contractor shall ensure:

1.16.1. Patients with positive results confirming the diagnosis of COVID-19 are informed:

1.16.1.1. By telephone or other electronic method.

1.16.1.2. By first-class U.S. mail, if telephone or other electronic method is unsuccessful

1.16.2. Patients with negative results are informed of test results in a method determined by the Contractor.

1.17. The Contractor shall utilize existing communication methods to inform the local community of the availability of outpatient COVID-19 testing, which may include, but are not limited to:

1.17.1. The hospital's website.

1.17.2. Hospital newsletters.

1.17.3. Social media platforms.

1.18. The Contractor shall ensure published information includes how and when patients can access the services and the location of the specimen collection site.

1.19. The Contractor shall ensure any marketing materials abide by existing requirements for communication access, including but not limited to:

1.19.1. Vital and significant materials should be made available in additional languages, as appropriate, and must be translated by qualified, competent translation providers, as follows:

1.19.1.1. Statewide, only Spanish meets the criteria for translation.

1.19.1.2. Translation is required for languages depending on factors including the number and proportion of LEP persons served or likely to seek services in the Contractor's service areas, and the frequency with which LEP individuals come into contact with the Contractor's programs, activities and services.

1.19.1.3. Notification on all materials of the availability of free communication access and language assistance for any individuals who may require it.

1.19.1.4. All materials have a phone number to call for further information, ensuring staff answering that phone number shall have access to over-the-phone interpretation to assist callers who need spoken language interpretation.

1.20. The Contractor shall provide communication and language assistance at all points of contact in accessing COVID-19 testing to individuals with communication access needs, including individuals with limited English proficiency, or individuals who are deaf or have hearing loss.

1.21. The Contractor shall conduct outreach to vulnerable populations and minority populations in the hospital catchment area or local community, including notifying partner organizations who work with these populations about the availability of COVID-19 testing.

1.22. The Contractor shall report both positive and negative test results to the Division of Public Health Services through the Electronic Laboratory Reporting (ELR) system, or ensure the laboratory used for processing specimens and conducting testing reports both positive and negative results to the Division of Public Health Services through the ELR system.

1.23. The Contractor shall report all positive cases of COVID-19 with complete case information by fax to (603) 271-0545 to the Division of Public Health Services using the New Hampshire Confidential COVID-19 Case Report Form available at: https://www.dhhs.nh.gov/dphs/cdcs/covid19/covid19-reporting-form.pdf.

1.24. The Contractor shall notify patients who are uninsured or do not have full coverage benefits for COVID-19 testing that New Hampshire Medicaid has established a COVID-19 Testing Benefit that may pay for testing and diagnosis of COVID-19 for persons who are not already a Medicaid beneficiary and do not have full coverage for COVID-19 testing and diagnosis. The Contractor

shall assist patients in completing the application available at https://nheasy.nh.gov.

2. Exhibits Incorporated

2.1. The Contractor shall use and disclose Protected Health Information in compliance with the Standards for Privacy of Individually Identifiable Health Information (Privacy Rule) (45 CFR Parts 160 and 164) under the Health Insurance Portability and Accountability Act (HIPAA) of 1996, and in accordance with the attached Exhibit I, Business Associate Agreement, which has been executed by the parties.

2.2. The Contractor shall comply with all Exhibits D through K, which are attached hereto and incorporated by reference herein.

2.3. The Contractor's Use and Responsibilities for Confidential Information are as follows.

2.3.1. The Contractor agrees to use, disclose, maintain, or transmit Confidential Data from Providers as required, specifically authorized, or permitted under the Contract or this Agreement. Further, the Contractor, including but not limited to all its directors, officers, employees, and agents, agrees not to use, disclose, maintain, or transmit PHI in any manner that would constitute a violation of the Privacy and Security Rules. The Contractor shall provide Confidential Information as required by the Contract, RSA 141-C:7, 141-C:9, RSA 141-C:10, and in a form required by He-P 301.03 and the "New Hampshire Local Implementation Guide for Electronic Laboratory Reporting for Communicable Disease and Lead Test Results Using HL7 2.5.1," Version 4.0 (5/23/2016), found at: https://www.dhhs.nh.gov/dphs/bphsi/documents/elrguide.pdf.

2.3.2. The Contractor shall transmit Confidential Information to the Division of Public Health Services by means of a secure file transport protocol (sFTP) provided by the Department and agreed to by the parties and approved by the Department's Information Security Officer.

2.3.2.1. Any individual seeking credentials to access the sFTP site shall sign and return to the Department a "Data Use and Confidentiality Agreement" (Attachment A) when requesting sFTP account.

2.3.3. The Contractor shall transmit the Confidential Information to the Division of Public Health Services as required by statute and this Agreement, namely:

2.3.3.1. All test results, including but not limited to positive and negative results, shall be reported electronically via electronic laboratory reporting procedures, also referred to as "ELR," as noted above.

2.3.3.2. Test results shall be provided within 24 hours of the test being completed.

2.4. As necessary, the Contractor agrees to comply with any request to correct or complete the data once transmitted to the Division of Public Health Services.

2.5. The Contractor agrees that the data submitted shall be the "minimum necessary" to carry out the stated use of the data, as defined in the HIPAA Privacy Rule and in accordance with all applicable confidentiality laws.

2.6. The parties agree that this Agreement shall be construed in accordance the terms of Contract and governed by the laws of the State of New Hampshire.

2.7. The Contractor and the Department agree to negotiate an amendment to this Agreement as needed to address a Contract amendment, or any changes in policy issues, fiscal issues, information security, and other specific safeguards required for maintaining confidentiality of the data.

3. Reporting Requirements

3.1. The Contractor shall submit monthly reports to the Department showing that the public is able to access COVID-19 testing, including, but not limited to:

3.1.1. Number of persons who received COVID-19 testing.

3.1.2. Number of persons assisted with enrollment in the Medicaid COVID-19 Testing benefit or other assistance program who received COVID-19 testing.

3.1.3. Number of persons for whom race and/or ethnicity is documented.

3.2. The Contractor shall ensure race and/or ethnicity demographic identifiers for the persons who received COVID-19 testing are collected consistently and correctly, in accordance with best practice standards and processes as provided by the Office of Heath Equity, and entered either manually or electronically on the hospital or reference laboratory COVID-19 test requisition forms.

4. Additional Terms

4.1. Impacts Resulting from Court Orders or Legislative Changes

4.1.1. The Contractor agrees that, to the extent future state or federal legislation or court orders may have an impact on the Services described herein, the State has the right to modify service priorities and expenditure requirements under this Agreement so as to achieve compliance therewith.

4.2. Federal Civil Rights Laws Compliance: Culturally and Linguistically Appropriate Programs and Services

4.2.1. The Contractor shall submit within ten (10) days of the contract effective date, and comply with, a detailed description of the

communication access and language assistance services they will provide to ensure meaningful access to their programs and/or services to persons with limited English proficiency, people who are deaf or have hearing loss, are blind or have low vision, or who have speech challenges.

4.3. Credits and Copyright Ownership

4.3.1. All documents, notices, press releases, research reports and other materials prepared during or resulting from the performance of the services of the Contract shall include the following statement, "The preparation of this (report, document etc.) was financed under a Contract with the State of New Hampshire, Department of Health and Human Services, with funds provided in part by the State of New Hampshire and/or such other funding sources as were available or required, e.g., the United States Department of Health and Human Services."

4.3.2. All materials produced or purchased under the contract shall have prior approval from the Department before printing, production, distribution or use.

4.3.3. The Department shall retain copyright ownership for any and all original materials produced, including, but not limited to: brochures, resource directories, protocols or guidelines, posters and reports.

4.3.4. The Contractor shall not reproduce any materials produced under the contract without prior written approval from the Department.

4.4. Operation of Facilities: Compliance with Laws and Regulations

4.4.1. In the operation of any facilities for providing services, the Contractor shall comply with all laws, orders and regulations of federal, state, county and municipal authorities and with any direction of any Public Officer or officers pursuant to laws which shall impose an order or duty upon the contractor with respect to the operation of the facility or the provision of the services at such facility. If any governmental license or permit shall be required for the operation of the said facility or the performance of the said services, the Contractor will procure said license or permit, and will at all times comply with the terms and conditions of each such license or permit. In connection with the foregoing requirements, the Contractor hereby covenants and agrees that, during the term of this Contract the facilities shall comply with all rules, orders, regulations, and requirements of the State Office of the Fire Marshal and the local fire protection agency, and shall be in conformance with local building and zoning codes, by-laws and regulations.

5. Records

5.1. The Contractor shall keep records that include, but are not limited to:

5.1.1. Books, records, documents and other electronic or physical data evidencing and reflecting all costs and other expenses incurred by the Contractor in the performance of the Contract, and all income received or collected by the Contractor.

5.1.2. All records must be maintained in accordance with accounting procedures and practices, which sufficiently and properly reflect all such costs and expenses, and which are acceptable to the Department, and to include, without limitation, all ledgers, books, records, and original evidence of costs such as purchase requisitions and orders, vouchers, requisitions for materials, inventories, valuations of in-kind contributions, labor time cards, payrolls, and other records requested or required by the Department.

5.1.3. Statistical, enrollment, attendance or visit records for each recipient of services, which records shall include all records of application and eligibility (including all forms required to determine eligibility for each such recipient), records regarding the provision of services and all invoices submitted to the Department to obtain payment for such services.

5.1.4. Medical records on each patient/recipient of services.

5.2. During the term of this Contract and the period for retention hereunder, the Department, the United States Department of Health and Human Services, and any of their designated representatives shall have access to all reports and records maintained pursuant to the Contract for purposes of audit, examination, excerpts and transcripts. Upon the purchase by the Department of the maximum number of units provided for in the Contract and upon payment of the price limitation hereunder, the Contract and all the obligations of the parties hereunder (except such obligations as, by the terms of the Contract are to be performed after the end of the term of this Contract and/or survive the termination of the Contract) shall terminate, provided however, that if, upon review of the Final Expenditure Report the Department shall disallow any expenses claimed by the Contractor as costs hereunder the Department shall retain the right, at its discretion, to deduct the amount of such expenses as are disallowed or to recover such sums from the Contractor.

New Hampshire Department of Health and Human Services
HOSPITAL-BASED COVID-19 COMMUNITY TESTING

EXHIBIT B -1

Reporting Entity Data Use and Confidentiality Agreement

By requesting and receiving approval to use confidential data for Department purposes:

- I understand that I will have direct and indirect access to confidential information in the course of performing my work activities.
- I agree to protect the confidential nature of all information to which I have access.
- I understand that there are state and federal laws and regulations that ensure the confidentiality of an individual's information.
- I understand that there are Department policies and agency procedures with which I am required to comply related to the protection of individually identifiable information.
- I understand that the information extracted from the site shall not be shared outside this Scope of Work or related signed Memorandum of Understanding and/or Information Exchange Agreement/Data Sharing Agreement agreed upon.
- I understand that my SFTP or any information security credentials (user name and password) should not be shared with anyone. This applies to credentials used to access the site directly or indirectly through a third party application.
- I will not disclose or make use of the identity, financial or health information of any person or establishment discovered inadvertently. I will report such discoveries as soon as feasible to DHHSInformationSecurityOffice@dhhs.nh.gov and DHHSPrivacyOfficer@dhhs.nh.gov, but no more than 24 hours after the aforementioned has occurred and that Confidential Data may have been exposed or compromised. If a suspected or known information security event, Computer Security Incident, Incident or Breach involves Social Security Administration (SSA) provided data or Internal Revenue Services (IRS) provided Federal Tax Information (FTI).
- I will not imply or state, either in written or oral form, that interpretations based on the data are those of the original data sources or the State of NH unless the data user and the Department are formally collaborating.
- I will acknowledge, in all reports or presentations based on these data, the original source of the data.
- I understand how I am expected to ensure the protection of individually identifiable information. Should questions arise in the future about how to protect information to which I have access, I will immediately notify my supervisor.
- I understand that I am legally and ethically obligated to maintain the confidentiality of Department client, patient, and other sensitive information that is protected by information security, privacy or confidentiality rules and state and federal laws even after I leave the employment of the Department.
- I have been informed that this signed agreement will be retained on file for future reference.

Signature — Date: 7/20/20

Thomas Mee — Printed Name

CEO — Title

North Country Healthcare — Business Name

Payment Terms

1. This Agreement is funded by the Epidemiology and Laboratory Capacity for Prevention and Control of Emerging Infectious Diseases (ELC) cooperative agreement from the Centers for Disease Control and Prevention Division of Preparedness and Emerging Infections, CFDA #93.323, FAIN #NU50CK000522.
2. For the purposes of this Agreement:
   2.1. The Department has identified the Contractor as a Subrecipient, in accordance with 2 CFR 200.330.
   2.2. The Department has identified this Contract as NON-R&D, in accordance with 2 CFR §200.87.
3. This Agreement is for COVID-19 testing and testing-related activities to be conducted between August 1, 2020 and December 1, 2020.
4. Payment:
   4.1. The Department will pay the Contractor the amount listed in box 1.8 Price Limitation included in the General Provisions Form Number P-37, for providing the services included in Exhibit B, Scope of Services, after the Effective Date of the Contract.
      4.1.1. The Contractor shall submit an expense report in a form satisfactory to the State every sixty (60) days, which identifies allowable expenses incurred during the duration of the contract.
      4.1.2. Any unspent start-up payment funds will be returned to the Department within sixty (60) calendar days of contract expiration date.
      4.1.3. In lieu of hard copies, all expense reports may be assigned an electronic signature and must be emailed to dphscontractbilling@dhhs.nh.gov.
5. The Contractor must provide the services in Exhibit B, Scope of Services, in compliance with funding requirements.
6. The Contractor agrees that funding under this Agreement may be recouped, in whole or in part in the event of non-compliance with the terms and conditions of Exhibit B, Scope of Services.
7. The Contractor shall keep detailed records of their activities related to Department-funded programs and services and have records available for Department review, as requested.
8. Notwithstanding anything to the contrary herein, the Contractor agrees that funding under this agreement may be recouped, in whole or in part, in the event

of non-compliance with any Federal or State law, rule or regulation applicable to the services provided, or if the said services or products have not been satisfactorily completed in accordance with the terms and conditions of this agreement.

9. Notwithstanding Paragraph 17 of the General Provisions Form P-37, changes limited to adjusting amounts within the price limitation and adjusting encumbrances between State Fiscal Years and budget class lines through the Budget Office may be made by written agreement of both parties, without obtaining approval of the Governor and Executive Council, if needed and justified.

10. Audits

10.1. The Contractor is required to submit an annual audit to the Department if any of the following conditions exist:

10.1.1. Condition A - The Contractor expended $750,000 or more in federal funds received as a subrecipient pursuant to 2 CFR Part 200, during the most recently completed fiscal year.

10.1.2. Condition B - The Contractor is subject to audit pursuant to the requirements of NH RSA 7:28, III-b, pertaining to charitable organizations receiving support of $1,000,000 or more.

10.1.3. Condition C - The Contractor is a public company and required by Security and Exchange Commission (SEC) regulations to submit an annual financial audit.

10.2. If Condition A exists, the Contractor shall submit an annual single audit performed by an independent Certified Public Accountant (CPA) to the Department within 120 days after the close of the Contractor's fiscal year, conducted in accordance with the requirements of 2 CFR Part 200, Subpart F of the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal awards.

10.3. If Condition B or Condition C exists, the Contractor shall submit an annual financial audit performed by an independent CPA within 120 days after the close of the Contractor's fiscal year.

10.4. In addition to, and not in any way in limitation of obligations of the Contract, it is understood and agreed by the Contractor that the Contractor shall be held liable for any state or federal audit exceptions and shall return to the Department all payments made under the Contract to which exception has been taken, or which have been disallowed because of such an exception.

CERTIFICATION REGARDING DRUG-FREE WORKPLACE REQUIREMENTS

The Vendor identified in Section 1.3 of the General Provisions agrees to comply with the provisions of Sections 5151-5160 of the Drug-Free Workplace Act of 1988 (Pub. L. 100-690, Title V, Subtitle D; 41 U.S.C. 701 et seq.), and further agrees to have the Contractor's representative, as identified in Sections 1.11 and 1.12 of the General Provisions execute the following Certification:

ALTERNATIVE I - FOR GRANTEES OTHER THAN INDIVIDUALS

US DEPARTMENT OF HEALTH AND HUMAN SERVICES - CONTRACTORS
US DEPARTMENT OF EDUCATION - CONTRACTORS
US DEPARTMENT OF AGRICULTURE - CONTRACTORS

This certification is required by the regulations implementing Sections 5151-5160 of the Drug-Free Workplace Act of 1988 (Pub. L. 100-690, Title V, Subtitle D; 41 U.S.C. 701 et seq.). The January 31, 1989 regulations were amended and published as Part II of the May 25, 1990 Federal Register (pages 21681-21691), and require certification by grantees (and by inference, sub-grantees and sub-contractors), prior to award, that they will maintain a drug-free workplace. Section 3017.630(c) of the regulation provides that a grantee (and by inference, sub-grantees and sub-contractors) that is a State may elect to make one certification to the Department in each federal fiscal year in lieu of certificates for each grant during the federal fiscal year covered by the certification. The certificate set out below is a material representation of fact upon which reliance is placed when the agency awards the grant. False certification or violation of the certification shall be grounds for suspension of payments, suspension or termination of grants, or government wide suspension or debarment. Contractors using this form should send it to:

Commissioner
NH Department of Health and Human Services
129 Pleasant Street,
Concord, NH 03301-6505

1. The grantee certifies that it will or will continue to provide a drug-free workplace by:
   - 1.1. Publishing a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession or use of a controlled substance is prohibited in the grantee's workplace and specifying the actions that will be taken against employees for violation of such prohibition;
   - 1.2. Establishing an ongoing drug-free awareness program to inform employees about
     - 1.2.1. The dangers of drug abuse in the workplace;
     - 1.2.2. The grantee's policy of maintaining a drug-free workplace;
     - 1.2.3. Any available drug counseling, rehabilitation, and employee assistance programs; and
     - 1.2.4. The penalties that may be imposed upon employees for drug abuse violations occurring in the workplace;
   - 1.3. Making it a requirement that each employee to be engaged in the performance of the grant be given a copy of the statement required by paragraph (a);
   - 1.4. Notifying the employee in the statement required by paragraph (a) that, as a condition of employment under the grant, the employee will
     - 1.4.1. Abide by the terms of the statement; and
     - 1.4.2. Notify the employer in writing of his or her conviction for a violation of a criminal drug statute occurring in the workplace no later than five calendar days after such conviction;
   - 1.5. Notifying the agency in writing, within ten calendar days after receiving notice under subparagraph 1.4.2 from an employee or otherwise receiving actual notice of such conviction. Employers of convicted employees must provide notice, including position title, to every grant officer on whose grant activity the convicted employee was working, unless the Federal agency

has designated a central point for the receipt of such notices. Notice shall include the identification number(s) of each affected grant;

1.6. Taking one of the following actions, within 30 calendar days of receiving notice under subparagraph 1.4.2, with respect to any employee who is so convicted

1.6.1. Taking appropriate personnel action against such an employee, up to and including termination, consistent with the requirements of the Rehabilitation Act of 1973, as amended; or

1.6.2. Requiring such employee to participate satisfactorily in a drug abuse assistance or rehabilitation program approved for such purposes by a Federal, State, or local health, law enforcement, or other appropriate agency;

1.7. Making a good faith effort to continue to maintain a drug-free workplace through implementation of paragraphs 1.1, 1.2, 1.3, 1.4, 1.5, and 1.6.

2. The grantee may insert in the space provided below the site(s) for the performance of work done in connection with the specific grant.

Place of Performance (street address, city, county, state, zip code) (list each location)
AVH - 59 PAGE HILL RD, BERLIN, NH 03570
UCVH - 181 CORLISS LN, COLEBROOK, NH 03576
WMC - 173 MIDDLE ST, LANCASTER, NH 03584
Check ☐ if there are workplaces on file that are not identified here.

Vendor Name:

7/20/20
Date

Name:
Title: CEO

CERTIFICATION REGARDING LOBBYING

The Vendor identified in Section 1.3 of the General Provisions agrees to comply with the provisions of Section 319 of Public Law 101-121, Government wide Guidance for New Restrictions on Lobbying, and 31 U.S.C. 1352, and further agrees to have the Contractor's representative, as identified in Sections 1.11 and 1.12 of the General Provisions execute the following Certification:

US DEPARTMENT OF HEALTH AND HUMAN SERVICES - CONTRACTORS
US DEPARTMENT OF EDUCATION - CONTRACTORS
US DEPARTMENT OF AGRICULTURE - CONTRACTORS

Programs (indicate applicable program covered):
*Temporary Assistance to Needy Families under Title IV-A
*Child Support Enforcement Program under Title IV-D
*Social Services Block Grant Program under Title XX
*Medicaid Program under Title XIX
*Community Services Block Grant under Title VI
*Child Care Development Block Grant under Title IV

The undersigned certifies, to the best of his or her knowledge and belief, that:

1. No Federal appropriated funds have been paid or will be paid by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement (and by specific mention sub-grantee or sub-contractor).

2. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement (and by specific mention sub-grantee or sub-contractor), the undersigned shall complete and submit Standard Form LLL, (Disclosure Form to Report Lobbying, in accordance with its instructions, attached and identified as Standard Exhibit E-I.)

3. The undersigned shall require that the language of this certification be included in the award document for sub-awards at all tiers (including subcontracts, sub-grants, and contracts under grants, loans, and cooperative agreements) and that all sub-recipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by Section 1352, Title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than $10,000 and not more than $100,000 for each such failure.

Vendor Name:

7/20/20
Date

Name:
Title: CEO

CERTIFICATION REGARDING DEBARMENT, SUSPENSION AND OTHER RESPONSIBILITY MATTERS

The Vendor identified in Section 1.3 of the General Provisions agrees to comply with the provisions of Executive Office of the President, Executive Order 12549 and 45 CFR Part 76 regarding Debarment, Suspension, and Other Responsibility Matters, and further agrees to have the Contractor's representative, as identified in Sections 1.11 and 1.12 of the General Provisions execute the following Certification:

INSTRUCTIONS FOR CERTIFICATION

1. By signing and submitting this proposal (contract), the prospective primary participant is providing the certification set out below.

2. The inability of a person to provide the certification required below will not necessarily result in denial of participation in this covered transaction. If necessary, the prospective participant shall submit an explanation of why it cannot provide the certification. The certification or explanation will be considered in connection with the NH Department of Health and Human Services' (DHHS) determination whether to enter into this transaction. However, failure of the prospective primary participant to furnish a certification or an explanation shall disqualify such person from participation in this transaction.

3. The certification in this clause is a material representation of fact upon which reliance was placed when DHHS determined to enter into this transaction. If it is later determined that the prospective primary participant knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government, DHHS may terminate this transaction for cause or default.

4. The prospective primary participant shall provide immediate written notice to the DHHS agency to whom this proposal (contract) is submitted if at any time the prospective primary participant learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances.

5. The terms "covered transaction," "debarred," "suspended," "ineligible," "lower tier covered transaction," "participant," "person," "primary covered transaction," "principal," "proposal," and "voluntarily excluded," as used in this clause, have the meanings set out in the Definitions and Coverage sections of the rules implementing Executive Order 12549: 45 CFR Part 76. See the attached definitions.

6. The prospective primary participant agrees by submitting this proposal (contract) that, should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transaction with a person who is debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by DHHS.

7. The prospective primary participant further agrees by submitting this proposal that it will include the clause titled "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion - Lower Tier Covered Transactions," provided by DHHS, without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions.

8. A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that it is not debarred, suspended, ineligible, or involuntarily excluded from the covered transaction, unless it knows that the certification is erroneous. A participant may decide the method and frequency by which it determines the eligibility of its principals. Each participant may, but is not required to, check the Nonprocurement List (of excluded parties).

9. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and

information of a participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.

10. Except for transactions authorized under paragraph 6 of these instructions, if a participant in a covered transaction knowingly enters into a lower tier covered transaction with a person who is suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction, in addition to other remedies available to the Federal government, DHHS may terminate this transaction for cause or default.

PRIMARY COVERED TRANSACTIONS

11. The prospective primary participant certifies to the best of its knowledge and belief, that it and its principals:
    11.1. are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any Federal department or agency;
    11.2. have not within a three-year period preceding this proposal (contract) been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State or local) transaction or a contract under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;
    11.3. are not presently indicted for otherwise criminally or civilly charged by a governmental entity (Federal, State or local) with commission of any of the offenses enumerated in paragraph (l)(b) of this certification; and
    11.4. have not within a three-year period preceding this application/proposal had one or more public transactions (Federal, State or local) terminated for cause or default.

12. Where the prospective primary participant is unable to certify to any of the statements in this certification; such prospective participant shall attach an explanation to this proposal (contract).

LOWER TIER COVERED TRANSACTIONS

13. By signing and submitting this lower tier proposal (contract), the prospective lower tier participant, as defined in 45 CFR Part 76, certifies to the best of its knowledge and belief that it and its principals:
    13.1. are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any federal department or agency.
    13.2. where the prospective lower tier participant is unable to certify to any of the above, such prospective participant shall attach an explanation to this proposal (contract).

14. The prospective lower tier participant further agrees by submitting this proposal (contract) that it will include this clause entitled "Certification Regarding Debarment, Suspension, Ineligibility, and Voluntary Exclusion - Lower Tier Covered Transactions," without modification in all lower tier covered transactions and in all solicitations for lower tier covered transactions.

Vendor Name:

7/20/20
Date

Name:
Title: CEO

CERTIFICATION OF COMPLIANCE WITH REQUIREMENTS PERTAINING TO FEDERAL NONDISCRIMINATION, EQUAL TREATMENT OF FAITH-BASED ORGANIZATIONS AND WHISTLEBLOWER PROTECTIONS

The Vendor identified in Section 1.3 of the General Provisions agrees by signature of the Contractor's representative as identified in Sections 1.11 and 1.12 of the General Provisions, to execute the following certification:

Vendor will comply, and will require any subgrantees or subcontractors to comply, with any applicable federal nondiscrimination requirements, which may include:

- the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. Section 3789d) which prohibits recipients of federal funding under this statute from discriminating, either in employment practices or in the delivery of services or benefits, on the basis of race, color, religion, national origin, and sex. The Act requires certain recipients to produce an Equal Employment Opportunity Plan;

- the Juvenile Justice Delinquency Prevention Act of 2002 (42 U.S.C. Section 5672(b)) which adopts by reference, the civil rights obligations of the Safe Streets Act. Recipients of federal funding under this statute are prohibited from discriminating, either in employment practices or in the delivery of services or benefits, on the basis of race, color, religion, national origin, and sex. The Act includes Equal Employment Opportunity Plan requirements;

- the Civil Rights Act of 1964 (42 U.S.C. Section 2000d, which prohibits recipients of federal financial assistance from discriminating on the basis of race, color, or national origin in any program or activity);

- the Rehabilitation Act of 1973 (29 U.S.C. Section 794), which prohibits recipients of Federal financial assistance from discriminating on the basis of disability, in regard to employment and the delivery of services or benefits, in any program or activity;

- the Americans with Disabilities Act of 1990 (42 U.S.C. Sections 12131-34), which prohibits discrimination and ensures equal opportunity for persons with disabilities in employment, State and local government services, public accommodations, commercial facilities, and transportation;

- the Education Amendments of 1972 (20 U.S.C. Sections 1681, 1683, 1685-86), which prohibits discrimination on the basis of sex in federally assisted education programs;

- the Age Discrimination Act of 1975 (42 U.S.C. Sections 6106-07), which prohibits discrimination on the basis of age in programs or activities receiving Federal financial assistance. It does not include employment discrimination;

- 28 C.F.R. pt. 31 (U.S. Department of Justice Regulations – OJJDP Grant Programs); 28 C.F.R. pt. 42 (U.S. Department of Justice Regulations – Nondiscrimination; Equal Employment Opportunity; Policies and Procedures); Executive Order No. 13279 (equal protection of the laws for faith-based and community organizations); Executive Order No. 13559, which provide fundamental principles and policy-making criteria for partnerships with faith-based and neighborhood organizations;

- 28 C.F.R. pt. 38 (U.S. Department of Justice Regulations – Equal Treatment for Faith-Based Organizations); and Whistleblower protections 41 U.S.C. §4712 and The National Defense Authorization Act (NDAA) for Fiscal Year 2013 (Pub. L. 112-239, enacted January 2, 2013) the Pilot Program for Enhancement of Contract Employee Whistleblower Protections, which protects employees against reprisal for certain whistle blowing activities in connection with federal grants and contracts.

The certificate set out below is a material representation of fact upon which reliance is placed when the agency awards the grant. False certification or violation of the certification shall be grounds for suspension of payments, suspension or termination of grants, or government wide suspension or debarment.

In the event a Federal or State court or Federal or State administrative agency makes a finding of discrimination after a due process hearing on the grounds of race, color, religion, national origin, or sex against a recipient of funds, the recipient will forward a copy of the finding to the Office for Civil Rights, to the applicable contracting agency or division within the Department of Health and Human Services, and to the Department of Health and Human Services Office of the Ombudsman.

The Vendor identified in Section 1.3 of the General Provisions agrees by signature of the Contractor's representative as identified in Sections 1.11 and 1.12 of the General Provisions, to execute the following certification:

1. By signing and submitting this proposal (contract) the Vendor agrees to comply with the provisions indicated above.

Vendor Name:

7/20/20
Date

Name:
Title: CEO

CERTIFICATION REGARDING ENVIRONMENTAL TOBACCO SMOKE

Public Law 103-227, Part C - Environmental Tobacco Smoke, also known as the Pro-Children Act of 1994 (Act), requires that smoking not be permitted in any portion of any indoor facility owned or leased or contracted for by an entity and used routinely or regularly for the provision of health, day care, education, or library services to children under the age of 18, if the services are funded by Federal programs either directly or through State or local governments, by Federal grant, contract, loan, or loan guarantee. The law does not apply to children's services provided in private residences, facilities funded solely by Medicare or Medicaid funds, and portions of facilities used for inpatient drug or alcohol treatment. Failure to comply with the provisions of the law may result in the imposition of a civil monetary penalty of up to $1000 per day and/or the imposition of an administrative compliance order on the responsible entity.

The Vendor identified in Section 1.3 of the General Provisions agrees, by signature of the Contractor's representative as identified in Section 1.11 and 1.12 of the General Provisions, to execute the following certification:

1. By signing and submitting this contract, the Vendor agrees to make reasonable efforts to comply with all applicable provisions of Public Law 103-227, Part C, known as the Pro-Children Act of 1994.

Vendor Name:

7/20/20
Date

Name:
Title: CEO

Exhibit I

HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY ACT BUSINESS ASSOCIATE AGREEMENT

The Contractor identified in Section 1.3 of the General Provisions of the Agreement agrees to comply with the Health Insurance Portability and Accountability Act, Public Law 104-191 and with the Standards for Privacy and Security of Individually Identifiable Health Information, 45 CFR Parts 160 and 164 applicable to business associates. As defined herein, "Business Associate" shall mean the Contractor and subcontractors and agents of the Contractor that receive, use or have access to protected health information under this Agreement and "Covered Entity" shall mean the State of New Hampshire, Department of Health and Human Services.

(1) **Definitions.**

a. "Breach" shall have the same meaning as the term "Breach" in section 164.402 of Title 45, Code of Federal Regulations.

b. "Business Associate" has the meaning given such term in section 160.103 of Title 45, Code of Federal Regulations.

c. "Covered Entity" has the meaning given such term in section 160.103 of Title 45, Code of Federal Regulations.

d. "Designated Record Set" shall have the same meaning as the term "designated record set" in 45 CFR Section 164.501.

e. "Data Aggregation" shall have the same meaning as the term "data aggregation" in 45 CFR Section 164.501.

f. "Health Care Operations" shall have the same meaning as the term "health care operations" in 45 CFR Section 164.501.

g. "HITECH Act" means the Health Information Technology for Economic and Clinical Health Act, TitleXIII, Subtitle D, Part 1 & 2 of the American Recovery and Reinvestment Act of 2009.

h. "HIPAA" means the Health Insurance Portability and Accountability Act of 1996, Public Law 104-191 and the Standards for Privacy and Security of Individually Identifiable Health Information, 45 CFR Parts 160, 162 and 164 and amendments thereto.

i. "Individual" shall have the same meaning as the term "individual" in 45 CFR Section 160.103 and shall include a person who qualifies as a personal representative in accordance with 45 CFR Section 164.501(g).

j. "Privacy Rule" shall mean the Standards for Privacy of Individually Identifiable Health Information at 45 CFR Parts 160 and 164, promulgated under HIPAA by the United States Department of Health and Human Services.

k. "Protected Health Information" shall have the same meaning as the term "protected health information" in 45 CFR Section 160.103, limited to the information created or received by Business Associate from or on behalf of Covered Entity.

l. "Required by Law" shall have the same meaning as the term "required by law" in 45 CFR Section 164.103.

m. "Secretary" shall mean the Secretary of the Department of Health and Human Services or his/her designee.

n. "Security Rule" shall mean the Security Standards for the Protection of Electronic Protected Health Information at 45 CFR Part 164, Subpart C, and amendments thereto.

o. "Unsecured Protected Health Information" means protected health information that is not secured by a technology standard that renders protected health information unusable, unreadable, or indecipherable to unauthorized individuals and is developed or endorsed by a standards developing organization that is accredited by the American National Standards Institute.

p. Other Definitions - All terms not otherwise defined herein shall have the meaning established under 45 C.F.R. Parts 160, 162 and 164, as amended from time to time, and the HITECH
Act.

(2) **Business Associate Use and Disclosure of Protected Health Information.**

a. Business Associate shall not use, disclose, maintain or transmit Protected Health Information (PHI) except as reasonably necessary to provide the services outlined under Exhibit A of the Agreement. Further, Business Associate, including but not limited to all its directors, officers, employees and agents, shall not use, disclose, maintain or transmit PHI in any manner that would constitute a violation of the Privacy and Security Rule.

b. Business Associate may use or disclose PHI:
   I. For the proper management and administration of the Business Associate;
   II. As required by law, pursuant to the terms set forth in paragraph d. below; or
   III. For data aggregation purposes for the health care operations of Covered Entity.

c. To the extent Business Associate is permitted under the Agreement to disclose PHI to a third party, Business Associate must obtain, prior to making any such disclosure, (i) reasonable assurances from the third party that such PHI will be held confidentially and used or further disclosed only as required by law or for the purpose for which it was disclosed to the third party; and (ii) an agreement from such third party to notify Business Associate, in accordance with the HIPAA Privacy, Security, and Breach Notification Rules of any breaches of the confidentiality of the PHI, to the extent it has obtained knowledge of such breach.

d. The Business Associate shall not, unless such disclosure is reasonably necessary to provide services under Exhibit A of the Agreement, disclose any PHI in response to a request for disclosure on the basis that it is required by law, without first notifying Covered Entity so that Covered Entity has an opportunity to object to the disclosure and to seek appropriate relief. If Covered Entity objects to such disclosure, the Business

Associate shall refrain from disclosing the PHI until Covered Entity has exhausted all remedies.

e. If the Covered Entity notifies the Business Associate that Covered Entity has agreed to be bound by additional restrictions over and above those uses or disclosures or security safeguards of PHI pursuant to the Privacy and Security Rule, the Business Associate shall be bound by such additional restrictions and shall not disclose PHI in violation of such additional restrictions and shall abide by any additional security safeguards.

(3) **Obligations and Activities of Business Associate.**

a. The Business Associate shall notify the Covered Entity's Privacy Officer immediately after the Business Associate becomes aware of any use or disclosure of protected health information not provided for by the Agreement including breaches of unsecured protected health information and/or any security incident that may have an impact on the protected health information of the Covered Entity.

b. The Business Associate shall immediately perform a risk assessment when it becomes aware of any of the above situations. The risk assessment shall include, but not be limited to:

- The nature and extent of the protected health information involved, including the types of identifiers and the likelihood of re-identification;
- The unauthorized person used the protected health information or to whom the disclosure was made;
- Whether the protected health information was actually acquired or viewed
- The extent to which the risk to the protected health information has been mitigated.

The Business Associate shall complete the risk assessment within 48 hours of the breach and immediately report the findings of the risk assessment in writing to the Covered Entity.

c. The Business Associate shall comply with all sections of the Privacy, Security, and Breach Notification Rule.

d. Business Associate shall make available all of its internal policies and procedures, books and records relating to the use and disclosure of PHI received from, or created or received by the Business Associate on behalf of Covered Entity to the Secretary for purposes of determining Covered Entity's compliance with HIPAA and the Privacy and Security Rule.

e. Business Associate shall require all of its business associates that receive, use or have access to PHI under the Agreement, to agree in writing to adhere to the same restrictions and conditions on the use and disclosure of PHI contained herein, including the duty to return or destroy the PHI as provided under Section 3 (l). The Covered Entity shall be considered a direct third party beneficiary of the Contractor's business associate agreements with Contractor's intended business associates, who will be receiving PHI

pursuant to this Agreement, with rights of enforcement and indemnification from such business associates who shall be governed by standard Paragraph #13 of the standard contract provisions (P-37) of this Agreement for the purpose of use and disclosure of protected health information.

f. Within five (5) business days of receipt of a written request from Covered Entity, Business Associate shall make available during normal business hours at its offices all records, books, agreements, policies and procedures relating to the use and disclosure of PHI to the Covered Entity, for purposes of enabling Covered Entity to determine Business Associate's compliance with the terms of the Agreement.

g. Within ten (10) business days of receiving a written request from Covered Entity, Business Associate shall provide access to PHI in a Designated Record Set to the Covered Entity, or as directed by Covered Entity, to an individual in order to meet the requirements under 45 CFR Section 164.524.

h. Within ten (10) business days of receiving a written request from Covered Entity for an amendment of PHI or a record about an individual contained in a Designated Record Set, the Business Associate shall make such PHI available to Covered Entity for amendment and incorporate any such amendment to enable Covered Entity to fulfill its obligations under 45 CFR Section 164.526.

i. Business Associate shall document such disclosures of PHI and information related to such disclosures as would be required for Covered Entity to respond to a request by an individual for an accounting of disclosures of PHI in accordance with 45 CFR Section 164.528.

j. Within ten (10) business days of receiving a written request from Covered Entity for a request for an accounting of disclosures of PHI, Business Associate shall make available to Covered Entity such information as Covered Entity may require to fulfill its obligations to provide an accounting of disclosures with respect to PHI in accordance with 45 CFR Section 164.528.

k. In the event any individual requests access to, amendment of, or accounting of PHI directly from the Business Associate, the Business Associate shall within two (2) business days forward such request to Covered Entity. Covered Entity shall have the responsibility of responding to forwarded requests. However, if forwarding the individual's request to Covered Entity would cause Covered Entity or the Business Associate to violate HIPAA and the Privacy and Security Rule, the Business Associate shall instead respond to the individual's request as required by such law and notify Covered Entity of such response as soon as practicable.

l. Within ten (10) business days of termination of the Agreement, for any reason, the Business Associate shall return or destroy, as specified by Covered Entity, all PHI received from, or created or received by the Business Associate in connection with the Agreement, and shall not retain any copies or back-up tapes of such PHI. If return or destruction is not feasible, or the disposition of the PHI has been otherwise agreed to in the Agreement, Business Associate shall continue to extend the protections of the Agreement, to such PHI and limit further uses and disclosures of such PHI to those purposes that make the return or destruction infeasible, for so long as Business

Associate maintains such PHI. If Covered Entity, in its sole discretion, requires that the Business Associate destroy any or all PHI, the Business Associate shall certify to Covered Entity that the PHI has been destroyed.

(4) Obligations of Covered Entity

a. Covered Entity shall notify Business Associate of any changes or limitation(s) in its Notice of Privacy Practices provided to individuals in accordance with 45 CFR Section 164.520, to the extent that such change or limitation may affect Business Associate's use or disclosure of PHI.

b. Covered Entity shall promptly notify Business Associate of any changes in, or revocation of permission provided to Covered Entity by individuals whose PHI may be used or disclosed by Business Associate under this Agreement, pursuant to 45 CFR Section 164.506 or 45 CFR Section 164.508.

c. Covered entity shall promptly notify Business Associate of any restrictions on the use or disclosure of PHI that Covered Entity has agreed to in accordance with 45 CFR 164.522, to the extent that such restriction may affect Business Associate's use or disclosure of PHI.

(5) Termination for Cause

In addition to Paragraph 10 of the standard terms and conditions (P-37) of this Agreement the Covered Entity may immediately terminate the Agreement upon Covered Entity's knowledge of a breach by Business Associate of the Business Associate Agreement set forth herein as Exhibit I. The Covered Entity may either immediately terminate the Agreement or provide an opportunity for Business Associate to cure the alleged breach within a timeframe specified by Covered Entity. If Covered Entity determines that neither termination nor cure is feasible, Covered Entity shall report the violation to the Secretary.

(6) Miscellaneous

a. Definitions and Regulatory References. All terms used, but not otherwise defined herein, shall have the same meaning as those terms in the Privacy and Security Rule, amended from time to time. A reference in the Agreement, as amended to include this Exhibit I, to a Section in the Privacy and Security Rule means the Section as in effect or as amended.

b. Amendment. Covered Entity and Business Associate agree to take such action as is necessary to amend the Agreement, from time to time as is necessary for Covered Entity to comply with the changes in the requirements of HIPAA, the Privacy and Security Rule, and applicable federal and state law.

c. Data Ownership. The Business Associate acknowledges that it has no ownership rights with respect to the PHI provided by or created on behalf of Covered Entity.

d. Interpretation. The parties agree that any ambiguity in the Agreement shall be resolved to permit Covered Entity to comply with HIPAA, the Privacy and Security Rule.

e. Segregation. If any term or condition of this Exhibit I or the application thereof to any person(s) or circumstance is held invalid, such invalidity shall not affect other terms or conditions which can be given effect without the invalid term or condition; to this end the terms and conditions of this Exhibit I are declared severable.

f. Survival. Provisions in this Exhibit I regarding the use and disclosure of PHI, return or destruction of PHI, extensions of the protections of the Agreement in section (3) I, the defense and indemnification provisions of section (3) e and Paragraph 13 of the standard terms and conditions (P-37), shall survive the termination of the Agreement.

IN WITNESS WHEREOF, the parties hereto have duly executed this Exhibit I.

Department of Health and Human Services	North Country Healthcare
The State	Name of the Contractor
	Thomas Mee
Signature of Authorized Representative	Signature of Authorized Representative
Ann H. Landry	Thomas Mee
Name of Authorized Representative	Name of Authorized Representative
Associate Commissioner	Chief Executive Officer
Title of Authorized Representative	Title of Authorized Representative
	07/23/2020
Date	Date

CERTIFICATION REGARDING THE FEDERAL FUNDING ACCOUNTABILITY AND TRANSPARENCY ACT (FFATA) COMPLIANCE

The Federal Funding Accountability and Transparency Act (FFATA) requires prime awardees of individual Federal grants equal to or greater than $25,000 and awarded on or after October 1, 2010, to report on data related to executive compensation and associated first-tier sub-grants of $25,000 or more. If the initial award is below $25,000 but subsequent grant modifications result in a total award equal to or over $25,000, the award is subject to the FFATA reporting requirements, as of the date of the award.
In accordance with 2 CFR Part 170 (Reporting Subaward and Executive Compensation Information), the Department of Health and Human Services (DHHS) must report the following information for any subaward or contract award subject to the FFATA reporting requirements:

1. Name of entity
2. Amount of award
3. Funding agency
4. NAICS code for contracts / CFDA program number for grants
5. Program source
6. Award title descriptive of the purpose of the funding action
7. Location of the entity
8. Principle place of performance
9. Unique identifier of the entity (DUNS #)
10. Total compensation and names of the top five executives if:
    - 10.1. More than 80% of annual gross revenues are from the Federal government, and those revenues are greater than $25M annually and
    - 10.2. Compensation information is not already available through reporting to the SEC.

Prime grant recipients must submit FFATA required data by the end of the month, plus 30 days, in which the award or award amendment is made.
The Contractor identified in Section 1.3 of the General Provisions agrees to comply with the provisions of The Federal Funding Accountability and Transparency Act, Public Law 109-282 and Public Law 110-252, and 2 CFR Part 170 (Reporting Subaward and Executive Compensation Information), and further agrees to have the Contractor's representative, as identified in Sections 1.11 and 1.12 of the General Provisions execute the following Certification:
The below named Contractor agrees to provide needed information as outlined above to the NH Department of Health and Human Services and to comply with all applicable provisions of the Federal Financial Accountability and Transparency Act.

Contractor Name:

7/20/20
Date

Name:
Title: CEO

FORM A

As the Contractor identified in Section 1.3 of the General Provisions, I certify that the responses to the below listed questions are true and accurate.

1. The DUNS number for your entity is: 121848355

2. In your business or organization's preceding completed fiscal year, did your business or organization receive (1) 80 percent or more of your annual gross revenue in U.S. federal contracts, subcontracts, loans, grants, sub-grants, and/or cooperative agreements; and (2) $25,000,000 or more in annual gross revenues from U.S. federal contracts, subcontracts, loans, grants, subgrants, and/or cooperative agreements?

   X NO _____ YES

   If the answer to #2 above is NO, stop here

   If the answer to #2 above is YES, please answer the following:

3. Does the public have access to information about the compensation of the executives in your business or organization through periodic reports filed under section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C.78m(a), 78o(d)) or section 6104 of the Internal Revenue Code of 1986?

   _____ NO _____ YES

   If the answer to #3 above is YES, stop here

   If the answer to #3 above is NO, please answer the following:

4. The names and compensation of the five most highly compensated officers in your business or organization are as follows:

   Name: _____ Amount: _____

   Name: _____ Amount: _____

   Name: _____ Amount: _____

   Name: _____ Amount: _____

   Name: _____ Amount: _____

A. Definitions

The following terms may be reflected and have the described meaning in this document:

1. "Breach" means the loss of control, compromise, unauthorized disclosure, unauthorized acquisition, unauthorized access, or any similar term referring to situations where persons other than authorized users and for an other than authorized purpose have access or potential access to personally identifiable information, whether physical or electronic. With regard to Protected Health Information, " Breach" shall have the same meaning as the term "Breach" in section 164.402 of Title 45, Code of Federal Regulations.

2. "Computer Security Incident" shall have the same meaning "Computer Security Incident" in section two (2) of NIST Publication 800-61, Computer Security Incident Handling Guide, National Institute of Standards and Technology, U.S. Department of Commerce.

3. "Confidential Information" or "Confidential Data" means all confidential information disclosed by one party to the other such as all medical, health, financial, public assistance benefits and personal information including without limitation, Substance Abuse Treatment Records, Case Records, Protected Health Information and Personally Identifiable Information.

   Confidential Information also includes any and all information owned or managed by the State of NH - created, received from or on behalf of the Department of Health and Human Services (DHHS) or accessed in the course of performing contracted services - of which collection, disclosure, protection, and disposition is governed by state or federal law or regulation. This information includes, but is not limited to Protected Health Information (PHI), Personal Information (PI), Personal Financial Information (PFI), Federal Tax Information (FTI), Social Security Numbers (SSN), Payment Card Industry (PCI), and or other sensitive and confidential information.

4. "End User" means any person or entity (e.g., contractor, contractor's employee, business associate, subcontractor, other downstream user, etc.) that receives DHHS data or derivative data in accordance with the terms of this Contract.

5. "HIPAA" means the Health Insurance Portability and Accountability Act of 1996 and the regulations promulgated thereunder.

6. "Incident" means an act that potentially violates an explicit or implied security policy, which includes attempts (either failed or successful) to gain unauthorized access to a system or its data, unwanted disruption or denial of service, the unauthorized use of a system for the processing or storage of data; and changes to system hardware, firmware, or software characteristics without the owner's knowledge, instruction, or consent. Incidents include the loss of data through theft or device misplacement, loss or misplacement of hardcopy documents, and misrouting of physical or electronic

mail, all of which may have the potential to put the data at risk of unauthorized access, use, disclosure, modification or destruction.

7. "Open Wireless Network" means any network or segment of a network that is not designated by the State of New Hampshire's Department of Information Technology or delegate as a protected network (designed, tested, and approved, by means of the State, to transmit) will be considered an open network and not adequately secure for the transmission of unencrypted PI, PFI, PHI or confidential DHHS data.

8. "Personal Information" (or "PI") means information which can be used to distinguish or trace an individual's identity, such as their name, social security number, personal information as defined in New Hampshire RSA 359-C:19, biometric records, etc., alone, or when combined with other personal or identifying information which is linked or linkable to a specific individual, such as date and place of birth, mother's maiden name, etc.

9. "Privacy Rule" shall mean the Standards for Privacy of Individually Identifiable Health Information at 45 C.F.R. Parts 160 and 164, promulgated under HIPAA by the United States Department of Health and Human Services.

10. "Protected Health Information" (or "PHI") has the same meaning as provided in the definition of "Protected Health Information" in the HIPAA Privacy Rule at 45 C.F.R. § 160.103.

11. "Security Rule" shall mean the Security Standards for the Protection of Electronic Protected Health Information at 45 C.F.R. Part 164, Subpart C, and amendments thereto.

12. "Unsecured Protected Health Information" means Protected Health Information that is not secured by a technology standard that renders Protected Health Information unusable, unreadable, or indecipherable to unauthorized individuals and is developed or endorsed by a standards developing organization that is accredited by the American National Standards Institute.

I. RESPONSIBILITIES OF DHHS AND THE CONTRACTOR

A. Business Use and Disclosure of Confidential Information.

1. The Contractor must not use, disclose, maintain or transmit Confidential Information except as reasonably necessary as outlined under this Contract. Further, Contractor, including but not limited to all its directors, officers, employees and agents, must not use, disclose, maintain or transmit PHI in any manner that would constitute a violation of the Privacy and Security Rule.
2. The Contractor must not disclose any Confidential Information in response to a

request for disclosure on the basis that it is required by law, in response to a subpoena, etc., without first notifying DHHS so that DHHS has an opportunity to consent or object to the disclosure.

3. If DHHS notifies the Contractor that DHHS has agreed to be bound by additional restrictions over and above those uses or disclosures or security safeguards of PHI pursuant to the Privacy and Security Rule, the Contractor must be bound by such additional restrictions and must not disclose PHI in violation of such additional restrictions and must abide by any additional security safeguards.
4. The Contractor agrees that DHHS Data or derivative there from disclosed to an End User must only be used pursuant to the terms of this Contract.
5. The Contractor agrees DHHS Data obtained under this Contract may not be used for any other purposes that are not indicated in this Contract.
6. The Contractor agrees to grant access to the data to the authorized representatives of DHHS for the purpose of inspecting to confirm compliance with the terms of this Contract.

II. METHODS OF SECURE TRANSMISSION OF DATA

1. Application Encryption. If End User is transmitting DHHS data containing Confidential Data between applications, the Contractor attests the applications have been evaluated by an expert knowledgeable in cyber security and that said application's encryption capabilities ensure secure transmission via the Internet.
2. Computer Disks and Portable Storage Devices. End User may not use computer disks or portable storage devices, such as a thumb drive, as a method of transmitting DHHS data.
3. Encrypted Email. End User may only employ email to transmit Confidential Data if email is encrypted and being sent to and being received by email addresses of persons authorized to receive such information.
4. Encrypted Web Site. If End User is employing the Web to transmit Confidential Data, the secure socket layers (SSL) must be used and the web site must be secure. SSL encrypts data transmitted via a Web site.
5. File Hosting Services, also known as File Sharing Sites. End User may not use file hosting services, such as Dropbox or Google Cloud Storage, to transmit Confidential Data.
6. Ground Mail Service. End User may only transmit Confidential Data via *certified* ground mail within the continental U.S. and when sent to a named individual.
7. Laptops and PDA. If End User is employing portable devices to transmit Confidential Data said devices must be encrypted and password-protected.
8. Open Wireless Networks. End User may not transmit Confidential Data via an open

wireless network. End User must employ a virtual private network (VPN) when remotely transmitting via an open wireless network.

9. Remote User Communication. If End User is employing remote communication to access or transmit Confidential Data, a virtual private network (VPN) must be installed on the End User's mobile device(s) or laptop from which information will be transmitted or accessed.
10. SSH File Transfer Protocol (SFTP), also known as Secure File Transfer Protocol. If End User is employing an SFTP to transmit Confidential Data, End User will structure the Folder and access privileges to prevent inappropriate disclosure of information. SFTP folders and sub-folders used for transmitting Confidential Data will be coded for 24-hour auto-deletion cycle (i.e. Confidential Data will be deleted every 24 hours).
11. Wireless Devices. If End User is transmitting Confidential Data via wireless devices, all data must be encrypted to prevent inappropriate disclosure of information.

III. RETENTION AND DISPOSITION OF IDENTIFIABLE RECORDS

The Contractor will only retain the data and any derivative of the data for the duration of this Contract. After such time, the Contractor will have 30 days to destroy the data and any derivative in whatever form it may exist, unless, otherwise required by law or permitted under this Contract. To this end, the parties must:

A. Retention

1. The Contractor agrees it will not store, transfer or process data collected in connection with the services rendered under this Contract outside of the United States. This physical location requirement shall also apply in the implementation of cloud computing, cloud service or cloud storage capabilities, and includes backup data and Disaster Recovery locations.
2. The Contractor agrees to ensure proper security monitoring capabilities are in place to detect potential security events that can impact State of NH systems and/or Department confidential information for contractor provided systems.
3. The Contractor agrees to provide security awareness and education for its End Users in support of protecting Department confidential information.
4. The Contractor agrees to retain all electronic and hard copies of Confidential Data in a secure location and identified in section IV. A.2
5. The Contractor agrees Confidential Data stored in a Cloud must be in a FedRAMP/HITECH compliant solution and comply with all applicable statutes and regulations regarding the privacy and security. All servers and devices must have currently-supported and hardened operating systems, the latest anti-viral, anti-hacker, anti-spam, anti-spyware, and anti-malware utilities. The environment, as a

whole, must have aggressive intrusion-detection and firewall protection.

6. The Contractor agrees to and ensures its complete cooperation with the State's Chief Information Officer in the detection of any security vulnerability of the hosting infrastructure.

B. Disposition

1. If the Contractor will maintain any Confidential Information on its systems (or its sub-contractor systems), the Contractor will maintain a documented process for securely disposing of such data upon request or contract termination; and will obtain written certification for any State of New Hampshire data destroyed by the Contractor or any subcontractors as a part of ongoing, emergency, and or disaster recovery operations. When no longer in use, electronic media containing State of New Hampshire data shall be rendered unrecoverable via a secure wipe program in accordance with industry-accepted standards for secure deletion and media sanitization, or otherwise physically destroying the media (for example, degaussing) as described in NIST Special Publication 800-88, Rev 1, Guidelines for Media Sanitization, National Institute of Standards and Technology, U. S. Department of Commerce. The Contractor will document and certify in writing at time of the data destruction, and will provide written certification to the Department upon request. The written certification will include all details necessary to demonstrate data has been properly destroyed and validated. Where applicable, regulatory and professional standards for retention requirements will be jointly evaluated by the State and Contractor prior to destruction.
2. Unless otherwise specified, within thirty (30) days of the termination of this Contract, Contractor agrees to destroy all hard copies of Confidential Data using a secure method such as shredding.
3. Unless otherwise specified, within thirty (30) days of the termination of this Contract, Contractor agrees to completely destroy all electronic Confidential Data by means of data erasure, also known as secure data wiping.

IV. PROCEDURES FOR SECURITY

A. Contractor agrees to safeguard the DHHS Data received under this Contract, and any derivative data or files, as follows:

1. The Contractor will maintain proper security controls to protect Department confidential information collected, processed, managed, and/or stored in the delivery of contracted services.
2. The Contractor will maintain policies and procedures to protect Department confidential information throughout the information lifecycle, where applicable, (from creation, transformation, use, storage and secure destruction) regardless of the media used to store the data (i.e., tape, disk, paper, etc.).

3. The Contractor will maintain appropriate authentication and access controls to contractor systems that collect, transmit, or store Department confidential information where applicable.

4. The Contractor will ensure proper security monitoring capabilities are in place to detect potential security events that can impact State of NH systems and/or Department confidential information for contractor provided systems.

5. The Contractor will provide regular security awareness and education for its End Users in support of protecting Department confidential information.

6. If the Contractor will be sub-contracting any core functions of the engagement supporting the services for State of New Hampshire, the Contractor will maintain a program of an internal process or processes that defines specific security expectations, and monitoring compliance to security requirements that at a minimum match those for the Contractor, including breach notification requirements.

7. The Contractor will work with the Department to sign and comply with all applicable State of New Hampshire and Department system access and authorization policies and procedures, systems access forms, and computer use agreements as part of obtaining and maintaining access to any Department system(s). Agreements will be completed and signed by the Contractor and any applicable sub-contractors prior to system access being authorized.

8. If the Department determines the Contractor is a Business Associate pursuant to 45 CFR 160.103, the Contractor will execute a HIPAA Business Associate Agreement (BAA) with the Department and is responsible for maintaining compliance with the agreement.

9. The Contractor will work with the Department at its request to complete a System Management Survey. The purpose of the survey is to enable the Department and Contractor to monitor for any changes in risks, threats, and vulnerabilities that may occur over the life of the Contractor engagement. The survey will be completed annually, or an alternate time frame at the Departments discretion with agreement by the Contractor, or the Department may request the survey be completed when the scope of the engagement between the Department and the Contractor changes.

10. The Contractor will not store, knowingly or unknowingly, any State of New Hampshire or Department data offshore or outside the boundaries of the United States unless prior express written consent is obtained from the Information Security Office leadership member within the Department.

11. Data Security Breach Liability. In the event of any security breach Contractor shall make efforts to investigate the causes of the breach, promptly take measures to prevent future breach and minimize any damage or loss resulting from the breach. The State shall recover from the Contractor all costs of response and recovery from

the breach, including but not limited to: credit monitoring services, mailing costs and costs associated with website and telephone call center services necessary due to the breach.

12. Contractor must, comply with all applicable statutes and regulations regarding the privacy and security of Confidential Information, and must in all other respects maintain the privacy and security of PI and PHI at a level and scope that is not less than the level and scope of requirements applicable to federal agencies, including, but not limited to, provisions of the Privacy Act of 1974 (5 U.S.C. § 552a), DHHS Privacy Act Regulations (45 C.F.R. §5b), HIPAA Privacy and Security Rules (45 C.F.R. Parts 160 and 164) that govern protections for individually identifiable health information and as applicable under State law.

13. Contractor agrees to establish and maintain appropriate administrative, technical, and physical safeguards to protect the confidentiality of the Confidential Data and to prevent unauthorized use or access to it. The safeguards must provide a level and scope of security that is not less than the level and scope of security requirements established by the State of New Hampshire, Department of Information Technology. Refer to Vendor Resources/Procurement at https://www.nh.gov/doit/vendor/index.htm for the Department of Information Technology policies, guidelines, standards, and procurement information relating to vendors.

14. Contractor agrees to maintain a documented breach notification and incident response process. The Contractor will notify the State's Privacy Officer and the State's Security Officer of any security breach immediately, at the email addresses provided in Section VI. This includes a confidential information breach, computer security incident, or suspected breach which affects or includes any State of New Hampshire systems that connect to the State of New Hampshire network.

15. Contractor must restrict access to the Confidential Data obtained under this Contract to only those authorized End Users who need such DHHS Data to perform their official duties in connection with purposes identified in this Contract.

16. The Contractor must ensure that all End Users:

    a. comply with such safeguards as referenced in Section IV A. above, implemented to protect Confidential Information that is furnished by DHHS under this Contract from loss, theft or inadvertent disclosure.

    b. safeguard this information at all times.

    c. ensure that laptops and other electronic devices/media containing PHI, PI, or PFI are encrypted and password-protected.

    d. send emails containing Confidential Information only if encrypted and being sent to and being received by email addresses of persons authorized to receive such information.

e. limit disclosure of the Confidential Information to the extent permitted by law.

f. Confidential Information received under this Contract and individually identifiable data derived from DHHS Data, must be stored in an area that is physically and technologically secure from access by unauthorized persons during duty hours as well as non-duty hours (e.g., door locks, card keys, biometric identifiers, etc.).

g. only authorized End Users may transmit the Confidential Data, including any derivative files containing personally identifiable information, and in all cases, such data must be encrypted at all times when in transit, at rest, or when stored on portable media as required in section IV above.

h. in all other instances Confidential Data must be maintained, used and disclosed using appropriate safeguards, as determined by a risk-based assessment of the circumstances involved.

i. understand that their user credentials (user name and password) must not be shared with anyone. End Users will keep their credential information secure. This applies to credentials used to access the site directly or indirectly through a third party application.

Contractor is responsible for oversight and compliance of their End Users. DHHS reserves the right to conduct onsite inspections to monitor compliance with this Contract, including the privacy and security requirements provided in herein, HIPAA, and other applicable laws and Federal regulations until such time the Confidential Data is disposed of in accordance with this Contract.

V. LOSS REPORTING

The Contractor must notify the State's Privacy Officer and Security Officer of any Security Incidents and Breaches immediately, at the email addresses provided in Section VI.

The Contractor must further handle and report Incidents and Breaches involving PHI in accordance with the agency's documented Incident Handling and Breach Notification procedures and in accordance with 42 C.F.R. §§ 431.300 - 306. In addition to, and notwithstanding, Contractor's compliance with all applicable obligations and procedures, Contractor's procedures must also address how the Contractor will:

1. Identify Incidents;
2. Determine if personally identifiable information is involved in Incidents;
3. Report suspected or confirmed Incidents as required in this Exhibit or P-37;
4. Identify and convene a core response group to determine the risk level of Incidents and determine risk-based responses to Incidents; and

5. Determine whether Breach notification is required, and, if so, identify appropriate Breach notification methods, timing, source, and contents from among different options, and bear costs associated with the Breach notice as well as any mitigation measures.

Incidents and/or Breaches that implicate PI must be addressed and reported, as applicable, in accordance with NH RSA 359-C:20.

VI. PERSONS TO CONTACT

A. DHHS Privacy Officer:

DHHSPrivacyOfficer@dhhs.nh.gov

B. DHHS Security Officer:

DHHSInformationSecurityOffice@dhhs.nh.gov

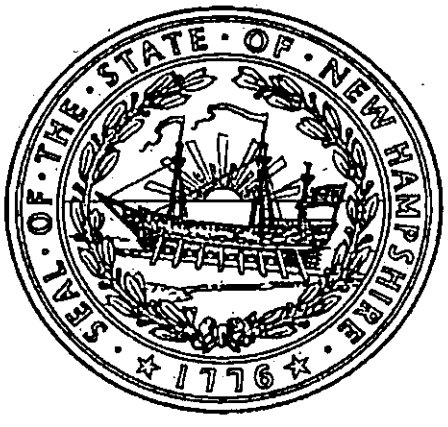
State of New Hampshire
Department of State

CERTIFICATE

I, William M. Gardner, Secretary of State of the State of New Hampshire, do hereby certify that NORTH COUNTRY HEALTHCARE, INC. is a New Hampshire Nonprofit Corporation registered to transact business in New Hampshire on November 25, 2015. I further certify that all fees and documents required by the Secretary of State's office have been received and is in good standing as far as this office is concerned.

Business ID: **735369**

Certificate Number: **0004961496**



IN TESTIMONY WHEREOF,
I hereto set my hand and cause to be affixed
the Seal of the State of New Hampshire,
this 20th day of July A.D. 2020.

William M. Gardner
Secretary of State

CERTIFICATE OF AUTHORITY

I, Donna Goodrich, hereby certify that:
(Name of the elected Officer of the Corporation/LLC; cannot be contract signatory)

1. I am a duly elected Clerk/Secretary/Officer of North Country Healthcare, Inc.
(Corporation/LLC Name)

2. The following is a true copy of a vote taken at a meeting of the Board of Directors/shareholders, duly called and held on March 7, 20 19, at which a quorum of the Directors/shareholders were present and voting.
(Date)

VOTED: That Thomas Mee, NCH CEO and James Hamblin, NCH Board Chair (may list more than one person)
(Name and Title of Contract Signatory)

is duly authorized on behalf of North Country Healthcare, Inc. to enter into contracts or agreements with the State
(Name of Corporation/ LLC)

of New Hampshire and any of its agencies or departments and further is authorized to execute any and all documents, agreements and other instruments, and any amendments, revisions, or modifications thereto, which may in his/her judgment be desirable or necessary to effect the purpose of this vote.

3. I hereby certify that said vote has not been amended or repealed and remains in full force and effect as of the date of the contract/contract amendment to which this certificate is attached. This authority **remains valid for thirty (30)** days from the date of this Certificate of Authority. I further certify that it is understood that the State of New Hampshire will rely on this certificate as evidence that the person(s) listed above currently occupy the position(s) indicated and that they have full authority to bind the corporation. To the extent that there are any limits on the authority of any listed individual to bind the corporation in contracts with the State of New Hampshire, all such limitations are expressly stated herein.

Dated: July 22, 2020

Signature of Elected Officer
Name: Donna Goodrich
Title: NCH Board Secretary

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY): 07/23/2020

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER Willis Towers Watson Northeast, Inc. c/o 26 Century Blvd P.O. Box 305191 Nashville, TN 372305191 USA	CONTACT NAME: Willis Towers Watson Certificate Center PHONE (A/C, No, Ext): 1-877-945-7378 FAX (A/C, No): 1-888-467-2378 E-MAIL ADDRESS: certificates@willis.com
INSURED North Country Healthcare, Inc 8 Clover Lane Whitefield, NH 03598	INSURER(S) AFFORDING COVERAGE — NAIC # INSURER A: National Fire & Marine Insurance Company — 20079 INSURER B: Associated Industries of Massachusetts Mut — 33758 INSURER C: INSURER D: INSURER E: INSURER F:

COVERAGES **CERTIFICATE NUMBER:** W17335429 **REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
A	X COMMERCIAL GENERAL LIABILITY CLAIMS-MADE [X] OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: POLICY [ ] PRO-JECT [ ] LOC OTHER:			HN017659	10/01/2019	10/01/2020	EACH OCCURRENCE DAMAGE TO RENTED PREMISES (Ea occurrence) MED EXP (Any one person) PERSONAL & ADV INJURY GENERAL AGGREGATE PRODUCTS - COMP/OP AGG	$ 1,000,000 $ 50,000 $ 1,000 $ 1,000,000 $ 3,000,000 $ 3,000,000
	AUTOMOBILE LIABILITY ANY AUTO OWNED AUTOS ONLY HIRED AUTOS ONLY SCHEDULED AUTOS NON-OWNED AUTOS ONLY						COMBINED SINGLE LIMIT (Ea accident) BODILY INJURY (Per person) BODILY INJURY (Per accident) PROPERTY DAMAGE (Per accident)	$ $ $ $
	UMBRELLA LIAB [ ] OCCUR EXCESS LIAB [ ] CLAIMS-MADE DED [ ] RETENTION $						EACH OCCURRENCE AGGREGATE	$ $
B	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) Y / N [ ] If yes, describe under DESCRIPTION OF OPERATIONS below	N/A		WMZ-800-8007737-2020	07/14/2020	10/01/2020	X PER STATUTE [ ] OTH-ER E.L. EACH ACCIDENT E.L. DISEASE - EA EMPLOYEE E.L. DISEASE - POLICY LIMIT	$ 500,000 $ 500,000 $ 500,000
A	Professional Liability Claims Made & Reported			HN017659	10/01/2019	10/01/2020	Claim Limits Aggregate	1,000,000 3,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

CERTIFICATE HOLDER

State of NH Department of Health and Human Services
129 Pleasant Street
Concord, NH 03301-3857

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

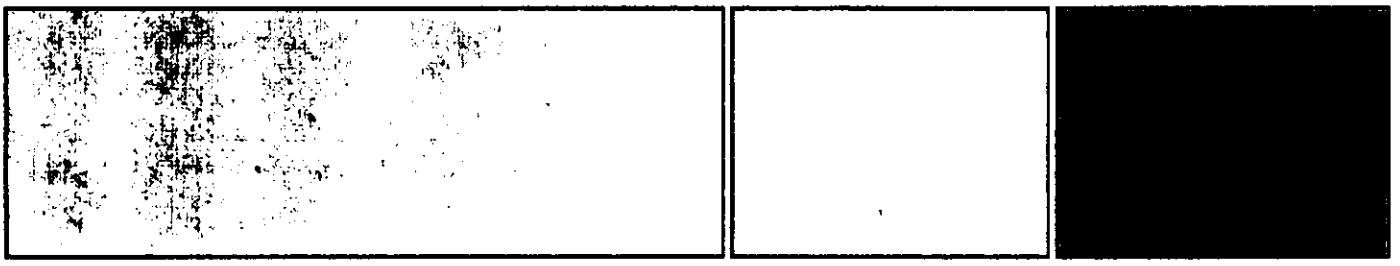
Julie M Powers

NCH
north country healthcare
Androscoggin Valley Hospital
North Country Home Health & Hospice Agency
Upper Connecticut Valley Hospital
Weeks Medical Center

North Country Healthcare, Inc. Mission Statement

The mission of NCH is to assure consistent, high quality, accessible, and integrated healthcare across the communities served.

BerryDunn



NCH
north country healthcare

NORTH COUNTRY HEALTHCARE, INC. AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS

and

SUPPLEMENTARY INFORMATION

Year Ended September 30, 2019 and 2018

With Independent Accountant's Compilation Report

BerryDunn

INDEPENDENT ACCOUNTANT'S COMPILATION REPORT

Board of Directors
North Country Healthcare, Inc. and Subsidiaries

Management is responsible for the accompanying consolidated financial statements of North Country Healthcare, Inc. and Subsidiaries (NCH), which comprise the consolidated balance sheets as of September 30, 2019 and 2018, and the related consolidated statements of operations and changes in net assets for the year then ended, in accordance with U.S. generally accepted accounting principles. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants. We did not audit or review the consolidated financial statements, nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, or provide any form of assurance on these financial statements.

Management has elected to omit substantially all of the disclosures and the consolidated statement of cash flows required by U.S. generally accepted accounting principles. If the omitted disclosures and statement were included in the consolidated financial statements, they might influence the user's conclusions about NCH's financial position, results of operations, and cash flows. Accordingly, these consolidated financial statements are not designed for those who are not informed about such matters.

Effective September 30, 2019, Littleton Regional Healthcare (LRH), one of the NCH subsidiaries, ended its participation in NCH. For analytical purposes, LRH's financial information has been omitted from the consolidated balance sheets as of September 30, 2019 and 2018, and the related consolidated statements of operations and changes in net assets for the years then ended.

Schedules 1 - 6 are presented for purposes of additional analysis, rather than to present the financial position and results of operations of the individual organizations, and are not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to our compilation engagement; however, we have not audited or reviewed the information and do not express an opinion, a conclusion, nor provide any assurance on such information.

Berry Dunn McNeil & Parker, LLC

Manchester, New Hampshire
January 31, 2020

NORTH COUNTRY HEALTHCARE, INC. AND SUBSIDIARIES

Consolidated Balance Sheets

September 30, 2019 and 2018

ASSETS

	2019	2018
Current assets		
Cash	$ 26,887,904	$ 24,603,704
Patient accounts receivable, net	13,281,869	12,164,609
Other accounts receivable	6,526,746	3,685,172
Current portion of assets limited as to use	4,211,202	2,571,291
Prepaid expenses and other current assets	4,990,580	4,212,823
Total current assets	55,898,301	47,237,599
Assets limited as to use	69,091,663	70,369,335
Note receivable	9,534,913	-
Property and equipment, net	49,791,941	38,049,717
Deferred compensation investments	5,734,807	5,379,427
Other assets	197,495	104,449
Total assets	$ 190,249,120	$ 161,140,527

The accompanying notes are an integral part of these consolidated financial statements.

LIABILITIES AND NET ASSETS

	2019	2018
Current liabilities		
Current portion of long-term debt	$ 1,557,098	$ 1,553,175
Accounts payable and accrued expenses	7,490,558	5,597,422
Accrued salaries and related amounts	6,786,030	6,263,098
Other current liabilities	3,696,705	1,290,129
Current portion of estimated third-party payor settlements	10,594,968	9,672,809
Total current liabilities	30,125,359	24,376,633
Estimated third-party payor settlements	36,155,574	32,884,248
Deferred compensation	6,253,978	5,379,427
Long-term debt, excluding current portion	29,349,926	14,247,649
Total liabilities	101,884,837	76,887,957
Net assets		
Without donor restriction	85,703,502	81,867,141
With donor restriction	2,660,781	2,385,429
Total net assets	88,364,283	84,252,570
Total liabilities and net assets	$ 190,249,120	$ 161,140,527

NORTH COUNTRY HEALTHCARE, INC. AND SUBSIDIARIES

Consolidated Statements of Operations

Years Ended September 30, 2019 and 2018

	2019	2018
Revenues, gains, and other support without donor restriction		
Patient service revenue (net of contractual allowances and discounts)	$ 136,728,406	$ 131,517,455
Less provision for bad debts	6,222,487	4,289,817
Net patient service revenue	130,505,919	127,227,638
Other revenues	7,891,783	5,261,070
Net assets released from restriction for operations	86,685	49,745
Total revenues, gains, and other support without donor restriction	138,484,387	132,538,453
Operating expenses		
Salaries, wages and fringe benefits	78,036,539	71,825,060
Contract labor	8,079,760	8,200,615
Supplies and other	38,809,634	33,809,817
Medicaid enhancement tax	5,322,432	5,245,814
Depreciation	5,329,626	5,175,054
Interest	768,514	703,149
Total expenses	136,346,505	124,959,509
Operating income	2,137,882	7,578,944
Nonoperating gains (losses)		
Income from investments, net	2,604,309	3,685,284
Unrestricted gifts, net of expenses	(130,751)	131,148
Community benefit and contribution expense	(1,083,691)	(1,342,532)
Recovery of (provision for) uncollectible related party receivables	7,528	44,977
Other nonoperating	7,189	-
Nonoperating gains, net	1,404,584	2,518,877
Excess of revenues, gains, and other support over expenses and nonoperating gains	3,542,466	10,097,821
Net assets released from restriction for capital acquisition	293,895	22,814
Increase in net assets without donor restriction	$ 3,836,361	$ 10,120,635

The accompanying notes are an integral part of these consolidated financial statements.

NORTH COUNTRY HEALTHCARE, INC. AND SUBSIDIARIES

Consolidated Statement of Changes in Net Assets

Years Ended September 30, 2019 and 2018

	Without Donor Restriction	With Donor Restriction	Total
Balances, October 1, 2017	$ 71,746,506	$ 1,739,045	$ 73,485,551
Excess of revenues,gains, and other support over expenses and nonoperating gains	10,097,821	-	10,097,821
Contributions	-	716,089	716,089
Investment income, net	-	2,854	2,854
Net assets released from restriction for operations	-	(49,745)	(49,745)
Net assets released from restriction for capital acquisition	22,814	(22,814)	-
Increase (decrease) in net assets	10,120,635	646,384	10,767,019
Balances, September 30, 2018	81,867,141	2,385,429	84,252,570
Excess of revenues, gains, and other support over expenses and nonoperating gains	**3,542,466**	**-**	**3,542,466**
Contributions	**-**	**630,253**	**630,253**
Investment income, net	**-**	**25,679**	**25,679**
Net assets released from restriction for operations	**-**	**(86,685)**	**(86,685)**
Net assets released from restriction for capital acquisition	**293,895**	**(293,895)**	**-**
Increase in net assets	**3,836,361**	**275,352**	**4,111,713**
Balances, September 30, 2019	**$ 85,703,502**	**$ 2,660,781**	**$ 88,364,283**

The accompanying notes are an integral part of these consolidated financial statements.

1. Organization

North Country Healthcare Inc. was established to coordinate the provision of healthcare services in Northern New Hampshire through its member hospitals and home health agency. North Country Healthcare was formed on April 1, 2016, and is the parent company of Androscoggin Valley Hospital, Inc. and Subsidiaries (AVH), Littleton Hospital Association, Inc. d/b/a Littleton Regional Healthcare (LRH), Weeks Medical Center (WMC), Upper Connecticut Valley Hospital Association, Inc. (UCVH), and North Country Home Health and Hospice, Inc. (NCHHH). NCH and its subsidiaries are collectively known as NCH. The hospitals provide inpatient and outpatient medical services and are designated as Critical Access Hospitals. As Critical Access Hospitals, Medicare inpatient and outpatient services and Medicaid outpatient services are paid on a cost reimbursed methodology.

NCHHH became a member of NCH effective May 1, 2017. As a result, the consolidated financial statements include only five months of the home health agency's operations for 2017. NCHHH changed its fiscal year-end from December 31 to September 30 during 2018. As a result, the consolidated financial statements reflect only nine months of operations for 2018. All significant intercompany accounts and transactions have been eliminated in consolidation.

Effective September 30 2019, Littleton Regional Hospital ended its participation in NCH.

All entities are non-profit organizations as described in Section 501(c)(3) of the Internal Revenue Code and, therefore, are exempt from federal income taxes on related income.

SUPPLEMENTARY INFORMATION

NORTH COUNTRY HEALTHCARE, INC. AND SUBSIDIARIES

Consolidating Balance Sheet

September 30, 2019

ASSETS

	North Country Healthcare, Inc.	Androscoggin Valley Hospital, Inc. and Subsidiaries	North Country Home Health and Hospice, Inc.	Weeks Medical Center	Upper Connecticut Valley Hospital Association, Inc.	Eliminations	Total
Current assets							
Cash and cash equivalents	$ 95,180	$ 9,284,798	$ 1,175,731	$ 10,919,137	$ 5,413,058	$ -	$ 26,887,904
Patient accounts receivable, net	-	4,387,575	1,198,655	5,259,545	2,436,094	-	13,281,869
Other accounts receivable	3,770,724	2,180,380	9,150	861,372	283,009	(577,889)	6,526,746
Current portion of assets limited as to use	-	-	-	4,211,202	-	-	4,211,202
Prepaid and other current assets	22,533	1,564,314	29,069	2,909,205	465,459	-	4,990,580
Total current assets	3,888,437	17,417,067	2,412,605	24,160,461	8,597,620	(577,889)	55,898,301
Assets limited as to use	-	26,371,048	250,092	26,602,698	15,867,825	-	69,091,663
Note receivable	-	-	-	9,534,913	-	-	9,534,913
Property and equipment, net	-	15,969,243	1,061,899	25,140,923	7,619,876	-	49,791,941
Deferred compensation investments	-	5,734,807	-	-	-	-	5,734,807
Other assets	-	-	61,358	-	136,137	-	197,495
Total assets	$3,888,437	$65,492,165	$ 3,785,954	$ 85,438,995	$ 32,221,458	$ (577,889)	$ 190,249,120

NORTH COUNTRY HEALTHCARE, INC. AND SUBSIDIARIES

Consolidating Balance Sheet

September 30, 2019

LIABILITIES AND NET ASSETS

	North Country Healthcare, Inc.	Androscoggin Valley Hospital, Inc. and Subsidiaries	North Country Home Health and Hospice, Inc.	Weeks Medical Center	Upper Connecticut Valley Hospital Association, Inc.	Eliminations	Total
Current liabilities							
Current portion of long-term debt	$ -	$ 886,288	$ 108,770	$ 562,040	$ -	$ -	$ 1,557,098
Accounts payable and accrued expenses	570,832	2,771,568	730,377	2,921,268	781,108	(284,595)	7,490,558
Accrued salaries and related amounts	154,093	2,976,931	450,056	2,489,802	715,148	-	6,786,030
Other current liabilities	3,104,946	-	5,840	125,308	460,611	-	3,696,705
Estimated third-party payor settlements	-	1,066,054	-	6,476,640	3,052,274	-	10,594,968
Total current liabilities	3,829,871	7,700,841	1,295,043	12,575,058	5,009,141	(284,595)	30,125,359
Estimated third-party payor settlements	-	19,023,322	-	9,594,828	7,537,424	-	36,155,574
Deferred compensation	-	6,253,978	-	-	-	-	6,253,978
Long-term debt, excluding current portion	-	5,727,618	870,968	23,044,634	-	(293,294)	29,349,926
Interest rate swap	-	-	-	-	-	-	-
Total liabilities	3,829,871	38,705,759	2,166,011	45,214,520	12,546,565	(577,889)	101,884,837
Net assets							
Without donor restriction	58,566	26,742,644	1,332,385	38,138,735	19,431,172	-	85,703,502
With donor restriction	-	43,762	287,558	2,085,740	243,721	-	2,660,781
Total net assets	58,566	26,786,406	1,619,943	40,224,475	19,674,893	-	88,364,283
Total liabilities and net assets	$ 3,888,437	$ 65,492,165	$ 3,785,954	$ 85,438,995	$ 32,221,458	$ (577,889)	$ 190,249,120

NORTH COUNTRY HEALTHCARE, INC. AND SUBSIDIARIES

Consolidating Statement of Operations

Year Ended September 30, 2019

	North Country Healthcare, Inc.	Androscoggin Valley Hospital, Inc. and Subsidiaries	North Country Home Health and Hospice, Inc.	Weeks Medical Center	Upper Connecticut Valley Hospital Association, Inc.	Eliminations	Total
Revenues, gains, and other support without donor restriction							
Patient service revenue (net of contractual allowances and discounts)	$ -	$ 59,533,412	$ 8,019,246	$ 50,690,110	$ 18,485,638	$ -	$ 136,728,406
Less provision for bad debts	-	3,314,818	248,187	1,829,918	829,564	-	6,222,487
Net patient service revenue	-	56,218,594	7,771,059	48,860,192	17,656,074	-	130,505,919
Other revenues	3,558,544	3,335,885	416,697	5,545,150	386,718	(5,351,211)	7,891,783
Net assets released from restriction for operations	-	-	-	81,122	5,563	-	86,685
Total revenues, gains, and other support without donor restriction	3,558,544	59,554,479	8,187,756	54,486,464	18,048,355	(5,351,211)	138,484,387
Operating expenses							
Salaries, wages and fringe benefits	1,104,242	32,198,252	4,816,562	32,164,479	9,959,813	(2,206,809)	78,036,539
Contract labor	-	4,853,994	-	1,037,903	2,415,163	(227,300)	8,079,760
Supplies and other	2,448,455	17,145,700	2,540,036	15,234,080	3,847,867	(2,406,504)	38,809,634
Medicaid enhancement tax	-	2,578,281	-	1,838,639	905,512	-	5,322,432
Depreciation	-	2,351,301	89,360	1,832,426	1,056,539	-	5,329,626
Interest expense	-	264,321	34,758	469,435	-	-	768,514
Total operating expenses	3,552,697	59,391,849	7,480,716	52,576,962	18,184,894	(4,840,613)	136,346,505
Operating income	5,847	162,630	707,040	1,909,502	(136,539)	(510,598)	2,137,882
Nonoperating gains (losses)							
Income from investments, net	-	96,954	109,312	1,519,824	878,219	-	2,604,309
Unrestricted gifts, net of expenses	-	(246,300)	3,721	81,922	29,906	-	(130,751)
Community benefit and contribution expense	-	(440,418)	2,031	(197,215)	(448,089)	-	(1,083,691)
Unrealized gain on interest rate swap	-	-	-	-	-	-	-
Recovery of (provision for) uncollectible related party receivables	-	-	-	-	7,528	-	7,528
Other nonoperating	-	7,189	-	-	-	-	7,189
Nonoperating gains (losses)	-	(582,575)	115,064	1,404,531	467,564	-	1,404,584
Excess (deficiency) of revenues, gains and other support over expenses and nonoperating gains	5,847	(419,945)	822,104	3,314,033	331,025	(510,598)	3,542,466
Net assets released from restriction for capital acquisitions	-	-	-	-	293,895	-	293,895
Increase (decrease) in net assets without restriction	$ 5,847	$ (419,945)	$ 822,104	$ 3,314,033	$ 624,920	$ (510,598)	$ 3,836,361

NORTH COUNTRY HEALTHCARE, INC. AND SUBSIDIARIES

Consolidating Statement of Changes in Net Assets

Year Ended September 30, 2019

	North Country Healthcare, Inc.	Androscoggin Valley Hospital, Inc. and Subsidiaries	North Country Home Health and Hospice, Inc.	Weeks Medical Center	Upper Connecticut Valley Hospital Association, Inc.	Eliminations	Total
Net assets without donor restriction							
Excess of revenues, gains, and other support over expenses and nonoperating gains	$ 5,847	$ (419,945)	$ 822,104	$ 3,314,033	$ 331,025	$ (510,598)	$ 3,542,466
Net assets released from restrictions for capital acquisitions	-	-	-	-	293,895	-	293,895
Change in net assets without donor restriction	5,847	(419,945)	822,104	3,314,033	624,920	(510,598)	3,836,361
Net assets with donor restriction							
Contributions	-	-	-	626,933	3,320	-	630,253
Income from investments, net	-	-	(3,091)	14,934	13,836	-	25,679
Net assets released from restrictions for operations	-	-	-	(81,122)	(5,563)	-	(86,685)
Net assets released from restrictions for capital acquisitions	-	-	-	-	(293,895)	-	(293,895)
Change in net assets with donor restriction	-	-	(3,091)	560,745	(282,302)	-	275,352
Increase (decrease) in net assets	5,847	(419,945)	819,013	3,874,778	342,618	(510,598)	4,111,713
Net assets, beginning of year	52,719	27,206,351	800,930	36,349,697	19,332,275	510,598	84,252,570
Net assets, end of year	$ 58,566	$ 26,786,406	$ 1,619,943	$ 40,224,475	$ 19,674,893	$ -	$ 88,364,283

NORTH COUNTRY HEALTHCARE, INC. AND SUBSIDIARIES

Consolidating Balance Sheet

September 30, 2018

ASSETS

	North Country Healthcare, Inc.	Androscoggin Valley Hospital, Inc. and Subsidiaries	North Country Home Health and Hospice, Inc.	Weeks Medical Center	Upper Connecticut Valley Hospital Association, Inc.	Eliminations	Total
Current assets							
Cash and cash equivalents	$ 101,342	$ 8,561,673	$ 446,109	$ 11,078,281	$ 4,416,299	$ -	$ 24,603,704
Patient accounts receivable, net	-	5,054,706	1,365,195	3,826,836	1,917,872	-	12,164,609
Other accounts receivable	628,418	1,894,723	-	844,966	326,642	(9,577)	3,685,172
Current portion of assets limited as to use	-	-	-	2,571,291	-	-	2,571,291
Prepaid and other current assets	56,075	2,259,941	34,261	2,279,984	878,006	(1,295,444)	4,212,823
Total current assets	785,835	17,771,043	1,845,565	20,601,358	7,538,819	(1,305,021)	47,237,599
Assets limited as to use	-	27,044,488	245,018	28,351,498	14,728,331	-	70,369,335
Property and equipment, net	-	14,672,211	1,041,195	14,841,984	7,494,327	-	38,049,717
Deferred compensation investments	-	5,379,427	-	-	-	-	5,379,427
Other assets	-	-	64,449	-	40,000	-	104,449
Total assets	$ 785,835	$ 64,867,169	$ 3,196,227	$ 63,794,840	$ 29,801,477	$ (1,305,021)	$ 161,140,527

NORTH COUNTRY HEALTHCARE, INC. AND SUBSIDIARIES

Consolidating Balance Sheet

September 30, 2018

LIABILITIES AND NET ASSETS

	North Country Healthcare, Inc.	Androscoggin Valley Hospital, Inc. and Subsidiaries	North Country Home Health and Hospice, Inc.	Weeks Medical Center	Upper Connecticut Valley Hospital Association, Inc.	Eliminations	Total
Current liabilities							
Current portion of long-term debt	$ -	$ 1,003,635	$ 105,540	$ 444,000	$ -	$ -	$ 1,553,175
Accounts payable and accrued expenses	672,262	2,924,682	686,210	1,883,574	705,884	(1,275,190)	5,597,422
Accrued salaries and related amounts	60,854	3,184,691	358,667	2,078,184	580,702	-	6,263,098
Other current liabilities	-	-	265,144	393,118	631,867	-	1,290,129
Estimated third-party payor settlements	-	1,058,096	-	5,894,631	2,720,082	-	9,672,809
Total current liabilities	733,116	8,171,104	1,415,561	10,693,507	4,638,535	(1,275,190)	24,376,633
Estimated third-party payor settlements	-	16,978,825	-	10,074,756	5,830,667	-	32,884,248
Deferred compensation	-	5,379,427	-	-	-	-	5,379,427
Long-term debt, excluding current portion	-	7,131,462	979,736	6,676,880	-	(540,429)	14,247,649
Total liabilities	733,116	37,660,818	2,395,297	27,445,143	10,469,202	(1,815,619)	76,887,957
Net assets							
Without donor restriction	52,719	27,162,589	510,281	34,824,702	18,806,252	510,598	81,867,141
With donor restriction	-	43,762	290,649	1,524,995	526,023	-	2,385,429
Total net assets	52,719	27,206,351	800,930	36,349,697	19,332,275	510,598	84,252,570
Total liabilities and net assets	$ 785,835	$ 64,867,169	$ 3,196,227	$ 63,794,840	$ 29,801,477	$ (1,305,021)	$ 161,140,527

NORTH COUNTRY HEALTHCARE, INC. AND SUBSIDIARIES

Consolidating Statement of Operations

Year Ended September 30, 2018

	North Country Healthcare, Inc.	Androscoggin Valley Hospital, Inc. and Subsidiaries	North Country Home Health and Hospice, Inc.	Weeks Medical Center	Upper Connecticut Valley Hospital Association, Inc.	Eliminations	Total
Revenues, gains, and other support without donor restriction							
Patient service revenue (net of contractual allowances and discounts)	$ -	$ 60,192,553	$ 5,563,463	$ 47,920,708	$ 17,840,731	$ -	$ 131,517,455
Less provision for bad debts	-	1,722,160	58,000	1,726,823	782,834	-	4,289,817
Net patient service revenue	-	58,470,393	5,505,463	46,193,885	17,057,897	-	127,227,638
Other revenues	4,269,030	3,192,579	368,219	4,410,689	262,455	(7,241,902)	5,261,070
Net assets released from restriction for operations	-	-	-	44,605	5,140	-	49,745
Total revenues, gains, and other support without donor restriction	4,269,030	61,662,972	5,873,682	50,649,179	17,325,492	(7,241,902)	132,538,453
Operating expenses							
Salaries, wages and fringe benefits	1,738,087	31,131,790	3,753,049	29,651,873	8,959,685	(3,409,424)	71,825,060
Contract labor	-	4,724,051	-	1,069,585	2,421,979	(15,000)	8,200,615
Supplies and other	2,528,224	15,787,807	1,997,054	13,231,325	4,082,885	(3,817,478)	33,809,817
Medicaid enhancement tax	-	2,645,534	-	1,729,590	870,690	-	5,245,814
Depreciation	-	2,397,405	49,856	1,826,546	901,247	-	5,175,054
Interest expense	-	395,795	33,644	271,842	1,868	-	703,149
Total operating expenses	4,266,311	57,082,382	5,833,603	47,780,761	17,238,354	(7,241,902)	124,959,509
Operating income	2,719	4,580,590	40,079	2,868,418	87,138	-	7,578,944
Nonoperating gains (losses)							
Income from investments, net	- -	422,237	5,294	2,215,814	1,041,939	-	3,685,284
Unrestricted gifts, net of expenses	-	21,531	45,604	791	63,222	-	131,148
Community benefit and contribution expense	-	(1,010,900)	-	(192,301)	(139,331)	-	(1,342,532)
Provision for uncollectible related party receivables	-	-	-	17,669	27,308	-	44,977
Nonoperating gains, net	-	(567,132)	50,898	2,041,973	993,138	-	2,518,877
Excess of revenues, gains and other support over expenses and nonoperating gains	2,719	4,013,458	90,977	4,910,391	1,080,276	-	10,097,821
Net assets released from restriction for capital acquisitions	-	-	-	4,395	18,419	-	22,814
Increase in net assets without donor restriction	$ 2,719	$ 4,013,458	$ 90,977	$ 4,914,786	$ 1,098,695	$ -	$ 10,120,635

NORTH COUNTRY HEALTHCARE, INC. AND SUBSIDIARIES

Consolidating Statement of Changes in Net Assets

Year Ended September 30, 2018

	North Country Healthcare, Inc.	Androscoggin Valley Hospital, Inc. and Subsidiaries	North Country Home Health and Hospice, Inc.	Weeks Medical Center	Upper Connecticut Valley Hospital Association, Inc.	Eliminations	Total
Net assets without donor restriction							
Excess of revenues, gains, and other support over expenses and nonoperating gains	$ 2,719	$ 4,013,458	$ 90,977	$ 4,910,391	$ 1,080,276	$ -	$ 10,097,821
Net assets released from restrictions for capital acquisitions	-	-	-	4,395	18,419	-	22,814
Change in net assets without donor restriction	2,719	4,013,458	90,977	4,914,786	1,098,695	-	10,120,635
Net assets with donor restriction							
Contributions	-	-	151,200	253,970	310,919	-	716,089
Income from investments, net	-	-	32	(702)	3,524	-	2,854
Net assets released from restrictions for operations	-	-	-	(44,605)	(5,140)	-	(49,745)
Net assets released from restrictions for capital acquisitions	-	-	-	(4,395)	(18,419)	-	(22,814)
Change in net assets with donor restriction	-	-	151,232	204,268	290,884	-	646,384
Increase in net assets	2,719	4,013,458	242,209	5,119,054	1,389,579	-	10,767,019
Net assets, beginning of year	50,000	23,192,893	558,721	31,230,643	17,942,696	510,598	73,485,551
Net assets, end of year	$ 52,719	$ 27,206,351	$ 800,930	$ 36,349,697	$ 19,332,275	$ 510,598	$ 84,252,570

2020 TRUSTEE CONTACT LIST
NORTH COUNTRY HEALTHCARE, INC.

Updated June 2020

FIRST NAME	LAST NAME	Hospital	Board Title
James (Jim)	Hamblin	NCH	Chair
Donald	Crane	WMC	Vice Chair
Greg	Placy	UCVH	Secretary
Donna	Goodrich	AVH	Treasurer
Tom	Mee	NCH	CEO
Eric	Stohl	UCVH	Member
Mark	Kelley	NCH	Member
Richard	Kardell, DO	NCH	Member
Nicholas	Delaney, NP	NCHHHA	Member
Elisabeth	Moore, MD	WMC	Member
David	Ruble	AVH	Member
Mark	Russell	NCH	Member
Roxie	Severance	NCHHHA	Member
Odette	Crawford	UCVH	Member
Sarah	Desrochers	WMC	Member
Stephanie	Chase	NCH	Board Liaison

WEEKS MEMORIAL HOSPITAL
RR #1 Box 8 Middle St.
Lancaster, NH 03584

APPLICATION FOR EMPLOYMENT

PLEASE READ CAREFULLY — WRITE CLEARLY — ANSWER ALL QUESTIONS

FEDERAL AND STATE LAWS PROHIBIT DISCRIMINATION IN EMPLOYMENT BECAUSE OF RACE, COLOR, CREED, AGE, SEX, MARITAL STATUS, NATIONAL ORIGIN, PHYSICAL HANDICAP, OR MEDICAL CONDITION.

NAME & LOCATION

(LAST NAME)	(FIRST NAME)	(MIDDLE NAME)	APPLICATION DATE
York	Lorily	Gayle (Lamb)	11-28-90

CURRENT ADDRESS (NUMBER & STREET): [redacted] | HOME PHONE: [redacted] | PHONE NUMBER FOR MESSAGE:

CITY, STATE & ZIP: [redacted] | SOCIAL SECURITY NO: [redacted]

EMPLOYMENT DESIRED

FIRST CHOICE	EXPERIENCE?	SECOND CHOICE	EXPERIENCE?
Medical Technologist	YES ☑ NO ☐		YES ☐ NO ☐

HAVE YOU WORKED FOR US BEFORE?	(IF YES, STATE DATE LEFT)	WILL YOU ACCEPT PART TIME WORK?	WILL YOU ACCEPT TEMPORARY WORK?
YES ☐ NO ☑		YES ☑ NO ☐	YES ☑ NO ☐

HAVE YOU WORKED FOR US BEFORE UNDER ANOTHER NAME?	(IF YES, STATE NAME)	SHIFT OR HOURS YOU CAN WORK	OTHER
YES ☐ NO ☑		1ST ☑ 2ND ☑ 3RD ☐	3rd on Call

CITIZENSHIP

ARE YOU EITHER A UNITED STATES CITIZEN OR AN ALIEN WHO HAS THE LEGAL RIGHT TO WORK IN THE JOB FOR WHICH YOU ARE APPLYING? YES ☑ NO ☐

PURSUANT TO THE IMMIGRATION REFORM AND CONTROL ACT OF 1986, ALL APPLICANTS, UPON BEING MADE AN OFFER OF EMPLOYMENT, MUST PRODUCE DOCUMENTS, WHICH ARE SPECIFIED BY THE FEDERAL GOVERNMENT, ESTABLISHING THEIR IDENTITY AND AUTHORIZATION FOR EMPLOYMENT IN THE UNITED STATES. THESE DOCUMENTS MUST BE PRODUCED NO LATER THAN SEVENTY-TWO (72) HOURS AFTER COMMENCEMENT OF EMPLOYMENT. YOU WILL ALSO BE REQUIRED TO SIGN FORM I-9 (ISSUED BY THE FEDERAL GOVERNMENT) VERIFYING, UNDER OATH, YOUR EMPLOYMENT AUTHORIZATION.

U.S. MILITARY SERVICE

HAVE YOU SERVED IN THE U.S. MILITARY? YES ☐ NO ☑

PLEASE LIST JOB-RELATED SKILLS OR EXPERIENCE

STATEMENT OF HEALTH

DO YOU HAVE ANY PHYSICAL OR MENTAL CONDITION WHICH COULD LIMIT YOUR PERFORMANCE ON THE JOB FOR WHICH YOU ARE APPLYING? YES ☐ NO ☑

EXPLAIN:

ARE YOU WILLING TO TAKE A PHYSICAL EXAMINATION AT OUR EXPENSE IF THE NATURE OF THE JOB YOU HAVE APPLIED FOR REQUIRES ONE? YES ☑ NO ☐

PERSONAL

HAVE YOU, SINCE THE AGE OF 16, EVER BEEN CONVICTED OF A FELONY? YES ☐ NO ☑ IF YES, EXPLAIN — GIVE DATES

NOTE: A CONVICTION WILL NOT NECESSARILY BAR YOU FROM EMPLOYMENT.

HAVE YOU EVER BEEN INVOLUNTARILY DISCHARGED FROM A JOB? YES ☐ NO ☑ IF YES, EXPLAIN — GIVE DATES

HAVE YOU ANY HOBBIES OR INTERESTS, OR BELONG TO ANY CLUB, ORGANIZATION, SOCIETY OR PROFESSIONAL GROUP WHICH HAS A DIRECT BEARING ON YOUR QUALIFICATION FOR THE JOB WHICH YOU ARE SEEKING? YOU MAY OMIT THOSE WHICH INDICATE YOUR RACE, RELIGIOUS CREED, COLOR, NATIONAL ORIGIN, ANCESTRY, SEX OR AGE.

YES ☐ NO ☑ IF YES, EXPLAIN

EDUCATION

NAMES	COMPLETE ADDRESSES OF SCHOOLS	ACADEMIC MAJOR	NUMBER OF YEARS ATTENDED	DIPLOMA?
LAST ELEMENTARY SCHOOL: Ridgewood Elementary	Ridgewood Rd. Orlando, FL 32809	general Elem. courses	6	Yes
LAST HIGH SCHOOL: Maynard Evans High	Pine Hills Rd. Orlando, FL 32808	College Prep.	3	Yes - High School
JR COLLEGE, COLLEGE, OR UNIVERSITY: Stetson University Deland, FL 32720		Biology	4	Yes B.S. Biology
TECHNICAL OR VOCATIONAL SCHOOL: Baptist Med. Center School of Med. Tech.	800 Prudential Dr. Jacksonville, FL 32207	Med. Tech. Intern.	1	Yes MT

OTHER DETAILS OF EXPERIENCE OR TRAINING, INCLUDING INFORMATION ON ADULT EDUCATION PROGRAMS WHICH HAVE A DIRECT BEARING ON THE JOB WHICH YOU ARE SEEKING?

SCHOOL	COURSE	DIPLOMA OR CERTIFICATE?	DATE COMPLETED

REFERENCES

GIVE NAME(S) OF PERSONS WE MAY CONTACT TO VERIFY YOUR QUALIFICATIONS FOR THE POSITION.

NAME	OCCUPATION	ORGANIZATION
Gladys Atz	Educational Coordinator	Baptist Med. Center School of Med. Tech.
	PHONE 904-725-3569	ADDRESS 800 Prudential Dr, Jacksonville, FL 32207
NAME	OCCUPATION	ORGANIZATION
Susan Pemberton	Educational Coordinator	Baptist Medical Center
	PHONE 904-745-1026	ADDRESS 800 Prudential Dr, Jacksonville, FL
NAME	OCCUPATION	ORGANIZATION
Grace Long	Medical Technologist	Baptist Medical Center
	PHONE 904-273-9450	ADDRESS 800 Prudential Dr. Jacksonville, FL

EXPERIENCE

GIVE A COMPLETE RECORD OF ALL EMPLOYMENT AND REASONS FOR PERIODS UNEMPLOYED DURING PAST TEN YEARS. START WITH MOST RECENT EMPLOYMENT. GIVE U.S. EXPERIENCE ONLY.

LAST EMPLOYMENT FIRST FROM MO.	FROM YR.	TO MO.	TO YR.	EMPLOYER'S NAME, ADDRESS, TELEPHONE NUMBER	LAST SALARY AND POSITION(S) HELD	REASON FOR LEAVING	VERIF.
3	90	9	90	EMPLOYER Millinocket Regional Hospital NO. & STREET 200 Somerset Ave. (207)- CITY, STATE & ZIP Millinocket, ME 04462 PHONE 743-5161	SALARY $11.12/hr. POSITION Chem. Supervisor SUPERVISOR Betsey Kelly	Husband relocated for new job	
4	89	1	90	EMPLOYER Mayo Clinic - (Part Time) NO. & STREET 4201 Belfort Road CITY, STATE & ZIP Jacksonville, FL 32216 PHONE (904)-739-5756	SALARY $ 13.A/hr POSITION Med. Tech. B.B. SUPERVISOR Terry Hackenburg B) Linda Brown Lab. Sup.	Moved to Maine	
7	87	1	90	EMPLOYER Baptist Medical Center NO. & STREET 800 Prudential Drive CITY, STATE & ZIP Jacksonville, FL 32207 PHONE (904)-390-1513	SALARY [redacted] $14.75/hr POSITION Med. Tech. SUPERVISOR Douglas Walker	Moved to Maine	
9	82	5	87	EMPLOYER Fish Memorial Hospital NO. & STREET 245 East New York CITY, STATE & ZIP DeLand, FL 32721 PHONE (904) 734-2323 Ext. 156, 157	SALARY $ 900/hr POSITION Med. Technician SUPERVISOR Franklin Leese	Moved to Jacksonville to complete M.T. internship	
				EMPLOYER NO. & STREET CITY, STATE & ZIP PHONE	SALARY POSITION SUPERVISOR		

MAY WE CONTACT YOUR PRESENT EMPLOYER FOR A REFERENCE? ☐ YES ☐ NO

LIST OFFICE MACHINES YOU CAN USE. NOT APPLICABLE ☐

List provided on request

TYPING SPEED WPM

SHORTHAND SPEED WPM

PLEASE LIST WHAT OTHER EQUIPMENT YOU CAN OPERATE. NOT APPLICABLE ☐

List provided on Request

Sent 12/3/90.

REPAIR? ☐ YES ☐ NO SET UP? ☐ YES ☐ NO

REPAIR? ☐ YES ☐ NO SET UP? ☐ YES ☐ NO

REPAIR? ☐ YES ☐ NO SET UP? ☐ YES ☐ NO

CAN YOU TRANSCRIBE DR's ORDERS?

☑ YES ☐ NO

☐ NOT APPLICABLE

PROFESSIONAL LICENSES, REGISTRATIONS, AND/OR CERTIFICATIONS

TYPE	STATE ISSUED	DATE	NO.	VERIF.
American Society of Clinical Pathologist (M.T)		8/87	MT-172634	
National Certification Agency (C.L.S)		7/87	0934222	
Clinical Laboratory Technologist	Florida	5/88	JC-0024601	

AREA OF SPECIALIZATION OR MAJOR INTEREST: Generalist

I would also be interested in any educational responsibilities if they are available.

AFFIDAVIT I certify that the answers given by me to the foregoing questions and statements are true and correct without consequential omissions of any kind whatsoever. I agree that my employer shall not be liable in any respect if my employment is terminated because of the falsity of statements, answers or omissions made by me in this questionnaire. I authorize employers, companies, schools or persons named above to give any information regarding my employment, together with any information they may have regarding me whether or not it is in their records. I hereby release said employers, companies, schools or persons from all liability for any damage, both legal and otherwise, for issuing this information. I also understand an offer of employment will be conditioned on results of a medical examination. In addition, if accepted for employment, I hereby agree to abide by the rules and policies of my employer.

Further, I understand that any employment is not for a stated period of time and my be terminated with or without cause, at any time, at the option of either myself or my employer. In addition, should my employer be or become subject to the conditions of the Drug-Free Workplace Act of 1988, I agree to abide by such established policies as relates thereto.

Signed [signature] Date 11/28/90

WE ARE AN EQUAL OPPORTUNITY EMPLOYER – A COPY OF THIS APPLICATION IS AVAILABLE TO YOU ON REQUEST.

APPLICANT – PLEASE DO NOT USE THIS SPACE

INTERVIEWED BY	DATE	TIME	RATED BY	DATE	TIME

DISPOSITION	POSITION TITLE	POSITION CODE	DEPARTMENT	RATE	SHIFT	STARTING DATE	SUPERVISOR

Lorily G. York
[redacted]

OBJECTIVE

To obtain a Medical Technologist position in a progressive lab that offers challenge and growth potential.

SUMMARY OF QUALIFICATIONS

Licensed Medical Technologist with experience in Blood Bank, Coagulation, Chemistry, Hematology, Microbiology, Urinalysis, Serology and some experience in Histology/Cytology. Have also assisted in the training of new employees, and have prepared and delivered lectures to Medical Technology students.

EMPLOYMENT

9/82 - 5/85 Phlebotomist - Fish Memorial Hospital; DeLand, FL. Responsibilities included general phlebotomy duties, training new employees in the phlebotomy department and assisting technologists in routine tasks.

5/85 - 5/87 Medical Laboratory Technician - Fish Memorial Hospital; DeLand, FL. Worked as a MLT in all areas of the lab with an emphasis in Hematology, Chemistry, Urinalysis, and Serology. Received some experience in Cytology and Histology while assisting Pathologist.

7/87 - 10/88 Medical Technologist - Baptist Medical Center; Jacksonville, FL. Worked as an MT in Blood Banking with responsibilities of crossmatching, quality control, antibody identification, problem solving and the preparation of some blood components. Prepared and delivered Blood Bank lectures to students in the School of Medical Technology.

10/88 - 1/90 Medical Technologist - Baptist Medical Center; Jacksonville, FL. Worked as an MT rotating through Blood Bank, Microbiology, Automated Chemistry, and Urinalysis. Delivered lectures to Medical Technology students.

4/89 - 1/90 Medical Technologist - Mayo Clinic; Jacksonville, FL. Worked part time in the Blood Bank with general Technologist responsibilities of crossmatching, antibody identification, problem solving and preparation of some blood components.

3/90 - 9/90 Medical Technologist - Millinocket Regional Hospital; Millinocket, ME. Worked as a generalist in all departments of the laboratory. Promoted to Chemistry Section Supervisor with responsibilities including quality control, instrument maintenance, and general Chemistry duties.

EDUCATION

7/86 - 7/87	Baptist Medical Center School of Medical Technology; Jacksonville, FL. Medical Technology Internship. Received B.S. from Stetson after completing internship.
9/81 - 5/85	Stetson University; Deland, FL. Bachelor of Science in Medical Technology.

CERTIFICATION

American School of Clinical Pathologist, Medical Technologist (MT-173634). August 1987
National Certification Agency - Clinical Laboratory Scientist (0934222). July 1987
Clinical Laboratory Technologist, Florida license (JC 0024601). May 1988
Clinical Laboratory Technologist, Florida license (JC0024601). May 1985

CONTRACTOR NAME

Key Personnel

Name	Job Title	Salary	% Paid from this Contract	Amount Paid from this Contract
Lorily York	Director, Clinical Lab	$114,404.99	/	/

Subject: Hospital-based COVID-19 Community Testing (SS-2021-DPHS-04-HOSPI-02)

Notice: This agreement and all of its attachments shall become public upon submission to Governor and Executive Council for approval. Any information that is private, confidential or proprietary must be clearly identified to the agency and agreed to in writing prior to signing the contract.

AGREEMENT

The State of New Hampshire and the Contractor hereby mutually agree as follows:

GENERAL PROVISIONS

1. IDENTIFICATION.

1.1 State Agency Name New Hampshire Department of Health and Human Services		1.2 State Agency Address 129 Pleasant Street Concord, NH 03301-3857	
1.3 Contractor Name Catholic Medical Center		1.4 Contractor Address 100 McGregor Street Manchester, NH, 03102	
1.5 Contractor Phone Number (603) 663-8760	1.6 Account Number 05-095-090-903010-19010000	1.7 Completion Date December 1, 2020	1.8 Price Limitation $290,000
1.9 Contracting Officer for State Agency Nathan D. White, Director		1.10 State Agency Telephone Number (603) 271-9631	
1.11 Contractor Signature Date: 7/21/2020		1.12 Name and Title of Contractor Signatory Joseph Pepe, MD President + CEO	
1.13 State Agency Signature Date: 7/23/2020		1.14 Name and Title of State Agency Signatory Ann Landry, Associate Commissioner	
1.15 Approval by the N.H. Department of Administration, Division of Personnel *(if applicable)* By:		Director, On:	
1.16 Approval by the Attorney General (Form, Substance and Execution) *(if applicable)* By: Catherine Pinos		On: 07/30/20	
1.17 Approval by the Governor and Executive Council *(if applicable)* G&C Item number:		G&C Meeting Date:	

Contractor Initials
Date 7/21/2020

2. SERVICES TO BE PERFORMED. The State of New Hampshire, acting through the agency identified in block 1.1 ("State"), engages contractor identified in block 1.3 ("Contractor") to perform, and the Contractor shall perform, the work or sale of goods, or both, identified and more particularly described in the attached EXHIBIT B which is incorporated herein by reference ("Services").

3. EFFECTIVE DATE/COMPLETION OF SERVICES.

3.1 Notwithstanding any provision of this Agreement to the contrary, and subject to the approval of the Governor and Executive Council of the State of New Hampshire, if applicable, this Agreement, and all obligations of the parties hereunder, shall become effective on the date the Governor and Executive Council approve this Agreement as indicated in block 1.17, unless no such approval is required, in which case the Agreement shall become effective on the date the Agreement is signed by the State Agency as shown in block 1.13 ("Effective Date").

3.2 If the Contractor commences the Services prior to the Effective Date, all Services performed by the Contractor prior to the Effective Date shall be performed at the sole risk of the Contractor, and in the event that this Agreement does not become effective, the State shall have no liability to the Contractor, including without limitation, any obligation to pay the Contractor for any costs incurred or Services performed. Contractor must complete all Services by the Completion Date specified in block 1.7.

4. CONDITIONAL NATURE OF AGREEMENT.

Notwithstanding any provision of this Agreement to the contrary, all obligations of the State hereunder, including, without limitation, the continuance of payments hereunder, are contingent upon the availability and continued appropriation of funds affected by any state or federal legislative or executive action that reduces, eliminates or otherwise modifies the appropriation or availability of funding for this Agreement and the Scope for Services provided in EXHIBIT B, in whole or in part. In no event shall the State be liable for any payments hereunder in excess of such available appropriated funds. In the event of a reduction or termination of appropriated funds, the State shall have the right to withhold payment until such funds become available, if ever, and shall have the right to reduce or terminate the Services under this Agreement immediately upon giving the Contractor notice of such reduction or termination. The State shall not be required to transfer funds from any other account or source to the Account identified in block 1.6 in the event funds in that Account are reduced or unavailable.

5. CONTRACT PRICE/PRICE LIMITATION/ PAYMENT.

5.1 The contract price, method of payment, and terms of payment are identified and more particularly described in EXHIBIT C which is incorporated herein by reference.

5.2 The payment by the State of the contract price shall be the only and the complete reimbursement to the Contractor for all expenses, of whatever nature incurred by the Contractor in the performance hereof, and shall be the only and the complete compensation to the Contractor for the Services. The State shall have no liability to the Contractor other than the contract price.

5.3 The State reserves the right to offset from any amounts otherwise payable to the Contractor under this Agreement those liquidated amounts required or permitted by N.H. RSA 80:7 through RSA 80:7-c or any other provision of law.

5.4 Notwithstanding any provision in this Agreement to the contrary, and notwithstanding unexpected circumstances, in no event shall the total of all payments authorized, or actually made hereunder, exceed the Price Limitation set forth in block 1.8.

6. COMPLIANCE BY CONTRACTOR WITH LAWS AND REGULATIONS/ EQUAL EMPLOYMENT OPPORTUNITY.

6.1 In connection with the performance of the Services, the Contractor shall comply with all applicable statutes, laws, regulations, and orders of federal, state, county or municipal authorities which impose any obligation or duty upon the Contractor, including, but not limited to, civil rights and equal employment opportunity laws. In addition, if this Agreement is funded in any part by monies of the United States, the Contractor shall comply with all federal executive orders, rules, regulations and statutes, and with any rules, regulations and guidelines as the State or the United States issue to implement these regulations. The Contractor shall also comply with all applicable intellectual property laws.

6.2 During the term of this Agreement, the Contractor shall not discriminate against employees or applicants for employment because of race, color, religion, creed, age, sex, handicap, sexual orientation, or national origin and will take affirmative action to prevent such discrimination.

6.3. The Contractor agrees to permit the State or United States access to any of the Contractor's books, records and accounts for the purpose of ascertaining compliance with all rules, regulations and orders, and the covenants, terms and conditions of this Agreement.

7. PERSONNEL.

7.1 The Contractor shall at its own expense provide all personnel necessary to perform the Services. The Contractor warrants that all personnel engaged in the Services shall be qualified to perform the Services, and shall be properly licensed and otherwise authorized to do so under all applicable laws.

7.2 Unless otherwise authorized in writing, during the term of this Agreement, and for a period of six (6) months after the Completion Date in block 1.7, the Contractor shall not hire, and shall not permit any subcontractor or other person, firm or corporation with whom it is engaged in a combined effort to perform the Services to hire, any person who is a State employee or official, who is materially involved in the procurement, administration or performance of this Agreement. This provision shall survive termination of this Agreement.

7.3 The Contracting Officer specified in block 1.9, or his or her successor, shall be the State's representative. In the event of any dispute concerning the interpretation of this Agreement, the Contracting Officer's decision shall be final for the State.

Contractor Initials _____

Date 7/21/2020

8. EVENT OF DEFAULT/REMEDIES.

8.1 Any one or more of the following acts or omissions of the Contractor shall constitute an event of default hereunder ("Event of Default"):

8.1.1 failure to perform the Services satisfactorily or on schedule;

8.1.2 failure to submit any report required hereunder; and/or

8.1.3 failure to perform any other covenant, term or condition of this Agreement.

8.2 Upon the occurrence of any Event of Default, the State may take any one, or more, or all, of the following actions:

8.2.1 give the Contractor a written notice specifying the Event of Default and requiring it to be remedied within, in the absence of a greater or lesser specification of time, thirty (30) days from the date of the notice; and if the Event of Default is not timely cured, terminate this Agreement, effective two (2) days after giving the Contractor notice of termination;

8.2.2 give the Contractor a written notice specifying the Event of Default and suspending all payments to be made under this Agreement and ordering that the portion of the contract price which would otherwise accrue to the Contractor during the period from the date of such notice until such time as the State determines that the Contractor has cured the Event of Default shall never be paid to the Contractor;

8.2.3 give the Contractor a written notice specifying the Event of Default and set off against any other obligations the State may owe to the Contractor any damages the State suffers by reason of any Event of Default; and/or

8.2.4 give the Contractor a written notice specifying the Event of Default, treat the Agreement as breached, terminate the Agreement and pursue any of its remedies at law or in equity, or both.

8.3. No failure by the State to enforce any provisions hereof after any Event of Default shall be deemed a waiver of its rights with regard to that Event of Default, or any subsequent Event of Default. No express failure to enforce any Event of Default shall be deemed a waiver of the right of the State to enforce each and all of the provisions hereof upon any further or other Event of Default on the part of the Contractor.

9. TERMINATION.

9.1 Notwithstanding paragraph 8, the State may, at its sole discretion, terminate the Agreement for any reason, in whole or in part, by thirty (30) days written notice to the Contractor that the State is exercising its option to terminate the Agreement.

9.2 In the event of an early termination of this Agreement for any reason other than the completion of the Services, the Contractor shall, at the State's discretion, deliver to the Contracting Officer, not later than fifteen (15) days after the date of termination, a report ("Termination Report") describing in detail all Services performed, and the contract price earned, to and including the date of termination. The form, subject matter, content, and number of copies of the Termination Report shall be identical to those of any Final Report described in the attached EXHIBIT B. In addition, at the State's discretion, the Contractor shall, within 15 days of notice of early termination, develop and submit to the State a Transition Plan for services under the Agreement.

10. DATA/ACCESS/CONFIDENTIALITY/ PRESERVATION.

10.1 As used in this Agreement, the word "data" shall mean all information and things developed or obtained during the performance of, or acquired or developed by reason of, this Agreement, including, but not limited to, all studies, reports, files, formulae, surveys, maps, charts, sound recordings, video recordings, pictorial reproductions, drawings, analyses, graphic representations, computer programs, computer printouts, notes, letters, memoranda, papers, and documents, all whether finished or unfinished.

10.2 All data and any property which has been received from the State or purchased with funds provided for that purpose under this Agreement, shall be the property of the State, and shall be returned to the State upon demand or upon termination of this Agreement for any reason.

10.3 Confidentiality of data shall be governed by N.H. RSA chapter 91-A or other existing law. Disclosure of data requires prior written approval of the State.

11. CONTRACTOR'S RELATION TO THE STATE. In the performance of this Agreement the Contractor is in all respects an independent contractor, and is neither an agent nor an employee of the State. Neither the Contractor nor any of its officers, employees, agents or members shall have authority to bind the State or receive any benefits, workers' compensation or other emoluments provided by the State to its employees.

12. ASSIGNMENT/DELEGATION/SUBCONTRACTS.

12.1 The Contractor shall not assign, or otherwise transfer any interest in this Agreement without the prior written notice, which shall be provided to the State at least fifteen (15) days prior to the assignment, and a written consent of the State. For purposes of this paragraph, a Change of Control shall constitute assignment. "Change of Control" means (a) merger, consolidation, or a transaction or series of related transactions in which a third party, together with its affiliates, becomes the direct or indirect owner of fifty percent (50%) or more of the voting shares or similar equity interests, or combined voting power of the Contractor, or (b) the sale of all or substantially all of the assets of the Contractor.

12.2 None of the Services shall be subcontracted by the Contractor without prior written notice and consent of the State. The State is entitled to copies of all subcontracts and assignment agreements and shall not be bound by any provisions contained in a subcontract or an assignment agreement to which it is not a party.

13. INDEMNIFICATION. Unless otherwise exempted by law, the Contractor shall indemnify and hold harmless the State, its officers and employees, from and against any and all claims, liabilities and costs for any personal injury or property damages, patent or copyright infringement, or other claims asserted against the State, its officers or employees, which arise out of (or which may be claimed to arise out of) the acts or omission of the

Contractor Initials

Date 7/21/2020

Contractor, or subcontractors, including but not limited to the negligence, reckless or intentional conduct. The State shall not be liable for any costs incurred by the Contractor arising under this paragraph 13. Notwithstanding the foregoing, nothing herein contained shall be deemed to constitute a waiver of the sovereign immunity of the State, which immunity is hereby reserved to the State. This covenant in paragraph 13 shall survive the termination of this Agreement.

14. INSURANCE.

14.1 The Contractor shall, at its sole expense, obtain and continuously maintain in force, and shall require any subcontractor or assignee to obtain and maintain in force, the following insurance:

14.1.1 commercial general liability insurance against all claims of bodily injury, death or property damage, in amounts of not less than $1,000,000 per occurrence and $2,000,000 aggregate or excess; and

14.1.2 special cause of loss coverage form covering all property subject to subparagraph 10.2 herein, in an amount not less than 80% of the whole replacement value of the property.

14.2 The policies described in subparagraph 14.1 herein shall be on policy forms and endorsements approved for use in the State of New Hampshire by the N.H. Department of Insurance, and issued by insurers licensed in the State of New Hampshire.

14.3 The Contractor shall furnish to the Contracting Officer identified in block 1.9, or his or her successor, a certificate(s) of insurance for all insurance required under this Agreement. Contractor shall also furnish to the Contracting Officer identified in block 1.9, or his or her successor, certificate(s) of insurance for all renewal(s) of insurance required under this Agreement no later than ten (10) days prior to the expiration date of each insurance policy. The certificate(s) of insurance and any renewals thereof shall be attached and are incorporated herein by reference.

15. WORKERS' COMPENSATION.

15.1 By signing this agreement, the Contractor agrees, certifies and warrants that the Contractor is in compliance with or exempt from, the requirements of N.H. RSA chapter 281-A *("Workers' Compensation")*.

15.2 To the extent the Contractor is subject to the requirements of N.H. RSA chapter 281-A, Contractor shall maintain, and require any subcontractor or assignee to secure and maintain, payment of Workers' Compensation in connection with activities which the person proposes to undertake pursuant to this Agreement. The Contractor shall furnish the Contracting Officer identified in block 1.9, or his or her successor, proof of Workers' Compensation in the manner described in N.H. RSA chapter 281-A and any applicable renewal(s) thereof, which shall be attached and are incorporated herein by reference. The State shall not be responsible for payment of any Workers' Compensation premiums or for any other claim or benefit for Contractor, or any subcontractor or employee of Contractor, which might arise under applicable State of New Hampshire Workers' Compensation laws in connection with the performance of the Services under this Agreement.

16. NOTICE. Any notice by a party hereto to the other party shall be deemed to have been duly delivered or given at the time of mailing by certified mail, postage prepaid, in a United States Post Office addressed to the parties at the addresses given in blocks 1.2 and 1.4, herein.

17. AMENDMENT. This Agreement may be amended, waived or discharged only by an instrument in writing signed by the parties hereto and only after approval of such amendment, waiver or discharge by the Governor and Executive Council of the State of New Hampshire unless no such approval is required under the circumstances pursuant to State law, rule or policy.

18. CHOICE OF LAW AND FORUM. This Agreement shall be governed, interpreted and construed in accordance with the laws of the State of New Hampshire, and is binding upon and inures to the benefit of the parties and their respective successors and assigns. The wording used in this Agreement is the wording chosen by the parties to express their mutual intent, and no rule of construction shall be applied against or in favor of any party. Any actions arising out of this Agreement shall be brought and maintained in New Hampshire Superior Court which shall have exclusive jurisdiction thereof.

19. CONFLICTING TERMS. In the event of a conflict between the terms of this P-37 form (as modified in EXHIBIT A) and/or attachments and amendment thereof, the terms of the P-37 (as modified in EXHIBIT A) shall control.

20. THIRD PARTIES. The parties hereto do not intend to benefit any third parties and this Agreement shall not be construed to confer any such benefit.

21. HEADINGS. The headings throughout the Agreement are for reference purposes only, and the words contained therein shall in no way be held to explain, modify, amplify or aid in the interpretation, construction or meaning of the provisions of this Agreement.

22. SPECIAL PROVISIONS. Additional or modifying provisions set forth in the attached EXHIBIT A are incorporated herein by reference.

23. SEVERABILITY. In the event any of the provisions of this Agreement are held by a court of competent jurisdiction to be contrary to any state or federal law, the remaining provisions of this Agreement will remain in full force and effect.

24. ENTIRE AGREEMENT. This Agreement, which may be executed in a number of counterparts, each of which shall be deemed an original, constitutes the entire agreement and understanding between the parties, and supersedes all prior agreements and understandings with respect to the subject matter hereof.

Contractor Initials JP

Date 7/21/2020

REVISIONS TO STANDARD CONTRACT PROVISIONS

1. Revisions to Form P-37, General Provisions

1.1. Paragraph 3, Subparagraph 3.1, Effective Date/Completion of Services, is amended as follows:

3.1. Notwithstanding any provision of this Agreement to the contrary, and subject to the approval of the Governor of the State of New Hampshire, issued under the Executive Order 2020-04 and any extensions thereof, this Agreement, and all obligations of the parties hereunder, shall become effective on August 1, 2020. ("Effective Date").

1.2. Paragraph 3, Effective Date/Completion of Services, is amended by adding subparagraph 3.3 as follows:

3.3. The parties may extend the Agreement for up to one (1) additional year from the Completion Date, contingent upon satisfactory delivery of services, available funding, agreement of the parties, and required governmental approval.

1.3. Paragraph 12, Subparagraph 12.3, Assignment/Delegation/Subcontracts, is amended as follows:

12.3. Subcontractors are subject to the same contractual conditions as the Contractor and the Contractor is responsible to ensure subcontractor compliance with those conditions. The Contractor shall have written agreements with all subcontractors, specifying the work to be performed and how corrective action shall be managed if the subcontractor's performance is inadequate. The Contractor shall manage the subcontractor's performance on an ongoing basis and take corrective action as necessary. The Contractor shall annually provide the State with a list of all subcontractors provided for under this Agreement and notify the State of any inadequate subcontractor performance.

Scope of Services

1. Statement of Work

1.1. For the purposes of this agreement, any references to days shall mean calendar days.

1.2. The Contractor shall conduct specimen collection and testing for SARS-CoV-2 in an outpatient setting for individuals who reside within the hospital catchment area or local community, regardless of individuals' prior affiliations with the hospital.

1.3. The Contractor shall conduct specimen collection and testing for patients who have symptoms of COVID-19 or who are pre-symptomatic or asymptomatic at the request of:

1.3.1. The individual to be tested; or

1.3.2. The Department of Health and Human Services (Department) Division of Public Health Services (DPHS).

1.4. The Contractor shall not require an office or telemedicine visit for asymptomatic patients in order for patients to receive COVID-19 testing.

1.5. In the event of a significant increase in community transmission of COVID-19, the Contractor shall not be responsible for meeting significantly increased levels of testing and may request the Department to provide additional testing capacity.

1.6. The Contractor shall determine the appropriate venue and physical location for specimen collection, which may include, but is not limited to:

1.6.1. An existing physical location.

1.6.2. A temporary drive-through location.

1.6.3. A drive-up facility.

1.7. The Contractor shall request a waiver, if necessary, from the Department's Bureau of Health Facilities Administration for a temporary drive-through location or drive-up facility.

1.8. The Contractor shall determine the appropriate number of days per week and the duration of time per day to perform community specimen collection for COVID-19 testing to meet the needs of the hospital catchment area and local community and communicate the hours of operation to the Department.

1.9. The Contractor shall ensure the collection, handling, processing and testing of specimens comply with guidelines issued by the Centers for Disease Control and Prevention (CDC), available at https://www.cdc.gov/coronavirus/2019-nCoV/lab/guidelines-clinical-specimens.html and by the laboratory used for processing specimens.

1.10. The Contractor shall ensure patients sign an appropriate consent form, prior to collection of specimens, authorizing testing at the laboratory and reporting to the ordering medical provider, the Department, and any other individual or entity designated to receive the test results.

1.11. The Contractor shall identify of any communication access needs to ensure needed language assistance is provided, which may include, but is not limited to:

1.11.1. Over-the-phone interpretation of spoken languages.

1.11.2. Video remote interpretation to access American Sign Language.

1.12. The Contractor shall ensure communication and language assistance is provided to individuals, as appropriate and needed, to ensure the validity of any signed consent by utilizing translated consent forms and/or interpreters.

1.13. The Contractor shall ensure all personnel collecting, handling, processing and transporting specimens are trained to safeguard the confidentiality of the patient and protected health information (PHI), as defined in the Health Information Portability and Accountability Act (HIPAA).

1.14. The Contractor shall ensure the secure and confidential transporting of specimens to the laboratory.

1.15. The Contractor shall ensure the ordering provider for each COVID-19 test is a licensed medical provider.

1.16. The Contractor shall ensure the licensed medical provider ordering COVID-19 tests notifies patients of testing results received from the laboratory in a timely manner. The Contractor shall ensure:

1.16.1. Patients with positive results confirming the diagnosis of COVID-19 are informed:

1.16.1.1. By telephone or other electronic method.

1.16.1.2. By first-class U.S. mail, if telephone or other electronic method is unsuccessful

1.16.2. Patients with negative results are informed of test results in a method determined by the Contractor.

1.17. The Contractor shall utilize existing communication methods to inform the local community of the availability of outpatient COVID-19 testing, which may include, but are not limited to:

1.17.1. The hospital's website.

1.17.2. Hospital newsletters.

1.17.3. Social media platforms.

1.18. The Contractor shall ensure published information includes how and when

patients can access the services and the location of the specimen collection site.

1.19. The Contractor shall ensure any marketing materials abide by existing requirements for communication access, including but not limited to:

1.19.1. Vital and significant materials should be made available in additional languages, as appropriate, and must be translated by qualified, competent translation providers, as follows:

1.19.1.1. Statewide, only Spanish meets the criteria for translation.

1.19.1.2. Translation is required for languages depending on factors including the number and proportion of LEP persons served or likely to seek services in the Contractor's service areas, and the frequency with which LEP individuals come into contact with the Contractor's programs, activities and services.

1.19.1.3. Notification on all materials of the availability of free communication access and language assistance for any individuals who may require it.

1.19.1.4. All materials have a phone number to call for further information, ensuring staff answering that phone number shall have access to over-the-phone interpretation to assist callers who need spoken language interpretation.

1.20. The Contractor shall provide communication and language assistance at all points of contact in accessing COVID-19 testing to individuals with communication access needs, including individuals with limited English proficiency, or individuals who are deaf or have hearing loss.

1.21. The Contractor shall conduct outreach to vulnerable populations and minority populations in the hospital catchment area or local community, including notifying partner organizations who work with these populations about the availability of COVID-19 testing.

1.22. The Contractor shall report both positive and negative test results to the Division of Public Health Services through the Electronic Laboratory Reporting (ELR) system, or ensure the laboratory used for processing specimens and conducting testing reports both positive and negative results to the Division of Public Health Services through the ELR system.

1.23. The Contractor shall report all positive cases of COVID-19 with complete case information by fax to (603) 271-0545 to the Division of Public Health Services using the New Hampshire Confidential COVID-19 Case Report Form available at: https://www.dhhs.nh.gov/dphs/cdcs/covid19/covid19-reporting-form.pdf.

1.24. The Contractor shall notify patients who are uninsured or do not have full coverage benefits for COVID-19 testing that New Hampshire Medicaid has established a COVID-19 Testing Benefit that may pay for testing and diagnosis of COVID-19 for persons who are not already a Medicaid beneficiary and do not have full coverage for COVID-19 testing and diagnosis. The Contractor shall assist patients in completing the application available at https://nheasy.nh.gov.

2. Exhibits Incorporated

2.1. The Contractor shall use and disclose Protected Health Information in compliance with the Standards for Privacy of Individually Identifiable Health Information (Privacy Rule) (45 CFR Parts 160 and 164) under the Health Insurance Portability and Accountability Act (HIPAA) of 1996, and in accordance with the attached Exhibit I, Business Associate Agreement, which has been executed by the parties.

2.2. The Contractor shall comply with all Exhibits D through K, which are attached hereto and incorporated by reference herein.

2.3. The Contractor's Use and Responsibilities for Confidential Information are as follows.

2.3.1. The Contractor agrees to use, disclose, maintain, or transmit Confidential Data from Providers as required, specifically authorized, or permitted under the Contract or this Agreement. Further, the Contractor, including but not limited to all its directors, officers, employees, and agents, agrees not to use, disclose, maintain, or transmit PHI in any manner that would constitute a violation of the Privacy and Security Rules. The Contractor shall provide Confidential Information as required by the Contract, RSA 141-C:7, 141-C:9, RSA 141-C:10, and in a form required by He-P 301.03 and the "New Hampshire Local Implementation Guide for Electronic Laboratory Reporting for Communicable Disease and Lead Test Results Using HL7 2.5.1," Version 4.0 (5/23/2016), found at: https://www.dhhs.nh.gov/dphs/bphsi/documents/elrguide.pdf.

2.3.2. The Contractor shall transmit Confidential Information to the Division of Public Health Services by means of a secure file transport protocol (sFTP) provided by the Department and agreed to by the parties and approved by the Department's Information Security Officer.

2.3.2.1. Any individual seeking credentials to access the sFTP site shall sign and return to the Department a "Data Use and Confidentiality Agreement" (Attachment A) when requesting sFTP account.

2.3.3. The Contractor shall transmit the Confidential Information to the Division of Public Health Services as required by statute and this Agreement, namely:

2.3.3.1. All test results, including but not limited to positive and negative results, shall be reported electronically via electronic laboratory reporting procedures, also referred to as "ELR," as noted above.

2.3.3.2. Test results shall be provided within 24 hours of the test being completed.

2.4. As necessary, the Contractor agrees to comply with any request to correct or complete the data once transmitted to the Division of Public Health Services.

2.5. The Contractor agrees that the data submitted shall be the "minimum necessary" to carry out the stated use of the data, as defined in the HIPAA Privacy Rule and in accordance with all applicable confidentiality laws.

2.6. The parties agree that this Agreement shall be construed in accordance the terms of Contract and governed by the laws of the State of New Hampshire.

2.7. The Contractor and the Department agree to negotiate an amendment to this Agreement as needed to address a Contract amendment, or any changes in policy issues, fiscal issues, information security, and other specific safeguards required for maintaining confidentiality of the data.

3. Reporting Requirements

3.1. The Contractor shall submit monthly reports to the Department showing that the public is able to access COVID-19 testing, including, but not limited to:

3.1.1. Number of persons who received COVID-19 testing.

3.1.2. Number of persons assisted with enrollment in the Medicaid COVID-19 Testing benefit or other assistance program who received COVID-19 testing.

3.1.3. Number of persons for whom race and/or ethnicity is documented.

3.2. The Contractor shall ensure race and/or ethnicity demographic identifiers for the persons who received COVID-19 testing are collected consistently and correctly, in accordance with best practice standards and processes as provided by the Office of Heath Equity, and entered either manually or electronically on the hospital or reference laboratory COVID-19 test requisition forms.

4. Additional Terms

4.1. Impacts Resulting from Court Orders or Legislative Changes

4.1.1. The Contractor agrees that, to the extent future state or federal legislation or court orders may have an impact on the Services described herein, the State has the right to modify service priorities and expenditure requirements under this Agreement so as to achieve compliance therewith.

4.2. **Federal Civil Rights Laws Compliance: Culturally and Linguistically Appropriate Programs and Services**

4.2.1. The Contractor shall submit within ten (10) days of the contract effective date, and comply with, a detailed description of the communication access and language assistance services they will provide to ensure meaningful access to their programs and/or services to persons with limited English proficiency, people who are deaf or have hearing loss, are blind or have low vision, or who have speech challenges.

4.3. **Credits and Copyright Ownership**

4.3.1. All documents, notices, press releases, research reports and other materials prepared during or resulting from the performance of the services of the Contract shall include the following statement, "The preparation of this (report, document etc.) was financed under a Contract with the State of New Hampshire, Department of Health and Human Services, with funds provided in part by the State of New Hampshire and/or such other funding sources as were available or required, e.g., the United States Department of Health and Human Services."

4.3.2. All materials produced or purchased under the contract shall have prior approval from the Department before printing, production, distribution or use.

4.3.3. The Department shall retain copyright ownership for any and all original materials produced, including, but not limited to: brochures, resource directories, protocols or guidelines, posters and reports.

4.3.4. The Contractor shall not reproduce any materials produced under the contract without prior written approval from the Department.

4.4. **Operation of Facilities: Compliance with Laws and Regulations**

4.4.1. In the operation of any facilities for providing services, the Contractor shall comply with all laws, orders and regulations of federal, state, county and municipal authorities and with any direction of any Public Officer or officers pursuant to laws which shall impose an order or duty upon the contractor with respect to the operation of the facility or the provision of the services at such facility. If any governmental license or permit shall be required for the operation of the said facility or the performance of the said services, the Contractor will procure said license or permit, and will at all times comply with the terms and conditions of each such license or permit. In connection with the foregoing requirements, the Contractor hereby covenants and agrees that, during the term of this Contract the facilities shall comply with all rules, orders, regulations, and requirements of the State Office of the

Fire Marshal and the local fire protection agency, and shall be in conformance with local building and zoning codes, by-laws and regulations.

5. Records

5.1. The Contractor shall keep records that include, but are not limited to:

5.1.1. Books, records, documents and other electronic or physical data evidencing and reflecting all costs and other expenses incurred by the Contractor in the performance of the Contract, and all income received or collected by the Contractor.

5.1.2. All records must be maintained in accordance with accounting procedures and practices, which sufficiently and properly reflect all such costs and expenses, and which are acceptable to the Department, and to include, without limitation, all ledgers, books, records, and original evidence of costs such as purchase requisitions and orders, vouchers, requisitions for materials, inventories, valuations of in-kind contributions, labor time cards, payrolls, and other records requested or required by the Department.

5.1.3. Statistical, enrollment, attendance or visit records for each recipient of services, which records shall include all records of application and eligibility (including all forms required to determine eligibility for each such recipient), records regarding the provision of services and all invoices submitted to the Department to obtain payment for such services.

5.1.4. Medical records on each patient/recipient of services.

5.2. During the term of this Contract and the period for retention hereunder, the Department, the United States Department of Health and Human Services, and any of their designated representatives shall have access to all reports and records maintained pursuant to the Contract for purposes of audit, examination, excerpts and transcripts. Upon the purchase by the Department of the maximum number of units provided for in the Contract and upon payment of the price limitation hereunder, the Contract and all the obligations of the parties hereunder (except such obligations as, by the terms of the Contract are to be performed after the end of the term of this Contract and/or survive the termination of the Contract) shall terminate, provided however, that if, upon review of the Final Expenditure Report the Department shall disallow any expenses claimed by the Contractor as costs hereunder the Department shall retain the right, at its discretion, to deduct the amount of such expenses as are disallowed or to recover such sums from the Contractor.

New Hampshire Department of Health and Human Services
HOSPITAL-BASED COVID-19 COMMUNITY TESTING
EXHIBIT B -1
Reporting Entity Data Use and Confidentiality Agreement

By requesting and receiving approval to use confidential data for Department purposes:

- I understand that I will have direct and indirect access to confidential information in the course of performing my work activities.
- I agree to protect the confidential nature of all information to which I have access.
- I understand that there are state and federal laws and regulations that ensure the confidentiality of an individual's information.
- I understand that there are Department policies and agency procedures with which I am required to comply related to the protection of individually identifiable information.
- I understand that the information extracted from the site shall not be shared outside this Scope of Work or related signed Memorandum of Understanding and/or Information Exchange Agreement/Data Sharing Agreement agreed upon.
- I understand that my SFTP or any information security credentials (user name and password) should not be shared with anyone. This applies to credentials used to access the site directly or indirectly through a third party application.
- I will not disclose or make use of the identity, financial or health information of any person or establishment discovered inadvertently. I will report such discoveries as soon as feasible to DHHSInformationSecurityOffice@dhhs.nh.gov and DHHSPrivacyOfficer@dhhs.nh.gov, but no more than 24 hours after the aforementioned has occurred and that Confidential Data may have been exposed or compromised. If a suspected or known information security event, Computer Security Incident, Incident or Breach involves Social Security Administration (SSA) provided data or Internal Revenue Services (IRS) provided Federal Tax Information (FTI).
- I will not imply or state, either in written or oral form, that interpretations based on the data are those of the original data sources or the State of NH unless the data user and the Department are formally collaborating.
- I will acknowledge, in all reports or presentations based on these data, the original source of the data.
- I understand how I am expected to ensure the protection of individually identifiable information. Should questions arise in the future about how to protect information to which I have access, I will immediately notify my supervisor.
- I understand that I am legally and ethically obligated to maintain the confidentiality of Department client, patient, and other sensitive information that is protected by information security, privacy or confidentiality rules and state and federal laws even after I leave the employment of the Department.
- I have been informed that this signed agreement will be retained on file for future reference.

Signature _____ Date 7/21/2020

Joseph Pepe, MD
Printed Name

President + CEO
Title

Catholic Medical Center
Business Name

Payment Terms

1. This Agreement is funded by the Epidemiology and Laboratory Capacity for Prevention and Control of Emerging Infectious Diseases (ELC) cooperative agreement from the Centers for Disease Control and Prevention Division of Prepardness and Emerging Infections, CFDA #93.323, FAIN #NU50CK000522.
2. For the purposes of this Agreement:
   2.1. The Department has identified the Contractor as a Subrecipient, in accordance with 2 CFR 200.330.
   2.2. The Department has identified this Contract as NON-R&D, in accordance with 2 CFR §200.87.
3. This Agreement is for COVID-19 testing and testing-related activities to be conducted between August 1, 2020 and December 1, 2020.
4. Payment:
   4.1. The Department will pay the Contractor the amount listed in box 1.8 Price Limitation included in the General Provisions Form Number P-37, for providing the services included in Exhibit B, Scope of Services, after the Effective Date of the Contract.
      4.1.1. The Contractor shall submit an expense report in a form satisfactory to the State every sixty (60) days, which identifies allowable expenses incurred during the duration of the contract.
      4.1.2. Any unspent start-up payment funds will be returned to the Department within sixty (60) calendar days of contract expiration date.
      4.1.3. In lieu of hard copies, all expense reports may be assigned an electronic signature and must be emailed to dphscontractbilling@dhhs.nh.gov.
5. The Contractor must provide the services in Exhibit B, Scope of Services, in compliance with funding requirements.
6. The Contractor agrees that funding under this Agreement may be recouped, in whole or in part in the event of non-compliance with the terms and conditions of Exhibit B, Scope of Services.
7. The Contractor shall keep detailed records of their activities related to Department-funded programs and services and have records available for Department review, as requested.
8. Notwithstanding anything to the contrary herein, the Contractor agrees that funding under this agreement may be recouped, in whole or in part, in the event

of non-compliance with any Federal or State law, rule or regulation applicable to the services provided, or if the said services or products have not been satisfactorily completed in accordance with the terms and conditions of this agreement.

9. Notwithstanding Paragraph 17 of the General Provisions Form P-37, changes limited to adjusting amounts within the price limitation and adjusting encumbrances between State Fiscal Years and budget class lines through the Budget Office may be made by written agreement of both parties, without obtaining approval of the Governor and Executive Council, if needed and justified.

10. Audits

10.1. The Contractor is required to submit an annual audit to the Department if **any** of the following conditions exist:

10.1.1. Condition A - The Contractor expended $750,000 or more in federal funds received as a subrecipient pursuant to 2 CFR Part 200, during the most recently completed fiscal year.

10.1.2. Condition B - The Contractor is subject to audit pursuant to the requirements of NH RSA 7:28, III-b, pertaining to charitable organizations receiving support of $1,000,000 or more.

10.1.3. Condition C - The Contractor is a public company and required by Security and Exchange Commission (SEC) regulations to submit an annual financial audit.

10.2. If Condition A exists, the Contractor shall submit an annual single audit performed by an independent Certified Public Accountant (CPA) to the Department within 120 days after the close of the Contractor's fiscal year, conducted in accordance with the requirements of 2 CFR Part 200, Subpart F of the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal awards.

10.3. If Condition B or Condition C exists, the Contractor shall submit an annual financial audit performed by an independent CPA within 120 days after the close of the Contractor's fiscal year.

10.4. In addition to, and not in any way in limitation of obligations of the Contract, it is understood and agreed by the Contractor that the Contractor shall be held liable for any state or federal audit exceptions and shall return to the Department all payments made under the Contract to which exception has been taken, or which have been disallowed because of such an exception.

CERTIFICATION REGARDING DRUG-FREE WORKPLACE REQUIREMENTS

The Vendor identified in Section 1.3 of the General Provisions agrees to comply with the provisions of Sections 5151-5160 of the Drug-Free Workplace Act of 1988 (Pub. L. 100-690, Title V, Subtitle D; 41 U.S.C. 701 et seq.), and further agrees to have the Contractor's representative, as identified in Sections 1.11 and 1.12 of the General Provisions execute the following Certification:

ALTERNATIVE I - FOR GRANTEES OTHER THAN INDIVIDUALS

US DEPARTMENT OF HEALTH AND HUMAN SERVICES - CONTRACTORS
US DEPARTMENT OF EDUCATION - CONTRACTORS
US DEPARTMENT OF AGRICULTURE - CONTRACTORS

This certification is required by the regulations implementing Sections 5151-5160 of the Drug-Free Workplace Act of 1988 (Pub. L. 100-690, Title V, Subtitle D; 41 U.S.C. 701 et seq.). The January 31, 1989 regulations were amended and published as Part II of the May 25, 1990 Federal Register (pages 21681-21691), and require certification by grantees (and by inference, sub-grantees and sub-contractors), prior to award, that they will maintain a drug-free workplace. Section 3017.630(c) of the regulation provides that a grantee (and by inference, sub-grantees and sub-contractors) that is a State may elect to make one certification to the Department in each federal fiscal year in lieu of certificates for each grant during the federal fiscal year covered by the certification. The certificate set out below is a material representation of fact upon which reliance is placed when the agency awards the grant. False certification or violation of the certification shall be grounds for suspension of payments, suspension or termination of grants, or government wide suspension or debarment. Contractors using this form should send it to:

Commissioner
NH Department of Health and Human Services
129 Pleasant Street,
Concord, NH 03301-6505

1. The grantee certifies that it will or will continue to provide a drug-free workplace by:
   1.1. Publishing a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession or use of a controlled substance is prohibited in the grantee's workplace and specifying the actions that will be taken against employees for violation of such prohibition;
   1.2. Establishing an ongoing drug-free awareness program to inform employees about
      1.2.1. The dangers of drug abuse in the workplace;
      1.2.2. The grantee's policy of maintaining a drug-free workplace;
      1.2.3. Any available drug counseling, rehabilitation, and employee assistance programs; and
      1.2.4. The penalties that may be imposed upon employees for drug abuse violations occurring in the workplace;
   1.3. Making it a requirement that each employee to be engaged in the performance of the grant be given a copy of the statement required by paragraph (a);
   1.4. Notifying the employee in the statement required by paragraph (a) that, as a condition of employment under the grant, the employee will
      1.4.1. Abide by the terms of the statement; and
      1.4.2. Notify the employer in writing of his or her conviction for a violation of a criminal drug statute occurring in the workplace no later than five calendar days after such conviction;
   1.5. Notifying the agency in writing, within ten calendar days after receiving notice under subparagraph 1.4.2 from an employee or otherwise receiving actual notice of such conviction. Employers of convicted employees must provide notice, including position title, to every grant officer on whose grant activity the convicted employee was working, unless the Federal agency

has designated a central point for the receipt of such notices. Notice shall include the identification number(s) of each affected grant;

1.6. Taking one of the following actions, within 30 calendar days of receiving notice under subparagraph 1.4.2, with respect to any employee who is so convicted
  1.6.1. Taking appropriate personnel action against such an employee, up to and including termination, consistent with the requirements of the Rehabilitation Act of 1973, as amended; or
  1.6.2. Requiring such employee to participate satisfactorily in a drug abuse assistance or rehabilitation program approved for such purposes by a Federal, State, or local health, law enforcement, or other appropriate agency;

1.7. Making a good faith effort to continue to maintain a drug-free workplace through implementation of paragraphs 1.1, 1.2, 1.3, 1.4, 1.5, and 1.6.

2. The grantee may insert in the space provided below the site(s) for the performance of work done in connection with the specific grant.

Place of Performance (street address, city, county, state, zip code) (list each location)

Check ☐ if there are workplaces on file that are not identified here.

Vendor Name:

7/21/2020
Date

Name: Joseph Pepe, MD
Title: President + CEO

CERTIFICATION REGARDING LOBBYING

The Vendor identified in Section 1.3 of the General Provisions agrees to comply with the provisions of Section 319 of Public Law 101-121, Government wide Guidance for New Restrictions on Lobbying, and 31 U.S.C. 1352, and further agrees to have the Contractor's representative, as identified in Sections 1.11 and 1.12 of the General Provisions execute the following Certification:

US DEPARTMENT OF HEALTH AND HUMAN SERVICES - CONTRACTORS
US DEPARTMENT OF EDUCATION - CONTRACTORS
US DEPARTMENT OF AGRICULTURE - CONTRACTORS

Programs (indicate applicable program covered):
*Temporary Assistance to Needy Families under Title IV-A
*Child Support Enforcement Program under Title IV-D
*Social Services Block Grant Program under Title XX
*Medicaid Program under Title XIX
*Community Services Block Grant under Title VI
*Child Care Development Block Grant under Title IV

The undersigned certifies, to the best of his or her knowledge and belief, that:

1. No Federal appropriated funds have been paid or will be paid by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement (and by specific mention sub-grantee or sub-contractor).

2. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement (and by specific mention sub-grantee or sub-contractor), the undersigned shall complete and submit Standard Form LLL, (Disclosure Form to Report Lobbying, in accordance with its instructions, attached and identified as Standard Exhibit E-I.)

3. The undersigned shall require that the language of this certification be included in the award document for sub-awards at all tiers (including subcontracts, sub-grants, and contracts under grants, loans, and cooperative agreements) and that all sub-recipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by Section 1352, Title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than $10,000 and not more than $100,000 for each such failure.

Vendor Name:

7/21/2020
Date

Name: Joseph Repa, MD
Title: President + CEO

CERTIFICATION REGARDING DEBARMENT, SUSPENSION AND OTHER RESPONSIBILITY MATTERS

The Vendor identified in Section 1.3 of the General Provisions agrees to comply with the provisions of Executive Office of the President, Executive Order 12549 and 45 CFR Part 76 regarding Debarment, Suspension, and Other Responsibility Matters, and further agrees to have the Contractor's representative, as identified in Sections 1.11 and 1.12 of the General Provisions execute the following Certification:

INSTRUCTIONS FOR CERTIFICATION

1. By signing and submitting this proposal (contract), the prospective primary participant is providing the certification set out below.

2. The inability of a person to provide the certification required below will not necessarily result in denial of participation in this covered transaction. If necessary, the prospective participant shall submit an explanation of why it cannot provide the certification. The certification or explanation will be considered in connection with the NH Department of Health and Human Services' (DHHS) determination whether to enter into this transaction. However, failure of the prospective primary participant to furnish a certification or an explanation shall disqualify such person from participation in this transaction.

3. The certification in this clause is a material representation of fact upon which reliance was placed when DHHS determined to enter into this transaction. If it is later determined that the prospective primary participant knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government, DHHS may terminate this transaction for cause or default.

4. The prospective primary participant shall provide immediate written notice to the DHHS agency to whom this proposal (contract) is submitted if at any time the prospective primary participant learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances.

5. The terms "covered transaction," "debarred," "suspended," "ineligible," "lower tier covered transaction," "participant," "person," "primary covered transaction," "principal," "proposal," and "voluntarily excluded," as used in this clause, have the meanings set out in the Definitions and Coverage sections of the rules implementing Executive Order 12549: 45 CFR Part 76. See the attached definitions.

6. The prospective primary participant agrees by submitting this proposal (contract) that, should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transaction with a person who is debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by DHHS.

7. The prospective primary participant further agrees by submitting this proposal that it will include the clause titled "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion - Lower Tier Covered Transactions," provided by DHHS, without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions.

8. A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that it is not debarred, suspended, ineligible, or involuntarily excluded from the covered transaction, unless it knows that the certification is erroneous. A participant may decide the method and frequency by which it determines the eligibility of its principals. Each participant may, but is not required to, check the Nonprocurement List (of excluded parties).

9. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and

information of a participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.

10. Except for transactions authorized under paragraph 6 of these instructions, if a participant in a covered transaction knowingly enters into a lower tier covered transaction with a person who is suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction, in addition to other remedies available to the Federal government, DHHS may terminate this transaction for cause or default.

PRIMARY COVERED TRANSACTIONS

11. The prospective primary participant certifies to the best of its knowledge and belief, that it and its principals:
    - 11.1. are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any Federal department or agency;
    - 11.2. have not within a three-year period preceding this proposal (contract) been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State or local) transaction or a contract under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;
    - 11.3. are not presently indicted for otherwise criminally or civilly charged by a governmental entity (Federal, State or local) with commission of any of the offenses enumerated in paragraph (l)(b) of this certification; and
    - 11.4. have not within a three-year period preceding this application/proposal had one or more public transactions (Federal, State or local) terminated for cause or default.

12. Where the prospective primary participant is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this proposal (contract).

LOWER TIER COVERED TRANSACTIONS

13. By signing and submitting this lower tier proposal (contract), the prospective lower tier participant, as defined in 45 CFR Part 76, certifies to the best of its knowledge and belief that it and its principals:
    - 13.1. are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any federal department or agency.
    - 13.2. where the prospective lower tier participant is unable to certify to any of the above, such prospective participant shall attach an explanation to this proposal (contract).

14. The prospective lower tier participant further agrees by submitting this proposal (contract) that it will include this clause entitled "Certification Regarding Debarment, Suspension, Ineligibility, and Voluntary Exclusion - Lower Tier Covered Transactions," without modification in all lower tier covered transactions and in all solicitations for lower tier covered transactions.

Vendor Name:

7/21/2020
Date

Name: Joseph Pepe, MD
Title: President + CEO

CERTIFICATION OF COMPLIANCE WITH REQUIREMENTS PERTAINING TO FEDERAL NONDISCRIMINATION, EQUAL TREATMENT OF FAITH-BASED ORGANIZATIONS AND WHISTLEBLOWER PROTECTIONS

The Vendor identified in Section 1.3 of the General Provisions agrees by signature of the Contractor's representative as identified in Sections 1.11 and 1.12 of the General Provisions, to execute the following certification:

Vendor will comply, and will require any subgrantees or subcontractors to comply, with any applicable federal nondiscrimination requirements, which may include:

- the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. Section 3789d) which prohibits recipients of federal funding under this statute from discriminating, either in employment practices or in the delivery of services or benefits, on the basis of race, color, religion, national origin, and sex. The Act requires certain recipients to produce an Equal Employment Opportunity Plan;

- the Juvenile Justice Delinquency Prevention Act of 2002 (42 U.S.C. Section 5672(b)) which adopts by reference, the civil rights obligations of the Safe Streets Act. Recipients of federal funding under this statute are prohibited from discriminating, either in employment practices or in the delivery of services or benefits, on the basis of race, color, religion, national origin, and sex. The Act includes Equal Employment Opportunity Plan requirements;

- the Civil Rights Act of 1964 (42 U.S.C. Section 2000d, which prohibits recipients of federal financial assistance from discriminating on the basis of race, color, or national origin in any program or activity);

- the Rehabilitation Act of 1973 (29 U.S.C. Section 794), which prohibits recipients of Federal financial assistance from discriminating on the basis of disability, in regard to employment and the delivery of services or benefits, in any program or activity;

- the Americans with Disabilities Act of 1990 (42 U.S.C. Sections 12131-34), which prohibits discrimination and ensures equal opportunity for persons with disabilities in employment, State and local government services, public accommodations, commercial facilities, and transportation;

- the Education Amendments of 1972 (20 U.S.C. Sections 1681, 1683, 1685-86), which prohibits discrimination on the basis of sex in federally assisted education programs;

- the Age Discrimination Act of 1975 (42 U.S.C. Sections 6106-07), which prohibits discrimination on the basis of age in programs or activities receiving Federal financial assistance. It does not include employment discrimination;

- 28 C.F.R. pt. 31 (U.S. Department of Justice Regulations – OJJDP Grant Programs); 28 C.F.R. pt. 42 (U.S. Department of Justice Regulations – Nondiscrimination; Equal Employment Opportunity; Policies and Procedures); Executive Order No. 13279 (equal protection of the laws for faith-based and community organizations); Executive Order No. 13559, which provide fundamental principles and policy-making criteria for partnerships with faith-based and neighborhood organizations;

- 28 C.F.R. pt. 38 (U.S. Department of Justice Regulations – Equal Treatment for Faith-Based Organizations); and Whistleblower protections 41 U.S.C. §4712 and The National Defense Authorization Act (NDAA) for Fiscal Year 2013 (Pub. L. 112-239, enacted January 2, 2013) the Pilot Program for Enhancement of Contract Employee Whistleblower Protections, which protects employees against reprisal for certain whistle blowing activities in connection with federal grants and contracts.

The certificate set out below is a material representation of fact upon which reliance is placed when the agency awards the grant. False certification or violation of the certification shall be grounds for suspension of payments, suspension or termination of grants, or government wide suspension or debarment.

In the event a Federal or State court or Federal or State administrative agency makes a finding of discrimination after a due process hearing on the grounds of race, color, religion, national origin, or sex against a recipient of funds, the recipient will forward a copy of the finding to the Office for Civil Rights, to the applicable contracting agency or division within the Department of Health and Human Services, and to the Department of Health and Human Services Office of the Ombudsman.

The Vendor identified in Section 1.3 of the General Provisions agrees by signature of the Contractor's representative as identified in Sections 1.11 and 1.12 of the General Provisions, to execute the following certification:

1. By signing and submitting this proposal (contract) the Vendor agrees to comply with the provisions indicated above.

Vendor Name:

7/21/2020
Date

Name: Joseph Pepe, MD
Title: President + CEO

CERTIFICATION REGARDING ENVIRONMENTAL TOBACCO SMOKE

Public Law 103-227, Part C - Environmental Tobacco Smoke, also known as the Pro-Children Act of 1994 (Act), requires that smoking not be permitted in any portion of any indoor facility owned or leased or contracted for by an entity and used routinely or regularly for the provision of health, day care, education, or library services to children under the age of 18, if the services are funded by Federal programs either directly or through State or local governments, by Federal grant, contract, loan, or loan guarantee. The law does not apply to children's services provided in private residences, facilities funded solely by Medicare or Medicaid funds, and portions of facilities used for inpatient drug or alcohol treatment. Failure to comply with the provisions of the law may result in the imposition of a civil monetary penalty of up to $1000 per day and/or the imposition of an administrative compliance order on the responsible entity.

The Vendor identified in Section 1.3 of the General Provisions agrees, by signature of the Contractor's representative as identified in Section 1.11 and 1.12 of the General Provisions, to execute the following certification:

1. By signing and submitting this contract, the Vendor agrees to make reasonable efforts to comply with all applicable provisions of Public Law 103-227, Part C, known as the Pro-Children Act of 1994.

Vendor Name:

7/21/2020
Date

Name: Joseph Repe, MD
Title: President + CEO

HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY ACT BUSINESS ASSOCIATE AGREEMENT

The Contractor identified in Section 1.3 of the General Provisions of the Agreement agrees to comply with the Health Insurance Portability and Accountability Act, Public Law 104-191 and with the Standards for Privacy and Security of Individually Identifiable Health Information, 45 CFR Parts 160 and 164 applicable to business associates. As defined herein, "Business Associate" shall mean the Contractor and subcontractors and agents of the Contractor that receive, use or have access to protected health information under this Agreement and "Covered Entity" shall mean the State of New Hampshire, Department of Health and Human Services.

(1) Definitions.

a. "Breach" shall have the same meaning as the term "Breach" in section 164.402 of Title 45, Code of Federal Regulations.

b. "Business Associate" has the meaning given such term in section 160.103 of Title 45, Code of Federal Regulations.

c. "Covered Entity" has the meaning given such term in section 160.103 of Title 45, Code of Federal Regulations.

d. "Designated Record Set" shall have the same meaning as the term "designated record set" in 45 CFR Section 164.501.

e. "Data Aggregation" shall have the same meaning as the term "data aggregation" in 45 CFR Section 164.501.

f. "Health Care Operations" shall have the same meaning as the term "health care operations" in 45 CFR Section 164.501.

g. "HITECH Act" means the Health Information Technology for Economic and Clinical Health Act, TitleXIII, Subtitle D, Part 1 & 2 of the American Recovery and Reinvestment Act of 2009.

h. "HIPAA" means the Health Insurance Portability and Accountability Act of 1996, Public Law 104-191 and the Standards for Privacy and Security of Individually Identifiable Health Information, 45 CFR Parts 160, 162 and 164 and amendments thereto.

i. "Individual" shall have the same meaning as the term "individual" in 45 CFR Section 160.103 and shall include a person who qualifies as a personal representative in accordance with 45 CFR Section 164.501(g).

j. "Privacy Rule" shall mean the Standards for Privacy of Individually Identifiable Health Information at 45 CFR Parts 160 and 164, promulgated under HIPAA by the United States Department of Health and Human Services.

k. "Protected Health Information" shall have the same meaning as the term "protected health information" in 45 CFR Section 160.103, limited to the information created or received by Business Associate from or on behalf of Covered Entity.

l. "Required by Law" shall have the same meaning as the term "required by law" in 45 CFR Section 164.103.

m. "Secretary" shall mean the Secretary of the Department of Health and Human Services or his/her designee.

n. "Security Rule" shall mean the Security Standards for the Protection of Electronic Protected Health Information at 45 CFR Part 164, Subpart C, and amendments thereto.

o. "Unsecured Protected Health Information" means protected health information that is not secured by a technology standard that renders protected health information unusable, unreadable, or indecipherable to unauthorized individuals and is developed or endorsed by a standards developing organization that is accredited by the American National Standards Institute.

p. Other Definitions - All terms not otherwise defined herein shall have the meaning established under 45 C.F.R. Parts 160, 162 and 164, as amended from time to time, and the HITECH
Act.

(2) **Business Associate Use and Disclosure of Protected Health Information.**

a. Business Associate shall not use, disclose, maintain or transmit Protected Health Information (PHI) except as reasonably necessary to provide the services outlined under Exhibit A of the Agreement. Further, Business Associate, including but not limited to all its directors, officers, employees and agents, shall not use, disclose, maintain or transmit PHI in any manner that would constitute a violation of the Privacy and Security Rule.

b. Business Associate may use or disclose PHI:
   I. For the proper management and administration of the Business Associate;
   II. As required by law, pursuant to the terms set forth in paragraph d. below; or
   III. For data aggregation purposes for the health care operations of Covered Entity.

c. To the extent Business Associate is permitted under the Agreement to disclose PHI to a third party, Business Associate must obtain, prior to making any such disclosure, (i) reasonable assurances from the third party that such PHI will be held confidentially and used or further disclosed only as required by law or for the purpose for which it was disclosed to the third party; and (ii) an agreement from such third party to notify Business Associate, in accordance with the HIPAA Privacy, Security, and Breach Notification Rules of any breaches of the confidentiality of the PHI, to the extent it has obtained knowledge of such breach.

d. The Business Associate shall not, unless such disclosure is reasonably necessary to provide services under Exhibit A of the Agreement, disclose any PHI in response to a request for disclosure on the basis that it is required by law, without first notifying Covered Entity so that Covered Entity has an opportunity to object to the disclosure and to seek appropriate relief. If Covered Entity objects to such disclosure, the Business

Associate shall refrain from disclosing the PHI until Covered Entity has exhausted all remedies.

e. If the Covered Entity notifies the Business Associate that Covered Entity has agreed to be bound by additional restrictions over and above those uses or disclosures or security safeguards of PHI pursuant to the Privacy and Security Rule, the Business Associate shall be bound by such additional restrictions and shall not disclose PHI in violation of such additional restrictions and shall abide by any additional security safeguards.

(3) **Obligations and Activities of Business Associate.**

a. The Business Associate shall notify the Covered Entity's Privacy Officer immediately after the Business Associate becomes aware of any use or disclosure of protected health information not provided for by the Agreement including breaches of unsecured protected health information and/or any security incident that may have an impact on the protected health information of the Covered Entity.

b. The Business Associate shall immediately perform a risk assessment when it becomes aware of any of the above situations. The risk assessment shall include, but not be limited to:

- The nature and extent of the protected health information involved, including the types of identifiers and the likelihood of re-identification;
- The unauthorized person used the protected health information or to whom the disclosure was made;
- Whether the protected health information was actually acquired or viewed
- The extent to which the risk to the protected health information has been mitigated.

The Business Associate shall complete the risk assessment within 48 hours of the breach and immediately report the findings of the risk assessment in writing to the Covered Entity.

c. The Business Associate shall comply with all sections of the Privacy, Security, and Breach Notification Rule.

d. Business Associate shall make available all of its internal policies and procedures, books and records relating to the use and disclosure of PHI received from, or created or received by the Business Associate on behalf of Covered Entity to the Secretary for purposes of determining Covered Entity's compliance with HIPAA and the Privacy and Security Rule.

e. Business Associate shall require all of its business associates that receive, use or have access to PHI under the Agreement, to agree in writing to adhere to the same restrictions and conditions on the use and disclosure of PHI contained herein, including the duty to return or destroy the PHI as provided under Section 3 (l). The Covered Entity shall be considered a direct third party beneficiary of the Contractor's business associate agreements with Contractor's intended business associates, who will be receiving PHI

pursuant to this Agreement, with rights of enforcement and indemnification from such business associates who shall be governed by standard Paragraph #13 of the standard contract provisions (P-37) of this Agreement for the purpose of use and disclosure of protected health information.

f. Within five (5) business days of receipt of a written request from Covered Entity, Business Associate shall make available during normal business hours at its offices all records, books, agreements, policies and procedures relating to the use and disclosure of PHI to the Covered Entity, for purposes of enabling Covered Entity to determine Business Associate's compliance with the terms of the Agreement.

g. Within ten (10) business days of receiving a written request from Covered Entity, Business Associate shall provide access to PHI in a Designated Record Set to the Covered Entity, or as directed by Covered Entity, to an individual in order to meet the requirements under 45 CFR Section 164.524.

h. Within ten (10) business days of receiving a written request from Covered Entity for an amendment of PHI or a record about an individual contained in a Designated Record Set, the Business Associate shall make such PHI available to Covered Entity for amendment and incorporate any such amendment to enable Covered Entity to fulfill its obligations under 45 CFR Section 164.526.

i. Business Associate shall document such disclosures of PHI and information related to such disclosures as would be required for Covered Entity to respond to a request by an individual for an accounting of disclosures of PHI in accordance with 45 CFR Section 164.528.

j. Within ten (10) business days of receiving a written request from Covered Entity for a request for an accounting of disclosures of PHI, Business Associate shall make available to Covered Entity such information as Covered Entity may require to fulfill its obligations to provide an accounting of disclosures with respect to PHI in accordance with 45 CFR Section 164.528.

k. In the event any individual requests access to, amendment of, or accounting of PHI directly from the Business Associate, the Business Associate shall within two (2) business days forward such request to Covered Entity. Covered Entity shall have the responsibility of responding to forwarded requests. However, if forwarding the individual's request to Covered Entity would cause Covered Entity or the Business Associate to violate HIPAA and the Privacy and Security Rule, the Business Associate shall instead respond to the individual's request as required by such law and notify Covered Entity of such response as soon as practicable.

l. Within ten (10) business days of termination of the Agreement, for any reason, the Business Associate shall return or destroy, as specified by Covered Entity, all PHI received from, or created or received by the Business Associate in connection with the Agreement, and shall not retain any copies or back-up tapes of such PHI. If return or destruction is not feasible, or the disposition of the PHI has been otherwise agreed to in the Agreement, Business Associate shall continue to extend the protections of the Agreement, to such PHI and limit further uses and disclosures of such PHI to those purposes that make the return or destruction infeasible, for so long as Business

Associate maintains such PHI. If Covered Entity, in its sole discretion, requires that the Business Associate destroy any or all PHI, the Business Associate shall certify to Covered Entity that the PHI has been destroyed.

(4) Obligations of Covered Entity

a. Covered Entity shall notify Business Associate of any changes or limitation(s) in its Notice of Privacy Practices provided to individuals in accordance with 45 CFR Section 164.520, to the extent that such change or limitation may affect Business Associate's use or disclosure of PHI.

b. Covered Entity shall promptly notify Business Associate of any changes in, or revocation of permission provided to Covered Entity by individuals whose PHI may be used or disclosed by Business Associate under this Agreement, pursuant to 45 CFR Section 164.506 or 45 CFR Section 164.508.

c. Covered entity shall promptly notify Business Associate of any restrictions on the use or disclosure of PHI that Covered Entity has agreed to in accordance with 45 CFR 164.522, to the extent that such restriction may affect Business Associate's use or disclosure of PHI.

(5) Termination for Cause

In addition to Paragraph 10 of the standard terms and conditions (P-37) of this Agreement the Covered Entity may immediately terminate the Agreement upon Covered Entity's knowledge of a breach by Business Associate of the Business Associate Agreement set forth herein as Exhibit I. The Covered Entity may either immediately terminate the Agreement or provide an opportunity for Business Associate to cure the alleged breach within a timeframe specified by Covered Entity. If Covered Entity determines that neither termination nor cure is feasible, Covered Entity shall report the violation to the Secretary.

(6) Miscellaneous

a. Definitions and Regulatory References. All terms used, but not otherwise defined herein, shall have the same meaning as those terms in the Privacy and Security Rule, amended from time to time. A reference in the Agreement, as amended to include this Exhibit I, to a Section in the Privacy and Security Rule means the Section as in effect or as amended.

b. Amendment. Covered Entity and Business Associate agree to take such action as is necessary to amend the Agreement, from time to time as is necessary for Covered Entity to comply with the changes in the requirements of HIPAA, the Privacy and Security Rule, and applicable federal and state law.

c. Data Ownership. The Business Associate acknowledges that it has no ownership rights with respect to the PHI provided by or created on behalf of Covered Entity.

d. Interpretation. The parties agree that any ambiguity in the Agreement shall be resolved to permit Covered Entity to comply with HIPAA, the Privacy and Security Rule.

e. Segregation. If any term or condition of this Exhibit I or the application thereof to any person(s) or circumstance is held invalid, such invalidity shall not affect other terms or conditions which can be given effect without the invalid term or condition; to this end the terms and conditions of this Exhibit I are declared severable.

f. Survival. Provisions in this Exhibit I regarding the use and disclosure of PHI, return or destruction of PHI, extensions of the protections of the Agreement in section (3) I, the defense and indemnification provisions of section (3) e and Paragraph 13 of the standard terms and conditions (P-37), shall survive the termination of the Agreement.

IN WITNESS WHEREOF, the parties hereto have duly executed this Exhibit I.

Department of Health and Human Services	Catholic Medical Center
The State	Name of the Contractor
Signature of Authorized Representative	Signature of Authorized Representative
Ann Landry	Joseph Pepe MD
Name of Authorized Representative	Name of Authorized Representative
Associate Commissioner	President & CEO
Title of Authorized Representative	Title of Authorized Representative
7/23/20	7/21/2020
Date	Date

CERTIFICATION REGARDING THE FEDERAL FUNDING ACCOUNTABILITY AND TRANSPARENCY ACT (FFATA) COMPLIANCE

The Federal Funding Accountability and Transparency Act (FFATA) requires prime awardees of individual Federal grants equal to or greater than $25,000 and awarded on or after October 1, 2010, to report on data related to executive compensation and associated first-tier sub-grants of $25,000 or more. If the initial award is below $25,000 but subsequent grant modifications result in a total award equal to or over $25,000, the award is subject to the FFATA reporting requirements, as of the date of the award.
In accordance with 2 CFR Part 170 (Reporting Subaward and Executive Compensation Information), the Department of Health and Human Services (DHHS) must report the following information for any subaward or contract award subject to the FFATA reporting requirements:

1. Name of entity
2. Amount of award
3. Funding agency
4. NAICS code for contracts / CFDA program number for grants
5. Program source
6. Award title descriptive of the purpose of the funding action
7. Location of the entity
8. Principle place of performance
9. Unique identifier of the entity (DUNS #)
10. Total compensation and names of the top five executives if:
    - 10.1. More than 80% of annual gross revenues are from the Federal government, and those revenues are greater than $25M annually and
    - 10.2. Compensation information is not already available through reporting to the SEC.

Prime grant recipients must submit FFATA required data by the end of the month, plus 30 days, in which the award or award amendment is made.
The Contractor identified in Section 1.3 of the General Provisions agrees to comply with the provisions of The Federal Funding Accountability and Transparency Act, Public Law 109-282 and Public Law 110-252, and 2 CFR Part 170 (Reporting Subaward and Executive Compensation Information), and further agrees to have the Contractor's representative, as identified in Sections 1.11 and 1.12 of the General Provisions execute the following Certification:
The below named Contractor agrees to provide needed information as outlined above to the NH Department of Health and Human Services and to comply with all applicable provisions of the Federal Financial Accountability and Transparency Act.

Contractor Name:

7/21/2020
Date

Name: Joseph Pepe, MD
Title: President + CEO

FORM A

As the Contractor identified in Section 1.3 of the General Provisions, I certify that the responses to the below listed questions are true and accurate.

1. The DUNS number for your entity is: 82-702-1382

2. In your business or organization's preceding completed fiscal year, did your business or organization receive (1) 80 percent or more of your annual gross revenue in U.S. federal contracts, subcontracts, loans, grants, sub-grants, and/or cooperative agreements; and (2) $25,000,000 or more in annual gross revenues from U.S. federal contracts, subcontracts, loans, grants, subgrants, and/or cooperative agreements?

   X NO _____ YES

   If the answer to #2 above is NO, stop here

   If the answer to #2 above is YES, please answer the following:

3. Does the public have access to information about the compensation of the executives in your business or organization through periodic reports filed under section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C.78m(a), 78o(d)) or section 6104 of the Internal Revenue Code of 1986?

   _____ NO _____ YES

   If the answer to #3 above is YES, stop here

   If the answer to #3 above is NO, please answer the following:

4. The names and compensation of the five most highly compensated officers in your business or organization are as follows:

   Name: _____ Amount: _____

   Name: _____ Amount: _____

   Name: _____ Amount: _____

   Name: _____ Amount: _____

   Name: _____ Amount: _____

A. Definitions

The following terms may be reflected and have the described meaning in this document:

1. "Breach" means the loss of control, compromise, unauthorized disclosure, unauthorized acquisition, unauthorized access, or any similar term referring to situations where persons other than authorized users and for an other than authorized purpose have access or potential access to personally identifiable information, whether physical or electronic. With regard to Protected Health Information, " Breach" shall have the same meaning as the term "Breach" in section 164.402 of Title 45, Code of Federal Regulations.

2. "Computer Security Incident" shall have the same meaning "Computer Security Incident" in section two (2) of NIST Publication 800-61, Computer Security Incident Handling Guide, National Institute of Standards and Technology, U.S. Department of Commerce.

3. "Confidential Information" or "Confidential Data" means all confidential information disclosed by one party to the other such as all medical, health, financial, public assistance benefits and personal information including without limitation, Substance Abuse Treatment Records, Case Records, Protected Health Information and Personally Identifiable Information.

   Confidential Information also includes any and all information owned or managed by the State of NH - created, received from or on behalf of the Department of Health and Human Services (DHHS) or accessed in the course of performing contracted services - of which collection, disclosure, protection, and disposition is governed by state or federal law or regulation. This information includes, but is not limited to Protected Health Information (PHI), Personal Information (PI), Personal Financial Information (PFI), Federal Tax Information (FTI), Social Security Numbers (SSN), Payment Card Industry (PCI), and or other sensitive and confidential information.

4. "End User" means any person or entity (e.g., contractor, contractor's employee, business associate, subcontractor, other downstream user, etc.) that receives DHHS data or derivative data in accordance with the terms of this Contract.

5. "HIPAA" means the Health Insurance Portability and Accountability Act of 1996 and the regulations promulgated thereunder.

6. "Incident" means an act that potentially violates an explicit or implied security policy, which includes attempts (either failed or successful) to gain unauthorized access to a system or its data, unwanted disruption or denial of service, the unauthorized use of a system for the processing or storage of data; and changes to system hardware, firmware, or software characteristics without the owner's knowledge, instruction, or consent. Incidents include the loss of data through theft or device misplacement, loss or misplacement of hardcopy documents, and misrouting of physical or electronic

mail, all of which may have the potential to put the data at risk of unauthorized access, use, disclosure, modification or destruction.

7. "Open Wireless Network" means any network or segment of a network that is not designated by the State of New Hampshire's Department of Information Technology or delegate as a protected network (designed, tested, and approved, by means of the State, to transmit) will be considered an open network and not adequately secure for the transmission of unencrypted PI, PFI, PHI or confidential DHHS data.

8. "Personal Information" (or "PI") means information which can be used to distinguish or trace an individual's identity, such as their name, social security number, personal information as defined in New Hampshire RSA 359-C:19, biometric records, etc., alone, or when combined with other personal or identifying information which is linked or linkable to a specific individual, such as date and place of birth, mother's maiden name, etc.

9. "Privacy Rule" shall mean the Standards for Privacy of Individually Identifiable Health Information at 45 C.F.R. Parts 160 and 164, promulgated under HIPAA by the United States Department of Health and Human Services.

10. "Protected Health Information" (or "PHI") has the same meaning as provided in the definition of "Protected Health Information" in the HIPAA Privacy Rule at 45 C.F.R. § 160.103.

11. "Security Rule" shall mean the Security Standards for the Protection of Electronic Protected Health Information at 45 C.F.R. Part 164, Subpart C, and amendments thereto.

12. "Unsecured Protected Health Information" means Protected Health Information that is not secured by a technology standard that renders Protected Health Information unusable, unreadable, or indecipherable to unauthorized individuals and is developed or endorsed by a standards developing organization that is accredited by the American National Standards Institute.

I. RESPONSIBILITIES OF DHHS AND THE CONTRACTOR

A. Business Use and Disclosure of Confidential Information.

1. The Contractor must not use, disclose, maintain or transmit Confidential Information except as reasonably necessary as outlined under this Contract. Further, Contractor, including but not limited to all its directors, officers, employees and agents, must not use, disclose, maintain or transmit PHI in any manner that would constitute a violation of the Privacy and Security Rule.
2. The Contractor must not disclose any Confidential Information in response to a

request for disclosure on the basis that it is required by law, in response to a subpoena, etc., without first notifying DHHS so that DHHS has an opportunity to consent or object to the disclosure.

3. If DHHS notifies the Contractor that DHHS has agreed to be bound by additional restrictions over and above those uses or disclosures or security safeguards of PHI pursuant to the Privacy and Security Rule, the Contractor must be bound by such additional restrictions and must not disclose PHI in violation of such additional restrictions and must abide by any additional security safeguards.
4. The Contractor agrees that DHHS Data or derivative there from disclosed to an End User must only be used pursuant to the terms of this Contract.
5. The Contractor agrees DHHS Data obtained under this Contract may not be used for any other purposes that are not indicated in this Contract.
6. The Contractor agrees to grant access to the data to the authorized representatives of DHHS for the purpose of inspecting to confirm compliance with the terms of this Contract.

II. METHODS OF SECURE TRANSMISSION OF DATA

1. Application Encryption. If End User is transmitting DHHS data containing Confidential Data between applications, the Contractor attests the applications have been evaluated by an expert knowledgeable in cyber security and that said application's encryption capabilities ensure secure transmission via the internet.
2. Computer Disks and Portable Storage Devices. End User may not use computer disks or portable storage devices, such as a thumb drive, as a method of transmitting DHHS data.
3. Encrypted Email. End User may only employ email to transmit Confidential Data if email is encrypted and being sent to and being received by email addresses of persons authorized to receive such information.
4. Encrypted Web Site. If End User is employing the Web to transmit Confidential Data, the secure socket layers (SSL) must be used and the web site must be secure. SSL encrypts data transmitted via a Web site.
5. File Hosting Services, also known as File Sharing Sites. End User may not use file hosting services, such as Dropbox or Google Cloud Storage, to transmit Confidential Data.
6. Ground Mail Service. End User may only transmit Confidential Data via *certified* ground mail within the continental U.S. and when sent to a named individual.
7. Laptops and PDA. If End User is employing portable devices to transmit Confidential Data said devices must be encrypted and password-protected.
8. Open Wireless Networks. End User may not transmit Confidential Data via an open

wireless network. End User must employ a virtual private network (VPN) when remotely transmitting via an open wireless network.

9. Remote User Communication. If End User is employing remote communication to access or transmit Confidential Data, a virtual private network (VPN) must be installed on the End User's mobile device(s) or laptop from which information will be transmitted or accessed.
10. SSH File Transfer Protocol (SFTP), also known as Secure File Transfer Protocol. If End User is employing an SFTP to transmit Confidential Data, End User will structure the Folder and access privileges to prevent inappropriate disclosure of information. SFTP folders and sub-folders used for transmitting Confidential Data will be coded for 24-hour auto-deletion cycle (i.e. Confidential Data will be deleted every 24 hours).
11. Wireless Devices. If End User is transmitting Confidential Data via wireless devices, all data must be encrypted to prevent inappropriate disclosure of information.

III. RETENTION AND DISPOSITION OF IDENTIFIABLE RECORDS

The Contractor will only retain the data and any derivative of the data for the duration of this Contract. After such time, the Contractor will have 30 days to destroy the data and any derivative in whatever form it may exist, unless, otherwise required by law or permitted under this Contract. To this end, the parties must:

A. Retention

1. The Contractor agrees it will not store, transfer or process data collected in connection with the services rendered under this Contract outside of the United States. This physical location requirement shall also apply in the implementation of cloud computing, cloud service or cloud storage capabilities, and includes backup data and Disaster Recovery locations.
2. The Contractor agrees to ensure proper security monitoring capabilities are in place to detect potential security events that can impact State of NH systems and/or Department confidential information for contractor provided systems.
3. The Contractor agrees to provide security awareness and education for its End Users in support of protecting Department confidential information.
4. The Contractor agrees to retain all electronic and hard copies of Confidential Data in a secure location and identified in section IV. A.2
5. The Contractor agrees Confidential Data stored in a Cloud must be in a FedRAMP/HITECH compliant solution and comply with all applicable statutes and regulations regarding the privacy and security. All servers and devices must have currently-supported and hardened operating systems, the latest anti-viral, anti-hacker, anti-spam, anti-spyware, and anti-malware utilities. The environment, as a

whole, must have aggressive intrusion-detection and firewall protection.

6. The Contractor agrees to and ensures its complete cooperation with the State's Chief Information Officer in the detection of any security vulnerability of the hosting infrastructure.

B. Disposition

1. If the Contractor will maintain any Confidential Information on its systems (or its sub-contractor systems), the Contractor will maintain a documented process for securely disposing of such data upon request or contract termination; and will obtain written certification for any State of New Hampshire data destroyed by the Contractor or any subcontractors as a part of ongoing, emergency, and or disaster recovery operations. When no longer in use, electronic media containing State of New Hampshire data shall be rendered unrecoverable via a secure wipe program in accordance with industry-accepted standards for secure deletion and media sanitization, or otherwise physically destroying the media (for example, degaussing) as described in NIST Special Publication 800-88, Rev 1, Guidelines for Media Sanitization, National Institute of Standards and Technology, U. S. Department of Commerce. The Contractor will document and certify in writing at time of the data destruction, and will provide written certification to the Department upon request. The written certification will include all details necessary to demonstrate data has been properly destroyed and validated. Where applicable, regulatory and professional standards for retention requirements will be jointly evaluated by the State and Contractor prior to destruction.

2. Unless otherwise specified, within thirty (30) days of the termination of this Contract, Contractor agrees to destroy all hard copies of Confidential Data using a secure method such as shredding.

3. Unless otherwise specified, within thirty (30) days of the termination of this Contract, Contractor agrees to completely destroy all electronic Confidential Data by means of data erasure, also known as secure data wiping.

IV. PROCEDURES FOR SECURITY

A. Contractor agrees to safeguard the DHHS Data received under this Contract, and any derivative data or files, as follows:

1. The Contractor will maintain proper security controls to protect Department confidential information collected, processed, managed, and/or stored in the delivery of contracted services.

2. The Contractor will maintain policies and procedures to protect Department confidential information throughout the information lifecycle, where applicable, (from creation, transformation, use, storage and secure destruction) regardless of the media used to store the data (i.e., tape, disk, paper, etc.).

3. The Contractor will maintain appropriate authentication and access controls to contractor systems that collect, transmit, or store Department confidential information where applicable.

4. The Contractor will ensure proper security monitoring capabilities are in place to detect potential security events that can impact State of NH systems and/or Department confidential information for contractor provided systems.

5. The Contractor will provide regular security awareness and education for its End Users in support of protecting Department confidential information.

6. If the Contractor will be sub-contracting any core functions of the engagement supporting the services for State of New Hampshire, the Contractor will maintain a program of an internal process or processes that defines specific security expectations, and monitoring compliance to security requirements that at a minimum match those for the Contractor, including breach notification requirements.

7. The Contractor will work with the Department to sign and comply with all applicable State of New Hampshire and Department system access and authorization policies and procedures, systems access forms, and computer use agreements as part of obtaining and maintaining access to any Department system(s). Agreements will be completed and signed by the Contractor and any applicable sub-contractors prior to system access being authorized.

8. If the Department determines the Contractor is a Business Associate pursuant to 45 CFR 160.103, the Contractor will execute a HIPAA Business Associate Agreement (BAA) with the Department and is responsible for maintaining compliance with the agreement.

9. The Contractor will work with the Department at its request to complete a System Management Survey. The purpose of the survey is to enable the Department and Contractor to monitor for any changes in risks, threats, and vulnerabilities that may occur over the life of the Contractor engagement. The survey will be completed annually, or an alternate time frame at the Departments discretion with agreement by the Contractor, or the Department may request the survey be completed when the scope of the engagement between the Department and the Contractor changes.

10. The Contractor will not store, knowingly or unknowingly, any State of New Hampshire or Department data offshore or outside the boundaries of the United States unless prior express written consent is obtained from the Information Security Office leadership member within the Department.

11. Data Security Breach Liability. In the event of any security breach Contractor shall make efforts to investigate the causes of the breach, promptly take measures to prevent future breach and minimize any damage or loss resulting from the breach. The State shall recover from the Contractor all costs of response and recovery from

the breach, including but not limited to: credit monitoring services, mailing costs and costs associated with website and telephone call center services necessary due to the breach.

12. Contractor must, comply with all applicable statutes and regulations regarding the privacy and security of Confidential Information, and must in all other respects maintain the privacy and security of PI and PHI at a level and scope that is not less than the level and scope of requirements applicable to federal agencies, including, but not limited to, provisions of the Privacy Act of 1974 (5 U.S.C. § 552a), DHHS Privacy Act Regulations (45 C.F.R. §5b), HIPAA Privacy and Security Rules (45 C.F.R. Parts 160 and 164) that govern protections for individually identifiable health information and as applicable under State law.

13. Contractor agrees to establish and maintain appropriate administrative, technical, and physical safeguards to protect the confidentiality of the Confidential Data and to prevent unauthorized use or access to it. The safeguards must provide a level and scope of security that is not less than the level and scope of security requirements established by the State of New Hampshire, Department of Information Technology. Refer to Vendor Resources/Procurement at https://www.nh.gov/doit/vendor/index.htm for the Department of Information Technology policies, guidelines, standards, and procurement information relating to vendors.

14. Contractor agrees to maintain a documented breach notification and incident response process. The Contractor will notify the State's Privacy Officer and the State's Security Officer of any security breach immediately, at the email addresses provided in Section VI. This includes a confidential information breach, computer security incident, or suspected breach which affects or includes any State of New Hampshire systems that connect to the State of New Hampshire network.

15. Contractor must restrict access to the Confidential Data obtained under this Contract to only those authorized End Users who need such DHHS Data to perform their official duties in connection with purposes identified in this Contract.

16. The Contractor must ensure that all End Users:

    a. comply with such safeguards as referenced in Section IV A. above, implemented to protect Confidential Information that is furnished by DHHS under this Contract from loss, theft or inadvertent disclosure.

    b. safeguard this information at all times.

    c. ensure that laptops and other electronic devices/media containing PHI, PI, or PFI are encrypted and password-protected.

    d. send emails containing Confidential Information only if encrypted and being sent to and being received by email addresses of persons authorized to receive such information.

e. limit disclosure of the Confidential Information to the extent permitted by law.

f. Confidential Information received under this Contract and individually identifiable data derived from DHHS Data, must be stored in an area that is physically and technologically secure from access by unauthorized persons during duty hours as well as non-duty hours (e.g., door locks, card keys, biometric identifiers, etc.).

g. only authorized End Users may transmit the Confidential Data, including any derivative files containing personally identifiable information, and in all cases, such data must be encrypted at all times when in transit, at rest, or when stored on portable media as required in section IV above.

h. in all other instances Confidential Data must be maintained, used and disclosed using appropriate safeguards, as determined by a risk-based assessment of the circumstances involved.

i. understand that their user credentials (user name and password) must not be shared with anyone. End Users will keep their credential information secure. This applies to credentials used to access the site directly or indirectly through a third party application.

Contractor is responsible for oversight and compliance of their End Users. DHHS reserves the right to conduct onsite inspections to monitor compliance with this Contract, including the privacy and security requirements provided in herein, HIPAA, and other applicable laws and Federal regulations until such time the Confidential Data is disposed of in accordance with this Contract.

V. LOSS REPORTING

The Contractor must notify the State's Privacy Officer and Security Officer of any Security Incidents and Breaches immediately, at the email addresses provided in Section VI.

The Contractor must further handle and report Incidents and Breaches involving PHI in accordance with the agency's documented Incident Handling and Breach Notification procedures and in accordance with 42 C.F.R. §§ 431.300 - 306. In addition to, and notwithstanding, Contractor's compliance with all applicable obligations and procedures, Contractor's procedures must also address how the Contractor will:

1. Identify Incidents;
2. Determine if personally identifiable information is involved in Incidents;
3. Report suspected or confirmed Incidents as required in this Exhibit or P-37;
4. Identify and convene a core response group to determine the risk level of Incidents and determine risk-based responses to Incidents; and

5. Determine whether Breach notification is required, and, if so, identify appropriate Breach notification methods, timing, source, and contents from among different options, and bear costs associated with the Breach notice as well as any mitigation measures.

Incidents and/or Breaches that implicate PI must be addressed and reported, as applicable, in accordance with NH RSA 359-C:20.

VI. PERSONS TO CONTACT

A. DHHS Privacy Officer:

DHHSPrivacyOfficer@dhhs.nh.gov

B. DHHS Security Officer:

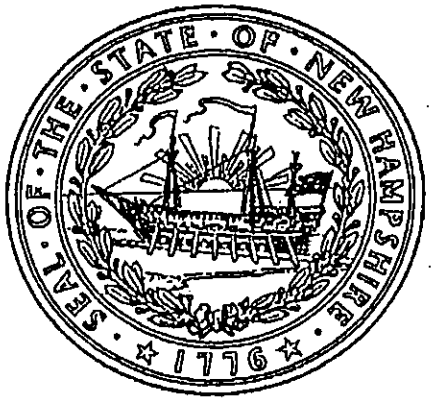
DHHSInformationSecurityOffice@dhhs.nh.gov

State of New Hampshire
Department of State

CERTIFICATE

I, William M. Gardner, Secretary of State of the State of New Hampshire, do hereby certify that CATHOLIC MEDICAL CENTER is a New Hampshire Nonprofit Corporation registered to transact business in New Hampshire on November 07, 1974. I further certify that all fees and documents required by the Secretary of State's office have been received and is in good standing as far as this office is concerned.

Business ID: 62116



IN TESTIMONY WHEREOF,
I hereto set my hand and cause to be affixed
the Seal of the State of New Hampshire,
this 2nd day of June A.D. 2017.

William M. Gardner
Secretary of State

CERTIFICATE OF AUTHORITY

I, Matthew Kfoury, do hereby certify that:

1. I am the duly elected Secretary of Catholic Medical Center, a New Hampshire voluntary corporation ("CMC");

2. Joseph Pepe, M.D. is the duly elected President & CEO of CMC.

3. The attached Exhibit A is a true copy of resolutions duly adopted at a meeting of the Board of Trustees of CMC, duly held on April 23, 2020;

4. The foregoing resolutions have not been amended or revoked and remain in full force and effect as of the 21st day of July, 2020 and this authority remains valid for thirty (30) days from the date of this Certificate of Authority; and

5. I further certify that it is understood that the State of New Hampshire will rely on this certificate as evidence from CMC that I am the Secretary of CMC and that Dr. Pepe has the authority to bind CMC. To the extent that there are any limits on the authority of Dr. Pepe or myself to bind CMC in contracts with the State of New Hampshire, all such limitations are expressly stated herein.

I have hereunto set my hand as the Secretary of CMC this 21st day of July 2020.

s/ Matthew Kfoury
Matthew Kfoury, Secretary

Exhibit A

PROPOSED RESOLUTIONS

OF THE

BOARD OF TRUSTEES

OF CATHOLIC MEDICAL CENTER ("CMC")

Authorizing CMC to enter into Contracts with the State of New Hampshire

April 23, 2020

RESOLVED: That CMC be authorize to enter into contracts, amendments, renewals, revisions or modifications thereto, with the State of New Hampshire, including any of its agencies or departments.

RESOLVED: That the Joseph Pepe, M.D., as President & CEO of CMC, is hereby authorized on behalf of CMC to enter into contracts with the State and to execute any and all documents, agreements, and other instruments; and any amendments, revisions, or modifications thereto, as he may deem necessary, desirable, or appropriate.

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY): 07/23/2020

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER MARSH USA, INC. 99 HIGH STREET BOSTON, MA 02110 Attn: Boston.certrequest@Marsh.com Fax: 212-948-4377 CN109021768-ALL-GAWUP-19-20	CONTACT NAME: PHONE (A/C, No, Ext): FAX (A/C, No): E-MAIL ADDRESS:
INSURED CMC HEALTHCARE SYSTEM 100 MCGREGOR STREET MANCHESTER, NH 03102	INSURER(S) AFFORDING COVERAGE — NAIC # INSURER A : Pro Select Insurance Company INSURER B : N/A — N/A INSURER C : N/A — N/A INSURER D : Affiliated FM Insurance Company — 10014 INSURER E : INSURER F :

COVERAGES CERTIFICATE NUMBER: NYC-010930293-01 REVISION NUMBER: 2

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
A	X COMMERCIAL GENERAL LIABILITY CLAIMS-MADE [X] OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: [X] POLICY [ ] PRO-JECT [ ] LOC OTHER:			002NH000016052	10/01/2019	10/01/2020	EACH OCCURRENCE DAMAGE TO RENTED PREMISES (Ea occurrence) MED EXP (Any one person) PERSONAL & ADV INJURY GENERAL AGGREGATE PRODUCTS - COMP/OP AGG	$ 1,000,000 $ 50,000 $ 5,000 $ 1,000,000 $ 3,000,000 $ 3,000,000
	AUTOMOBILE LIABILITY ANY AUTO OWNED AUTOS ONLY HIRED AUTOS ONLY SCHEDULED AUTOS NON-OWNED AUTOS ONLY						COMBINED SINGLE LIMIT (Ea accident) BODILY INJURY (Per person) BODILY INJURY (Per accident) PROPERTY DAMAGE (Per accident)	$ $ $ $
	UMBRELLA LIAB [ ] OCCUR EXCESS LIAB [ ] CLAIMS-MADE DED [ ] RETENTION $						EACH OCCURRENCE AGGREGATE	$ $
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) [ ] Y/N If yes, describe under DESCRIPTION OF OPERATIONS below	N/A					PER STATUTE [ ] OTH-ER E.L. EACH ACCIDENT E.L. DISEASE - EA EMPLOYEE E.L. DISEASE - POLICY LIMIT	$ $ $
D	PROPERTY *Other deductibles may apply			CH811 as per policy terms and conditions.	10/01/2019	10/01/2020	LIMIT DEDUCTIBLE	419,251,000 25,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

CERTIFICATE HOLDER

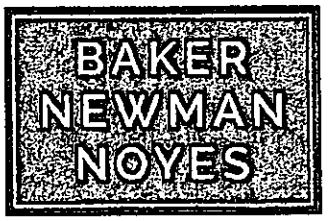
New Hampshire Department of Health and Human Services
129 Pleasant Street
Concord, NH 03301-3857

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE of Marsh USA Inc.

Manashi Mukherjee Manashi Mukherjee



CMC Healthcare System, Inc.

Audited Consolidated Financial Statements
and Other Financial Information

Years Ended September 30, 2019 and 2018
With Independent Auditors' Report

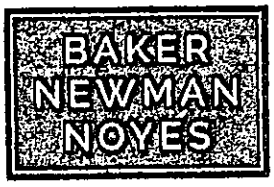
Baker Newman & Noyes LLC
MAINE | MASSACHUSETTS | NEW HAMPSHIRE
800.244.7444 | www.bnncpa.com

CMC HEALTHCARE SYSTEM, INC.

AUDITED CONSOLIDATED FINANCIAL STATEMENTS
AND OTHER FINANCIAL INFORMATION

Years Ended September 30, 2019 and 2018

TABLE OF CONTENTS



Baker Newman & Noyes LLC
MAINE | MASSACHUSETTS | NEW HAMPSHIRE
800.244.7444 | www.bnncpa.com

INDEPENDENT AUDITORS' REPORT

Board of Trustees
CMC Healthcare System, Inc.

We have audited the accompanying consolidated financial statements of CMC Healthcare System, Inc., which comprise the consolidated balance sheets as of September 30, 2019 and 2018, and the related consolidated statements of operations, changes in net assets and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements

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

Auditors' Responsibility

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

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

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

Board of Trustees
CMC Healthcare System, Inc.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of CMC Healthcare System, Inc. as of September 30, 2019 and 2018, and the results of its operations, changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 2 to the consolidated financial statements, in 2019, CMC Healthcare System, Inc. adopted the provisions of Financial Accounting Standards Board Accounting Standards Update No. 2016-14, *Not-for-Profit Entities (Topic 958) - Presentation of Financial Statements of Not-for-Profit Entities* and applied the guidance retrospectively for all periods presented. Our opinion is not modified with respect to this matter.

Baker Newman & Noyes LLC

Manchester, New Hampshire
February 4, 2020

CMC HEALTHCARE SYSTEM, INC.

CONSOLIDATED BALANCE SHEETS

September 30, 2019 and 2018

ASSETS

	2019	2018
Current assets:		
Cash and cash equivalents	$ 56,249,490	$ 61,849,320
Short-term investments	4,021,270	29,009,260
Accounts receivable, less allowance for doubtful accounts of $20,265,887 in 2019 and $20,526,837 in 2018	79,322,642	55,326,986
Inventories	4,600,802	3,583,228
Other current assets	14,198,223	10,664,957
Total current assets	158,392,427	160,433,751
Property, plant and equipment, net	143,111,363	134,597,894
Other assets:		
Intangible assets and other	18,600,614	17,581,549
Assets whose use is limited:		
Pension and insurance obligations	18,832,810	17,859,458
Board designated and donor restricted investments and restricted grants	129,341,870	127,267,085
Held by trustee under revenue bond agreements	18,845,355	36,660,053
	167,020,035	181,786,596
Total assets	$487,124,439	$494,399,790

LIABILITIES AND NET ASSETS

	2019	2018
Current liabilities:		
Accounts payable and accrued expenses	$ 38,985,902	$ 30,789,153
Accrued salaries, wages and related accounts	22,973,478	22,673,489
Amounts payable to third-party payors	11,456,467	14,643,104
Current portion of long-term debt	4,158,079	4,365,199
Total current liabilities	77,573,926	72,470,945
Accrued pension and other liabilities, less current portion	172,049,836	122,463,230
Long-term debt, less current portion	121,883,751	122,913,717
Total liabilities	371,507,513	317,847,892
Net assets:		
Without donor restrictions	104,372,035	166,125,080
With donor restrictions	11,244,891	10,426,818
Total net assets	115,616,926	176,551,898
Total liabilities and net assets	$487,124,439	$494,399,790

See accompanying notes.

CMC HEALTHCARE SYSTEM, INC.

CONSOLIDATED STATEMENTS OF OPERATIONS

Years Ended September 30, 2019 and 2018

	2019	2018
Net patient service revenues, net of contractual allowances and discounts	$465,757,562	$452,510,375
Provision for doubtful accounts	(21,644,644)	(20,334,249)
Net patient service revenues less provision for doubtful accounts	444,112,918	432,176,126
Other revenue	21,610,585	19,454,686
Disproportionate share funding	22,566,094	17,993,289
Total revenues	488,289,597	469,624,101
Expenses:		
Salaries, wages and fringe benefits	284,646,960	266,813,278
Supplies and other	169,119,057	160,290,214
New Hampshire Medicaid enhancement tax	21,382,132	19,968,497
Depreciation and amortization	16,902,437	16,136,984
Interest	4,224,046	4,368,765
Total expenses	496,274,632	467,577,738
(Loss) income from operations	(7,985,035)	2,046,363
Nonoperating gains (losses):		
Investment income, net	4,120,862	6,086,794
Net periodic pension cost, other than service cost	(640,624)	(1,099,092)
Contributions without donor restrictions	834,004	629,198
Development costs	(739,596)	(635,408)
Other nonoperating loss	(3,135,699)	(489,294)
Total nonoperating gains, net	438,947	4,492,198
(Deficiency) excess of revenues and gains over expenses	(7,546,088)	6,538,561
Unrealized appreciation on investments	912,170	2,325,151
Change in fair value of interest rate swap agreement	(482,735)	302,826
Assets released from restriction used for capital	434,010	128,600
Pension-related changes other than net periodic pension cost	(55,070,402)	20,436,931
Change in net assets without donor restrictions	(61,753,045)	29,732,069
Net assets without donor restrictions at beginning of year	166,125,080	136,393,011
Net assets without donor restrictions at end of year	$104,372,035	$166,125,080

See accompanying notes.

CMC HEALTHCARE SYSTEM, INC.

CONSOLIDATED STATEMENTS OF CHANGES IN NET ASSETS

Years Ended September 30, 2019 and 2018

	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Total Net Assets
Balances at September 30, 2017	$136,393,011	$ 9,726,007	$146,119,018
Excess of revenues and gains over expenses	6,538,561	–	6,538,561
Restricted investment income	–	27,373	27,373
Changes in interest in perpetual trust	–	341,439	341,439
Donor restricted contributions	–	646,924	646,924
Unrealized appreciation on investments	2,325,151	61,431	2,386,582
Change in fair value of interest rate swap agreement	302,826	–	302,826
Assets released from restriction used for operations	–	(247,756)	(247,756)
Assets released from restriction used for capital	128,600	(128,600)	–
Pension-related changes other than net periodic pension cost	20,436,931	–	20,436,931
	29,732,069	700,811	30,432,880
Balances at September 30, 2018	166,125,080	10,426,818	176,551,898
Deficiency of revenues and gains over expenses	(7,546,088)	–	(7,546,088)
Restricted investment income	–	31,596	31,596
Changes in interest in perpetual trust	–	(110,168)	(110,168)
Donor restricted contributions	–	1,536,316	1,536,316
Unrealized appreciation on investments	912,170	15,219	927,389
Change in fair value of interest rate swap agreement	(482,735)	–	(482,735)
Assets released from restriction used for operations	–	(220,880)	(220,880)
Assets released from restriction used for capital	434,010	(434,010)	–
Pension-related changes other than net periodic pension cost	(55,070,402)	–	(55,070,402)
	(61,753,045)	818,073	(60,934,972)
Balances at September 30, 2019	$104,372,035	$11,244,891	$115,616,926

See accompanying notes.

CMC HEALTHCARE SYSTEM, INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS

Years Ended September 30, 2019 and 2018

	2019	2018
Operating activities:		
Change in net assets	$ (60,934,972)	$ 30,432,880
Adjustments to reconcile change in net assets to net cash (used) provided by operating activities:		
Depreciation and amortization	16,902,437	16,136,984
Pension-related changes other than net periodic pension cost	55,070,402	(20,436,931)
Restricted gifts and investment income	(1,567,912)	(674,297)
Net realized and unrealized gains on investments	(803,714)	(5,304,630)
Change in interest in perpetual trust	110,168	(341,439)
Change in fair value of interest rate swap agreement	482,735	(487,593)
Bond discount/premium and issuance cost amortization	(289,968)	(313,993)
Change in operating assets and liabilities:		
Accounts receivable, net	(23,995,656)	(5,828,809)
Inventories	(1,017,574)	(176,498)
Other current assets	(3,533,266)	1,711,535
Other assets	(1,049,682)	(1,031,639)
Accounts payable and accrued expenses	6,945,059	(5,312,460)
Accrued salaries, wages and related accounts	299,989	2,561,918
Amounts payable to third-party payors	(3,186,637)	291,872
Accrued pension and other liabilities	(5,978,340)	6,039,303
Net cash (used) provided by operating activities	(22,546,931)	17,266,203
Investing activities:		
Purchases of property, plant and equipment	(24,121,790)	(36,812,874)
Net change in assets held by trustee under revenue bond agreements	17,814,698	14,819,012
Proceeds from sales of investments	54,831,303	32,671,019
Purchases of investments	(31,397,904)	(40,605,899)
Net cash provided (used) by investing activities	17,126,307	(29,928,742)
Financing activities:		
Payments on long-term debt	(3,689,000)	(11,509,593)
Proceeds from issuance of long-term debt	3,513,632	8,130,000
Payments on capital leases	(676,199)	(707,299)
Bond issuance costs	(95,551)	(120,118)
Restricted gifts and investment income	767,912	674,297
Net cash used by financing activities	(179,206)	(3,532,713)
Decrease in cash and cash equivalents	(5,599,830)	(16,195,252)
Cash and cash equivalents at beginning of year	61,849,320	78,044,572
Cash and cash equivalents at end of year	$ 56,249,490	$ 61,849,320

Supplemental disclosure:
At September 30, 2019, amounts totaling $1,251,690 related to the purchase of property, plant and equipment were included in accounts payable and accrued expenses.

See accompanying notes.

1. Organization

CMC Healthcare System, Inc. (the System) is a not-for-profit organization formed effective July 1, 2001. The System functioned as the parent company and sole member of Catholic Medical Center (the Medical Center) (until December 31, 2016, as discussed below), Physician Practice Associates, Inc. (PPA), Alliance Enterprises, Inc. (Enterprises), Alliance Resources, Inc. (Resources), Alliance Ambulatory Services, Inc. (AAS), Alliance Health Services, Inc. (AHS), Doctors Medical Association, Inc. (DMA) and St. Peter's Home, Inc.

On December 30, 2016, the System became affiliated with Huggins Hospital (HH), a 25-bed critical access hospital in Wolfeboro, New Hampshire, and Monadnock Community Hospital (MCH), a 25-bed critical access hospital in Peterborough, New Hampshire, through the formation of a common parent, GraniteOne Health (GraniteOne). GraniteOne is a New Hampshire voluntary corporation that is recognized as being a Section 501(c)(3) tax-exempt and "supporting organization" within the meaning of Section 509(a)(3) of the Internal Revenue Code of 1986, as amended (the Code). GraniteOne serves as the sole member of HH and MCH and co-member of the Medical Center, along with the System. GraniteOne is governed by a thirteen member Board of Trustees appointed by each of the respective hospitals within the GraniteOne system. The GraniteOne Board of Trustees governs the GraniteOne system through the existence and execution of reserved powers to approve certain actions by the Boards of Trustees of each of the hospitals. Through GraniteOne, this more integrated healthcare system enhances the affiliated hospitals' ability to coordinate the delivery of patient care, implement best practices, eliminate inefficiencies and collaborate on regional planning. These efforts strengthen the hospitals' ability to meet the healthcare needs of their respective communities and provide for a more seamless patient experience across the continuum of care. The accompanying consolidated financial statements for the years ended September 30, 2019 and 2018 do not include the accounts and activity of GraniteOne, HH and MCH.

On September 30, 2019, GraniteOne, the Medical Center, the System, certain subsidiaries of the System, HH and MCH entered into a Combination Agreement (the Agreement) with Dartmouth-Hitchcock Health (D-HH) to combine GraniteOne and D-HH and its members into a more fully integrated healthcare delivery system. Pursuant to the terms of the Agreement, the parties intend to revise D-HH's corporate name to Dartmouth-Hitchcock Health GraniteOne (D-HH GO), which will continue to serve as the sole corporate member of the existing D-HH System Members (Mary Hitchcock Memorial Health and Dartmouth-Hitchcock Clinic, New London Hospital (NLH), Cheshire Medical Center (Cheshire), Mt. Ascutney Hospital and Health Center (MAHHC), Alice Peck Day Memorial Hospital (APD) and Visiting Nurse and Hospice for Vermont and New Hampshire (VNH)), and which will be substituted for GraniteOne as the sole corporate member of HH and MCH and as co-member, of the Medical Center and certain subsidiaries of the System (the Combination). The overarching goal of the Combination is to create a New Hampshire-based, integrated and regionally distributed health care delivery system that better serves its patients and communities. While the System will not be a component of the D-HH GO System, it will continue to serve as the corporate vehicle through which the Bishop of the Diocese of Manchester (the Bishop) ensures the Medical Center's adherence to the Ethical and Religious Directives for Catholic Health Care Services. Neither the System nor the Bishop will have authority over any other D-HH GO System Member, including HH and MCH. Subject to certain rights reserved to the Bishop and the System with respect to the Medical Center and the System's subsidiaries, D-HH GO will reserve to itself certain approval and initiation powers over the governance, financial, programmatic, administrative, and strategic decisions of D-HH GO System Members.

1. **Organization (Continued)**

On December 30, 2019, GraniteOne, the Medical Center, HH and MCH submitted a Joint Notice of Change of Control to the New Hampshire Attorney General, Director of Charitable Trusts pursuant to New Hampshire RSA 7:19-b beginning the regulatory review and approval process of the Combination. If all necessary approvals are obtained and closing conditions satisfied, D-HH GO will consist of a major academic medical center offering tertiary and quaternary services, an acute care community hospital in an urban setting (the Medical Center), an acute care community hospital in a rural setting (Cheshire), five rural critical access hospitals (NLH, MAHHC, APD, HH and MCH), a post-acute home health and hospice provider (VNH), and nearly 1,800 employed and affiliated primary and specialty care physicians. D-HH GO System Members will combine their resources to offer a broader array of inpatient, outpatient and ambulatory services.

2. **Significant Accounting Policies**

Basis of Presentation

The accompanying consolidated financial statements have been prepared using the accrual basis of accounting.

Principles of Consolidation

The consolidated financial statements include the accounts of the Medical Center, PPA, Enterprises, Resources, AAS, AHS, DMA and St. Peter's Home, Inc. Significant intercompany accounts and transactions have been eliminated in consolidation.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the financial statements. Estimates also affect the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates. The primary estimates relate to collectibility of receivables from patients and third-party payors, amounts payable to third-party payors, accrued compensation and benefits, conditional asset retirement obligations, and self-insurance reserves.

Income Taxes

The System and all related entities, with the exception of Enterprises and DMA, are not-for-profit corporations as described in Section 501(c)(3) of the Code and are exempt from federal income taxes on related income pursuant to Section 501(a) of the Code. Management evaluated the System's tax positions and concluded the System has maintained its tax-exempt status, does not have any significant unrelated business income and had taken no uncertain tax positions that require adjustment to the consolidated financial statements.

2. Significant Accounting Policies (Continued)

Enterprises and DMA are for-profit organizations and, in accordance with federal and state tax laws, file income tax returns, as applicable. There was no significant provision for income taxes for the years ended September 30, 2019 and 2018. There are no significant deferred tax assets or liabilities. These entities have concluded there are no significant uncertain tax positions requiring disclosure and there is no material liability for unrecognized tax benefits. It is the policy of these entities to recognize interest related to unrecognized tax benefits in interest expense and penalties in income tax expense.

Performance Indicator

(Deficiency) excess of revenues and gains over expenses is comprised of operating revenues and expenses and nonoperating gains and losses. For purposes of display, transactions deemed by management to be ongoing, major or central to the provision of health care services are reported as operating revenue and expenses. Peripheral or incidental transactions are reported as nonoperating gains or losses, which include contributions without donor restrictions, development costs, net investment income (including realized gains and losses on the sales of investments), net periodic pension costs (other than service cost), other nonoperating losses, and contributions to community agencies.

Charity Care

The System has a formal charity care policy under which patient care is provided to patients who meet certain criteria without charge or at amounts less than its established rates. The System does not pursue collection of amounts determined to qualify as charity care; therefore, they are not reported as revenues.

Of the System's $496,274,632 total expenses reported for the year ended September 30, 2019, an estimated $7,700,000 arose from providing services to charity patients. Of the System's $467,577,738 total expenses reported for the year ended September 30, 2018, an estimated $7,500,000 arose from providing services to charity patients. The estimated costs of providing charity services are based on a calculation which applies a ratio of costs to charges to the gross uncompensated charges associated with providing care to charity patients. The ratio of cost to charges is calculated based on the System's total expenses divided by gross patient service revenue.

Concentration of Credit Risk

Financial instruments which subject the System to credit risk consist primarily of cash equivalents, accounts receivable and investments. The risk with respect to cash equivalents is minimized by the System's policy of investing in financial instruments with short-term maturities issued by highly rated financial institutions. The System's accounts receivable are primarily due from third-party payors and amounts are presented net of expected contractual allowances and uncollectible amounts. The System's investment portfolio consists of diversified investments, which are subject to market risk. Investments that exceeded 10% of investments include the SSGA S&P 500 Tobacco Free Fund and the Dreyfus Treasury Securities Cash Management Fund as of September 30, 2019 and 2018.

2. **Significant Accounting Policies (Continued)**

Cash and Cash Equivalents

Cash and cash equivalents include certificates of deposit with maturities of three months or less when purchased and investments in overnight deposits at various banks. Cash and cash equivalents exclude amounts whose use is limited by board designation and amounts held by trustees under revenue bond and other agreements. The System maintains approximately $52,000,000 and $60,000,000 at September 30, 2019 and 2018, respectively, of its cash and cash equivalent accounts with a single institution. The System has not experienced any losses associated with deposits at this institution.

Net Patient Service Revenues and Accounts Receivable

The System has agreements with third-party payors that provide for payments at amounts different from its established rates. Payment arrangements include prospectively determined rates per discharge, reimbursed costs, discounted charges, per diem payments and fee schedules. Net patient service revenue is reported at the estimated net realizable amounts from patients, third-party payors and others for services rendered, including estimated retroactive adjustments under reimbursement agreements with third-party payors. Retroactive adjustments are accrued on an estimated basis in the year the related services are rendered and adjusted in future years as final settlements are determined. Changes in these estimates are reflected in the consolidated financial statements in the year in which they occur.

The System recognizes patient service revenue associated with services provided to patients who have third-party payor coverage on the basis of contractual rates for the services rendered. For uninsured patients, the System provides a discount approximately equal to that of its largest private insurance payors.

The provision for doubtful accounts is based upon management's assessment of historical and expected net collections considering historical business and economic conditions, trends in health care coverage, and other collection indicators. The System records a provision for doubtful accounts in the year services are provided related to self-pay patients, including both uninsured patients and patients with deductible and copayment balances due for which third-party coverage exists for a portion of their balance.

Periodically, management assesses the adequacy of the allowance for doubtful accounts based upon historical write-off experience. The results of this review are then used to make any modifications to the provision for doubtful accounts to establish an appropriate allowance for doubtful accounts. Accounts receivable are written off after collection efforts have been followed in accordance with internal policies.

Inventories

Inventories of supplies are stated at the lower of cost (determined by the first-in, first-out method) or net realizable value.

2. Significant Accounting Policies (Continued)

Related Party Activity

The Medical Center has engaged in various transactions with GraniteOne, HH and MCH. The Medical Center recognized approximately $3.3 million and $3.4 million in revenue from these related parties for the years ended September 30, 2019 and 2018, respectively, which is reflected within other revenues in the accompanying consolidated statements of operations. The Medical Center also incurred expenses to these related parties of approximately $2.5 million and $399,000 for the years ended September 30, 2019 and 2018, respectively, of which $800,000 and $399,000, respectively, is reflected within operating expenses. Additionally, approximately $1.7 million as of September 30, 2019 is reflected within nonoperating gains (losses) in the accompanying consolidated statement of operations for the year ended September 30, 2019. As of September 30, 2019, the Medical Center had a net amount due from these related parties of approximately $2.6 million, of which $4.4 million is reflected within other current assets and $1.8 million is reflected within accounts payable and accrued expenses in the accompanying 2019 consolidated balance sheet. As of September 30, 2018, the Medical Center has a net amount due from these related parties of approximately $507,000, which is reflected within other current assets in the accompanying 2018 consolidated balance sheet.

Property, Plant and Equipment

Property, plant and equipment is stated at cost at time of purchase or fair value at the time of donation, less accumulated depreciation. The System's policy is to capitalize expenditures for major improvements and charge maintenance and repairs currently for expenditures which do not extend the lives of the related assets. The provisions for depreciation and amortization have been determined using the straight-line method at rates intended to amortize the cost of assets over their estimated useful lives, which range from 2 to 40 years. Assets which have been purchased but not yet placed in service are included in construction in progress and no depreciation expense is recorded.

Conditional Asset Retirement Obligations

The System recognizes the fair value of a liability for legal obligations associated with asset retirements in the year in which the obligation is incurred, in accordance with the Accounting Standards for *Accounting for Asset Retirement Obligations* (ASC 410-20). When the liability is initially recorded, the cost of the asset retirement obligation is capitalized by increasing the carrying amount of the related long lived asset. The liability is accreted to its present value each year, and the capitalized cost associated with the retirement obligation is depreciated over the useful life of the related asset. Upon settlement of the obligation, any difference between the cost to settle the asset retirement obligation and the liability recorded is recognized as a gain or loss in the consolidated statements of operations.

As of September 30, 2019 and 2018, $1,036,702 and $1,078,784, respectively, of conditional asset retirement obligations are included within accrued pension and other liabilities in the accompanying consolidated balance sheets.

2. **Significant Accounting Policies (Continued)**

Goodwill

The System reviews its goodwill and other long-lived assets annually to determine whether the carrying amount of such assets is impaired. Upon determination that an impairment has occurred, these assets are reduced to fair value. There were no impairments recorded for the years ended September 30, 2019 or 2018. The net carrying value of goodwill is $4,490,154 at September 30, 2019 and 2018 and is reflected within intangible assets and other in the accompanying consolidated balance sheets.

Retirement Benefits

The Catholic Medical Center Pension Plan (the Plan) provides retirement benefits for certain employees of the Medical Center and PPA who have attained age twenty-one and work at least 1,000 hours per year. The Plan consists of a benefit accrued to July 1, 1985, plus 2% of plan year earnings (to legislative maximums) per year. The System's funding policy is to contribute amounts to the Plan sufficient to meet minimum funding requirements set forth in the Employee Retirement Income Security Act of 1974, plus such additional amounts as may be determined to be appropriate from time to time. The Plan is intended to constitute a plan described in Section 414(k) of the Code, under which benefits derived from employer contributions are based on the separate account balances of participants in addition to the defined benefits under the Plan.

Effective January 1, 2008 the Medical Center decided to close participation in the Plan to new participants. As of January 1, 2008, current participants continued to participate in the Plan while new employees receive a higher matching contribution to the tax-sheltered annuity benefit program discussed below.

During 2011, the Board of Trustees voted to freeze the accrual of benefits under the Plan effective December 31, 2011.

The Plan was amended effective as of May 1, 2016 to provide a limited opportunity for certain terminated vested participants to elect an immediate lump sum or annuity distribution option.

The System also maintains tax-sheltered annuity benefit programs in which it matches one half of employee contributions up to 3% of their annual salary, depending on date of hire, plus an additional 3% - 5% based on tenure. The System made matching contributions under the program of $8,462,595 and $7,733,193 for the years ended September 30, 2019 and 2018, respectively.

During 2007, the Medical Center created a nonqualified deferred compensation plan covering certain employees under Section 457(b) of the Code. Under the plan, a participant may elect to defer a portion of their compensation to be held until payment in the future to the participant or his or her beneficiary. Consistent with the requirements of the Code, all amounts of deferred compensation, including but not limited to any investments held and all income attributable to such amounts, property, and rights will remain subject to the claims of the Medical Center's creditors, without being restricted to the payment of deferred compensation, until payment is made to the participant or their beneficiary. No contributions were made by the System for the years ended September 30, 2019 or 2018.

2. Significant Accounting Policies (Continued)

The System also provides a noncontributory supplemental executive retirement plan covering certain former executives of the Medical Center, as defined. The System's policy is to accrue costs under this plan using the "Projected Unit Credit Actuarial Cost Method" and to amortize past service costs over a fifteen year period. Benefits under this plan are based on the participant's final average salary, social security benefit, retirement income plan benefit, and total years of service. Certain investments have been designated for payment of benefits under this plan and are included in assets whose use is limited–pension and insurance obligations.

During 2007, the System created a supplemental executive retirement plan covering certain executives of the Medical Center under Section 457(f) of the Code. The System recorded compensation expense of $661,215 and $682,820 for the years ended September 30, 2019 and 2018, respectively, related to this plan.

Employee Fringe Benefits

The System has an "earned time" plan. Under this plan, each qualifying employee "earns" hours of paid leave for each pay period worked. These hours of paid leave may be used for vacations, holidays, or illness. Hours earned but not used are vested with the employee and are paid to the employee upon termination. The System expenses the cost of these benefits as they are earned by the employees.

Debt Issuance Costs/Original Issue Discount or Premium

The debt issuance costs incurred to obtain financing for the System's construction and renovation programs and refinancing of prior bonds and the original issue discount or premium are amortized to interest expense using the effective interest method over the repayment period of the bonds. The original issue discount or premium and debt issuance costs are presented as a component of long-term debt.

Assets Whose Use is Limited or Restricted

Assets whose use is limited or restricted include assets held by trustees under indenture agreements, pension and insurance obligations, designated assets set aside by the Board of Trustees, over which the Board retains control and may, at its discretion, subsequently use for other purposes, and donor-restricted investments.

Net Assets With Donor Restrictions

Gifts are reported as restricted support if they are received with donor stipulations that limit the use of donated assets. Donated investments, supplies and equipment are reported at fair value at the date of receipt. Unconditional promises to give cash and other assets are reported at fair value at the date of the receipt of the promise. When a donor restriction expires (when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified as net assets without donor restrictions and reported in the statements of operations as either net assets released from restrictions (for noncapital related items) or as net assets released from restrictions used for capital purchases (capital related items). Some net assets with donor restrictions have been restricted by donors to be maintained by the System in perpetuity.

2. **Significant Accounting Policies (Continued)**

Except for contributions related to capital purchases, donor-restricted contributions whose restrictions are met within the same year as received are reported as contributions within net assets without donor restrictions in the accompanying consolidated financial statements.

Pledges Receivable

Pledges receivable are recognized as revenue when the unconditional promise to give is made. Pledges expected to be collected within one year are recorded at their net realizable value. Pledges that are expected to be collected in future years are recorded at the present value of estimated future cash flows. The present value of estimated future cash flows is measured utilizing risk-free rates of return adjusted for market and credit risk established at the time a contribution is received.

Investments and Investment Income

Investments are carried at fair value in the accompanying consolidated balance sheets. See Note 8 for further discussion regarding fair value measurements. Investment income (including realized gains and losses on investments and interest and dividends) is included in the (deficiency) excess of revenues and gains over expenses unless the income is restricted by donor or law, in which case it is reported as an increase or decrease in net assets with donor restrictions. Realized gains or losses on the sale of investment securities are determined by the specific identification method and are recorded on the settlement date. Unrealized gains and losses on investments are excluded from the (deficiency) excess of revenues and gains over expenses unless the investments are classified as trading securities or losses are considered other-than-temporary.

Derivative Instruments

Derivatives are recognized as either assets or liabilities in the consolidated balance sheets at fair value regardless of the purpose or intent for holding the instrument. Changes in the fair value of derivatives are recognized either in the (deficiency) excess of revenues and gains over expenses or net assets, depending on whether the derivative is speculative or being used to hedge changes in fair value or cash flows. See also Note 6.

Beneficial Interest in Perpetual Trust

The System is the beneficiary of trust funds administered by trustees or other third parties. Trusts wherein the System has the irrevocable right to receive the income earned on the trust assets in perpetuity are recorded as net assets with donor restrictions at the fair value of the trust at the date of receipt. Income distributions from the trusts are reported as investment income that increase net assets without donor restrictions, unless restricted by the donor. Annual changes in the fair value of the trusts are recorded as increases or decreases to net assets with donor restrictions.

2. **Significant Accounting Policies (Continued)**

Endowment, Investment and Spending Policies

In accordance with the *Uniform Prudent Management of Institutional Funds Act* (UPMIFA), the System considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (a) the duration and preservation of the fund; (b) the purpose of the organization and the donor-restricted endowment fund; (c) general economic conditions; (d) the possible effect of inflation and deflation; (e) the expected total return from income and the appreciation of investments; (f) other resources of the organization; and (g) the investment policies of the organization.

Spending policies may be adopted by the System, from time to time, to provide a stream of funding for the support of key programs. The spending policies are structured in a manner to ensure that the purchasing power of the assets is maintained while providing the desired level of annual funding to the programs. The System currently has a policy allowing interest and dividend income earned on investments to be used for operations with the goal of keeping principal, including its appreciation, intact.

The System's investment policies provide guidance for the prudent and skillful management of invested assets with the objective of preserving capital and maximizing returns. The invested assets include endowment, specific purpose and board designated funds.

Endowment funds are identified as perpetual in nature, intended to provide support for current or future operations and other purposes identified by the donor. These funds are managed with disciplined longer-term investment objectives and strategies designed to accommodate relevant, reasonable, or probable events.

Specific purpose funds are temporary in nature, restricted as to time or purpose as identified by the donor or grantor. These funds have various intermediate/long-term time horizons associated with specific identified spending objectives.

Board designated funds have various intermediate/long-term time horizons associated with specific spending objectives as determined by the Board of Trustees.

Management of these assets is designed to maximize total return while preserving the capital values of the funds, protecting the funds from inflation and providing liquidity as needed. The objective is to provide a real rate of return that meets inflation, plus 4% to 5%, over a long-term time horizon.

The System targets a diversified asset allocation that places emphasis on achieving its long-term return objectives within prudent risk constraints.

Federal Grant Revenue and Expenditures

Revenues and expenses under federal grant programs are recognized as the related expenditure is incurred.

2. Significant Accounting Policies (Continued)

Malpractice Loss Contingencies

The System has a claims-made basis policy for its malpractice insurance coverage. A claims-made basis policy provides specific coverage for claims reported during the policy term. The System has established a reserve to cover professional liability exposure, which may not be covered by insurance. The possibility exists, as a normal risk of doing business, that malpractice claims in excess of insurance coverage may be asserted against the System. In the event a loss contingency should occur, the System would give it appropriate recognition in its consolidated financial statements in conformity with accounting standards. The System expects to be able to obtain renewal or other coverage in future years.

In accordance with Accounting Standards Update (ASU) No. 2010-24, "*Health Care Entities*" (Topic 954): *Presentation of Insurance Claims and Related Insurance Recoveries*, at September 30, 2019 and 2018, the System recorded a liability of $13,252,269 and $12,520,618, respectively, related to estimated professional liability losses covered under this policy. At September 30, 2019 and 2018, the System also recorded a receivable of $9,584,019 and $8,829,118, respectively, related to estimated recoveries under insurance coverage for recoveries of the potential losses. These amounts are included in accrued pension and other liabilities, and intangible assets and other, respectively, on the consolidated balance sheets.

Workers' Compensation

The System maintains workers' compensation insurance under a self-insured plan. The plan offers, among other provisions, certain specific and aggregate stop-loss coverage to protect the System against excessive losses. The System has employed independent actuaries to estimate the ultimate costs, if any, of the settlement of such claims. Accrued workers' compensation losses of $3,069,898 and $3,061,261 at September 30, 2019 and 2018, respectively, have been discounted at 1.25% and, in management's opinion, provide an adequate reserve for loss contingencies. At September 30, 2019, $1,397,510 and $1,672,388 is recorded within accounts payable and accrued expenses and accrued pension and other liabilities, respectively, in the accompanying consolidated balance sheets. The System has also recorded $258,107 and $408,034 within other current assets and intangible assets and other, respectively, in the accompanying consolidated balance sheets to limit the accrued losses to the retention amount at September 30, 2019. At September 30, 2018, $1,359,646 and $1,701,615 is recorded within accounts payable and accrued expenses and accrued pension and other liabilities, respectively, in the accompanying consolidated balance sheets. The System has also recorded $248,403 and $408,513 within other current assets and intangible assets and other, respectively, in the accompanying consolidated balance sheets to limit the accrued losses to the retention amount at September 30, 2018.

Health Insurance

The System has a self-funded health insurance plan. The plan is administered by an insurance company and the System has employed independent actuaries to estimate unpaid claims, and those claims incurred but not reported at fiscal year end. The System was insured above a stop-loss amount of $570,000 and $375,000 at September 30, 2019 and 2018, respectively, on individual claims. Estimated unpaid claims, and those claims incurred but not reported, at September 30, 2019 and 2018 of $2,334,000 and $2,849,427, respectively, are reflected in the accompanying consolidated balance sheets within accounts payable and accrued expenses.

2. **Significant Accounting Policies (Continued)**

Functional Expense Allocation

The costs of providing program services and other activities have been summarized on a functional basis in Note 11. Accordingly, costs have been allocated among program services and supporting services benefitted.

Advertising Costs

The System expenses advertising costs as incurred, and such costs totaled approximately $1,298,000 and $1,918,000 for the years ended September 30, 2019 and 2018, respectively.

Recent Accounting Pronouncements

In August 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2016-14, *Not-for-Profit Entities (Topic 958)* (ASU 2016-14) – *Presentation of Financial Statements of Not-for-Profit Entities*. The update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return. ASU 2016-14 is effective for the System for the year ended September 30, 2019. The System has adjusted the presentation of these consolidated financial statements and related disclosures accordingly. ASU 2016-14 has been applied retrospectively to all periods presented. The adoption of ASU 2016-14 had no impact to changes in net assets or total net assets in 2019 or 2018.

In May 2014, the FASB issued ASU No. 2014-09, *Revenue from Contracts with Customers* (ASU 2014-09), which requires revenue to be recognized when promised goods or services are transferred to customers in amounts that reflect the consideration to which the System expects to be entitled in exchange for those goods and services. ASU 2014-09 will replace most existing revenue recognition guidance in U.S. GAAP when it becomes effective. ASU 2014-09 is effective for the System on October 1, 2019. ASU 2014-09 permits the use of either the retrospective or cumulative effect transition method. The System is evaluating the impact that ASU 2014-09 will have on its revenue recognition policies, but does not expect the new pronouncement will have a material impact on its consolidated financial statements.

In January 2016, the FASB issued ASU No. 2016-01, *Financial Instruments – Overall (Subtopic 825-10): Recognition and Measurement of Financial Assets and Financial Liabilities* (ASU 2016-01). The amendments in ASU 2016-01 address certain aspects of recognition, measurement, presentation and disclosure of financial instruments. ASU 2016-01 is effective for the System for the year ended September 30, 2020, with early adoption permitted. The System is currently evaluating the impact that ASU 2016-01 will have on its consolidated financial statements.

2. **Significant Accounting Policies (Continued)**

In February 2016, the FASB issued ASU No. 2016-02, *Leases (Topic 842)* (ASU 2016-02). Under ASU 2016-02, at the commencement of a long-term lease, lessees will recognize a liability equivalent to the discounted payments due under the lease agreement, as well as an offsetting right-of-use asset. ASU 2016-02 is effective for the System on October 1, 2021, with early adoption permitted. Lessees (for capital and operating leases) must apply a modified retrospective transition approach for leases existing at, or entered into after, the beginning of the earliest comparative period presented in the consolidated financial statements. The modified retrospective approach would not require any transition accounting for leases that expired before the earliest comparative period presented. Lessees may not apply a full retrospective transition approach. The System is currently evaluating the impact of the pending adoption of ASU 2016-02 on the System's consolidated financial statements.

In November 2016, the FASB issued ASU No. 2016-18, *Statement of Cash Flows (Topic 230): Restricted Cash (a consensus of the FASB Emerging Issues Task Force)* (ASU 2016-18), which provides guidance on the presentation of restricted cash or restricted cash equivalents in the statement of cash flows. ASU 2016-18 will be effective for the System's fiscal year ended September 30, 2020, and early adoption is permitted. ASU 2016-18 must be applied using a retrospective transition method. The System is currently evaluating the impact of the adoption of this guidance on its consolidated financial statements.

In June 2018, the FASB issued ASU No. 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made* (ASU 2018-08). Due to diversity in practice, ASU 2018-08 clarifies the definition of an exchange transaction as well as the criteria for evaluating whether contributions are unconditional or conditional. ASU 2018-08 is effective for the System on October 1, 2019, with early adoption permitted. The System is currently evaluating the impact that ASU 2018-08 will have on its consolidated financial statements.

In August 2018, the FASB issued ASU 2018-13, *Fair Value Measurement (Topic 820): Disclosure Framework – Changes to the Disclosure Requirements for Fair Value Measurement* (ASU 2018-13). The amendments in this ASU modify the disclosure requirements for fair value measurements for Level 3 assets and liabilities, and eliminate the requirement to disclose transfers between Levels 1 and 2 of the fair value hierarchy, among other modifications. ASU 2018-13 is effective for the System on October 1, 2020, with early adoption permitted. The System is currently evaluating the impact that ASU 2018-13 will have on its consolidated financial statements.

Subsequent Events

Management of the System evaluated events occurring between the end of the System's fiscal year and February 4, 2020, the date the consolidated financial statements were available to be issued.

3. Financial Assets and Liquidity Resources

Financial assets and liquidity resources available within one year for general expenditure, such as operating expenses, scheduled principal payments on debt, and capital construction costs, consisted of the following at September 30, 2019:

Cash and cash equivalents	$ 56,249,490
Short-term investments	4,021,270
Accounts receivable	79,322,642
	$139,593,402

To manage liquidity, the System maintains sufficient cash and cash equivalent balances to support daily operations throughout the year. Cash and cash equivalents include bank deposits, money market funds, and other similar vehicles that generate a return on cash and provide daily liquidity to the System. In addition, the System has board-designated assets that can be utilized at the discretion of management to help fund both operational needs and/or capital projects. As of September 30, 2019, the balance in board-designated assets was approximately $110 million.

4. Net Patient Service Revenue

The following summarizes net patient service revenue for the years ended September 30:

	2019	2018
Gross patient service revenue	$1,435,238,995	$1,341,051,947
Less contractual allowances	(969,481,433)	(888,541,572)
Less provision for doubtful accounts	(21,644,644)	(20,334,249)
Net patient service revenue	$ 444,112,918	$ 432,176,126

The System maintains contracts with the Social Security Administration ("Medicare") and the State of New Hampshire Department of Health and Human Services ("Medicaid"). The System is paid a prospectively determined fixed price for each Medicare and Medicaid inpatient acute care service depending on the type of illness or the patient's diagnosis related group classification. Capital costs and certain Medicare and Medicaid outpatient services are also reimbursed on a prospectively determined fixed price. The System receives payment for other Medicaid outpatient services on a reasonable cost basis which are settled with retroactive adjustments upon completion and audit of related cost finding reports.

Differences between amounts previously estimated and amounts subsequently determined to be recoverable or payable are included in net patient service revenues in the year that such amounts become known. The percentage of net patient service revenues earned from the Medicare and Medicaid programs was 37% and 5%, respectively, for the year ended September 30, 2019 and 39% and 5%, respectively, for the year ended September 30, 2018.

4. **Net Patient Service Revenue (Continued)**

Laws and regulations governing the Medicare and Medicaid programs are complex and subject to interpretation. The System believes that it is in compliance with all applicable laws and regulations; compliance with such laws and regulations can be subject to future government review and interpretation as well as significant regulatory action including fines, penalties, and exclusion from the Medicare and Medicaid programs (Note 15).

The System also maintains contracts with certain commercial carriers, health maintenance organizations, preferred provider organizations and state and federal agencies. The basis for payment under these agreements includes prospectively determined rates per discharge and per day, discounts from established charges and fee screens. The System does not currently hold reimbursement contracts which contain financial risk components.

The approximate percentages of patient service revenues, net of contractual allowances and discounts and provision for doubtful accounts for the years ended September 30 from third-party payors and uninsured patients are as follows:

	Third-Party Payors	Uninsured Patients	Total All Payors
2019			
Net patient service revenues, net of contractual allowance and discounts	99.4%	0.6%	100.0%
2018			
Net patient service revenues, net of contractual allowance and discounts	99.6%	0.4%	100.0%

An estimated breakdown of patient service revenues, net of contractual allowances, discounts and provision for doubtful accounts recognized for the years ended September 30 from major payor sources, is as follows:

	Gross Patient Service Revenues	Contractual Allowances and Discounts	Provision for Doubtful Accounts	Net Patient Service Revenues Less Provision for Doubtful Accounts
2019				
Private payors (includes coinsurance and deductibles)	$ 524,868,968	$(264,786,990)	$ (7,676,695)	$ 252,405,283
Medicaid	151,316,824	(128,250,350)	(332,821)	22,733,653
Medicare	725,090,044	(555,260,823)	(3,439,271)	166,389,950
Self-pay	33,963,159	(21,183,270)	(10,195,857)	2,584,032
	$1,435,238,995	$(969,481,433)	$(21,644,644)	$ 444,112,918

4. **Net Patient Service Revenue (Continued)**

	Gross Patient Service Revenues	Contractual Allowances and Discounts	Provision for Doubtful Accounts	Net Patient Service Revenues Less Provision for Doubtful Accounts
2018				
Private payors (includes coinsurance and deductibles)	$ 477,457,407	$(229,413,775)	$ (9,298,563)	$ 238,745,069
Medicaid	137,508,097	(113,364,379)	(651,292)	23,492,426
Medicare	695,141,198	(523,976,071)	(3,140,980)	168,024,147
Self-pay	30,945,245	(21,787,347)	(7,243,414)	1,914,484
	$1,341,051,947	$(888,541,572)	$(20,334,249)	$ 432,176,126

The System recognizes changes in accounting estimates for net patient service revenues and third-party payor settlements as new events occur or as additional information is obtained. For the year ended September 30, 2019, there were no significant adjustments recorded for changes to prior year estimates. For the year ended September 30, 2018, favorable adjustments recorded for changes to prior year estimates were approximately $1,000,000.

Medicaid Enhancement Tax and Disproportionate Share Payment

Under the State of New Hampshire's (the State) tax code, the State imposes a Medicaid Enhancement Tax (MET) equal to 5.40% of the Medical Center's net patient service revenues with certain exclusions. The amount of tax incurred by the Medical Center for the years ended September 30, 2019 and 2018 was $21,382,132 and $19,968,497, respectively.

In the fall of 2010, in order to remain in compliance with stated federal regulations, the State of New Hampshire adopted a new approach related to Medicaid disproportionate share funding (DSH) retroactive to July 1, 2010. Unlike the former funding method, the State's approach led to a payment that was not directly based on, and did not equate to, the level of tax imposed. As a result, the legislation created some level of losses at certain New Hampshire hospitals, while other hospitals realized gains. DSH payments from the State are recorded in operating revenues and amounted to $22,566,094 and $17,993,289 for the years ended September 30, 2019 and 2018, respectively, net of reserves referenced below.

The Centers for Medicare and Medicaid Services (CMS) has completed audits of the State's program and the disproportionate share payments made by the State from 2011 through 2014, the first years that those payments reflected the amount of uncompensated care provided by New Hampshire hospitals. It is possible that subsequent years will also be audited by CMS. The System has recorded reserves to address its potential exposure based on the audit results to date or any future redistributions. During 2019, the System reduced the recorded reserves by approximately $4,300,000.

5. Property, Plant and Equipment

The major categories of property, plant and equipment are as follows at September 30:

	Useful Lives	2019	2018
Land and land improvements	2-40 years	$ 4,246,500	$ 3,630,354
Buildings and improvements	2-40 years	137,678,182	128,776,786
Fixed equipment	3-25 years	47,021,894	46,562,689
Movable equipment	3-25 years	154,415,222	138,314,958
Construction in progress		8,565,604	9,269,135
		351,927,402	326,553,922
Less accumulated depreciation and amortization		(208,816,039)	(191,956,028)
Net property, plant and equipment		$ 143,111,363	$ 134,597,894

Depreciation expense amounted to $16,860,011 and $16,092,263 for the years ended September 30, 2019 and 2018, respectively.

The cost of equipment under capital leases was $7,844,527 at September 30, 2019 and 2018. Accumulated amortization of the leased equipment at September 30, 2019 and 2018 was $7,691,462 and $7,059,231, respectively. Amortization of assets under capital leases is included in depreciation and amortization expense.

6. Long-Term Debt and Notes Payable

Long-term debt consists of the following at September 30:

	2019	2018
New Hampshire Health and Education Facilities Authority (the Authority) Revenue Bonds:		
Series 2012 Bonds with interest ranging from 4.00% to 5.00% per year and principal payable in annual installments ranging from $1,125,000 to $2,755,000 through July 2032	$ 19,800,000	$ 22,450,000
Series 2015A Bonds with interest at a fixed rate of 2.27% per year and principal payable in annual installments ranging from $185,000 to $1,655,000 through July 2040	21,650,000	22,255,000
Series 2015B with variable interest subject to interest rate swap described below and principal payable in annual installments ranging from $195,000 to $665,000 through July 2036	8,060,000	8,260,000

6. **Long-Term Debt and Notes Payable (Continued)**

	2019	2018
New Hampshire Health and Education Facilities Authority (the Authority) Revenue Bonds (Continued):		
Series 2017 Bonds with interest ranging from 3.38% to 5.00% per year and principal payable in annual installments ranging from $2,900,000 to $7,545,000 beginning in July 2033 through July 2044	$ 61,115,000	$ 61,115,000
	110,625,000	114,080,000
Construction loan – see below	3,513,632	–
MOB LLC note payable – see below	7,798,500	8,032,500
Capitalized lease obligations	344,079	1,020,278
Unamortized original issue premiums/discounts	5,057,437	5,450,325
Unamortized debt issuance costs	(1,296,818)	(1,304,187)
	126,041,830	127,278,916
Less current portion	(4,158,079)	(4,365,199)
	$121,883,751	$122,913,717

The Authority Revenue Bonds

In December 2012, the Medical Center, in connection with the Authority, issued $35,275,000 of tax-exempt fixed rate revenue bonds (Series 2012). Under the terms of the loan agreements, the Medical Center has granted the Authority a first collateralized interest in all gross receipts and a mortgage lien on existing and future property, plant and equipment. The Medical Center is required to maintain a minimum debt service coverage ratio of 1.20. The Medical Center was in compliance with this covenant as of September 30, 2019. The proceeds of the Series 2012 bond issue were used to advance refund the remaining 2002A Bonds, advance refund certain 2002B Bonds, pay off a short term CAN note and fund certain capital purchases.

On September 3, 2015, the Authority issued $32,720,000 of Revenue Bonds, Catholic Medical Center Issue, Series 2015, consisting of the $24,070,000 aggregate principal amount Series 2015A Bonds and the $8,650,000 aggregate principal amount Series 2015B Bonds sold via direct placement to a financial institution. Although the Series 2015B Bonds were issued, they were not drawn on until July 1, 2016, as discussed below. Under the terms of the loan agreements, the Medical Center has granted the Authority a first collateralized interest in all gross receipts and a mortgage lien on existing and future property, plant and equipment. The Medical Center is required to maintain a minimum debt service coverage ratio of 1.20. The Medical Center was in compliance with this covenant as of September 30, 2019.

The Series 2015A Bonds were issued to provide funds for the purpose of (i) advance refunding a portion of the outstanding 2006 Bonds in an amount of $20,655,000 to the first call date of July 1, 2016, (ii) funding certain construction projects and equipment purchases in an amount of approximately $3,824,000, and (iii) paying the costs of issuance related to the Series 2015 Bonds.

6. **Long-Term Debt and Notes Payable (Continued)**

The Series 2015B Bonds were structured as drawdown bonds. On July 1, 2016, the full amount available under the Series 2015B Bonds totaling $8,650,000 was drawn upon and the proceeds in combination with cash contributed by the Medical Center totaling $555,000 were used to currently refund the remaining balance of the Series 2006 Bonds totaling $9,205,000.

On September 1, 2017, the Authority issued $61,115,000 of Revenue Bonds, Catholic Medical Center Issue, Series 2017. The Series 2017 Bonds were issued to fund various construction projects and equipment purchases, as well as pay certain costs of issuance related to the Series 2017 Bonds. Under the terms of the loan agreements, the Medical Center has granted the Authority a first collateralized interest in all gross receipts and a mortgage lien on existing and future property, plant and equipment. The Medical Center is required to maintain a minimum debt service coverage ratio of 1.20. The Medical Center was in compliance with this covenant as of September 30, 2019.

The Medical Center has an agreement with the Authority, which provides for the establishment of various funds, the use of which is generally restricted to the payment of debt, as well as a construction fund related to the Series 2017 Bonds. These funds are administered by a trustee, and income earned on certain of these funds is similarly restricted.

Construction Loan

On July 1, 2019, the Medical Center established a nonrevolving line of credit up to $10,000,000 with a bank in order to fund the expansion of the Medical Center as discussed in Note 15. The line of credit bears interest at the LIBOR lending rate plus 0.75% (2.84% at September 30, 2019). Advances from the line of credit are available through July 1, 2021, at which time the then outstanding line of credit balance will automatically convert to a term loan. Upon conversion, the Medical Center shall make monthly payments of principal and interest, assuming a 30-year level monthly principal and interest payment schedule, with a final maturity of July 1, 2029. The bank shall compute the schedule of principal payments based on the interest rate applicable on the conversion date. Payments of interest only are due on a monthly basis until the conversion date. The Medical Center has pledged gross receipts as collateral and is also required to maintain a minimum debt service coverage ratio of 1.20. The Medical Center was in compliance with this covenant as of September 30, 2019. As of September 30, 2019, the Medical Center has drawn $3,513,632 on this line of credit.

MOB LLC Notes Payable

During 2007, MOB LLC (a subsidiary of Enterprises) established a nonrevolving line of credit for $9,350,000 with a bank in order to fund construction of a medical office building. The line of credit bore interest at the LIBOR lending rate plus 1%. Payments of interest only were due on a monthly basis until the completed construction of the medical office. During 2008, the building construction was completed and the line of credit was converted to a note payable with payments of interest (at the one-month LIBOR rate plus 1.4%) and principal due on a monthly basis, with all payments to be made no later than April 1, 2018.

6. **Long-Term Debt and Notes Payable (Continued)**

On March 27, 2018, the MOB LLC note payable discussed above was refinanced to a term loan totaling $8,130,000. Interest is fixed at 3.71% and is payable monthly. Principal payments of $19,500 are due in monthly installments beginning May 1, 2018, and continuing until March 27, 2028, at which time the remaining unpaid principal and interest shall be due in full. Under the terms of the loan agreement, the Medical Center and MOB LLC (the Obligated Group) has granted the bank a first collateralized interest in all gross receipts and a mortgage lien on existing and future property, plant and equipment. The Medical Center and the System also guarantee the note payable. The Obligated Group is required to maintain a minimum debt service coverage ratio of 1.20. The Obligated Group was in compliance with this covenant as of September 30, 2019.

The aggregate principal payments due on the revenue bonds, capital lease obligations and other debt obligations for each of the five years ending September 30 and thereafter are as follows:

2020	$ 4,158,079
2021	2,650,886
2022	2,779,704
2023	3,001,881
2024	3,094,120
Thereafter	106,596,541
	$122,281,211

Interest paid by the System totaled $4,688,512 (including capitalized interest of $158,155) for the year ended September 30, 2019 and $4,351,405 (including capitalized interest of $251,490) for the year ended September 30, 2018.

The fair value of the System's long-term debt is estimated using discounted cash flow analysis, based on the System's current incremental borrowing rate for similar types of borrowing arrangements. The fair value of the System's long-term debt, excluding capitalized lease obligations, was approximately $128,000,000 and $122,000,000 at September 30, 2019 and 2018, respectively.

Derivatives

The System uses derivative financial instruments principally to manage interest rate risk. During 2007, MOB LLC entered into an interest rate swap agreement with an initial notional amount of $9,350,000 in connection with its line of credit. Under this agreement, MOB LLC paid a fixed rate equal to 5.21%, and received a variable rate of the one-month LIBOR rate. The interest rate swap agreement terminated April 1, 2018. The change in fair value of this interest swap agreement totaled $184,767 during 2018, which amount was included within nonoperating investment income within the 2018 consolidated statements of operations.

6. Long-Term Debt and Notes Payable (Continued)

In January 2016, the Medical Center entered into an interest rate swap agreement with an initial notional amount of $8,650,000 in connection with its Series 2015B Bond issuance. The swap agreement hedges the Medical Center's interest exposure by effectively converting interest payments from variable rates to a fixed rate. The swap agreement is designated as a cash flow hedge of the underlying variable rate interest payments, and changes in the fair value of the swap agreement are reported as a change in net assets without donor restrictions. Under this agreement, the Medical Center pays a fixed rate equal to 1.482%, and receives a variable rate of 69.75% of the one-month LIBOR rate (1.46% at September 30, 2019). Payments under the swap agreement began August 1, 2016 and the agreement will terminate August 1, 2025.

The fair value of the Medical Center's interest rate swap agreement amounted to a liability of $220,010 as of September 30, 2019, which amount has been recorded within accrued pension and other liabilities in the accompanying consolidated balance sheets. The fair value of the Medical Center's interest rate swap agreement amounted to an asset of $262,725 as of September 30, 2018, which amount has been recorded within intangible assets and other in the accompanying consolidated balance sheets. The (decrease) increase in the fair value of this derivative of $(482,735) and $302,826, respectively, has been included within the consolidated statements of changes in net assets as a change in net assets without donor restrictions for the years ended September 30, 2019 and 2018.

7. Operating Leases

The System has various noncancelable agreements to lease various pieces of medical equipment. The System also has noncancelable leases for office space and its physician practices. Rental expense under all leases for the years ended September 30, 2019 and 2018 was $4,847,292 and $4,857,031, respectively.

Estimated future minimum lease payments under noncancelable operating leases are as follows:

2020	$ 3,180,427
2021	3,151,760
2022	3,178,564
2023	3,155,635
2024	3,048,854
Thereafter	5,620,891
	$21,336,131

8. Investments and Assets Whose Use is Limited

Investments and assets whose use is limited are comprised of the following at September 30:

	2019		2018	
	Fair Value	Cost	Fair Value	Cost
Cash and cash equivalents	$ 16,988,051	$ 16,988,051	$ 16,525,946	$ 16,525,946
U.S. federal treasury obligations	19,045,894	19,043,708	36,950,913	36,957,749
Marketable equity securities	44,292,283	41,130,117	44,031,227	39,959,906
Fixed income securities	38,160,610	38,096,345	57,757,424	58,911,509
Private investment funds	51,796,283	21,653,351	55,530,346	25,886,418
Pledges receivable	758,184	758,184	–	–
	$171,041,305	$137,669,756	$210,795,856	$178,241,528

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. In determining fair value, the use of various valuation approaches, including market, income and cost approaches, is permitted.

A fair value hierarchy has been established based on whether the inputs to valuation techniques are observable or unobservable. Observable inputs reflect market data obtained from sources independent of the reporting entity and unobservable inputs reflect the entity's own assumptions about how market participants would value an asset or liability based on the best information available. Valuation techniques used to measure fair value must maximize the use of observable inputs and minimize the use of unobservable inputs. The standard describes a fair value hierarchy based on three levels of inputs, of which the first two are considered observable and the last unobservable, that may be used to measure fair value.

The following describes the hierarchy of inputs used to measure fair value and the primary valuation methodologies used by the System for financial instruments measured at fair value on a recurring basis. The three levels of inputs are as follows:

Level 1 — Observable inputs such as quoted prices in active markets;

Level 2 — Inputs, other than the quoted prices in active markets, that are observable either directly or indirectly; and

Level 3 — Unobservable inputs in which there is little or no market data.

8. **Investments and Assets Whose Use is Limited (Continued)**

Assets and liabilities measured at fair value are based on one or more of three valuation techniques. The three valuation techniques are as follows:

- *Market approach* – Prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities;
- *Cost approach* – Amount that would be required to replace the service capacity of an asset (i.e., replacement cost); and
- *Income approach* – Techniques to convert future amounts to a single present amount based on market expectations (including present value techniques).

In determining the appropriate levels, the System performs a detailed analysis of the assets and liabilities. There have been no changes in the methodologies used at September 30, 2019 and 2018.

The following is a description of the valuation methodologies used:

U.S. Federal Treasury Obligations and Fixed Income Securities

The fair value is determined by using broker or dealer quotations, external pricing providers, or alternative pricing sources with reasonable levels of price transparency. The System holds fixed income mutual funds and exchange traded funds, governmental and federal agency debt instruments, municipal bonds, corporate bonds, and foreign bonds which are primarily classified as Level 1 within the fair value hierarchy.

Marketable Equity Securities

Marketable equity securities are valued based on stated market prices and at the net asset value of shares held by the System at year end, which generally results in classification as Level 1 within the fair value hierarchy.

Private Investment Funds

The System invests in private investment funds that consist primarily of limited partnership interests in investment funds, which, in turn, invest in diversified portfolios predominantly comprised of equity and fixed income securities, as well as options, futures contracts, and some other less liquid investments. Management has approved procedures pursuant to the methods in which the System values these investments, which ordinarily will be the amount equal to the pro-rata interest in the net assets of the limited partnership, as such value is supplied by, or on behalf of, each investment manager from time to time, usually monthly and/or quarterly.

8. **Investments and Assets Whose Use is Limited (Continued)**

System management is responsible for the fair value measurements of investments reported in the consolidated financial statements. Such amounts are generally determined using audited financial statements of the funds and/or recently settled transactions. Because of inherent uncertainty of valuation of certain private investment funds, the estimate of the fund manager or general partner may differ from actual values, and differences could be significant. Management believes that reported fair values of its private investment funds at the consolidated balance sheet dates are reasonable.

Fair Value on a Recurring Basis

The following table presents information about the System's assets and liabilities measured at fair value on a recurring basis based upon the lowest level of significant input to the valuations at September 30:

2019	Level 1	Level 2	Level 3	Total
Assets				
Cash and cash equivalents	$ 16,988,051	$ –	$ –	$ 16,988,051
U.S. federated treasury obligations	19,045,894	–	–	19,045,894
Marketable equity securities	44,292,283	–	–	44,292,283
Fixed income securities	38,160,610	–	–	38,160,610
Pledges receivable	–	–	758,184	758,184
	$118,486,838	$ –	$758,184	119,245,022
Investments measured at net asset value:				
Private investment funds				51,796,283
Total assets at fair value				$171,041,305
Liabilities				
Interest rate swap agreement	$ –	$ –	$220,010	$ 220,010
2018				
Assets				
Cash and cash equivalents	$ 16,525,946	$ –	$ –	$ 16,525,946
U.S. federated treasury obligations	36,950,913	–	–	36,950,913
Marketable equity securities	44,031,227	–	–	44,031,227
Fixed income securities	57,757,424	–	–	57,757,424
Interest rate swap agreement	–	–	262,725	262,725
	$155,265,510	$ –	$262,725	155,528,235
Investments measured at net asset value:				
Private investment funds				55,530,346
Total assets at fair value				$211,058,581

8. **Investments and Assets Whose Use is Limited (Continued)**

The following table presents the assets (liabilities) carried at fair value as of September 30, 2019 and 2018 that are classified within Level 3 of the fair value hierarchy.

	Pledges Receivable
Balance at September 30, 2018	$ –
Net activity	758,184
Balance at September 30, 2019	$758,184

	Interest Rate Swap Agreement
Balance at September 30, 2017	$(224,868)
Unrealized gains	487,593
Balance at September 30, 2018	262,725
Unrealized losses	(482,735)
Balance at September 30, 2019	$(220,010)

There were no significant transfers between Levels 1, 2 or 3 for the years ended September 30, 2019 or 2018.

Net Asset Value Per Share

The following table discloses the fair value and redemption frequency of those assets whose fair value is estimated using the net asset value per share practical expedient at September 30:

Category	Fair Value	Unfunded Commitments	Redemption Frequency	Notice Period
2019				
Private investment funds	$48,155,175	$ –	Daily/monthly	2-30 day notice
Private investment funds	3,641,108	–	Quarterly	30 day notice
2018				
Private investment funds	$52,108,790	$ –	Daily/monthly	2-30 day notice
Private investment funds	3,421,556	–	Quarterly	30 day notice

8. **Investments and Assets Whose Use is Limited (Continued)**

Investment Strategies

U.S. Federal Treasury Obligations and Fixed Income Securities

The primary purpose of these investments is to provide a highly predictable and dependable source of income, preserve capital, reduce the volatility of the total portfolio, and hedge against the risk of deflation or protracted economic contraction.

Marketable Equity Securities

The primary purpose of equity investments is to provide appreciation of principal and growth of income with the recognition that this requires the assumption of greater market volatility and risk of loss. The total equity portion of the portfolio will be broadly diversified according to economic sector, industry, number of holdings and other characteristics, including style and capitalization. The System may employ multiple equity investment managers, each of whom may have distinct investment styles. Accordingly, while each manager's portfolio may not be fully diversified, it is expected that the combined equity portfolio will be broadly diversified.

Private Investment Funds

The primary purpose of private investment funds is to provide further portfolio diversification and to reduce overall portfolio volatility by investing in strategies that are less correlated with traditional equity and fixed income investments. Private investment funds may provide access to strategies otherwise not accessible through traditional equities and fixed income such as derivative instruments, real estate, distressed debt and private equity and debt.

Fair Value of Other Financial Instruments

Other financial instruments consist of accounts receivable, accounts payable and accrued expenses, amounts payable to third-party payors and long-term debt. The fair value of all financial instruments other than long-term debt approximates their relative book values as these financial instruments have short-term maturities or are recorded at amounts that approximate fair value. See Note 6 for disclosure of the fair value of long-term debt.

9. Retirement Benefits

A reconciliation of the changes in the Catholic Medical Center Pension Plan, the Medical Center's Supplemental Executive Retirement Plan and the New Hampshire Medical Laboratories Retirement Income Plan projected benefit obligations and the fair value of assets for the years ended September 30, 2019 and 2018, and a statement of funded status of the plans for both years is as follows:

	Catholic Medical Center Pension Plan		Pre-1987 Supplemental Executive Retirement Plan		New Hampshire Medical Laboratories Retirement Income Plan	
	2019	2018	2019	2018	2019	2018
Changes in benefit obligations:						
Projected benefit obligations at beginning of year	$ (270,114,507)	$(284,200,778)	$(4,140,755)	$(4,567,286)	$(2,829,963)	$(3,062,398)
Service cost	(1,500,000)	(1,500,000)	–	–	(25,000)	(25,000)
Interest cost	(11,301,910)	(10,628,197)	(154,744)	(140,414)	(114,026)	(104,714)
Benefits paid	7,935,050	7,117,759	408,853	411,692	173,921	171,828
Actuarial (loss) gain	(48,841,695)	17,666,264	(174,264)	155,253	(372,806)	173,565
Expenses paid	1,468,125	1,430,445	–	–	16,623	16,756
Projected benefit obligations at end of year	(322,354,937)	(270,114,507)	(4,060,910)	(4,140,755)	(3,151,251)	(2,829,963)
Changes in plan assets:						
Fair value of plan assets at beginning of year	185,414,590	181,485,201	–	–	2,140,827	2,144,861
Actual return on plan assets	5,194,931	12,074,468	–	–	56,327	141,614
Employer contributions	8,141,191	403,125	408,853	411,692	120,167	42,936
Benefits paid	(7,935,050)	(7,117,759)	(408,853)	(411,692)	(173,921)	(171,828)
Expenses paid	(1,468,125)	(1,430,445)	–	–	(16,623)	(16,756)
Fair value of plan assets at end of year	189,347,537	185,414,590	–	–	2,126,777	2,140,827
Funded status of plan at September 30	$(133,007,400)	$ (84,699,917)	$(4,060,910)	$(4,140,755)	$(1,024,474)	$ (689,136)
Amounts recognized in the balance sheets consist of:						
Current liability	$ –	$ –	$ (391,100)	$ (398,750)	$ –	$ –
Noncurrent liability	(133,007,400)	(84,699,917)	(3,669,810)	(3,742,005)	(1,024,474)	(689,136)
	$(133,007,400)	$ (84,699,917)	$(4,060,910)	$(4,140,755)	$(1,024,474)	$ (689,136)

The net loss for the defined benefit pension plans that will be amortized from net assets without donor restrictions into net periodic benefit cost over the next fiscal year is $4,686,885.

The current portion of accrued pension costs included in the above amounts for the System amounted to $391,100 and $398,750 at September 30, 2019 and 2018, respectively, and has been included in accounts payable and accrued expenses in the accompanying balance sheets.

The amounts recognized in net assets without donor restrictions for the years ended September 30 consist of:

	Catholic Medical Center Pension Plan		Pre-1987 Supplemental Executive Retirement Plan		New Hampshire Medical Laboratories Retirement Income Plan	
	2019	2018	2019	2018	2019	2018
Amounts recognized in the balance sheets – total plan:						
Net assets without donor restrictions:						
Net loss	$(160,478,700)	$(105,860,712)	$(2,141,585)	$(2,102,034)	$(1,902,167)	$(1,492,143)
Net amount recognized	$(160,478,700)	$(105,860,712)	$(2,141,585)	$(2,102,034)	$(1,902,167)	$(1,492,143)

9. Retirement Benefits (Continued)

Net periodic pension cost includes the following components for the years ended September 30:

	Catholic Medical Center Pension Plan		Pre-1987 Supplemental Executive Retirement Plan		New Hampshire Medical Laboratories Retirement Income Plan	
	2019	2018	2019	2018	2019	2018
Service cost	$ 1,500,000	$ 1,500,000	$ –	$ –	$ 25,000	$ 25,000
Interest cost	11,301,910	10,628,197	154,744	140,414	114,026	104,714
Expected return on plan assets	(13,738,629)	(13,110,637)	–	–	(155,594)	(153,960)
Amortization of actuarial loss	2,767,405	3,275,000	134,713	147,466	62,049	67,898
Net periodic pension cost	$ 1,830,686	$ 2,292,560	$ 289,457	$ 287,880	$ 45,481	$ 43,652

Other changes in plan assets and benefit obligations recognized in net assets without donor restrictions for the years ended September 30, 2019 and 2018 consist of:

	Catholic Medical Center Pension Plan		Pre-1987 Supplemental Executive Retirement Plan		New Hampshire Medical Laboratories Retirement Income Plan	
	2019	2018	2019	2018	2019	2018
Net loss (gain)	$ 57,388,232	$ (16,630,095)	$ 174,264	$ (155,253)	$ 472,073	$ (161,219)
Amortization of actuarial loss	(2,767,405)	(3,275,000)	(134,713)	(147,466)	(62,049)	(67,898)
Net amount recognized	$ 54,620,827	$ (19,905,095)	$ 39,551	$ (302,719)	$ 410,024	$ (229,117)

The investments of the plans are comprised of the following at September 30:

	Target Allocation		Catholic Medical Center Pension Plan		Pre-1987 Supplemental Executive Retirement Plan		New Hampshire Medical Laboratories Retirement Income Plan	
	2019	2018	2019	2018	2019	2018	2019	2018
Cash and cash equivalents	5.0%	0.0%	3.5%	1.1%	0.0%	0.0%	3.5%	1.1%
Equity securities	65.0	70.0	68.5	66.2	0.0	0.0	68.5	66.2
Fixed income securities	20.0	20.0	24.6	23.7	0.0	0.0	24.6	23.7
Other	10.0	10.0	3.4	9.0	0.0	0.0	3.4	9.0
	100.0%	100.0%	100.0%	100.0%	0.0%	0.0%	100.0%	100.0%

The assumption for the long-term rate of return on plan assets has been determined by reflecting expectations regarding future rates of return for the investment portfolio, with consideration given to the distribution of investments by asset class and historical rates of return for each individual asset class.

The weighted-average assumptions used to determine the defined benefit pension plan obligations at September 30 are as follows:

	Catholic Medical Center Pension Plan		Pre-1987 Supplemental Executive Retirement Plan		New Hampshire Medical Laboratories Retirement Income Plan	
	2019	2018	2019	2018	2019	2018
Discount rate	3.12%	4.23%	2.70%	3.93%	2.93%	4.10%
Rate of compensation increase	N/A	N/A	N/A	N/A	N/A	N/A

9. **Retirement Benefits (Continued)**

The weighted-average assumptions used to determine the defined benefit pension plan net periodic benefit costs for the years ended September 30 are as follows:

	Catholic Medical Center Pension Plan		Pre-1987 Supplemental Executive Retirement Plan		New Hampshire Medical Laboratories Retirement Income Plan	
	2019	2018	2019	2018	2019	2018
Discount rate	4.23%	3.79%	3.93%	3.22%	4.10%	3.52%
Rate of compensation increase	N/A	N/A	N/A	N/A	N/A	N/A
Expected long-term return on plan assets	7.30 %	7.30%	N/A	N/A	7.30%	7.30%

The System expects to make employer contributions totaling $6,500,000 to the Catholic Medical Center Pension Plan for the fiscal year ending September 30, 2020. Expected employer contributions to the Pre-1987 Supplemental Executive Retirement Plan and New Hampshire Medical Laboratories Retirement Income Plan for the fiscal year ending September 30, 2020 are not expected to be significant.

The benefits, which reflect expected future service, as appropriate, expected to be paid for the years ending September 30 are as follows:

	Catholic Medical Center Pension Plan	Pre-1987 Supplemental Executive Retirement Plan	New Hampshire Medical Laboratories Retirement Income Plan
2020	$ 9,243,136	$ 396,345	$194,433
2021	9,993,328	381,634	200,720
2022	10,827,746	366,382	200,423
2023	11,705,953	350,590	200,594
2024	12,473,696	334,272	197,969
2025 - 2029	72,831,683	1,409,626	947,912

The System contributed $8,141,191, $408,853 and $120,167 to the Catholic Medical Center Pension Plan, the Pre-1987 Supplemental Executive Retirement Plan and New Hampshire Medical Laboratories Retirement Income Plan, respectively, for the year ended September 30, 2019. The System contributed $403,125, $411,692 and $42,936 to the Catholic Medical Center Pension Plan, Pre-1987 Supplemental Executive Retirement Plan and the New Hampshire Medical Laboratories Retirement Income Plan, respectively, for the year ended September 30, 2018. The System plans to make any necessary contributions during the upcoming fiscal 2020 year to ensure the plans continue to be adequately funded given the current market conditions.

9. Retirement Benefits (Continued)

The following fair value hierarchy table presents information about the financial assets of the above plans measured at fair value on a recurring basis based upon the lowest level of significant input valuation as of September 30:

	Level 1	Level 2	Level 3	Total
2019				
Cash and cash equivalents	$ 6,607,245	$ –	$ –	$ 6,607,245
Marketable equity securities	48,731,127	–	–	48,731,127
Fixed income securities	47,028,757	–	–	47,028,757
	$102,367,129	$ –	$ –	102,367,129
Investments measured at net asset value:				
Private investment funds				89,107,185
Total assets at fair value				$191,474,314
2018				
Cash and cash equivalents	$ 2,160,634	$ –	$ –	$ 2,160,634
Marketable equity securities	39,221,636	–	–	39,221,636
Fixed income securities	44,497,162	–	–	44,497,162
	$ 85,879,432	$ –	$ –	85,879,432
Investments measured at net asset value:				
Private investment funds				101,675,985
Total assets at fair value				$187,555,417

10. Community Benefits

The System rendered charity care in accordance with its formal charity care policy, which, at established charges, amounted to $22,670,908 and $21,671,846 for the years ended September 30, 2019 and 2018, respectively. Also, the System provides community service programs, without charge, such as the Medication Assistance Program, Community Education and Wellness, Patient Transport, and the Parish Nurse Program. The costs of providing these programs amounted to $977,697 and $983,861 for the years ended September 30, 2019 and 2018, respectively.

11. Functional Expenses

The System provides general health care services to residents within its geographic location including inpatient, outpatient and emergency care. Expenses related to providing these services are as follows at September 30, 2019:

	Healthcare Services	General and Administrative	Total
Salaries, wages and fringe benefits	$241,819,757	$42,827,203	$284,646,960
Supplies and other	132,091,040	37,028,017	169,119,057
New Hampshire Medicaid enhancement tax	21,382,132	-	21,382,132
Depreciation and amortization	10,590,235	6,312,202	16,902,437
Interest	3,178,047	1,045,999	4,224,046
	$409,061,211	$87,213,421	$496,274,632

For the year ended September 30, 2018, the System provided $367,226,914 in health services expenses and $100,350,824 in general and administrative expenses.

The consolidated financial statements report certain expense categories that are attributable to more than one healthcare service or support function. Therefore, these expenses require an allocation on a reasonable basis that is consistently applied. Costs not directly attributable to a function, such as depreciation and interest, are allocated to a function based on square footage. Supporting activities that are not directly identifiable with one or more healthcare programs are classified as general and administrative. If it is impossible or impractical to make a direct identification, allocation of the expenses were made according to management's estimates. Employee benefits are allocated in accordance with the ratio of salaries and wages of the functional classes. Specifically identifiable costs are assigned to the function which they are identified to.

12. Concentration of Credit Risk

The System grants credit without collateral to its patients, most of whom are local residents and are insured under third-party payor agreements. The mix of receivables from patients and third-party payors is as follows at September 30:

	2019	2018
Medicare	45%	44%
Medicaid	12	12
Commercial insurance and other	24	23
Patients (self pay)	5	8
Anthem Blue Cross	14	13
	100%	100%

13. Endowments and Net Assets With Donor Restrictions

Endowments

In July 2008, the State of New Hampshire enacted a version of UPMIFA (the Act). The new law, which had an effective date of July 1, 2008, eliminates the historical dollar threshold and establishes prudent spending guidelines that consider both the duration and preservation of the fund. As a result of this enactment, subject to the donor's intent as expressed in a gift agreement or similar document, a New Hampshire charitable organization may now spend the principal and income of an endowment fund, even from an underwater fund, after considering the factors listed in the Act..

Endowment net assets consist of the following at September 30:

	Without Donor Restrictions	With Donor Restrictions	Total
2019			
Board-designated endowment funds	$110,175,169	$ –	$110,175,169
Donor-restricted endowment funds:			
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor	–	7,342,731	7,342,731
Accumulated investment gains	–	2,902,160	2,902,160
Total endowment net assets	$110,175,169	$10,244,891	$120,420,060
2018			
Board-designated endowment funds	$107,832,023	$ –	$107,832,023
Donor-restricted endowment funds:			
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor	–	7,342,731	7,342,731
Accumulated investment gains	–	3,084,087	3,084,087
Total endowment net assets	$107,832,023	$10,426,818	$118,258,841

13. Endowments and Net Assets With Donor Restrictions (Continued)

Changes in endowment net assets consisted of the following for the years ended September 30:

	Without Donor Restrictions	With Donor Restrictions	Total
Balance at September 30, 2017	$102,045,292	$ 9,726,007	$111,771,299
Investment return, net	5,658,131	430,243	6,088,374
Contributions	–	646,924	646,924
Appropriation for operations	–	(247,756)	(247,756)
Appropriation for capital	128,600	(128,600)	–
Balance at September 30, 2018	107,832,023	10,426,818	118,258,841
Investment return (loss), net	1,909,136	(63,353)	1,845,783
Contributions	–	536,316	536,316
Appropriation for operations	–	(220,880)	(220,880)
Appropriation for capital	434,010	(434,010)	–
Balance at September 30, 2019	$110,175,169	$10,244,891	$120,420,060

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor requires the Medical Center to retain as a fund of perpetual duration. There were no such deficiencies as of September 30, 2019 or 2018.

Net Assets With Donor Restrictions

Net assets with donor restrictions are available for the following purposes at September 30:

	2019	2018
Funds subject to use or time restrictions:		
Capital acquisitions	$ 258,494	$ 37,941
Health education	909,765	899,288
Indigent care	168,437	253,492
Pledges receivable	758,184	–
	2,094,880	1,190,721
Funds of perpetual duration	9,150,011	9,236,097
	$11,244,891	$10,426,818

14. Investments in Joint Ventures

AAS has a 44% ownership interest in the Bedford Ambulatory Surgical Center. AAS accounts for its investment in this joint venture under the equity method.

AAS has a 50% ownership interest in the Alliance Urgent Care Services, LLC. AAS accounts for its investment in this joint venture under the equity method.

The Medical Center, along with four other participating hospitals and Tufts Health Plan, formed Tufts Health Freedom Plan (THFP), a joint venture. THFP is a health insurance company which began operations as of January 1, 2016. The Medical Center has an approximate 12% ownership interest in this joint venture. Selected financial information relating to the above entities for the years ended September 30, 2019 and 2018 is not shown as such amounts are not significant to the consolidated financial statements.

15. Commitments and Contingencies

Litigation

Various legal claims, generally incidental to the conduct of normal business, are pending or have been threatened against the System. The System intends to defend vigorously against these claims. While ultimate liability, if any, arising from any such claim is presently indeterminable, it is management's opinion that the ultimate resolution of these claims will not have a material adverse effect on the financial condition of the System.

Regulatory

The healthcare industry is subject to numerous laws and regulations of federal, state, and local governments. Government activity continues with respect to investigations and allegations concerning possible violations by health care providers of fraud and abuse statutes and regulations, which could result in the imposition of significant fines and penalties as well as significant repayments for patient services previously billed. Compliance with such laws and regulations are subject to government review and interpretations as well as regulatory actions unknown or unasserted at this time.

Development Agreement

During fiscal year 2019, the Medical Center entered into a development agreement with PJC Manchester Realty, LLC ("Rite Aid") in regards to the Medical Center's acquisition of certain property owned by Rite Aid. Under the development agreement, the Medical Center acquired the property from Rite Aid for approximately $6.9 million, inclusive of certain costs expected to be incurred to construct a new building that Rite Aid will own and occupy at a separate location. The purchase of the property from Rite Aid allows the Medical Center to expand its campus. As the Medical Center retains title to the project until such time of the second closing, as defined within the development agreement, amounts paid under the development agreement are recorded by the Medical Center as land acquisition costs, and totaled approximately $4.6 million as of September 30, 2019.

The Medical Center has outstanding construction commitments related to this project totaling approximately $8.1 million at September 30, 2019.

Baker Newman & Noyes LLC
MAINE | MASSACHUSETTS | NEW HAMPSHIRE
800.244.7444 | www.bnncpa.com

INDEPENDENT AUDITORS' REPORT ON OTHER FINANCIAL INFORMATION

Board of Trustees
CMC Healthcare System, Inc.

We have audited the consolidated financial statements of CMC Healthcare System, Inc. (the System) as of and for the years ended September 30, 2019 and 2018, and have issued our report thereon, which contains an unmodified opinion on those consolidated financial statements. See page 1. Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating information is presented for purposes of additional analysis rather than to present the financial position, results of operations and cash flows of the individual entities and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The consolidating information has been subjected to the auditing procedures applied in the audits of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Baker Newman & Noyes LLC

Manchester, New Hampshire
February 4, 2020

CMC HEALTHCARE SYSTEM, INC.

CONSOLIDATING BALANCE SHEET

September 30, 2019

ASSETS

	Catholic Medical Center	Physician Practice Associates	Alliance Enterprises	Alliance Resources	Alliance Ambu-latory Services	Alliance Health Services	Doctors Medical Association	Saint Peter's Home	Elimi-nations	Consolidated
Current assets:										
Cash and cash equivalents	$ 47,897,010	$ 2,391,045	$ 3,445,644	$ 705,932	$ 603,153	$ 222,020	$ 75,443	$ 909,243	$ –	$ 56,249,490
Short-term investments	4,021,270	–	–	–	–	–	–	–	–	4,021,270
Accounts receivable, net	78,067,491	–	(3,076)	–	–	1,258,227	–	–	–	79,322,642
Inventories	4,600,802	–	–	–	–	–	–	–	–	4,600,802
Other current assets	12,780,425	(22,443)	14,433	65,943	–	1,335,176	–	24,689	–	14,198,223
Total current assets	147,366,998	2,368,602	3,457,001	771,875	603,153	2,815,423	75,443	933,932	–	158,392,427
Property, plant and equipment, net	118,690,076	–	8,550,580	14,715,075	–	76,528	–	1,079,104	–	143,111,363
Other assets:										
Intangible assets and other	11,869,524	–	–	–	6,731,090	–	–	–	–	18,600,614
Assets whose use is limited:										
Pension and insurance obligations	18,832,810	–	–	–	–	–	–	–	–	18,832,810
Board designated and donor restricted investments and restricted grants	122,116,666	–	–	–	–	–	–	7,225,204	–	129,341,870
Held by trustee under revenue bond agreements	18,845,355	–	–	–	–	–	–	–	–	18,845,355
	159,794,831	–	–	–	–	–	–	7,225,204	–	167,020,035
Total assets	$437,721,429	$ 2,368,602	$12,007,581	$15,486,950	$7,334,243	$2,891,951	$ 75,443	$9,238,240	$ –	$487,124,439

LIABILITIES AND NET ASSETS

	Catholic Medical Center	Physician Practice Associates	Alliance Enterprises	Alliance Resources	Alliance Ambu-latory Services	Alliance Health Services	Doctors Medical Association	Saint Peter's Home	Elimi-nations	Consolidated
Current liabilities:										
Accounts payable and accrued expenses	$ 36,870,043	$ 101,896	$ 116,826	$ 14,945	$ –	$1,557,916	$ 9,312	$ 314,964	$ –	$ 38,985,902
Accrued salaries, wages and related accounts	18,604,407	4,256,637	–	–	–	–	–	112,434	–	22,973,478
Amounts payable to third-party payors	11,456,467	–	–	–	–	–	–	–	–	11,456,467
Due to (from) affiliates	991,062	(876,484)	33,830	(112,489)	–	(17,750)	(16,141)	(2,028)	–	–
Current portion of long-term debt	3,924,079	–	234,000	–	–	–	–	–	–	4,158,079
Total current liabilities	71,846,058	3,482,049	384,656	(97,544)	–	1,540,166	(6,829)	425,370	–	77,573,926
Accrued pension and other liabilities, less current portion	160,696,816	9,869,149	1,041,879	69,526	–	372,466	–	–	–	172,049,836
Long-term debt, less current portion	114,421,351	–	7,462,400	–	–	–	–	–	–	121,883,751
Total liabilities	346,964,225	13,351,198	8,888,935	(28,018)	–	1,912,632	(6,829)	425,370	–	371,507,513
Net assets (deficit):										
Without donor restrictions	79,512,313	(10,982,596)	3,118,646	15,514,968	7,334,243	979,319	82,272	8,812,870	–	104,372,035
With donor restrictions	11,244,891	–	–	–	–	–	–	–	–	11,244,891
Total net assets (deficit)	90,757,204	(10,982,596)	3,118,646	15,514,968	7,334,243	979,319	82,272	8,812,870	–	115,616,926
Total liabilities and net assets	$437,721,429	$ 2,368,602	$12,007,581	$15,486,950	$7,334,243	$2,891,951	$ 75,443	$9,238,240	$ –	$487,124,439

CMC HEALTHCARE SYSTEM, INC.

CONSOLIDATING STATEMENT OF OPERATIONS

Year Ended September 30, 2019

	Catholic Medical Center	Physician Practice Associates	Alliance Enterprises	Alliance Resources	Alliance Ambu-latory Services	Alliance Health Services	Doctors Medical Association	Saint Peter's Home	Eliminations	Consolidated
Net patient service revenues, net of contractual allowances and discounts	$449,484,087	$ –	$ –	$ –	$ –	$16,273,475	$ –	$ –	$ –	$465,757,562
Provision for doubtful accounts	(20,972,163)	–	–	–	–	(672,481)	–	–	–	(21,644,644)
Net patient service revenues less provision for doubtful accounts	428,511,924	–	–	–	–	15,600,994	–	–	–	444,112,918
Other revenue	14,687,063	21,730,371	2,029,569	1,348,691	2,450,518	589,283	114,787	3,296,789	(24,636,486)	21,610,585
Disproportionate share funding	22,566,094	–	–	–	–	–	–	–	–	22,566,094
Total revenues	465,765,081	21,730,371	2,029,569	1,348,691	2,450,518	16,190,277	114,787	3,296,789	(24,636,486)	488,289,597
Expenses:										
Salaries, wages and fringe benefits	227,559,475	59,819,529	25,000	–	–	15,345,730	–	3,293,166	(21,395,940)	284,646,960
Supplies and other	161,282,151	2,859,148	829,215	886,058	–	6,095,729	129,091	278,211	(3,240,546)	169,119,057
New Hampshire Medicaid enhancement tax	21,382,132	–	–	–	–	–	–	–	–	21,382,132
Depreciation and amortization	15,741,819	–	310,579	613,839	–	34,602	–	201,598	–	16,902,437
Interest	3,913,935	–	310,111	–	–	–	–	–	–	4,224,046
Total expenses	429,879,512	62,678,677	1,474,905	1,499,897	–	21,476,061	129,091	3,772,975	(24,636,486)	496,274,632
Income (loss) from operations	35,885,569	(40,948,306)	554,664	(151,206)	2,450,518	(5,285,784)	(14,304)	(476,186)	–	(7,985,035)
Nonoperating gains (losses):										
Investment income	3,875,387	–	–	–	14,106	–	–	231,369	–	4,120,862
Net periodic pension cost, other than service cost	(595,606)	(24,537)	(20,481)	–	–	–	–	–	–	(640,624)
Contributions without donor restrictions	834,004	–	–	–	–	–	–	–	–	834,004
Development costs	(739,596)	–	–	–	–	–	–	–	–	(739,596)
Other nonoperating (loss) gain	(3,153,699)	–	–	–	–	–	–	18,000	–	(3,135,699)
Total nonoperating gains, net	220,490	(24,537)	(20,481)	–	14,106	–	–	249,369	–	438,947
Excess (deficiency) of revenues over expenses	36,106,059	(40,972,843)	534,183	(151,206)	2,464,624	(5,285,784)	(14,304)	(226,817)	–	(7,546,088)
Unrealized appreciation (depreciation) on investments	1,026,222	–	–	–	–	–	–	(114,052)	–	912,170
Change in fair value of interest rate swap agreement	(482,735)	–	–	–	–	–	–	–	–	(482,735)
Assets released from restriction used for capital	434,010	–	–	–	–	–	–	–	–	434,010
Pension-related changes other than net periodic pension cost	(51,110,160)	(3,550,218)	(410,024)	–	–	–	–	–	–	(55,070,402)
Net transfers (to) from affiliates	(46,133,644)	42,163,000	120,167	700,000	(2,500,000)	5,650,000	–	477	–	–
Change in net assets without donor restrictions	$(60,160,248)	$ (2,360,061)	$ 244,326	$ 548,794	$ (35,376)	$ 364,216	$ (14,304)	$ (340,392)	$ –	$(61,753,045)

CMC HEALTHCARE SYSTEM, INC.

CONSOLIDATING BALANCE SHEET

September 30, 2018

ASSETS

	Catholic Medical Center	Physician Practice Associates	Alliance Enterprises	Alliance Resources	Alliance Ambu-latory Services	Alliance Health Services	Doctors Medical Association	Saint Peter's Home	Elimi-nations	Consolidated
Current assets:										
Cash and cash equivalents	$ 57,668,500	$ 22,273	$ 2,745,448	$ 332,128	$ 376,706	$ 166,645	$ 76,949	$ 460,671	$ –	$ 61,849,320
Short-term investments	29,009,260	–	–	–	–	–	–	–	–	29,009,260
Accounts receivable, net	54,074,988	–	–	–	–	1,251,998	–	–	–	55,326,986
Inventories	3,583,228	–	–	–	–	–	–	–	–	3,583,228
Other current assets	9,150,610	3,750	2,537	57,365	286,666	1,139,687	1,608	22,734	–	10,664,957
Total current assets	153,486,586	26,023	2,747,985	389,493	663,372	2,558,330	78,557	483,405	–	160,433,751
Property, plant and equipment, net	109,898,233	–	8,858,160	14,585,192	–	111,130	–	1,145,179	–	134,597,894
Other assets:										
Intangible assets and other	10,875,302	–	–	–	6,706,247	–	–	–	–	17,581,549
Assets whose use is limited:										
Pension and insurance obligations	17,859,458	–	–	–	–	–	–	–	–	17,859,458
Board designated and donor restricted investments and restricted grants	119,411,378	1,488	–	–	–	–	–	7,854,219	–	127,267,085
Held by trustee under revenue bond agreements	36,660,053	–	–	–	–	–	–	–	–	36,660,053
	173,930,889	1,488	–	–	–	–	–	7,854,219	–	181,786,596
Total assets	$448,191,010	$ 27,511	$11,606,145	$14,974,685	$7,369,619	$2,669,460	$ 78,557	$9,482,803	$ –	$494,399,790

LIABILITIES AND NET ASSETS

	Catholic Medical Center	Physician Practice Associates	Alliance Enterprises	Alliance Resources	Alliance Ambu-latory Services	Alliance Health Services	Doctors Medical Association	Saint Peter's Home	Elimi-nations	Consolidated
Current liabilities:										
Accounts payable and accrued expenses	$ 28,743,870	$ 68,143	$ 90,029	$ 17,169	$ –	$1,660,520	$ 5,590	$ 203,832	$ –	$ 30,789,153
Accrued salaries, wages and related accounts	18,755,583	3,791,797	–	–	–	–	–	126,109	–	22,673,489
Amounts payable to third-party payors	14,643,104	–	–	–	–	–	–	–	–	14,643,104
Due to (from) affiliates	1,477,267	(1,392,988)	16,867	(80,123)	–	2,986	(23,609)	(400)	–	–
Current portion of long-term debt	4,131,199	–	234,000	–	–	–	–	–	–	4,365,199
Total current liabilities	67,751,023	2,466,952	340,896	(62,954)	–	1,663,506	(18,019)	329,541	–	72,470,945
Accrued pension and other liabilities, less current portion	115,111,279	6,183,094	706,541	71,465	–	390,851	–	–	–	122,463,230
Long-term debt, less current portion	115,229,329	–	7,684,388	–	–	–	–	–	–	122,913,717
Total liabilities	298,091,631	8,650,046	8,731,825	8,511	–	2,054,357	(18,019)	329,541	–	317,847,892
Net assets (deficit):										
Without donor restrictions	139,672,561	(8,622,535)	2,874,320	14,966,174	7,369,619	615,103	96,576	9,153,262	–	166,125,080
With donor restrictions	10,426,818	–	–	–	–	–	–	–	–	10,426,818
Total net assets (deficit)	150,099,379	(8,622,535)	2,874,320	14,966,174	7,369,619	615,103	96,576	9,153,262	–	176,551,898
Total liabilities and net assets	$448,191,010	$ 27,511	$11,606,145	$14,974,685	$7,369,619	$2,669,460	$ 78,557	$9,482,803	$ –	$494,399,790

CMC HEALTHCARE SYSTEM, INC.

CONSOLIDATING STATEMENT OF OPERATIONS

Year Ended September 30, 2018

	Catholic Medical Center	Physician Practice Associates	Alliance Enterprises	Alliance Resources	Alliance Ambu-latory Services	Alliance Health Services	Doctors Medical Association	Saint Peter's Home	Eliminations	Consolidated
Net patient service revenues, net of contractual allowances and discounts	$436,357,697	$ –	$ –	$ –	$ –	$16,152,678	$ –	$ –	$ –	$452,510,375
Provision for doubtful accounts	(19,593,714)	–	–	–	–	(740,535)	–	–	–	(20,334,249)
Net patient service revenues less provision for doubtful accounts	416,763,983	–	–	–	–	15,412,143	–	–	–	432,176,126
Other revenue	12,515,169	24,664,782	2,026,051	1,306,175	2,685,142	572,119	131,102	3,090,287	(27,536,141)	19,454,686
Disproportionate share funding	17,993,289	–	–	–	–	–	–	–	–	17,993,289
Total revenues	447,272,441	24,664,782	2,026,051	1,306,175	2,685,142	15,984,262	131,102	3,090,287	(27,536,141)	469,624,101
Expenses:										
Salaries, wages and fringe benefits	217,868,046	55,518,048	25,000	–	–	14,377,316	–	3,020,016	(23,995,148)	266,813,278
Supplies and other	153,527,155	2,191,509	752,790	1,016,430	–	5,867,844	142,023	333,456	(3,540,993)	160,290,214
New Hampshire Medicaid enhancement tax	19,968,497	–	–	–	–	–	–	–	–	19,968,497
Depreciation and amortization	14,972,724	–	333,910	594,149	–	41,518	–	194,683	–	16,136,984
Interest	3,933,617	–	435,148	–	–	–	–	–	–	4,368,765
Total expenses	410,270,039	57,709,557	1,546,848	1,610,579	–	20,286,678	142,023	3,548,155	(27,536,141)	467,577,738
Income (loss) from operations	37,002,402	(33,044,775)	479,203	(304,404)	2,685,142	(4,302,416)	(10,921)	(457,868)	–	2,046,363
Nonoperating gains (losses):										
Investment income	5,699,700	–	158,797	6	3,429	–	–	224,862	–	6,086,794
Net periodic pension cost, other than service cost	(1,023,371)	(57,068)	(18,653)	–	–	–	–	–	–	(1,099,092)
Contributions without donor restrictions	629,198	–	–	–	–	–	–	–	–	629,198
Development costs	(635,408)	–	–	–	–	–	–	–	–	(635,408)
Other nonoperating (loss) gain	(511,679)	–	8,285	–	–	–	–	14,100	–	(489,294)
Total nonoperating gains (losses), net	4,158,440	(57,068)	148,429	6	3,429	–	–	238,962	–	4,492,198
Excess (deficiency) of revenues over expenses	41,160,842	(33,101,843)	627,632	(304,398)	2,688,571	(4,302,416)	(10,921)	(218,906)	–	6,538,561
Unrealized appreciation on investments	2,184,604	–	–	–	–	–	–	140,547	–	2,325,151
Change in fair value of interest rate swap agreement	302,826	–	–	–	–	–	–	–	–	302,826
Assets released from restriction used for capital	128,600	–	–	–	–	–	–	–	–	128,600
Pension-related changes other than net periodic pension cost	18,843,760	1,364,053	229,118	–	–	–	–	–	–	20,436,931
Net transfers (to) from affiliates	(35,782,824)	31,967,000	223,054	1,112,760	(1,650,000)	4,130,000	–	10	–	–
Change in net assets without donor restrictions	$ 26,837,808	$ 229,210	$1,079,804	$ 808,362	$ 1,038,571	$ (172,416)	$(10,921)	$ (78,349)	$ –	$ 29,732,069

Catholic Medical Center's Strategy2020

CMC Healthcare System (CMCHS) is guided by its mission, vision and values in delivering exceptional care and well-being to our patients and community. Aggressively pursuing our mission and vision is fundamental in both shaping our future and evaluating our progress. Additionally, our strength of Catholic Identity and relationship with the Diocese, affirmed by our values and incorporated in our language, symbols and behaviors, is integral to fulfilling CMC's direction to deliver health, healing and hope to those we serve.

Mission

The heart of Catholic Medical Center is to provide health, healing, and hope in a manner that offers innovative high quality services, compassion, and respect for the human dignity of every individual who seeks or needs our care as part of Christ's healing ministry through the Catholic Church.

Vision

Guided by our mission and values, we are committed to becoming the finest customer experience, lowest cost, best outcome provider in the region.

Values

- Treat others with **Compassion** and to promote social justice and equality
- Understand and believe **Human Dignity** with respect to the sanctity of human life from conception to natural death
- Continually strive for **Excellence** in what we do in regards to quality, patient safety, continuum of health, palliative care, hospice, etc.
- **Respect** patients, family and each other
- Promote **Patient Centered** Care with special attention to the poor, underserved and vulnerable

CMC's strategy is to be an independently governed, Catholic health system with outstanding programs and strong partnerships that contribute to our ability to improve the health of our community and surrounding areas throughout the entire continuum of health.

We will do this by...

Catholic Medical Center
Board of Trustees – 2020

John G. Cronin, Esq., ***Chair***
Cronin, Bisson & Zalinsky, P.C.

Neil Levesque, ***Vice Chair***
NH Institute of Politics

Matthew Kfoury, ***Secretary***
Central Paper Company

Pamela Diamantis, ***Treasurer***
Curbstone Financial Management Corp

Patricia Furey, MD, *ex officio*
President of CMC Medical Staff
Vein and Vascular Specialists

Carolyn G. Claussen, MD
Willowbend Family Practice

Louis I. Fink, MD
New England Heart & Vascular Institute

Susan M. Kinney, RN, MSN
Saint Anselm College

Joseph Pepe, MD, *ex officio*
President/CEO
Catholic Medical Center

John J. Munoz, MD
Manchester Urology Associates, PA

Catherine Provencher, CPA
University of New Hampshire

Derek McDonald, *ex officio*
Bishop's Delegate for Health Care
Diocese of Manchester

Timothy Riley
Harbor Group

Marie McKay
Bigelow & Company

Carrie Perry, Sr. Executive Assistant / Board Liaison
603-663-6552 / carrie.perry@cmc-nh.org

CONTRACTOR NAME

Key Personnel

Name	Job Title	Salary	% Paid from this Contract	Amount Paid from this Contract
Lorrie Woodward	Executive Director, Lab,Radiology,Respiratory, Neurophisiology	$140,000	1%	$1400.00
Jane Steckowych	Laboratory Operations	$103,000	1%	$1030.00
Kristen Dorans	Pathology Testing Personnel	$62,753.00	4%	$2510.12

Lorrie Woodward, MBA, MT(ASCP)

Summary of Qualifications

Performance-oriented team member with 17 years experience in a medium to large volume Clinical Laboratory. Reputation for leading by example and setting high standards in accuracy, organization, and efficiency. Proficient and familiar with the following:

- Compliance/Outreach/LIS/Billing Manager
- Microbiology Supervisor
- MBA, MT (ASCP)
- Lean/ Six Sigma Training
- CMS regulations payment policy
- CPT coding, CDM assignments
- OIG regulations and Audits
- Team Leader/ Clinical Instructor
- Procedure Development and Review
- Phlebotomy Services

Education & Honors

***MBA* Health Care Administration**
Franklin Pierce University
College of Graduate and Professional Studies Program

Bachelors of Science, (Cum Laude)
University of Vermont, Burlington, VT
College of Nursing and Allied Health
Departmental Honors Program

Work History

Executive Director, Radiology, Laboratory, Respiratory and Neurophysiology Services (June 2020-current)
Catholic Medical Center, Manchester, NH (2020-current)
Oversee Operations of departments. Prepare Budgets, Strategic Plans, Quality and Compliance Programs. Responsible for approximately 250 employees with the assistance of Directors, Managers, and Supervisors.

Director, Laboratory (2016-June 2020)
Catholic Medical Center, Manchester, NH (2016-2020)
Direct the laboratory to include and process prior to testing and any process after testing. Manage approximately 120 employees, with 2 managers, 9 supervisors directly reporting. This position encompasses LIS, Billing, Revenue Cycle, Outpatient Phlebotomy Services, Compliance, and Customer Service department oversight.

Support Operations Manager, Laboratory (2013-current)
Catholic Medical Center, Manchester, NH (2013-2016)
Manage the support functions of the laboratory to include and process prior to testing and any process after testing. Manage approximately 30 employees, with 3 supervisors directly reporting. This position encompasses LIS, Billing, Revenue Cycle, Outpatient Phlebotomy Services, Compliance, and Customer Service department oversight.

- Audit laboratory testing, volumes, cpt coding, and billing practices
- Monitor revenue and create financial analysis to lead business operations
- Create Quality reports for clients to meet their individualized needs
- Set, Monitor, and Implement department goals to maintain movement towards Laboratory Vision/ Hospital Goals
- Oversee operations for the LIS, Outreach, Billing, and Outpatient Phlebotomy teams
- Active role in Revenue Cycle, Compliance, Appraisal task force
- Manage project scope, timelines, assignment distribution

Microbiology Technical Section Supervisor, Laboratory (2008-2013)
Catholic Medical Center, Manchester, NH (2008-2013)

Monitor and Improve daily operations of the Microbiology Laboratory while adhering to current regulations, promoting team collaboration, and reducing cost while increasing revenue.

- Participate actively on Infection Control Committee by providing Antibiotic Susceptibility Trending reports and update hospital antibiotic formularies
- Review and update procedures/ manuals while making certain to comply with all CAP, JAHCO, and CLSI standards
- Perform Supervisory duties, including but not limited to: research and implementation of new tests and instrumentation , hosting monthly department meetings, work review and competency assessment, scheduling shifts to reduce overtime, promoting lab morale, and employee evaluations
- Analyze revenue and statistics, test volume, and CPT allowances to maximize department revenue
- Collect and Evaluate data for the laboratory quality improvement and quality assurance program
- Evaluate safety issues in the Microbiology lab and maintain current MSDS and chemical inventory
- Project Based analysis of workflow efficiency and analysis of time and space utilization

Medical Technologist
CLS IV Microbiology, Dept. of Pathology (2006-2008)
CLS III Microbiology (2005-2006)
CLS II Microbiology (2003-2005)

Dartmouth Hitchcock Medical Center, Lebanon, NH (2003-2008)
Process, interpret, and analyze clinical specimens and data accurately and efficiently in a collaborative and cohesive team based environment while simultaneously serving as Clinical Instructor of Microbiology and performing the duties of team leader and safety officer.

- Instruct UNH Medical Technology Program students in their fast paced work intensive Microbiology Course
- Assist in coordinating of Clinical Rotations through Clinical Microbiology Lab for residents and interns
- Review and update procedures/ manuals while making certain to comply with all CAP, JAHCO, and CLSI standards
- Perform Team leader duties, including but not limited to: creating competency assessment tools, coordinating lectures and events for Continuing Education Credits, assessing laboratory training needs and suggesting strategies to complete training, evaluating workflow/staffing ratio to ensure adequate coverage, promoting lab morale
- Read and interpret clinical cultures following appropriate procedures approved by the medical director
- Assess daily laboratory needs and schedule staff accordingly with other team members
- Evaluate safety issues in the Microbiology lab and maintain current MSDS and chemical inventory
- Project Based analysis of workflow efficiency and analysis of time and space utilization

Laboratory Specialist, Dept. of Laboratory Central Receiving
Fletcher Allen Healthcare, Burlington, VT (2000-2003)
Sharpened my skills as a phlebotomist while learning the fine points of blood collection and technique in a fast paced hospital environment catering to a clientele composed of pediatrics, geriatrics, oncology, and walk-in patients.

- Collected proper blood specimens for clinical and research testing using sterile collection technique
- Responded to STAT and emergency blood drawing in a timely manner
- Provided quality service to a variety of patients and personalities
- Accessioned, prepared, and aliquotted laboratory specimens for each department
- Prepared, ordered, and packaged specimens for special mail-out testing

Other Accomplishments/ Leadership

Leadership Academy, Laboratory, Catholic Medical Center (2013)
- Participated in a 9 month focused workgroup to improve managerial skills and complete a lean based project.
- Team project: MA workflow at Willowbend Family Practice

Management Boot Camp, Laboratory, Catholic Medical Center (2010)
- Participated in 8 workshops designed to improve communication, time management, team building, and organizational skills
- Implemented new metrics of quality collaboratively with my department level team based on class learning

Lab Education Committee, Laboratory, Catholic Medical Center (2009-2015)

- Create continuing education opportunities for all laboratory staff allowing for recertification
- Organize quarterly meetings to involve laboratory staff in credentialing process and lecture scheduling

Lab Safety Committee, Laboratory, Catholic Medical Center (2009-current)
Lab Safety Committee, Department of Pathology, Dartmouth Hitchcock Medical Center (2006-2008)

- Ensure laboratory compliance with JAHCO and CAP standards
- Maintain Microbiology MSDS sheets and orient new employees to Microbiology Specific safety policies

Jane M. Steckowych

EDUCATION

September 1984-May 1987	Boston University School of Public Health, Boston, MA. Master of Public Health Environmental Health Studies
August 1980-May 1981	Mary Hitchcock Memorial Hospital Hanover, N.H. Clinical Internship Medical Technology Certification
September 1977-May 1981	University of New Hampshire Durham, N.H.; Bachelor of Science Magna Cum Laude G.P.A. 3.55

EXPERIENCE

April 2015-present	Catholic Medical Center Manchester, NH Technical Operations Manager
April 2008-April 2015	Elliot Hospital Manchester, NH Generalist: Medical Technologist
2002-2007	Lab Corp/Path Labs Manchester, NH Generalist: Medical Technologist
July 1994-April 2008	New Hampshire Medical Labs Manchester, New Hampshire Medical Technologist
August 1993-June 1994	Cooley Dickinson Hospital Northampton, MA. Medical Technologist Generalist, All Departments, All Shifts Supervisor, Blood Bank
April 1992-May 1992	National Louis University Evanston, Il. Hematology Instructor
July 1991-June 1993	Evanston Hospital, Evanston, IL. Manager-Hematology, Coagulation, And Clinical Microscopy. Duties include scheduling, budgets, Quality Assurance, personnel issues, CLIA implementation and technical Proficiency. The Special Coagulation

Lab and Cancer Center Lab were also my Responsibilities.

January 1990-July 1991. Evanston Hospital, Evanston, Il.
Assistant Manager-Hematology Dept.
Supplies and Inventory, Coordinate Daily workload and duties, Preparing Timecards, Troubleshooting equipment And Acting as Manager when needed.

June 1989-January 1990 Evanston Hospital, Evanston, Il.
Staff Medical Technologist
Hematology, Clinical Microscopy, Bone Marrows and Coagulation.

October 1988-May 1989 New Hampshire Medical Laboratories
Manchester, N.H.
Hematology Supervisor
Responsibilities include coordinate Daily workload and duties, liaison to Hospital departments and physicians, Instrument troubleshooting, Quality control assessment, schedules, Coordinate phlebotomy practices, Communication Task Force, Quality Circle member, working up new policies And procedures, and bench work.

March 1987-October 1988 New Hampshire Medical Laboratories
Manchester, N.H.
Medical Technologist, Assistant Supervisor Evening Shift
Duties include rotation through all areas of the Lab, scheduling, Maintenance and troubleshooting.

June 1981-March 1987 Catholic Medical Center
Manchester,N.H.
Medical Technologist, ASCP
Duties similar to employment at New Hampshire Medical Laboratories.

April 1983-September 1983 Baker, Pappas and Dastin Advertising
Manchester, N.H. Salesperson

ORGANIZATIONS/HONORS

The American Society of Clinical Pathologists, Chicago Metropolitan Hematology Society, Alpha Epsilon Delta Premedical Honor Society, Who's Who in American Students, Medical Technology Merit Award.

Kristen M Dorans, CT(ASCP)^{cm}

Objective

To utilize the knowledge obtained through professional experience and formal education to prepare and accurately diagnose cytology specimens, and to expand my skills applicable to my future career in pathology.

Education

2010-2011 University of Rhode Island Kingston, RI

M.S. in Clinical Lab Science
Specialty in Cytopathology

Certifications

- ThinPrep Pap Test Certified
- SurePath Pap Test Certified

Field Experience

- Screening of Conventional, Gynecological and Non-gynecological slides
- ThinPrep Imager
- On site FNA adequacy
- Cytopreparation
- Internship included Rhode Island Hospital, Our Lady of Fatima Hospital, Women and Infants Hospital, Milford Regional Hospital, Mass General Hospital, and Quest Diagnostic Laboratory

2007-2010 University of Rhode Island Kingston, RI

B.S. in Microbiology

Dean's List

Work experience

4/2013 – present Catholic Medical Center Manchester, NH

Cytotechnologist, Senior

- Responsible for the screening and diagnosing of gynecological and Non-gynecological cases.
- Frequently perform onsite adequacies for fine needle aspirations and tissue biopsies.
- Assist with bone marrow biopsies and responsible for the adequate preparation of bone marrow smear slides, and proper handling of specimen.
- Responsible for maintaining the Hologic Panther Analyzer.
- Proficient in cytopreparation for gynecological and Non-gynecological specimens.
- Responsible for the staining of HER2 breast and HER2 gastric FISH cases on the Thermobrite Elite.
- Responsible for the scanning of quantitative IHCs and FISH slides on the Ariol microscope.
- Responsible for the analysis of quantitative IHCs and FISH cases.
- Proficient and knowledgeable of Aperio software.

12/2011-4/2013 Connecticut Pathology Laboratory Willimantic, CT

Cytotechnologist, Per diem

- Responsible for the screening and diagnosing Gynecological and Non-gynecological cases.
- Responsible for screening ThinPrep, SurePath, and Conventional slides.

References available upon request.

Subject: Hospital-Based COVID-19 Community Testing (SS-2021-DPHS-04-HOSPI-03)

Notice: This agreement and all of its attachments shall become public upon submission to Governor and Executive Council for approval. Any information that is private, confidential or proprietary must be clearly identified to the agency and agreed to in writing prior to signing the contract

AGREEMENT

The State of New Hampshire and the Contractor hereby mutually agree as follows

GENERAL PROVISIONS

1. IDENTIFICATION.

1.1 State Agency Name New Hampshire Department of Health and Human Services		1.2 State Agency Address 129 Pleasant Street Concord, NH 03301-3857	
1.3 Contractor Name The Cheshire Medical Center		1.4 Contractor Address 580 Court St, Keene NH 03431	
1.5 Contractor Phone Number (603) 354-5400	1.6 Account Number 05-095-090-903010-19010000	1.7 Completion Date December 1, 2020	1.8 Price Limitation $232,000
1.9 Contracting Officer for State Agency Nathan D White, Director		1.10 State Agency Telephone Number (603) 271-9631	
1.11 Contractor Signature Date 7/27/2020		1.12 Name and Title of Contractor Signatory DON CARUSO, MD, MPH PRESIDENT AND CEO	
1.13 State Agency Signature Lori Shibinette Date 7/31/20		1.14 Name and Title of State Agency Signatory Lori Shibinette, Commissioner	
1.15 Approval by the N.H. Department of Administration, Division of Personnel *(if applicable)* By:		Director, On:	
1.16 Approval by the Attorney General (Form, Substance and Execution) *(if applicable)* By Catherine Pinos		On 08/03/20	
1.17 Approval by the Governor and Executive Council *(if applicable)* G&C Item number:		G&C Meeting Date:	

Contractor Initials DN
Date 7/27/2020

2. SERVICES TO BE PERFORMED. The State of New Hampshire, acting through the agency identified in block 1.1 ("State"), engages contractor identified in block 1.3 ("Contractor") to perform, and the Contractor shall perform, the work or sale of goods, or both, identified and more particularly described in the attached EXHIBIT B which is incorporated herein by reference ("Services")

3. EFFECTIVE DATE/COMPLETION OF SERVICES.
3.1 Notwithstanding any provision of this Agreement to the contrary, and subject to the approval of the Governor and Executive Council of the State of New Hampshire, if applicable, this Agreement, and all obligations of the parties hereunder, shall become effective on the date the Governor and Executive Council approve this Agreement as indicated in block 1.17, unless no such approval is required, in which case the Agreement shall become effective on the date the Agreement is signed by the State Agency as shown in block 1.13 ("Effective Date")
3.2 If the Contractor commences the Services prior to the Effective Date, all Services performed by the Contractor prior to the Effective Date shall be performed at the sole risk of the Contractor, and in the event that this Agreement does not become effective, the State shall have no liability to the Contractor, including without limitation, any obligation to pay the Contractor for any costs incurred or Services performed Contractor must complete all Services by the Completion Date specified in block 1.7

4. CONDITIONAL NATURE OF AGREEMENT.
Notwithstanding any provision of this Agreement to the contrary, all obligations of the State hereunder, including, without limitation, the continuance of payments hereunder, are contingent upon the availability and continued appropriation of funds affected by any state or federal legislative or executive action that reduces, eliminates or otherwise modifies the appropriation or availability of funding for this Agreement and the Scope for Services provided in EXHIBIT B, in whole or in part In no event shall the State be liable for any payments hereunder in excess of such available appropriated funds In the event of a reduction or termination of appropriated funds, the State shall have the right to withhold payment until such funds become available, if ever, and shall have the right to reduce or terminate the Services under this Agreement immediately upon giving the Contractor notice of such reduction or termination The State shall not be required to transfer funds from any other account or source to the Account identified in block 1.6 in the event funds in that Account are reduced or unavailable

5. CONTRACT PRICE/PRICE LIMITATION/ PAYMENT.
5.1 The contract price, method of payment, and terms of payment are identified and more particularly described in EXHIBIT C which is incorporated herein by reference
5.2 The payment by the State of the contract price shall be the only and the complete reimbursement to the Contractor for all expenses, of whatever nature incurred by the Contractor in the performance hereof, and shall be the only and the complete compensation to the Contractor for the Services The State shall have no liability to the Contractor other than the contract price
5.3 The State reserves the right to offset from any amounts otherwise payable to the Contractor under this Agreement those liquidated amounts required or permitted by N.H. RSA 80:7 through RSA 80:7-c or any other provision of law
5.4 Notwithstanding any provision in this Agreement to the contrary, and notwithstanding unexpected circumstances, in no event shall the total of all payments authorized, or actually made hereunder, exceed the Price Limitation set forth in block 1.8

6. COMPLIANCE BY CONTRACTOR WITH LAWS AND REGULATIONS/ EQUAL EMPLOYMENT OPPORTUNITY.
6.1 In connection with the performance of the Services, the Contractor shall comply with all applicable statutes, laws, regulations, and orders of federal, state, county or municipal authorities which impose any obligation or duty upon the Contractor, including, but not limited to, civil rights and equal employment opportunity laws In addition, if this Agreement is funded in any part by monies of the United States, the Contractor shall comply with all federal executive orders, rules, regulations and statutes, and with any rules, regulations and guidelines as the State or the United States issue to implement these regulations The Contractor shall also comply with all applicable intellectual property laws
6.2 During the term of this Agreement, the Contractor shall not discriminate against employees or applicants for employment because of race, color, religion, creed, age, sex, handicap, sexual orientation, or national origin and will take affirmative action to prevent such discrimination
6.3 The Contractor agrees to permit the State or United States access to any of the Contractor's books, records and accounts for the purpose of ascertaining compliance with all rules, regulations and orders, and the covenants, terms and conditions of this Agreement

7. PERSONNEL.
7.1 The Contractor shall at its own expense provide all personnel necessary to perform the Services The Contractor warrants that all personnel engaged in the Services shall be qualified to perform the Services, and shall be properly licensed and otherwise authorized to do so under all applicable laws
7.2 Unless otherwise authorized in writing, during the term of this Agreement, and for a period of six (6) months after the Completion Date in block 1.7, the Contractor shall not hire, and shall not permit any subcontractor or other person, firm or corporation with whom it is engaged in a combined effort to perform the Services to hire, any person who is a State employee or official, who is materially involved in the procurement, administration or performance of this Agreement This provision shall survive termination of this Agreement
7.3 The Contracting Officer specified in block 1.9, or his or her successor, shall be the State's representative In the event of any dispute concerning the interpretation of this Agreement, the Contracting Officer's decision shall be final for the State

Contractor Initials DC
Date 7/7/2020

8 EVENT OF DEFAULT/REMEDIES.
8 1 Any one or more of the following acts or omissions of the Contractor shall constitute an event of default hereunder ("Event of Default")
8 1 1 failure to perform the Services satisfactorily or on schedule,
8 1 2 failure to submit any report required hereunder, and/or
8 1 3 failure to perform any other covenant, term or condition of this Agreement
8 2 Upon the occurrence of any Event of Default, the State may take any one, or more, or all, of the following actions
8 2 1 give the Contractor a written notice specifying the Event of Default and requiring it to be remedied within, in the absence of a greater or lesser specification of time, thirty (30) days from the date of the notice, and if the Event of Default is not timely cured, terminate this Agreement, effective two (2) days after giving the Contractor notice of termination,
8 2 2 give the Contractor a written notice specifying the Event of Default and suspending all payments to be made under this Agreement and ordering that the portion of the contract price which would otherwise accrue to the Contractor during the period from the date of such notice until such time as the State determines that the Contractor has cured the Event of Default shall never be paid to the Contractor,
8.2 3 give the Contractor a written notice specifying the Event of Default and set off against any other obligations the State may owe to the Contractor any damages the State suffers by reason of any Event of Default, and/or
8 2 4 give the Contractor a written notice specifying the Event of Default, treat the Agreement as breached, terminate the Agreement and pursue any of its remedies at law or in equity, or both
8.3 No failure by the State to enforce any provisions hereof after any Event of Default shall be deemed a waiver of its rights with regard to that Event of Default, or any subsequent Event of Default No express failure to enforce any Event of Default shall be deemed a waiver of the right of the State to enforce each and all of the provisions hereof upon any further or other Event of Default on the part of the Contractor

9. TERMINATION.
9 1 Notwithstanding paragraph 8, the State may, at its sole discretion, terminate the Agreement for any reason, in whole or in part, by thirty (30) days written notice to the Contractor that the State is exercising its option to terminate the Agreement.
9 2 In the event of an early termination of this Agreement for any reason other than the completion of the Services, the Contractor shall, at the State's discretion, deliver to the Contracting Officer, not later than fifteen (15) days after the date of termination, a report ("Termination Report") describing in detail all Services performed, and the contract price earned, to and including the date of termination The form, subject matter, content, and number of copies of the Termination Report shall be identical to those of any Final Report described in the attached EXHIBIT B In addition, at the State's discretion, the Contractor shall, within 15 days of notice of early termination, develop and submit to the State a Transition Plan for services under the Agreement

10. DATA/ACCESS/CONFIDENTIALITY/ PRESERVATION.
10 1 As used in this Agreement, the word "data" shall mean all information and things developed or obtained during the performance of, or acquired or developed by reason of, this Agreement, including, but not limited to, all studies, reports, files, formulae, surveys, maps, charts, sound recordings, video recordings, pictorial reproductions, drawings, analyses, graphic representations, computer programs, computer printouts, notes, letters, memoranda, papers, and documents, all whether finished or unfinished
10 2 All data and any property which has been received from the State or purchased with funds provided for that purpose under this Agreement, shall be the property of the State, and shall be returned to the State upon demand or upon termination of this Agreement for any reason
10 3 Confidentiality of data shall be governed by N H RSA chapter 91-A or other existing law Disclosure of data requires prior written approval of the State

11. CONTRACTOR'S RELATION TO THE STATE. In the performance of this Agreement the Contractor is in all respects an independent contractor, and is neither an agent nor an employee of the State Neither the Contractor nor any of its officers, employees, agents or members shall have authority to bind the State or receive any benefits, workers' compensation or other emoluments provided by the State to its employees

12. ASSIGNMENT/DELEGATION/SUBCONTRACTS.
12 1 The Contractor shall not assign, or otherwise transfer any interest in this Agreement without the prior written notice, which shall be provided to the State at least fifteen (15) days prior to the assignment, and a written consent of the State For purposes of this paragraph, a Change of Control shall constitute assignment. "Change of Control" means (a) merger, consolidation, or a transaction or series of related transactions in which a third party, together with its affiliates, becomes the direct or indirect owner of fifty percent (50%) or more of the voting shares or similar equity interests, or combined voting power of the Contractor, or (b) the sale of all or substantially all of the assets of the Contractor
12 2 None of the Services shall be subcontracted by the Contractor without prior written notice and consent of the State The State is entitled to copies of all subcontracts and assignment agreements and shall not be bound by any provisions contained in a subcontract or an assignment agreement to which it is not a party

13. INDEMNIFICATION. Unless otherwise exempted by law, the Contractor shall indemnify and hold harmless the State, its officers and employees, from and against any and all claims, liabilities and costs for any personal injury or property damages, patent or copyright infringement, or other claims asserted against the State, its officers or employees, which arise out of (or which may be claimed to arise out of) the acts or omission of the

Contractor Initials RL
Date 7/27/2020

Contractor, or subcontractors, including but not limited to the negligence, reckless or intentional conduct. The State shall not be liable for any costs incurred by the Contractor arising under this paragraph 13. Notwithstanding the foregoing, nothing herein contained shall be deemed to constitute a waiver of the sovereign immunity of the State, which immunity is hereby reserved to the State. This covenant in paragraph 13 shall survive the termination of this Agreement.

14. INSURANCE.

14.1 The Contractor shall, at its sole expense, obtain and continuously maintain in force, and shall require any subcontractor or assignee to obtain and maintain in force, the following insurance:

14.1.1 commercial general liability insurance against all claims of bodily injury, death or property damage, in amounts of not less than $1,000,000 per occurrence and $2,000,000 aggregate or excess; and

14.1.2 special cause of loss coverage form covering all property subject to subparagraph 10.2 herein, in an amount not less than 80% of the whole replacement value of the property.

14.2 The policies described in subparagraph 14.1 herein shall be on policy forms and endorsements approved for use in the State of New Hampshire by the N.H. Department of Insurance, and issued by insurers licensed in the State of New Hampshire.

14.3 The Contractor shall furnish to the Contracting Officer identified in block 1.9, or his or her successor, a certificate(s) of insurance for all insurance required under this Agreement. Contractor shall also furnish to the Contracting Officer identified in block 1.9, or his or her successor, certificate(s) of insurance for all renewal(s) of insurance required under this Agreement no later than ten (10) days prior to the expiration date of each insurance policy. The certificate(s) of insurance and any renewals thereof shall be attached and are incorporated herein by reference.

15. WORKERS' COMPENSATION.

15.1 By signing this agreement, the Contractor agrees, certifies and warrants that the Contractor is in compliance with or exempt from, the requirements of N.H. RSA chapter 281-A *("Workers' Compensation")*.

15.2 To the extent the Contractor is subject to the requirements of N.H. RSA chapter 281-A, Contractor shall maintain, and require any subcontractor or assignee to secure and maintain, payment of Workers' Compensation in connection with activities which the person proposes to undertake pursuant to this Agreement. The Contractor shall furnish the Contracting Officer identified in block 1.9, or his or her successor, proof of Workers' Compensation in the manner described in N.H. RSA chapter 281-A and any applicable renewal(s) thereof, which shall be attached and are incorporated herein by reference. The State shall not be responsible for payment of any Workers' Compensation premiums or for any other claim or benefit for Contractor, or any subcontractor or employee of Contractor, which might arise under applicable State of New Hampshire Workers' Compensation laws in connection with the performance of the Services under this Agreement.

16. NOTICE. Any notice by a party hereto to the other party shall be deemed to have been duly delivered or given at the time of mailing by certified mail, postage prepaid, in a United States Post Office addressed to the parties at the addresses given in blocks 1.2 and 1.4, herein.

17. AMENDMENT. This Agreement may be amended, waived or discharged only by an instrument in writing signed by the parties hereto and only after approval of such amendment, waiver or discharge by the Governor and Executive Council of the State of New Hampshire unless no such approval is required under the circumstances pursuant to State law, rule or policy.

18. CHOICE OF LAW AND FORUM. This Agreement shall be governed, interpreted and construed in accordance with the laws of the State of New Hampshire, and is binding upon and inures to the benefit of the parties and their respective successors and assigns. The wording used in this Agreement is the wording chosen by the parties to express their mutual intent, and no rule of construction shall be applied against or in favor of any party. Any actions arising out of this Agreement shall be brought and maintained in New Hampshire Superior Court which shall have exclusive jurisdiction thereof.

19. CONFLICTING TERMS. In the event of a conflict between the terms of this P-37 form (as modified in EXHIBIT A) and/or attachments and amendment thereof, the terms of the P-37 (as modified in EXHIBIT A) shall control.

20. THIRD PARTIES. The parties hereto do not intend to benefit any third parties and this Agreement shall not be construed to confer any such benefit.

21. HEADINGS. The headings throughout the Agreement are for reference purposes only, and the words contained therein shall in no way be held to explain, modify, amplify or aid in the interpretation, construction or meaning of the provisions of this Agreement.

22. SPECIAL PROVISIONS. Additional or modifying provisions set forth in the attached EXHIBIT A are incorporated herein by reference.

23. SEVERABILITY. In the event any of the provisions of this Agreement are held by a court of competent jurisdiction to be contrary to any state or federal law, the remaining provisions of this Agreement will remain in full force and effect.

24. ENTIRE AGREEMENT. This Agreement, which may be executed in a number of counterparts, each of which shall be deemed an original, constitutes the entire agreement and understanding between the parties, and supersedes all prior agreements and understandings with respect to the subject matter hereof.

Contractor Initials PL

Date 1/27/2020

REVISIONS TO STANDARD CONTRACT PROVISIONS

1. Revisions to Form P-37, General Provisions

1.1. Paragraph 3, Subparagraph 3.1, Effective Date/Completion of Services, is amended as follows:

3.1. Notwithstanding any provision of this Agreement to the contrary, and subject to the approval of the Governor of the State of New Hampshire, issued under the Executive Order 2020-04 and any extensions thereof, this Agreement, and all obligations of the parties hereunder, shall become effective on August 1, 2020 ("Effective Date")

1.2. Paragraph 3, Effective Date/Completion of Services, is amended by adding subparagraph 3.3 as follows:

3.3. The parties may extend the Agreement for up to one (1) additional year from the Completion Date, contingent upon satisfactory delivery of services, available funding, agreement of the parties, and required governmental approval

1.3 Paragraph 9, Termination, is deleted in its entirety and replaced as follows:

9.1 Notwithstanding paragraph 8, the State may, at its sole discretion, terminate the Agreement for any reason, in whole or in part, by thirty (30) days written notice to the Contractor that the State is exercising its option to terminate the Agreement

9.2. The Contractor may terminate the Agreement by providing the State with thirty (30) days advance written notice if the State fails to pay the undisputed amount of any expense report submitted by Contractor pursuant to Exhibit C within thirty (30) days after the date of the report, however, upon receipt of such notification the State has an additional twenty (20) days to make payment of undisputed amounts to avoid termination In addition, the Contractor may terminate this Agreement by providing the State with thirty (30) days advance written notice if it makes a good faith determination that either (i) the fulfillment of its obligations under the Agreement or (ii) the continued performance of services hereunder would adversely impact the ability of the Contractor to provide safe, high quality care to its patients or would cause the Contractor to violate any requirements or standards of any government agency or accrediting body.

9.3 In the event of an early termination of this Agreement for any reason other than the completion of the Services, the Contractor shall, at the State's discretion, deliver to the Contracting Officer, not later than fifteen (15) days after the date of termination, a report ("Termination

Report") describing in detail all Services performed, and the contract price earned, to and including the date of termination. The form, subject matter, content, and number of copies of the Termination Report shall be identical to those of any Final Report described in the attached EXHIBIT B. In addition, at the State's discretion, the Contractor shall, within 15 days of notice of early termination, develop and submit to the State a Transition Plan for services under the Agreement.

1.4. Paragraph 12, Subparagraph 12.3, Assignment/Delegation/Subcontracts, is amended as follows:

12.3. Subcontractors are subject to the same contractual conditions as the Contractor and the Contractor is responsible to ensure subcontractor compliance with those conditions. The Contractor shall have written agreements with all subcontractors, specifying the work to be performed and how corrective action shall be managed if the subcontractor's performance is inadequate. The Contractor shall manage the subcontractor's performance on an ongoing basis and take corrective action as necessary. The Contractor shall annually provide the State with a list of all subcontractors provided for under this Agreement and notify the State of any inadequate subcontractor performance.

1.5. Paragraph 14, Subparagraph 14.2, Insurance, is amended as follows:

14.2 The policies described in subparagraph 14.1 herein shall be on policy forms and endorsements approved for use in the State of New Hampshire by the N.H. Department of Insurance.

Scope of Services

1. Statement of Work

1.1. For the purposes of this agreement, any references to days shall mean calendar days.

1.2. Contractor shall conduct specimen collection and testing for SARS-CoV-2 in an outpatient setting for pre-procedural hospital patients and individuals referred by primary care providers within the hospital's network no later than August 1, 2020.

1.3. The Contractor shall begin conducting specimen collection and testing for SARS-CoV-2 in an outpatient setting for individuals who reside within the hospital catchment area or local community, regardless of individuals' prior affiliations with the hospital's network no later than August 10, 2020.

1.4. The Contractor shall use commercially reasonable efforts to conduct specimen collection and testing for patients who have symptoms of COVID-19 or who are pre-symptomatic or asymptomatic at the request of:

1.4.1. The individual to be tested; or

1.4.2. The Department of Health and Human Services (Department) Division of Public Health Services (DPHS).

1.5. The Contractor shall not require an office or telemedicine visit for asymptomatic patients in order for patients to receive COVID-19 testing.

1.6. In the event of a significant increase in community transmission of COVID-19; the Contractor shall not be responsible for meeting significantly increased levels of testing and may request the Department to provide additional testing capacity.

1.7. The Contractor shall determine the appropriate venue and physical location for specimen collection, which may include, but is not limited to:

1.7.1. An existing physical location.

1.7.2. A temporary drive-through location.

1.7.3. A drive-up facility.

1.8. The Contractor shall request a waiver, if necessary, from the Department's Bureau of Health Facilities Administration for a temporary drive-through location or drive-up facility.

1.9. The Contractor shall determine the appropriate number of days per week and the duration of time per day to perform community specimen collection for COVID-19 testing to meet the needs of the hospital catchment area and local community and communicate the hours of operation to the Department.

1.10. The Contractor shall ensure the collection, handling, processing and testing of

specimens comply with guidelines issued by the Centers for Disease Control and Prevention (CDC), available at https://www.cdc.gov/coronavirus/2019-nCoV/lab/guidelines-clinical-specimens.html and by the laboratory used for processing specimens.

1.11. The Contractor shall ensure patients sign an appropriate consent form, prior to collection of specimens, authorizing testing at the laboratory and reporting to the ordering medical provider, the Department, and any other individual or entity designated to receive the test results.

1.12. The Contractor shall identify of any communication access needs to ensure needed language assistance is provided, which may include, but is not limited to:

1.12.1. Over-the-phone interpretation of spoken languages.

1.12.2. Video remote interpretation to access American Sign Language.

1.13. The Contractor shall ensure communication and language assistance is provided to individuals, as appropriate and needed, to ensure the validity of any signed consent by utilizing translated consent forms and/or interpreters.

1.14. The Contractor shall ensure all personnel collecting, handling, processing and transporting specimens are trained to safeguard the confidentiality of the patient and protected health information (PHI), as defined in the Health Information Portability and Accountability Act (HIPAA).

1.15. The Contractor shall ensure the secure and confidential transporting of specimens to the laboratory.

1.16. The Contractor shall ensure the ordering provider for each COVID-19 test is a licensed medical provider to the extent applicable.

1.17. The Contractor shall ensure the licensed medical provider ordering COVID-19 tests notifies patients of testing results received from the laboratory in a timely manner. The Contractor shall ensure:

1.17.1. Patients with positive results confirming the diagnosis of COVID-19 are informed:

1.17.1.1. By telephone or other electronic method.

1.17.1.2. By first-class U.S. mail, if telephone or other electronic method is unsuccessful

1.17.2. Patients with negative results are informed of test results in a method determined by the Contractor.

1.18. The Contractor shall utilize existing communication methods to inform the local community of the availability of outpatient COVID-19 testing, which may include, but are not limited to:

1.18.1. The hospital's website.

1.18.2. Hospital newsletters.

1.18.3. Social media platforms.

1.19. The Contractor shall ensure published information includes how and when patients can access the services and the location of the specimen collection site.

1.20. The Contractor shall ensure any marketing materials abide by existing requirements for communication access, including but not limited to:

1.20.1. Vital and significant materials should be made available in additional languages, as appropriate, and must be translated by qualified, competent translation providers, as follows:

1.20.1.1. Statewide, only Spanish meets the criteria for translation.

1.20.1.2. Translation is required for languages depending on factors including the number and proportion of LEP persons served or likely to seek services in the Contractor's service areas, and the frequency with which LEP individuals come into contact with the Contractor's programs, activities and services. .

1.20.1.3. Notification on all materials of the availability of free communication access and language assistance for any individuals who may require it.

1.20.1.4. All materials have a phone number to call for further information, ensuring staff answering that phone number shall have access to over-the-phone interpretation to assist callers who need spoken language interpretation.

1.21. The Contractor shall provide communication and language assistance at all points of contact in accessing COVID-19 testing to individuals with communication access needs, including individuals with limited English proficiency, or individuals who are deaf or have hearing loss.

1.22. The Contractor shall conduct outreach to vulnerable populations and minority populations in the hospital catchment area or local community, including notifying partner organizations who work with these populations about the availability of COVID-19 testing.

1.23. The Contractor shall report both positive and negative test results to the Division of Public Health Services through the Electronic Laboratory Reporting (ELR) system, or ensure the laboratory used for processing specimens and conducting testing reports both positive and negative results to the Division of Public Health Services through the ELR system.

1.24. The Contractor shall report all positive cases of COVID-19 with complete case information by fax to (603) 271-0545 to the Division of Public Health Services using the New Hampshire Confidential COVID-19 Case Report Form available at: https://www.dhhs.nh.gov/dphs/cdcs/covid19/covid19-reporting-form.pdf.

1.25. The Contractor shall notify patients who are uninsured or do not have full coverage benefits for COVID-19 testing that New Hampshire Medicaid has established a COVID-19 Testing Benefit that may pay for testing and diagnosis of COVID-19 for persons who are not already a Medicaid beneficiary and do not have full coverage for COVID-19 testing and diagnosis. The Contractor shall assist patients in completing the application available at https://nheasy.nh.gov.

2. Exhibits Incorporated/Confidential Data

2.1. The Contractor shall use and disclose Protected Health Information in compliance with the Standards for Privacy of Individually Identifiable Health Information (Privacy Rule) (45 CFR Parts 160 and 164) under the Health Insurance Portability and Accountability Act (HIPAA) of 1996.

2.2. The Contractor shall comply with all Exhibits D through H and Exhibits J through K, which are attached hereto and incorporated by reference herein.

2.3. The Contractor's Use and Responsibilities for Confidential Information are as follows.

2.3.1. The Contractor agrees to use, disclose, maintain, or transmit Confidential Data from Providers as required, specifically authorized, or permitted under the Contract or this Agreement. Further, the Contractor, including but not limited to all its directors, officers, employees, and agents, agrees not to use, disclose, maintain, or transmit PHI in any manner that would constitute a violation of the Privacy and Security Rules. The Contractor shall provide Confidential Information as required by the Contract, RSA 141-C:7, 141-C:9, RSA 141-C:10, and in a form required by He-P 301.03 and the "New Hampshire Local Implementation Guide for Electronic Laboratory Reporting for Communicable Disease and Lead Test Results Using HL7 2.5.1," Version 4.0 (5/23/2016), found at: https://www.dhhs.nh.gov/dphs/bphsi/documents/elrguide.pdf.

2.3.2. The Contractor shall transmit Confidential Information to the Division of Public Health Services by means of a secure file transport protocol (sFTP) provided by the Department and agreed to by the parties and approved by the Department's Information Security Officer.

2.3.3. The Contractor shall transmit the Confidential Information to the Division of Public Health Services as required by statute and this Agreement, namely:

2.3.3.1. All test results, including but not limited to positive and negative results, shall be reported electronically via electronic laboratory reporting procedures, also referred to as "ELR," as noted above

2.3 3.2. The Contractor shall exercise commercially reasonable efforts to provide test results within twenty-four (24) hours of the test being completed.

2 4 As necessary, the Contractor agrees to comply with any request to correct or complete the data once transmitted to the Division of Public Health Services.

2.5. The Contractor agrees that the data submitted shall be the "minimum necessary" to carry out the stated use of the data, as defined in the HIPAA Privacy Rule and in accordance with all applicable confidentiality laws.

2.6. The parties agree that this Agreement shall be construed in accordance the terms of Contract and governed by the laws of the State of New Hampshire.

2.7. The Contractor and the Department agree to negotiate an amendment to this Agreement as needed to address a Contract amendment, or any changes in policy issues, fiscal issues, information security, and other specific safeguards required for maintaining confidentiality of the data.

3. Reporting Requirements

3.1. The Contractor shall submit monthly reports to the Department showing that the public is able to access COVID-19 testing, including, but not limited to:

3.1.1. Number of persons who received COVID-19 testing.

3 1 2 Number of persons assisted with enrollment in the Medicaid COVID-19 Testing benefit or other assistance program who received COVID-19 testing.

3.1.3. Number of persons for whom race and/or ethnicity is documented.

3 2 The Contractor shall use commercially reasonable efforts to document race and/or ethnicity demographic identifiers for the persons who received COVID-19 testing, in accordance with best practice standards and processes as provided by the Office of Heath Equity, and enter these identifiers either manually or electronically on the hospital or reference laboratory COVID-19 test requisition forms

4. Additional Terms

4.1. **Impacts Resulting from Court Orders or Legislative Changes**

4.1.1. The Contractor agrees that, to the extent future state or federal legislation or court orders may have an impact on the Services described herein, the State has the right to modify service priorities and expenditure requirements under this Agreement so as to achieve

compliance therewith.

4.2. **Federal Civil Rights Laws Compliance: Culturally and Linguistically Appropriate Programs and Services**

4.2.1. The Contractor shall submit within thirty (30) days of the contract effective date, and comply with, a detailed description of the communication access and language assistance services they will provide to ensure meaningful access to their programs and/or services to persons with limited English proficiency, people who are deaf or have hearing loss, are blind or have low vision, or who have speech challenges.

4.3. **Credits and Copyright Ownership**

4.3.1. All documents, notices, press releases, research reports and other materials prepared during or resulting from the performance of the services of the Contract shall include the following statement, "The preparation of this (report, document etc.) was financed under a Contract with the State of New Hampshire, Department of Health and Human Services, with funds provided in part by the State of New Hampshire and/or such other funding sources as were available or required, e.g., the United States Department of Health and Human Services."

4.3.2. All materials produced or purchased under the contract shall have prior approval from the Department before printing, production, distribution or use.

4.4. **Operation of Facilities: Compliance with Laws and Regulations**

4.4.1. In the operation of any facilities for providing services, the Contractor shall comply with all laws, orders and regulations of federal, state, county and municipal authorities and with any direction of any Public Officer or officers pursuant to laws which shall impose an order or duty upon the contractor with respect to the operation of the facility or the provision of the services at such facility. If any governmental license or permit shall be required for the operation of the said facility or the performance of the said services, the Contractor will procure said license or permit, and will at all times comply with the terms and conditions of each such license or permit. In connection with the foregoing requirements, the Contractor hereby covenants and agrees that, during the term of this Contract the facilities shall comply with all rules, orders, regulations, and requirements of the State Office of the Fire Marshal and the local fire protection agency, and shall be in conformance with local building and zoning codes, by-laws and regulations.

4.5. **Force Majeure**

4.5.1 Any delays in performance by a party under the contract shall not be considered a breach of the contract if and to the extent caused by occurrences beyond the reasonable control of the party affected: acts of God, embargoes, governmental restrictions, strikes, pandemics, fire, earthquake, flood, explosion, riots, wars, civil disorder, rebellion, or sabotage. The party suffering such occurrence shall immediately notify the other party of the occurrence of the Force Majeure event (in reasonable detail) and the expected duration of the event's effect on the party. A disruption in a party's performance due to Force Majeure extending beyond a stated period may be the cause for termination of the Contract at the sole discretion of the State. The State reserves the right to extend any time for performance by the actual time of the delay caused by the occurrence, provided that the party affected by the event uses reasonable efforts to overcome such delay. Notwithstanding anything in this provision, Force Majeure shall not include the novel coronavirus COVID-19 pandemic which is ongoing as of the date of the execution of this Contract. In the event that the Contractor's performance under the contract may be delayed due to a supply chain disruption or shortage and/or other similar occurrences completely outside of Contractor's control, the Contractor must notify the State of such delay and the State, at its sole discretion, may modify the delivery of services due to the circumstances. Said discretion on the part of the State to modify the delivery of services will not be unreasonably withheld, delayed, or conditioned.

5. Records

5.1. The Contractor shall keep records that include, but are not limited to:

5 1 1 Books, records, documents and other electronic or physical data evidencing and reflecting all costs and other expenses incurred by the Contractor in the performance of the Contract, and all income received or collected by the Contractor.

5 1 2. All records must be maintained in accordance with accounting procedures and practices, which sufficiently and properly reflect all such costs and expenses, and which are acceptable to the Department, and to include, without limitation, all ledgers, books, records, and original evidence of costs such as purchase requisitions and orders, vouchers, requisitions for materials, inventories, valuations of in-kind contributions, labor time cards, payrolls, and other records requested or required by the Department.

5.1 3. Statistical, enrollment, attendance or visit records for each recipient of services, which records shall include all records of application and

eligibility (including all forms required to determine eligibility for each such recipient), records regarding the provision of services and all invoices submitted to the Department to obtain payment for such services.

5.1.4. Medical records on each patient/recipient of services.

5.2. During the term of this Contract and the period for retention hereunder, the Department, the United States Department of Health and Human Services, and any of their designated representatives shall have access to all reports and records maintained pursuant to the Contract for purposes of audit, examination, excerpts and transcripts. Upon the purchase by the Department of the maximum number of units provided for in the Contract and upon payment of the price limitation hereunder, the Contract and all the obligations of the parties hereunder (except such obligations as, by the terms of the Contract are to be performed after the end of the term of this Contract and/or survive the termination of the Contract) shall terminate, provided however, that if, upon review of the Final Expenditure Report the Department shall disallow any expenses claimed by the Contractor as costs hereunder the Department shall retain the right, at its discretion, to deduct the amount of such expenses as are disallowed or to recover such sums from the Contractor.

Payment Terms

1 This Agreement is funded by the Epidemiology and Laboratory Capacity for Prevention and Control of Emerging Infectious Diseases (ELC) cooperative agreement from the Centers for Disease Control and Prevention Division of Preparedness and Emerging Infections, CFDA #93.323, FAIN #NU50CK000522.

2. For the purposes of this Agreement

   2 1 The Department has identified the Contractor as a Subrecipient, in accordance with 2 CFR 200.330.

   2.2 The Department has identified this Contract as NON-R&D, in accordance with 2 CFR §200.87.

3 This Agreement is for COVID-19 testing and testing-related activities to be conducted between August 1, 2020 and December 1, 2020

4 Payment

   4.1. The Department will pay the Contractor the amount listed in box 1.8 Price Limitation included in the General Provisions Form Number P-37, for providing the services included in Exhibit B, Scope of Services, after the Effective Date of the Contract.

      4 1 1 The Contractor shall submit an expense report in a form satisfactory to the State every sixty (60) days, which identifies allowable expenses incurred during the duration of the contract.

      4.1 2 Any unspent start-up payment funds will be returned to the Department within sixty (60) calendar days of contract expiration date.

      4.1.3. In lieu of hard copies, all expense reports may be assigned an electronic signature and must be emailed to dphscontractbilling@dhhs.nh.gov.

5 The Contractor must provide the services in Exhibit B, Scope of Services, in compliance with funding requirements.

6 The Contractor agrees that funding under this Agreement may be recouped, in whole or in part in the event of non-compliance with the terms and conditions of Exhibit B, Scope of Services

7 The Contractor shall keep detailed records of their activities related to Department-funded programs and services and have records available for Department review, as requested.

8 Notwithstanding anything to the contrary herein, the Contractor agrees that funding under this agreement may be recouped, in whole or in part, in the event

of non-compliance with any Federal or State law, rule or regulation applicable to the services provided, or if the said services or products have not been satisfactorily completed in accordance with the terms and conditions of this agreement.

9. Notwithstanding Paragraph 17 of the General Provisions Form P-37, changes limited to adjusting amounts within the price limitation and adjusting encumbrances between State Fiscal Years and budget class lines through the Budget Office may be made by written agreement of both parties, without obtaining approval of the Governor and Executive Council, if needed and justified.

10 Audits

10 1 The Contractor is required to submit an annual audit to the Department if any of the following conditions exist:

10 1 1 Condition A - The Contractor expended $750,000 or more in federal funds received as a subrecipient pursuant to 2 CFR Part 200, during the most recently completed fiscal year.

10.1 2 Condition B - The Contractor is subject to audit pursuant to the requirements of NH RSA 7.28, III-b, pertaining to charitable organizations receiving support of $1,000,000 or more

10.1.3. Condition C - The Contractor is a public company and required by Security and Exchange Commission (SEC) regulations to submit an annual financial audit.

10.2. If Condition A exists, the Contractor shall submit an annual single audit performed by an independent Certified Public Accountant (CPA) to the Department within 120 days after the close of the Contractor's fiscal year, conducted in accordance with the requirements of 2 CFR Part 200, Subpart F of the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal awards.

10 3. If Condition B or Condition C exists, the Contractor shall submit an annual financial audit performed by an independent CPA within 120 days after the close of the Contractor's fiscal year.

10.4. In addition to, and not in any way in limitation of obligations of the Contract, it is understood and agreed by the Contractor that the Contractor shall be held liable for any state or federal audit exceptions and shall return to the Department all payments made under the Contract to which exception has been taken, or which have been disallowed because of such an exception

CERTIFICATION REGARDING DRUG-FREE WORKPLACE REQUIREMENTS

The Vendor identified in Section 1.3 of the General Provisions agrees to comply with the provisions of Sections 5151-5160 of the Drug-Free Workplace Act of 1988 (Pub. L. 100-690, Title V, Subtitle D; 41 U.S.C. 701 et seq.), and further agrees to have the Contractor's representative, as identified in Sections 1.11 and 1.12 of the General Provisions execute the following Certification:

ALTERNATIVE I - FOR GRANTEES OTHER THAN INDIVIDUALS

US DEPARTMENT OF HEALTH AND HUMAN SERVICES - CONTRACTORS
US DEPARTMENT OF EDUCATION - CONTRACTORS
US DEPARTMENT OF AGRICULTURE - CONTRACTORS

This certification is required by the regulations implementing Sections 5151-5160 of the Drug-Free Workplace Act of 1988 (Pub. L. 100-690, Title V, Subtitle D; 41 U.S.C. 701 et seq.). The January 31, 1989 regulations were amended and published as Part II of the May 25, 1990 Federal Register (pages 21681-21691), and require certification by grantees (and by inference, sub-grantees and sub-contractors), prior to award, that they will maintain a drug-free workplace. Section 3017.630(c) of the regulation provides that a grantee (and by inference, sub-grantees and sub-contractors) that is a State may elect to make one certification to the Department in each federal fiscal year in lieu of certificates for each grant during the federal fiscal year covered by the certification. The certificate set out below is a material representation of fact upon which reliance is placed when the agency awards the grant. False certification or violation of the certification shall be grounds for suspension of payments, suspension or termination of grants, or government wide suspension or debarment. Contractors using this form should send it to:

Commissioner
NH Department of Health and Human Services
129 Pleasant Street,
Concord, NH 03301-6505

1. The grantee certifies that it will or will continue to provide a drug-free workplace by:
   - 1.1. Publishing a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession or use of a controlled substance is prohibited in the grantee's workplace and specifying the actions that will be taken against employees for violation of such prohibition;
   - 1.2. Establishing an ongoing drug-free awareness program to inform employees about
     - 1.2.1. The dangers of drug abuse in the workplace;
     - 1.2.2. The grantee's policy of maintaining a drug-free workplace;
     - 1.2.3. Any available drug counseling, rehabilitation, and employee assistance programs; and
     - 1.2.4. The penalties that may be imposed upon employees for drug abuse violations occurring in the workplace;
   - 1.3. Making it a requirement that each employee to be engaged in the performance of the grant be given a copy of the statement required by paragraph (a);
   - 1.4. Notifying the employee in the statement required by paragraph (a) that, as a condition of employment under the grant, the employee will
     - 1.4.1. Abide by the terms of the statement; and
     - 1.4.2. Notify the employer in writing of his or her conviction for a violation of a criminal drug statute occurring in the workplace no later than five calendar days after such conviction;
   - 1.5. Notifying the agency in writing, within ten calendar days after receiving notice under subparagraph 1.4.2 from an employee or otherwise receiving actual notice of such conviction. Employers of convicted employees must provide notice, including position title, to every grant officer on whose grant activity the convicted employee was working, unless the Federal agency

has designated a central point for the receipt of such notices. Notice shall include the identification number(s) of each affected grant;

1.6. Taking one of the following actions, within 30 calendar days of receiving notice under subparagraph 1.4.2, with respect to any employee who is so convicted
   1.6.1. Taking appropriate personnel action against such an employee, up to and including termination, consistent with the requirements of the Rehabilitation Act of 1973, as amended; or
   1.6.2. Requiring such employee to participate satisfactorily in a drug abuse assistance or rehabilitation program approved for such purposes by a Federal, State, or local health, law enforcement, or other appropriate agency;

1.7. Making a good faith effort to continue to maintain a drug-free workplace through implementation of paragraphs 1.1, 1.2, 1.3, 1.4, 1.5, and 1.6.

2. The grantee may insert in the space provided below the site(s) for the performance of work done in connection with the specific grant.

Place of Performance (street address, city, county, state, zip code) (list each location)

Check ☐ if there are workplaces on file that are not identified here.

Vendor Name: CHESHIRE MEDICAL CENTER

7/27/2020
Date

Name: DON CARUSO, MD, MPH
Title: PRESIDENT AND CEO

CERTIFICATION REGARDING LOBBYING

The Vendor identified in Section 1.3 of the General Provisions agrees to comply with the provisions of Section 319 of Public Law 101-121, Government wide Guidance for New Restrictions on Lobbying, and 31 U.S.C. 1352, and further agrees to have the Contractor's representative, as identified in Sections 1.11 and 1.12 of the General Provisions execute the following Certification:

US DEPARTMENT OF HEALTH AND HUMAN SERVICES - CONTRACTORS
US DEPARTMENT OF EDUCATION - CONTRACTORS
US DEPARTMENT OF AGRICULTURE - CONTRACTORS

Programs (indicate applicable program covered):
*Temporary Assistance to Needy Families under Title IV-A
*Child Support Enforcement Program under Title IV-D
*Social Services Block Grant Program under Title XX
*Medicaid Program under Title XIX
*Community Services Block Grant under Title VI
*Child Care Development Block Grant under Title IV

The undersigned certifies, to the best of his or her knowledge and belief, that:

1. No Federal appropriated funds have been paid or will be paid by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement (and by specific mention sub-grantee or sub-contractor).

2. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement (and by specific mention sub-grantee or sub-contractor), the undersigned shall complete and submit Standard Form LLL, (Disclosure Form to Report Lobbying, in accordance with its instructions, attached and identified as Standard Exhibit E-I.)

3. The undersigned shall require that the language of this certification be included in the award document for sub-awards at all tiers (including subcontracts, sub-grants, and contracts under grants, loans, and cooperative agreements) and that all sub-recipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by Section 1352, Title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than $10,000 and not more than $100,000 for each such failure.

Vendor Name: Cheshire Medical Center

7/17/2020
Date

Name: Don Caruso, MD, MPH
Title: President and CEO

CERTIFICATION REGARDING DEBARMENT, SUSPENSION AND OTHER RESPONSIBILITY MATTERS

The Vendor identified in Section 1 3 of the General Provisions agrees to comply with the provisions of Executive Office of the President, Executive Order 12549 and 45 CFR Part 76 regarding Debarment, Suspension, and Other Responsibility Matters, and further agrees to have the Contractor's representative, as identified in Sections 1 11 and 1 12 of the General Provisions execute the following Certification

INSTRUCTIONS FOR CERTIFICATION

1 By signing and submitting this proposal (contract), the prospective primary participant is providing the certification set out below

2 The inability of a person to provide the certification required below will not necessarily result in denial of participation in this covered transaction If necessary, the prospective participant shall submit an explanation of why it cannot provide the certification The certification or explanation will be considered in connection with the NH Department of Health and Human Services' (DHHS) determination whether to enter into this transaction However, failure of the prospective primary participant to furnish a certification or an explanation shall disqualify such person from participation in this transaction

3 The certification in this clause is a material representation of fact upon which reliance was placed when DHHS determined to enter into this transaction If it is later determined that the prospective primary participant knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government, DHHS may terminate this transaction for cause or default

4 The prospective primary participant shall provide immediate written notice to the DHHS agency to whom this proposal (contract) is submitted if at any time the prospective primary participant learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances

5 The terms "covered transaction," "debarred," "suspended," "ineligible," "lower tier covered transaction," "participant," "person," "primary covered transaction," "principal," "proposal," and "voluntarily excluded," as used in this clause, have the meanings set out in the Definitions and Coverage sections of the rules implementing Executive Order 12549 45 CFR Part 76 See the attached definitions

6 The prospective primary participant agrees by submitting this proposal (contract) that, should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transaction with a person who is debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by DHHS

7 The prospective primary participant further agrees by submitting this proposal that it will include the clause titled "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion - Lower Tier Covered Transactions," provided by DHHS, without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions

8 A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that it is not debarred, suspended, ineligible, or involuntarily excluded from the covered transaction, unless it knows that the certification is erroneous A participant may decide the method and frequency by which it determines the eligibility of its principals Each participant may, but is not required to, check the Nonprocurement List (of excluded parties)

9 Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required by this clause The knowledge and

information of a participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.

10. Except for transactions authorized under paragraph 6 of these instructions, if a participant in a covered transaction knowingly enters into a lower tier covered transaction with a person who is suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction, in addition to other remedies available to the Federal government, DHHS may terminate this transaction for cause or default.

PRIMARY COVERED TRANSACTIONS

11. The prospective primary participant certifies to the best of its knowledge and belief, that it and its principals:
    11.1. are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any Federal department or agency;
    11.2. have not within a three-year period preceding this proposal (contract) been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State or local) transaction or a contract under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;
    11.3. are not presently indicted for otherwise criminally or civilly charged by a governmental entity (Federal, State or local) with commission of any of the offenses enumerated in paragraph (l)(b) of this certification; and
    11.4. have not within a three-year period preceding this application/proposal had one or more public transactions (Federal, State or local) terminated for cause or default.

12. Where the prospective primary participant is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this proposal (contract).

LOWER TIER COVERED TRANSACTIONS

13. By signing and submitting this lower tier proposal (contract), the prospective lower tier participant, as defined in 45 CFR Part 76, certifies to the best of its knowledge and belief that it and its principals:
    13.1. are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any federal department or agency.
    13.2. where the prospective lower tier participant is unable to certify to any of the above, such prospective participant shall attach an explanation to this proposal (contract).

14. The prospective lower tier participant further agrees by submitting this proposal (contract) that it will include this clause entitled "Certification Regarding Debarment, Suspension, Ineligibility, and Voluntary Exclusion - Lower Tier Covered Transactions," without modification in all lower tier covered transactions and in all solicitations for lower tier covered transactions.

Vendor Name: Cheshire Medical Center

7/27/2020
Date

Name: Don Caruso MD, MPH
Title: President and CEO

CERTIFICATION OF COMPLIANCE WITH REQUIREMENTS PERTAINING TO FEDERAL NONDISCRIMINATION, EQUAL TREATMENT OF FAITH-BASED ORGANIZATIONS AND WHISTLEBLOWER PROTECTIONS

The Vendor identified in Section 1.3 of the General Provisions agrees by signature of the Contractor's representative as identified in Sections 1.11 and 1.12 of the General Provisions, to execute the following certification:

Vendor will comply, and will require any subgrantees or subcontractors to comply, with any applicable federal nondiscrimination requirements, which may include:

- the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. Section 3789d) which prohibits recipients of federal funding under this statute from discriminating, either in employment practices or in the delivery of services or benefits, on the basis of race, color, religion, national origin, and sex. The Act requires certain recipients to produce an Equal Employment Opportunity Plan;

- the Juvenile Justice Delinquency Prevention Act of 2002 (42 U.S.C. Section 5672(b)) which adopts by reference, the civil rights obligations of the Safe Streets Act. Recipients of federal funding under this statute are prohibited from discriminating, either in employment practices or in the delivery of services or benefits, on the basis of race, color, religion, national origin, and sex. The Act includes Equal Employment Opportunity Plan requirements;

- the Civil Rights Act of 1964 (42 U.S.C. Section 2000d, which prohibits recipients of federal financial assistance from discriminating on the basis of race, color, or national origin in any program or activity);

- the Rehabilitation Act of 1973 (29 U.S.C. Section 794), which prohibits recipients of Federal financial assistance from discriminating on the basis of disability, in regard to employment and the delivery of services or benefits, in any program or activity;

- the Americans with Disabilities Act of 1990 (42 U.S.C. Sections 12131-34), which prohibits discrimination and ensures equal opportunity for persons with disabilities in employment, State and local government services, public accommodations, commercial facilities, and transportation;

- the Education Amendments of 1972 (20 U.S.C. Sections 1681, 1683, 1685-86), which prohibits discrimination on the basis of sex in federally assisted education programs;

- the Age Discrimination Act of 1975 (42 U.S.C. Sections 6106-07), which prohibits discrimination on the basis of age in programs or activities receiving Federal financial assistance. It does not include employment discrimination;

- 28 C.F.R. pt. 31 (U.S. Department of Justice Regulations – OJJDP Grant Programs); 28 C.F.R. pt. 42 (U.S. Department of Justice Regulations – Nondiscrimination; Equal Employment Opportunity; Policies and Procedures); Executive Order No. 13279 (equal protection of the laws for faith-based and community organizations); Executive Order No. 13559, which provide fundamental principles and policy-making criteria for partnerships with faith-based and neighborhood organizations;

- 28 C.F.R. pt. 38 (U.S. Department of Justice Regulations – Equal Treatment for Faith-Based Organizations); and Whistleblower protections 41 U.S.C. §4712 and The National Defense Authorization Act (NDAA) for Fiscal Year 2013 (Pub. L. 112-239, enacted January 2, 2013) the Pilot Program for Enhancement of Contract Employee Whistleblower Protections, which protects employees against reprisal for certain whistle blowing activities in connection with federal grants and contracts.

The certificate set out below is a material representation of fact upon which reliance is placed when the agency awards the grant. False certification or violation of the certification shall be grounds for suspension of payments, suspension or termination of grants, or government wide suspension or debarment.

In the event a Federal or State court or Federal or State administrative agency makes a finding of discrimination after a due process hearing on the grounds of race, color, religion, national origin, or sex against a recipient of funds, the recipient will forward a copy of the finding to the Office for Civil Rights, to the applicable contracting agency or division within the Department of Health and Human Services, and to the Department of Health and Human Services Office of the Ombudsman.

The Vendor identified in Section 1.3 of the General Provisions agrees by signature of the Contractor's representative as identified in Sections 1.11 and 1.12 of the General Provisions, to execute the following certification:

1. By signing and submitting this proposal (contract) the Vendor agrees to comply with the provisions indicated above.

Vendor Name: CHESHIRE MEDICAL CENTER

7/27/2020
Date

Name: DAN CALUSO MD, MPH
Title: PRESIDENT AND CEO

CERTIFICATION REGARDING ENVIRONMENTAL TOBACCO SMOKE

Public Law 103-227, Part C - Environmental Tobacco Smoke, also known as the Pro-Children Act of 1994 (Act), requires that smoking not be permitted in any portion of any indoor facility owned or leased or contracted for by an entity and used routinely or regularly for the provision of health, day care, education, or library services to children under the age of 18, if the services are funded by Federal programs either directly or through State or local governments, by Federal grant, contract, loan, or loan guarantee. The law does not apply to children's services provided in private residences, facilities funded solely by Medicare or Medicaid funds, and portions of facilities used for inpatient drug or alcohol treatment. Failure to comply with the provisions of the law may result in the imposition of a civil monetary penalty of up to $1000 per day and/or the imposition of an administrative compliance order on the responsible entity.

The Vendor identified in Section 1.3 of the General Provisions agrees, by signature of the Contractor's representative as identified in Section 1.11 and 1.12 of the General Provisions, to execute the following certification:

1. By signing and submitting this contract, the Vendor agrees to make reasonable efforts to comply with all applicable provisions of Public Law 103-227, Part C, known as the Pro-Children Act of 1994.

Vendor Name: Don Cevasco Pres. & CEO
C. Nestria Medical Center

7/27/2020
Date

Name:
Title:

HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY ACT (HIPAA) BUSINESS ASSOCIATE AGREEMENT

Exhibit I is not applicable to this Agreement.

Remainder of page intentionally left blank.

CERTIFICATION REGARDING THE FEDERAL FUNDING ACCOUNTABILITY AND TRANSPARENCY ACT (FFATA) COMPLIANCE

The Federal Funding Accountability and Transparency Act (FFATA) requires prime awardees of individual Federal grants equal to or greater than $25,000 and awarded on or after October 1, 2010, to report on data related to executive compensation and associated first-tier sub-grants of $25,000 or more. If the initial award is below $25,000 but subsequent grant modifications result in a total award equal to or over $25,000, the award is subject to the FFATA reporting requirements, as of the date of the award.
In accordance with 2 CFR Part 170 (Reporting Subaward and Executive Compensation Information), the Department of Health and Human Services (DHHS) must report the following information for any subaward or contract award subject to the FFATA reporting requirements:

1. Name of entity
2. Amount of award
3. Funding agency
4. NAICS code for contracts / CFDA program number for grants
5. Program source
6. Award title descriptive of the purpose of the funding action
7. Location of the entity
8. Principle place of performance
9. Unique identifier of the entity (DUNS #)
10. Total compensation and names of the top five executives if:
    - 10.1. More than 80% of annual gross revenues are from the Federal government, and those revenues are greater than $25M annually and
    - 10.2. Compensation information is not already available through reporting to the SEC.

Prime grant recipients must submit FFATA required data by the end of the month, plus 30 days, in which the award or award amendment is made.
The Contractor identified in Section 1.3 of the General Provisions agrees to comply with the provisions of The Federal Funding Accountability and Transparency Act, Public Law 109-282 and Public Law 110-252, and 2 CFR Part 170 (Reporting Subaward and Executive Compensation Information), and further agrees to have the Contractor's representative, as identified in Sections 1.11 and 1.12 of the General Provisions execute the following Certification:
The below named Contractor agrees to provide needed information as outlined above to the NH Department of Health and Human Services and to comply with all applicable provisions of the Federal Financial Accountability and Transparency Act.

Contractor Name: Cheshire Medical Center

7/27/2021
Date

Name: Don Caruso MD, MPH
Title: President and CEO

FORM A

As the Contractor identified in Section 1.3 of the General Provisions, I certify that the responses to the below listed questions are true and accurate.

1. The DUNS number for your entity is: 07-397-0238

2. In your business or organization's preceding completed fiscal year, did your business or organization receive (1) 80 percent or more of your annual gross revenue in U.S. federal contracts, subcontracts, loans, grants, sub-grants, and/or cooperative agreements; and (2) $25,000,000 or more in annual gross revenues from U.S. federal contracts, subcontracts, loans, grants, subgrants, and/or cooperative agreements?

   ✓ NO _____ YES

   If the answer to #2 above is NO, stop here

   If the answer to #2 above is YES, please answer the following:

3. Does the public have access to information about the compensation of the executives in your business or organization through periodic reports filed under section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C.78m(a), 78o(d)) or section 6104 of the Internal Revenue Code of 1986?

   _____ NO _____ YES

   If the answer to #3 above is YES, stop here

   If the answer to #3 above is NO, please answer the following:

4. The names and compensation of the five most highly compensated officers in your business or organization are as follows:

   Name: _____ Amount: _____

   Name: _____ Amount: _____

   Name: _____ Amount: _____

   Name: _____ Amount: _____

   Name: _____ Amount: _____

A. Definitions

The following terms may be reflected and have the described meaning in this document:

1. "Breach" means the loss of control, compromise, unauthorized disclosure, unauthorized acquisition, unauthorized access, or any similar term referring to situations where persons other than authorized users and for an other than authorized purpose have access or potential access to personally identifiable information, whether physical or electronic. With regard to Protected Health Information, "Breach" shall have the same meaning as the term "Breach" in section 164.402 of Title 45, Code of Federal Regulations.

2. "Computer Security Incident" shall have the same meaning "Computer Security Incident" in section two (2) of NIST Publication 800-61, Computer Security Incident Handling Guide, National Institute of Standards and Technology, U.S. Department of Commerce.

3. "Confidential Information," "Confidential Data," or "Data" (as defined in Exhibit K), means all confidential information disclosed by one party to the other such as all medical, health, financial, public assistance benefits and personal information including without limitation, Substance Abuse Treatment Records, Case Records, Protected Health Information and Personally Identifiable Information.

   Confidential Information also includes any and all information owned or managed by the State of NH - created, received from or on behalf of the Department of Health and Human Services (DHHS) or accessed in the course of performing contracted services - of which collection, disclosure, protection, and disposition is governed by state or federal law or regulation. This information includes, but is not limited to Protected Health Information (PHI), Personal Information (PI), Personal Financial Information (PFI), Federal Tax Information (FTI), Social Security Numbers (SSN), Payment Card Industry (PCI), and or other sensitive and confidential information.

4. "End User" means any person or entity (e.g., contractor's employee, business associate, subcontractor, other downstream user, etc.) that receives DHHS data or derivative data in accordance with the terms of this Contract.

5. "HIPAA" means the Health Insurance Portability and Accountability Act of 1996 and the regulations promulgated thereunder.

6. "Incident" means an act that potentially violates a security policy, which includes successful attempts) to gain unauthorized access to a system or its data, unwanted disruption or denial of service, the unauthorized use of a system for the processing or

storage of data, and changes to system hardware, firmware, or software characteristics without the owner's knowledge, instruction, or consent. Incidents include the loss of data through theft or device misplacement, loss or misplacement of hardcopy documents, and misrouting of physical or electronic documents or mail.

7. "Open Wireless Network" means any network or segment of a network that is not designated by the State of New Hampshire's Department of Information Technology or delegate as a protected network (designed, tested, and approved, by means of the State, to transmit) will be considered an open network and not adequately secure for the transmission of unencrypted PI, PFI, PHI or confidential DHHS data.

8. "Personal Information" (or "PI") means information which can be used to distinguish or trace an individual's identity, such as their name, social security number, personal information as defined in New Hampshire RSA 359-C:19, biometric records, etc., alone, or when combined with other personal or identifying information which is linked or linkable to a specific individual, such as date and place of birth, mother's maiden name, etc.

9 "Privacy Rule" shall mean the Standards for Privacy of Individually Identifiable Health Information at 45 C.F.R. Parts 160 and 164, promulgated under HIPAA by the United States Department of Health and Human Services.

10. "Protected Health Information" (or "PHI") has the same meaning as provided in the definition of "Protected Health Information" in the HIPAA Privacy Rule at 45 C.F.R. § 160.103.

11. "Security Rule" shall mean the Security Standards for the Protection of Electronic Protected Health Information at 45 C.F.R Part 164, Subpart C, and amendments thereto

12. "Unsecured Protected Health Information" means Protected Health Information that is not secured by a technology standard that renders Protected Health Information unusable, unreadable, or indecipherable to unauthorized individuals and is developed or endorsed by a standards developing organization that is accredited by the American National Standards Institute

I. RESPONSIBILITIES OF DHHS AND THE CONTRACTOR

A. Business Use and Disclosure of Confidential Information

1. The Contractor must not use, disclose, maintain or transmit Confidential Information

except as required or permitted under this Contract or required by law. Further, Contractor, including but not limited to all its directors, officers, employees and agents, must not use, disclose, maintain or transmit PHI in any manner that would constitute a violation of the Privacy and Security Rule

2. The Contractor must not disclose any Confidential Information in response to a request for disclosure on the basis that it is required by law, in response to a subpoena, etc., without first notifying DHHS so that DHHS has an opportunity to consent or object to the disclosure.
3. The Contractor agrees that DHHS Data or derivative there from disclosed to an End User must only be used pursuant to the terms of this Contract.

II. METHODS OF SECURE TRANSMISSION OF DATA

1. Application Encryption. If Contractor is transmitting DHHS Data containing Confidential Data between applications, the Contractor attests the applications have been evaluated by an expert knowledgeable in cyber security and that said application's encryption capabilities ensure secure transmission via the internet.
2. Computer Disks and Portable Storage Devices. Contractor may not use computer disks or portable storage devices, such as a thumb drive, as a method of transmitting DHHS Data.
3. Encrypted Email. Contractor may only employ email to transmit Confidential Data if email is encrypted and being sent to and being received by email addresses of persons authorized to receive such information.
4. Encrypted Web Site. If Contractor is employing the Web to transmit Confidential Data, the secure socket layers (SSL) must be used and the web site must be secure. SSL encrypts data transmitted via a Web site.
5. File Hosting Services, also known as File Sharing Sites. Contractor may not use file hosting services, such as Dropbox or Google Cloud Storage, to transmit Confidential Data.
6. Ground Mail Service Contractor may only transmit Confidential Data via *certified* ground mail within the continental U.S. and when sent to a named individual.
7. Laptops and PDA. If Contractor is employing portable devices to transmit Confidential Data said devices must be encrypted and password-protected.
8. Open Wireless Networks Contractor may not transmit Confidential Data via an open wireless network. End User must employ a virtual private network (VPN) when remotely transmitting via an open wireless network.
9. Remote User Communication If Contractor is employing remote communication to

access or transmit Confidential Data, a secure method of transmission or remote access, which complies with the terms and conditions of Exhibit K, must be used.

10. SSH File Transfer Protocol (SFTP), also known as Secure File Transfer Protocol If Contractor is employing an SFTP to transmit Confidential Data, End User will structure the Folder and access privileges to prevent inappropriate disclosure of information. SFTP folders and sub-folders used for transmitting Confidential Data will be coded for 24-hour auto-deletion cycle (i.e. Confidential Data will be deleted every 24 hours).
11. Wireless Devices. If Contractor is transmitting Confidential Data via wireless devices, all data must be encrypted to prevent inappropriate disclosure of information.

III. RETENTION AND DISPOSITION OF IDENTIFIABLE RECORDS

The Contractor will only retain DHHS Data and any derivative of the data for the duration of this Contract. After such time, the Contractor will have thirty (30) days to destroy the data and any derivative in whatever form it may exist, unless, otherwise required by law or, if it is infeasible to return or destroy DHHS Data, protections are extended to such information, in accordance with the termination provisions in this Section. To this end, the parties must:

A Retention

1. The Contractor agrees it will not store, transfer or process data collected in connection with the services rendered under this Contract outside of the United States This physical location requirement shall also apply in the implementation of cloud computing, cloud service or cloud storage capabilities, and includes backup data and Disaster Recovery locations
2. The Contractor agrees to ensure proper security monitoring capabilities are in place to detect potential security events that can impact State of NH systems and/or Department confidential information for contractor provided systems accessed or utilized for purposes of carrying out this contract.
3. The Contractor agrees to provide security awareness and education for its End Users in support of protecting DHHS Confidential information.
4. The Contractor agrees to retain all electronic and hard copies of Confidential Data in a secure location and identified in section IV A.2
5. The Contractor agrees Confidential Data stored in a Cloud must be in a FedRAMP/HITECH compliant solution and comply with all applicable statutes and regulations regarding the privacy and security. All servers and devices must have currently-supported and hardened operating systems, current, updated, and

maintained anti-malware (e.g. anti-viral, anti-hacker, anti-spam, anti-spyware) utilities The environment, as a whole, must have aggressive intrusion-detection and firewall protection.

6. The Contractor agrees to and ensures its complete cooperation with the State's Chief Information Officer in the detection of any security vulnerability of the hosting infrastructure

B Disposition

If the Contractor maintains any Confidential Information on its systems (or its sub-contractor systems) and it has not done so previously, the Contractor will implement policies and procedures to ensure that any storage media on which such data maybe recorded will be rendered unreadable and that the data will be un-recoverable when the storage media is disposed of. Upon request, the Contractor will provide the Department with copies of these policies and with written documentation demonstrating compliance with the policies. The written documentation will include all details necessary to demonstrate data contained in the storage media has been rendered unreadable and un-recoverable. Where applicable, regulatory and professional standards for retention requirements may be jointly evaluated by the State and Contractor prior to destruction

1. Unless otherwise specified, within thirty (30) days of the termination of this Contract, Contractor agrees to destroy all hard copies of Confidential Data using a secure method such as shredding.
2. Unless otherwise specified, within thirty (30) days of the termination of this Contract, Contractor agrees to completely destroy all electronic Confidential Data by means of data erasure, also known as secure data wiping

IV. PROCEDURES FOR SECURITY

A. Contractor agrees to safeguard the DHHS Data received under this Contract, and any derivative data or files, as follows.

1. The Contractor will maintain proper security controls to protect Department confidential information collected, processed, managed, and/or stored in the delivery of contracted services

2 The Contractor will maintain policies and procedures to protect Department confidential information throughout the information lifecycle, where applicable, (from creation, transformation, use, storage and secure destruction) regardless of the media

used to store the data (i.e., tape, disk, paper, etc.).

3 The Contractor will maintain appropriate authentication and access controls to contractor systems that collect, transmit, or store Department confidential information where applicable

4. If the Contractor will be sub-contracting any core functions of the engagement supporting the services for State of New Hampshire, the Contractor will ensure End-User will maintain an internal process or processes that defines specific security expectations, and monitoring compliance to security requirements that at a minimum match those for the Contractor, including breach notification requirements.

5. The Contractor will work with the Department to sign and comply with all applicable State of New Hampshire and Department system access and authorization policies and procedures, systems access forms, and computer use agreements as part of obtaining and maintaining access to any Department system(s). Agreements will be completed and signed by the Contractor and any applicable sub-contractors prior to system access being authorized

6. If the Department determines the Contractor is a Business Associate pursuant to 45 CFR 160 103, the Contractor will execute a HIPAA Business Associate Agreement (BAA) with the Department and is responsible for maintaining compliance with the agreement

7 The Contractor will not store any State of New Hampshire or Department data offshore or outside the boundaries of the United States unless prior express written consent is obtained from the Information Security Office leadership member within the Department.

8. Data Security Breach Liability. In the event of any computer security incident, incident, or breach Contractor shall make efforts to investigate the causes of the breach, promptly take measures to prevent future breach and minimize any damage or loss resulting from the breach The State shall recover from the Contractor all costs of response and recovery from the breach, including but not limited to. credit monitoring services, mailing costs and costs associated with website and telephone call center services necessary due to the breach

9. Contractor must, comply with all applicable statutes and regulations regarding the privacy and security of Confidential Information, and must in all other respects maintain the privacy and security of PI and PHI at a level and scope that is not less than the level and scope of, HIPAA Privacy and Security Rules (45 C.F.R Parts 160 and 164) and 42 C F.R. Part 2 that govern protections for individually identifiable

health information and as applicable under State law.

10. Contractor agrees to establish and maintain appropriate administrative, technical, and physical safeguards to protect the confidentiality of the Confidential Data and to prevent unauthorized use or access to it. The safeguards must provide a level and scope of security that is not less than the level and scope of security requirements established by the State of New Hampshire, Department of Information Technology. Refer to Vendor Resources/Procurement at https://www.nh.gov/doit/vendor/index.htm for the Department of Information Technology policies, guidelines, standards, and procurement information relating to vendors.

11. Contractor agrees to maintain a documented breach notification and incident response process The Contractor must notify the DHHS Security Office and the Program Contact via the email addresses provided in Section VI of this Exhibit, immediately upon the Contractor determining that a breach or security incident has occurred and that DHHS confidential Information/data may have been exposed or compromised. This includes a confidential information breach, computer security incident, or suspected breach which affects or includes any State of New Hampshire systems that connect to the State of New Hampshire network.

12. Contractor must restrict access to the Confidential Data obtained under this Contract to only those authorized End Users who need such DHHS Data to perform their official duties in connection with purposes identified in this Contract.

13. The Contractor is responsible for End User oversight and compliance with the terms and conditions of the contract and Exhibit K.

DHHS reserves the right to conduct onsite inspections to monitor compliance with this Contract, including the privacy and security requirements provided in herein, HIPAA, and other applicable laws and Federal regulations until such time the Confidential Data is disposed of in accordance with this Contract.

V. LOSS REPORTING

The Contractor must immediately notify the State's Privacy Officer, Information Security Office and Program Manager of any Security Incidents and Breaches as specified in Section IV, paragraph 11 above.

The Contractor must further handle and report Incidents and Breaches involving PHI in accordance with DHHS's documented Incident Handling and Breach Notification procedures and in accordance with– the HIPAA, Privacy and Security Rules. In addition

to, and notwithstanding, Contractor's compliance with all applicable obligations and procedures, Contractor's procedures must also address how the Contractor will:

1. Identify Incidents;
2. Determine if personally identifiable information is involved in Incidents;
3. Report suspected or confirmed Incidents as required in this Exhibit or P-37;
4. Identify and convene a core response group to determine the risk level of Incidents and determine risk-based responses to Incidents; and
5. Determine whether Breach notification is required, and, if so, identify appropriate Breach notification methods, timing, source, and contents from among different options, and bear costs associated with the Breach notice as well as any mitigation measures.

Incidents and/or Breaches that implicate PI must be addressed and reported, as applicable, in accordance with NH RSA 359-C:20.

VI. PERSONS TO CONTACT

A. DHHS contact for Data Management or Data Exchange issues:
DHHSInformationSecurityOffice@dhhs.nh.gov

B. DHHS contacts for Privacy issues:
DHHSPrivacyOfficer@dhhs.nh.gov

C. DHHS contact for Information Security issues:
DHHSInformationSecurityOffice@dhhs.nh.gov

D. DHHS contact for Breach notifications:
DHHSInformationSecurityOffice@dhhs.nh.gov
DHHSPrivacyOfficer@dhhs.nh.gov

E. DHHS Program Area Contact:
Christine.Bean@dhhs.nh.gov

State of New Hampshire
Department of State

CERTIFICATE

I, William M. Gardner, Secretary of State of the State of New Hampshire, do hereby certify that THE CHESHIRE MEDICAL CENTER is a New Hampshire Nonprofit Corporation registered to transact business in New Hampshire on October 31, 1980. I further certify that all fees and documents required by the Secretary of State's office have been received and is in good standing as far as this office is concerned

Business ID 62567
Certificate Number: 0004964839

IN TESTIMONY WHEREOF,
I hereto set my hand and cause to be affixed
the Seal of the State of New Hampshire,
this 24th day of July A.D. 2020

William M. Gardner
Secretary of State

CERTIFICATE OF VOTE

I, Nathalie Houder, do hereby certify that:
(Name of the elected Officer of the Agency; cannot be contract signatory)

1. I am a duly elected Officer of Cheshire Medical Center.
(Agency Name)

2. The following is a true copy of the resolution duly adopted at a meeting of the Board of Directors of

the Agency duly held on July 23, 2020:
(Date)

RESOLVED: That the Senior Vice President, Finance
(Title of Contract Signatory)

is hereby authorized on behalf of this Agency to enter into the said contract with the State and to execute any and all documents, agreements and other instruments, and any amendments, revisions, or modifications thereto, as he/she may deem necessary, desirable or appropriate.

3. The foregoing resolution has not been amended or revoked, and remain in full force and effect as of

the 24th day of July, 2020.
(Date Amendment Signed)

4. Kathryn Willbarger is the duly elected Senior, Vice President, Finance
(Name of Contract Signatory) (Title of Contract Signatory)

of the Agency.

(Signature of the Elected Officer)

STATE OF NEW HAMPSHIRE

County of Cheshire

The forgoing instrument was acknowledged before me this 24th day of July, 2020,

By Nathalie Houder.
(Name of Elected Officer of the Agency)

(Notary Public/Justice of the Peace)

(NOTARY SEAL)

Commission Expires: October 2, 2024

ANN M. GAGNON
Notary Public - New Hampshire
My Commission Expires October 2, 2024

RESOLUTION

OF THE BOARD OF TRUSTEES

OF

CHESHIRE MEDICAL CENTER

Be it resolved that the Board of Trustees of the Cheshire Medical Center authorizes Don Caruso, MD or Kathryn Willbarger, Senior Vice President, Finance, on behalf of Cheshire Medical Center to enter into a contract with the State of New Hampshire for hospital based COVID-19 Community Testing in New Hampshire and to execute any and all documents, agreements and other instruments, and any amendments, revisions, or modifications thereto, as he/she may deem necessary, desirable or appropriate.

Dated: July 23, 2020

Nathalie Houder, Chair
Cheshire Medical Center
Board of Trustees

CERTIFICATE OF INSURANCE

DATE: July 24, 2020

COMPANY AFFORDING COVERAGE
Hamden Assurance Risk Retention Group, Inc.
P.O. Box 1687
30 Main Street, Suite 330
Burlington, VT 05401

INSURED
Dartmouth-Hitchcock Clinic
One Medical Center Drive
Lebanon, NH 03756
(603)653-6850

This certificate is issued as a matter of information only and confers no rights upon the Certificate Holder. This Certificate does not amend, extend or alter the coverage afforded by the policies below.

COVERAGES

The Policy listed below has been issued to the Named Insured above for the Policy Period notwithstanding any requirement, term or condition of any contract or other document with respect to which this certificate may be issued. The insurance afforded by the policy is subject to all the terms, exclusions and conditions of the policy. Limits shown may have been reduced by paid claims.

TYPE OF INSURANCE		POLICY NUMBER	POLICY EFFECTIVE DATE	POLICY EXPIRATION DATE	LIMITS	
GENERAL LIABILITY		0002020-A	07/01/2020	07/01/2021	EACH OCCURRENCE	$1,000,000
					DAMAGE TO RENTED PREMISES	$100,000
X	CLAIMS MADE				MEDICAL EXPENSES	N/A
					PERSONAL & ADV INJURY	$1,000,000
	OCCURRENCE				GENERAL AGGREGATE	
OTHER					PRODUCTS-COMP/OP AGG	$1,000,000
PROFESSIONAL LIABILITY		0002020-A	07/01/2020	07/01/2021	EACH CLAIM	$1,000,000
X	CLAIMS MADE				ANNUAL AGGREGATE	$3,000,000
	OCCURENCE					
OTHER						

DESCRIPTION OF OPERATIONS/ LOCATIONS/ VEHICLES/ SPECIAL ITEMS (LIMITS MAY BE SUBJECT TO RETENTIONS)

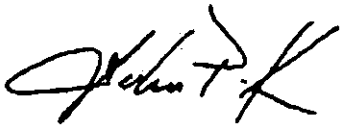
Certificate is issued as evidence of insurance only for the purpose of Covid-19 testing.

CERTIFICATE HOLDER

NH Dept of Health & Human Services
129 Pleasant Street
Concord, NH 03301

CANCELLATION
Should any of the above described policies be cancelled before the expiration date thereof, the issuing company will endeavor to mail 30 DAYS written notice to the certificate holder named below, but failure to mail such notice shall impose no obligation or liability of any kind upon the company, its agents or representatives.

AUTHORIZED REPRESENTATIVES



DARTHIT-01 KJOHNSON4

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY) 6/23/2020

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER License # 1780862	CONTACT NAME:	
HUB International New England 275 US Route 1 Cumberland Foreside, ME 04110	PHONE (A/C, No, Ext): (207) 829-3450	FAX (A/C, No): (207) 829-6350
	E-MAIL ADDRESS:	
	INSURER(S) AFFORDING COVERAGE	NAIC #
	INSURER A : Safety National Casualty Corporation	15105
INSURED Dartmouth-Hitchcock Health 1 Medical Center Dr. Lebanon, NH 03756	INSURER B :	
	INSURER C :	
	INSURER D :	
	INSURER E :	
	INSURER F :	

COVERAGES CERTIFICATE NUMBER: REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
	COMMERCIAL GENERAL LIABILITY						EACH OCCURRENCE	$
	☐ CLAIMS-MADE ☐ OCCUR						DAMAGE TO RENTED PREMISES (Ea occurrence)	$
							MED EXP (Any one person)	$
							PERSONAL & ADV INJURY	$
	GEN'L AGGREGATE LIMIT APPLIES PER:						GENERAL AGGREGATE	$
	☐ POLICY ☐ PRO-JECT ☐ LOC						PRODUCTS - COMP/OP AGG	$
	OTHER:							$
	AUTOMOBILE LIABILITY						COMBINED SINGLE LIMIT (Ea accident)	$
	ANY AUTO						BODILY INJURY (Per person)	$
	OWNED AUTOS ONLY ☐ SCHEDULED AUTOS						BODILY INJURY (Per accident)	$
	HIRED AUTOS ONLY ☐ NON-OWNED AUTOS ONLY						PROPERTY DAMAGE (Per accident)	$
								$
	UMBRELLA LIAB ☐ OCCUR						EACH OCCURRENCE	$
	EXCESS LIAB ☐ CLAIMS-MADE						AGGREGATE	$
	DED RETENTION $							$
A	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY						X PER STATUTE ☐ OTH-ER	
	ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) Y/N ☐ N/A			AG4061049	7/1/2020	7/1/2021	E.L. EACH ACCIDENT	$ 1,000,000
	If yes, describe under DESCRIPTION OF OPERATIONS below						E.L. DISEASE - EA EMPLOYEE	$ 1,000,000
							E.L. DISEASE - POLICY LIMIT	$ 1,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)
Evidence of Workers Compensation coverage for Dartmouth-Hitchcock Health

CERTIFICATE HOLDER	CANCELLATION
NH DHHS 129 Pleasant Street Concord, NH 03301	SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS. AUTHORIZED REPRESENTATIVE

Cheshire Medical Center
Dartmouth-Hitchcock

OUR MISSION: To lead our community to optimal health and wellness through our clinical and service excellence, collaboration, and compassion for every patient, every time.

OUR VISION: To continually improve the health outcomes of the people we care for through our role in providing high-value health care; remaining a sustainable resource for our region.

Approved by the
Cheshire Medical Center Board of Trustees
June 7, 2017

Dartmouth-Hitchcock Health and Subsidiaries

Consolidated Financial Statements
June 30, 2019 and 2018

Dartmouth-Hitchcock Health and Subsidiaries
Index
June 30, 2019 and 2018

Report of Independent Auditors

To the Board of Trustees of
Dartmouth-Hitchcock Health and subsidiaries

We have audited the accompanying consolidated financial statements of Dartmouth-Hitchcock Health and its subsidiaries (the "Health System"), which comprise the consolidated balance sheets as of June 30, 2019 and 2018, and the related consolidated statements of operations and changes in net assets and of cash flows for the years then ended.

Management's Responsibility for the Consolidated Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on the consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Health System's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Health System's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Dartmouth-Hitchcock Health and its subsidiaries as of June 30, 2019 and 2018, and the results of their operations, changes in net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 2 to the consolidated financial statements, the Health System changed the manner in which it accounts for revenue recognition from contracts with customers and the manner in which it presents net assets and reports certain aspects of its financial statements as a not-for-profit entity in 2019. Our opinion is not modified with respect to this matter.

Other Matter

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements taken as a whole. The consolidating information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The consolidating information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves and other additional procedures, in accordance with auditing standards generally accepted in the United States of America. In our opinion, the consolidating information is fairly stated, in all material respects, in relation to the consolidated financial statements taken as a whole. The consolidating information is presented for purposes of additional analysis of the consolidated financial statements rather than to present the financial position, results of its operations, changes in net assets and cash flows of the individual companies and is not a required part of the consolidated financial statements. Accordingly, we do not express an opinion on the financial position, results of operations, changes in net assets and cash flows of the individual companies.

PricewaterhouseCoopers LLP

Boston, Massachusetts
November 26, 2019

Dartmouth-Hitchcock Health and Subsidiaries
Consolidated Balance Sheets
Years Ended June 30, 2019 and 2018

(in thousands of dollars)	2019	2018
Assets		
Current assets		
Cash and cash equivalents	$ 143,587	$ 200,169
Patient accounts receivable, net of estimated uncollectibles of $132,228 at June 30, 2018 (Note 4)	221,125	219,228
Prepaid expenses and other current assets	95,495	97,502
Total current assets	460,207	516,899
Assets limited as to use (Notes 5 and 7)	876,249	706,124
Other investments for restricted activities (Notes 5 and 7)	134,119	130,896
Property, plant, and equipment, net (Note 6)	621,256	607,321
Other assets	124,471	108,785
Total assets	$ 2,216,302	$ 2,070,025
Liabilities and Net Assets		
Current liabilities		
Current portion of long-term debt (Note 10)	$ 10,914	$ 3,464
Current portion of liability for pension and other postretirement plan benefits (Note 11)	3,468	3,311
Accounts payable and accrued expenses (Note 13)	113,817	95,753
Accrued compensation and related benefits	128,408	125,576
Estimated third-party settlements (Note 4)	41,570	41,141
Total current liabilities	298,177	269,245
Long-term debt, excluding current portion (Note 10)	752,180	752,975
Insurance deposits and related liabilities (Note 12)	58,407	55,516
Liability for pension and other postretirement plan benefits, excluding current portion (Note 11)	281,009	242,227
Other liabilities	124,136	88,127
Total liabilities	1,513,909	1,408,090
Commitments and contingencies (Notes 4, 6, 7, 10, and 13)		
Net assets		
Net assets without donor restrictions (Note 9)	559,933	524,102
Net assets with donor restrictions (Notes 8 and 9)	142,460	137,833
Total net assets	702,393	661,935
Total liabilities and net assets	$ 2,216,302	$ 2,070,025

The accompanying notes are an integral part of these consolidated financial statements.

Dartmouth-Hitchcock Health and Subsidiaries
Consolidated Statements of Operations and Changes in Net Assets
Years Ended June 30, 2019 and 2018

(in thousands of dollars)	2019	2018
Operating revenue and other support		
Patient service revenue	$ 1,999,323	$ 1,899,095
Provision for bad debts (Notes 2 and 4)	-	47,367
Net patient service revenue	1,999,323	1,851,728
Contracted revenue (Note 2)	75,017	54,969
Other operating revenue (Notes 2 and 5)	210,698	148,946
Net assets released from restrictions	14,105	13,461
Total operating revenue and other support	2,299,143	2,069,104
Operating expenses		
Salaries	1,062,551	989,263
Employee benefits	251,591	229,683
Medical supplies and medications	407,875	340,031
Purchased services and other	323,435	291,372
Medicaid enhancement tax (Note 4)	70,061	67,692
Depreciation and amortization	88,414	84,778
Interest (Note 10)	25,514	18,822
Total operating expenses	2,229,441	2,021,641
Operating income (loss)	69,702	47,463
Non-operating gains (losses)		
Investment income, net (Note 5)	40,052	40,387
Other losses, net (Note 10)	(3,562)	(2,908)
Loss on early extinguishment of debt	(87)	(14,214)
Loss due to swap termination	-	(14,247)
Total non-operating gains, net	36,403	9,018
Excess of revenue over expenses	$ 106,105	$ 56,481

The accompanying notes are an integral part of these consolidated financial statements.

Dartmouth-Hitchcock Health and Subsidiaries
Consolidated Statements of Operations and Changes in Net Assets - Continued
Years Ended June 30, 2019 and 2018

(in thousands of dollars)	2019	2018
Net assets without donor restrictions		
Excess of revenue over expenses	$ 106,105	$ 56,481
Net assets released from restrictions	1,769	16,313
Change in funded status of pension and other postretirement benefits (Note 11)	(72,043)	8,254
Other changes in net assets	-	(185)
Change in fair value of interest rate swaps (Note 10)	-	4,190
Change in interest rate swap effectiveness	-	14,102
Increase in net assets without donor restrictions	35,831	99,155
Net assets with donor restrictions		
Gifts, bequests, sponsored activities	17,436	14,171
Investment income, net	2,682	4,354
Net assets released from restrictions	(15,874)	(29,774)
Contribution of assets with donor restrictions from acquisition	383	-
Increase (decrease) in net assets with donor restrictions	4,627	(11,249)
Change in net assets	40,458	87,906
Net assets		
Beginning of year	661,935	574,029
End of year	$ 702,393	$ 661,935

The accompanying notes are an integral part of these consolidated financial statements.

Dartmouth-Hitchcock Health and Subsidiaries
Consolidated Statements of Cash Flows
Years Ended June 30, 2019 and 2018

(in thousands of dollars)	2019	2018
Cash flows from operating activities		
Change in net assets	$ 40,458	$ 87,906
Adjustments to reconcile change in net assets to net cash provided by operating and non-operating activities		
Change in fair value of interest rate swaps	-	(4,897)
Provision for bad debt	-	47,367
Depreciation and amortization	88,770	84,947
Change in funded status of pension and other postretirement benefits	72,043	(8,254)
(Gain) on disposal of fixed assets	(1,101)	(125)
Net realized gains and change in net unrealized gains on investments	(31,397)	(45,701)
Restricted contributions and investment earnings	(2,292)	(5,460)
Proceeds from sales of securities	1,167	1,531
Loss from debt defeasance	-	14,214
Changes in assets and liabilities		
Patient accounts receivable, net	(1,803)	(29,335)
Prepaid expenses and other current assets	2,149	(8,299)
Other assets, net	(9,052)	(11,665)
Accounts payable and accrued expenses	17,898	19,693
Accrued compensation and related benefits	2,335	10,665
Estimated third-party settlements	429	13,708
Insurance deposits and related liabilities	2,378	4,556
Liability for pension and other postretirement benefits	(33,104)	(32,399)
Other liabilities	12,267	(2,421)
Net cash provided by operating and non-operating activities	161,145	136,031
Cash flows from investing activities		
Purchase of property, plant, and equipment	(82,279)	(77,598)
Proceeds from sale of property, plant, and equipment	2,188	-
Purchases of investments	(361,407)	(279,407)
Proceeds from maturities and sales of investments	219,996	273,409
Cash received through acquisition	4,863	-
Net cash used in investing activities	(216,639)	(83,596)
Cash flows from financing activities		
Proceeds from line of credit	30,000	50,000
Payments on line of credit	(30,000)	(50,000)
Repayment of long-term debt	(29,490)	(413,104)
Proceeds from issuance of debt	26,338	507,791
Repayment of interest rate swap	-	(16,019)
Payment of debt issuance costs	(228)	(4,892)
Restricted contributions and investment earnings	2,292	5,460
Net cash (used in) provided by financing activities	(1,088)	79,236
(Decrease) increase in cash and cash equivalents	(56,582)	131,671
Cash and cash equivalents		
Beginning of year	200,169	68,498
End of year	$ 143,587	$ 200,169
Supplemental cash flow information		
Interest paid	$ 23,977	$ 18,029
Net assets acquired as part of acquisition, net of cash aquired	(4,863)	-
Non-cash proceeds from issuance of debt	-	137,281
Use of non-cash proceeds to refinance debt	-	(137,281)
Construction in progress included in accounts payable and accrued expenses	1,546	1,569
Equipment acquired through issuance of capital lease obligations	-	17,670
Donated securities	1,167	1,531

The accompanying notes are an integral part of these consolidated financial statements.

1. Organization and Community Benefit Commitments

Dartmouth-Hitchcock Health (D-HH) serves as the sole corporate member of the following entities: Dartmouth-Hitchcock Clinic and Subsidiaries (DHC), Mary Hitchcock Memorial Hospital and Subsidiaries (MHMH), (DHC and MHMH together are referred to as D-H), The New London Hospital Association and Subsidiaries (NLH), Windsor Hospital Corporation (d/b/a Mt. Ascutney Hospital and Health Center) and Subsidiaries (MAHHC), Cheshire Medical Center and Subsidiaries (Cheshire), Alice Peck Day Memorial Hospital and, effective July 1, 2018, Subsidiary (APD), and the Visiting Nurse and Hospice for Vermont and New Hampshire and Subsidiaries (VNH). The "Health System" consists of D-HH, its members and their subsidiaries.

The Health System currently operates one tertiary, one community and three acute care (critical access) hospitals in New Hampshire (NH) and Vermont (VT). One facility provides inpatient and outpatient rehabilitation medicine and long-term care. The Health System also operates multiple physician practices, a nursing home, a continuing care retirement community, and a home health and hospice service. The Health System operates a graduate level program for health professions and is the principal teaching affiliate of the Geisel School of Medicine (Geisel), a component of Dartmouth College.

D-HH, Dartmouth-Hitchcock Clinic, Mary Hitchcock Memorial Hospital, The New London Hospital Association, Cheshire Medical Center, and Alice Peck Day Memorial Hospital are NH not-for-profit corporations exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code (IRC). Windsor Hospital Corporation and the Visiting Nurse and Hospice of VT and NH are VT not-for-profit corporations exempt from federal income taxes under Section 501(c)(3) of the IRC.

Community Benefits
The mission of the Health System is to advance health through clinical practice and community partnerships, research and education, providing each person the best care, in the right place, at the right time, every time.

Consistent with this mission, the Health System provides high quality, cost effective, comprehensive, and integrated healthcare to individuals, families, and the communities it serves regardless of a patient's ability to pay. The Health System actively supports community-based healthcare and promotes the coordination of services among healthcare providers and social services organizations. In addition, the Health System also seeks to work collaboratively with other area healthcare providers to improve the health status of the region. As a component of an integrated academic medical center, the Health System provides significant support for academic and research programs.

Certain member hospitals of the Health System file annual Community Benefits Reports with the State of NH which outline the community and charitable benefits each provides. VT hospitals are not required by law to file a state community benefit report. The categories used in the Community Benefit Reports to summarize these benefits are as follows:

- *Community Health Services* include activities carried out to improve community health and could include community health education (such as classes, programs, support groups, and materials that promote wellness and prevent illness), community-based clinical services (such as free clinics and health screenings), and healthcare support services (enrollment assistance in public programs, assistance in obtaining free or reduced costs medications, telephone information services, or transportation programs to enhance access to care, etc.).

- *Health Professions Education* includes uncompensated costs of training medical students, Residents, nurses, and other health care professionals

- *Subsidized health services* are services provided by the Health System, resulting in financial losses that meet the needs of the community and would not otherwise be available unless the responsibility was assumed by the government.

- *Research support and other grants* represent costs in excess of awards for numerous health research and service initiatives awarded to the organizations within the Health System.

- *Financial Contributions* include financial contributions of cash, as well as in-kind contributions such as time, supplies, and expertise to local organizations to address community health needs.

- *Community-Building Activities* include expenses incurred to support the development of programs and partnerships intended to address public health challenges as well as social and economic determinants of health. Examples include physical improvements and housing, economic development, support system enhancements, environmental improvements, leadership development and training for community members, community health improvement advocacy, and workforce enhancement.

- *Community Benefit Operations* includes costs associated with staff dedicated to administering benefit programs, community health needs assessment costs, and other costs associated with community benefit planning and operations.

- *Charity Care and Costs of Government Sponsored Health Care* includes losses, at-cost, incurred by providing health care services to persons qualifying for hospital financial assistance programs, and uncompensated costs of providing health care services to patients who are Medicaid Beneficiaries.

- *The uncompensated cost of care for Medicaid* patients reported in the unaudited Community Benefits Reports for 2018 was approximately $139,683,000. The 2019 Community Benefits Reports are expected to be filed in February 2020.

The following table summarizes the value of the community benefit initiatives outlined in the Health System's most recently filed Community Benefit Reports for the year ended June 30, 2018:

(in thousands of dollars)

Government-sponsored healthcare services	$	246,064
Health professional education		33,067
Charity care		13,243
Subsidized health services		11,993
Community health services		6,570
Research		5,969
Community building activities		2,540
Financial contributions		2,360
Community benefit operations		1,153
Total community benefit value	$	322,959

2. Summary of Significant Accounting Policies

Basis of Presentation

The consolidated financial statements are prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America, and have been prepared consistent with the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 954, *Healthcare Entities*, which addresses the accounting for healthcare entities. The net assets, revenue, expenses, and gains and losses of healthcare entities are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets without donor restrictions are amounts not subject to donor-imposed stipulations and are available for operations. Net assets with donor restrictions are those whose use has been limited by donors to a specific time period or purpose, or whose use has been restricted by donors to be maintained in perpetuity. All significant intercompany transactions have been eliminated upon consolidation.

Use of Estimates

The preparation of the consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the dates of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting periods. The most significant areas that are affected by the use of estimates include implicit and explicit pricing concessions, valuation of certain investments, estimated third-party settlements, insurance reserves, and pension obligations. Actual results may differ from those estimates.

Excess of Revenue over Expenses

The consolidated statements of operations and changes in net assets include the excess of revenue over expenses. Operating revenues consist of those items attributable to the care of patients, including contributions and investment income on investments of net assets without donor restrictions, which are utilized to provide charity and other operational support. Peripheral activities, including contribution of net assets without donor restrictions from acquisitions, loss on early extinguishment of debt, loss due to swap termination, realized gains/losses on sales of investment securities and changes in unrealized gains/losses in investments are reported as non-operating gains (losses).

Changes in net assets without donor restrictions which are excluded from the excess of revenue over expenses, consistent with industry practice, include contributions of long-lived assets (including assets acquired using contributions which by donor restriction were to be used for the purpose of acquiring such assets), change in funded status of pension and other postretirement benefit plans, and the effective portion of the change in fair value of interest rate swaps.

Charity Care

The Health System provides care to patients who meet certain criteria under their financial assistance policies without charge or at amounts less than their established rates. Because the Health System does not anticipate collection of amounts determined to qualify as charity care, they are not reported as revenue.

The Health System grants credit without collateral to patients. Most are local residents and are insured under third-party arrangements. The amount of charges for implicit price concessions is based upon management's assessment of historical and expected net collections, business and economic conditions, trends in federal and state governmental healthcare coverage, and other collection indicators (Notes 1 and 4).

Patient Service Revenue
The Health System applies the accounting provisions of ASC 606, *Revenue from Contracts with Customers* (ASC 606). Patient service revenue is reported at the amount of consideration to which the Health System expects to be entitled from patients, third party payors, and others for services rendered, including estimated retroactive adjustments under reimbursement agreements with third-party payors and implicit pricing concessions. Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods as estimates change or final settlements are determined (Note 4).

Contracted Revenue
The Health System has various Professional Service Agreements (PSAs), pursuant to which certain organizations purchase services of personnel employed by the Health System and also lease space and equipment. Revenue pursuant to these PSAs and certain facility and equipment leases and other professional service contracts have been classified as contracted revenue in the accompanying consolidated statements of operations and changes in net assets.

Other Revenue
The Health System recognizes other revenue which is not related to patient medical care but is central to the day-to-day operations of the Health System. Other revenue primarily consists of revenue from retail pharmacy, which the Health System records as customer revenues in the amounts that reflect the consideration to which it expects to be entitled in exchange for the prescription. Other revenue also includes joint operating agreements, grant revenue, cafeteria sales and other support service revenue.

Cash Equivalents
Cash equivalents include investments in highly liquid investments with maturities of three months or less when purchased, excluding amounts where use is limited by internal designation or other arrangements under trust agreements or by donors.

Investments and Investment Income
Investments in equity securities with readily determinable fair values, mutual funds and pooled/commingled funds, and all investments in debt securities are considered to be trading securities reported at fair value with changes in fair value included in the excess of revenues over expenses. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (Note 7).

Investments in pooled/commingled investment funds, private equity funds and hedge funds that represent investments where the Health System owns shares or units of funds rather than the underlying securities in that fund are valued using the equity method of accounting with changes in value recorded in the excess of revenues over expenses. All investments, whether held at fair value or under the equity method of accounting, are reported at what the Health System believes to be the amount they would expect to receive if it liquidated its investments at the balance sheet dates on a nondistressed basis.

Certain members of the Health System are partners in a NH general partnership established for the purpose of operating a master investment program of pooled investment accounts. Substantially all of the Health System's board-designated and assets with donor restrictions, such as endowment funds, were invested in these pooled funds by purchasing units based on the market value of the pooled funds at the end of the month prior to receipt of any new additions to the funds. Interest, dividends, and realized and unrealized gains and losses earned on pooled funds are allocated monthly based on the weighted average units outstanding at the prior month-end.

Investment income or losses (including change in unrealized and realized gains and losses on investments, change in value of equity method investments, interest, and dividends) are included in the excess of revenue over expenses and classified as non-operating gains and losses, unless the income or loss is restricted by donor or law (Note 9).

Fair Value Measurement of Financial Instruments
The Health System estimates fair value based on a valuation framework that uses a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of fair value hierarchy, as defined by ASC 820, *Fair Value Measurements and Disclosures*, are described below:

Level 1 Unadjusted quoted prices in active markets that are accessible at the measurement date for assets or liabilities.

Level 2 Prices other than quoted prices in active markets that are either directly or indirectly observable as of the date of measurement.

Level 3 Prices or valuation techniques that are both significant to the fair value measurement and unobservable.

The Health System applies the accounting provisions of Accounting Standards Update (ASU) 2009-12, *Investments in Certain Entities That Calculate Net Asset Value per Share (or its Equivalent)* (ASU 2009-12). ASU 2009-12 allows for the estimation of fair value of investments for which the investment does not have a readily determinable fair value, to use net asset value (NAV) per share or its equivalent as a practical expedient, subject to the Health System's ability to redeem its investment.

The carrying amount of patient accounts receivable, prepaid and other current assets, accounts payable and accrued expenses approximates fair value due to the short maturity of these instruments.

Property, Plant, and Equipment
Property, plant, and equipment, and other real estate are stated at cost at the time of purchase or fair value at the time of donation, less accumulated depreciation. The Health System's policy is to capitalize expenditures for major improvements and to charge expense for maintenance and repair expenditures which do not extend the lives of the related assets. The provision for depreciation has been determined using the straight-line method at rates which are intended to amortize the cost of assets over their estimated useful lives which range from 10 to 40 years for buildings and improvements, 2 to 20 years for equipment, and the shorter of the lease term, or 5 to 12 years, for leasehold improvements. Certain software development costs are amortized using the straight-line method over a period of up to 10 years. Net interest cost incurred on borrowed funds during the period of construction of capital assets is capitalized as a component of the cost of acquiring those assets.

The fair value of a liability for legal obligations associated with asset retirements is recognized in the period in which it is incurred, if a reasonable estimate of the fair value of the obligation can be made. When a liability is initially recorded, the cost of the asset retirement obligation is capitalized by increasing the carrying amount of the related long-lived asset. Over time, the liability is accreted to its present value each period and the capitalized cost associated with the retirement is depreciated over the useful life of the related asset. Upon settlement of the obligation, any difference between the actual cost to settle the asset retirement obligation and the liability recorded is recognized as a gain or loss in the consolidated statements of operations and changes in net assets.

Gifts of capital assets such as land, buildings, or equipment are reported as support, and excluded from the excess of revenue over expenses, unless explicit donor stipulations specify how the donated assets must be used. Gifts of capital assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire capital assets are reported as restricted support. Absent explicit donor stipulations about how long those capital assets must be maintained, expirations of donor restrictions are reported when the donated or acquired capital assets are placed in service.

Bond Issuance Costs
Bond issuance costs, classified on the consolidated balance sheets within long-term debt, are amortized over the term of the related bonds. Amortization is recorded within interest expense in the consolidated statements of operations and changes in net assets using the straight-line method which approximates the effective interest method.

Intangible Assets and Goodwill
The Health System records within other assets on the consolidated balance sheets goodwill and intangible assets such as trade names and leases-in-place. The Health System considers trade names and goodwill to be indefinite-lived assets, assesses them at least annually for impairment or more frequently if certain events or circumstances warrant and recognizes impairment charges for amounts by which the carrying values exceed their fair values. The Health System has recorded $10,524,000 and $2,462,000 as intangible assets associated with its affiliations as of June 30, 2019 and 2018, respectively.

Derivative Instruments and Hedging Activities
The Health System applies the provisions of ASC 815, *Derivatives and Hedging*, to its derivative instruments, which require that all derivative instruments be recorded at their respective fair values in the consolidated balance sheets.

On the date a derivative contract is entered into, the Health System designates the derivative as a cash-flow hedge of a forecasted transaction or the variability of cash flows to be received or paid related to a recognized asset or liability. For all hedge relationships, the Health System formally documents the hedging relationship and its risk-management objective and strategy for undertaking the hedge, the hedging instrument, the nature of the risk being hedged, how the hedging instrument's effectiveness in offsetting the hedged risk will be assessed, and a description of the method of measuring ineffectiveness. This process includes linking cash-flow hedges to specific assets and liabilities on the consolidated balance sheets, specific firm commitments or forecasted transactions. The Health System also formally assesses, both at the hedge's inception and on an ongoing basis, whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in variability of cash flows of hedged items. Changes in the fair value of a derivative that is highly effective and that is designated and qualifies as a cash-flow hedge are recorded in net assets without donor restrictions until earnings are affected by the

variability in cash flows of the designated hedged item. The ineffective portion of the change in fair value of a cash flow hedge is reported in excess of revenue over expenses in the consolidated statements of operations and changes in net assets.

The Health System discontinues hedge accounting prospectively when it is determined: (a) the derivative is no longer effective in offsetting changes in the cash flows of the hedged item; (b) the derivative expires or is sold, terminated, or exercised; (c) the derivative is undesignated as a hedging instrument because it is unlikely that a forecasted transaction will occur; (d) a hedged firm commitment no longer meets the definition of a firm commitment; and (e) management determines that designation of the derivative as a hedging instrument is no longer appropriate.

In all situations in which hedge accounting is discontinued, the Health System continues to carry the derivative at its fair value on the consolidated balance sheets and recognizes any subsequent changes in its fair value in excess of revenue over expenses.

Gifts

Gifts without donor restrictions are recorded net of related expenses as non-operating gains. Conditional promises to give and indications of intentions to give to the Health System are reported at fair value at the date the gift is received. Gifts are reported with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified as net assets without donor restrictions and reported in the consolidated statements of operations and changes in net assets as net assets released from restrictions.

Recently Issued Accounting Pronouncements

In May 2014, the FASB issued ASU 2014-09 - *Revenue from Contracts with Customers (ASC 606)* and in August 2015, the FASB amended the guidance to defer the effective date of this standard by one year. ASU 2014-09 affects any entity that either enters into contracts with customers to transfer goods or services or enters into contracts for the transfer of nonfinancial assets unless those contracts are within the scope of other standards. The core principle of the guidance in ASU 2014-09 is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The Health System adopted ASU 2014-09 effective July 1, 2018 under the modified retrospective method, and has provided the new disclosures required post implementation. For example, patient accounts receivable are shown net of the allowance for doubtful accounts of approximately $132,228,000 as of June 30, 2018 on the consolidated balance sheet. If an allowance for doubtful accounts had been presented as of June 30, 2019, it would have been approximately $121,544,000. While the adoption of ASU 2014-09 has had a material effect on the presentation of revenues in the Health System's consolidated statements of operations and changes in net assets, and has had an impact on certain disclosures, it has not materially impacted the financial position, results of operations or cash flows. Refer to Note 4, Patient Service Revenue and Accounts Receivable, for further details.

In February 2016, the FASB issued ASU 2016-02 – *Leases (Topic 842)*, which requires a lessee to recognize a right-of-use asset and a lease liability, initially measured at the present value of the lease payments, on its balance sheet. The standard also requires a lessee to recognize a single lease cost, calculated so that the cost of the lease is allocated over the lease term, on a generally straight-line basis. The guidance also expands the required quantitative and qualitative disclosures surrounding leases. The ASU is effective for fiscal years beginning after December 15, 2018, or fiscal year 2020 for the Health System. The Health System is evaluating the impact of the new guidance on the consolidated financial statements.

In January 2016, the FASB issued ASU 2016-01- *Recognition and Measurement of Financial Assets and Financial Liabilities*, which address certain aspects of recognition, measurement, presentation and disclosure of financial instruments. This guidance allows an entity to choose, investment-by-investment, to report an equity investment that neither has a readily determinable fair value, nor qualifies for the practical expedient for fair value estimation using NAV, at its cost minus impairment (if any), plus or minus changes resulting from observable price changes in orderly transactions for the identical or similar investment of the same issue. Impairment of such investments must be assessed qualitatively at each reporting period. Entities must disclose their financial assets and liabilities by measurement category and form of asset either on the face of the balance sheet or in the accompanying notes. The ASU is effective for annual reporting periods beginning after December 15, 2018 or fiscal year 2020 for the Health System. The provision to eliminate the requirement to disclose the fair value of financial instruments measured at cost (such as the fair value of debt) was early adopted during the year ended June 30, 2017.

In August 2016, the FASB issued ASU 2016-14 - *Presentation of Financial Statements for Not-for-Profit Entities*. The new pronouncement amends certain financial reporting requirements for not-for-profit entities. It reduces the number of classes of net assets from three to two: net assets with donor restrictions includes amount previously disclosed as both temporarily and permanently restricted net assets, net assets without donor restrictions includes amounts previously disclosed as unrestricted net assets. It expands the disclosure of expenses by both natural and functional classification. It adds quantitative and qualitative disclosures about liquidity and availability of resources. The ASU is effective for the Health System for the year ending June 30, 2019. The Health System has adopted this ASU on a retrospective basis, except for the presentation of expenses based on natural and functional classification and the discussion of liquidity, as permitted in the ASU. Please refer to Note 14, Functional Expenses, and Note 15, Liquidity.

In June 2018, the FASB issued ASU 2018-08, *Not–for-Profit Entities (Topic 958), Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. The new pronouncement was intended to assist entities in evaluating whether transactions should be accounted for as contributions or exchange transactions and whether a contribution is conditional. This ASU was effective for the Health System on July 1, 2018 on a modified prospective basis and did not have a significant impact on the consolidated financial statements of the Health System.

3. Acquisitions

Effective July 1, 2018, Alice Peck Day Memorial Hospital became the sole corporate member of APD LifeCare Center Inc. (LifeCare). LifeCare owns and operates Harvest Hill, an assisted living facility, the Woodlands, a residential living community and the Elizabeth S. Hughes Care Unit, which provides hospice care.

In accordance with applicable accounting guidance on not-for-profit mergers and acquisitions, Alice Peck Day Memorial Hospital recorded goodwill related to the acquisition of LifeCare of approximately $5,131,000. Restricted contribution income of $383,000 was recorded within net assets with donor restrictions in the accompanying consolidated statement of changes in net assets. Included in the transaction was LifeCare's cash balance of $4,863,000. No consideration was exchanged for the net assets assumed and acquisition costs were expensed as incurred. LifeCare's financial position, results of operations and changes in net assets are included in the consolidated financial statements as of and for the year ended June 30, 2019.

4. Patient Service Revenue and Accounts Receivable

The Health System reports patient service revenue at amounts that reflect the consideration to which it expects to be entitled in exchange for providing patient care. These amounts are due from patients, third-party payers (including managed care payers and government programs), and others; and they include variable consideration for retroactive revenue adjustments due to settlement of audits, reviews, and investigations. Generally, the Health System bills patients and third-party payers several days after the services were performed or shortly after discharge. Revenue is recognized as performance obligations are satisfied under contracts by providing healthcare services to patients.

The Health System determines performance obligations based on the nature of the services provided. Revenues for performance obligations satisfied over time are recognized based on actual charges incurred in relation to total expected charges as this method provides a reasonable estimate of the transfer of services over the term of performance obligations based on inputs needed to satisfy the obligations. Generally, performance obligations satisfied over time relate to patients receiving inpatient acute care services. For inpatient services, performance obligations are measured from admission to the point when there are no further services required for the patient, which is generally the time of discharge. For outpatient services and physician services, performance obligations are recognized at a point in time when the services are provided and no further patient services are deemed necessary.

Generally, the Health System's patient service performance obligations relate to contracts with a duration of less than one year, therefore the Health System has elected to apply the optional exemption provided in ASC 606-10-50-14a and, therefore, we are not required to disclose the aggregate amount of the transaction price allocated to performance obligations that are unsatisfied or partially unsatisfied at the end of the reporting period. This generally refers to inpatient services at the end of the reporting period. The performance obligations for these contracts are generally completed when the patients are discharged, which generally occurs within days or weeks of the end of the reporting period.

Established charges represent gross charges. They are not the same as actual pricing, and they generally do not reflect what a hospital is ultimately entitled to for services it provides. Therefore, they are not displayed in the Health System's consolidated statements of operations and changes in net assets.

Hospitals are paid amounts negotiated with insurance companies or set by government entities, which are typically less than established or standard charges. Gross charges are used to calculate Medicare outlier payments and to determine certain elements of payment under managed care

contracts. Gross charges are what hospitals charge all patients prior to the application of contractual adjustments and implicit price concessions.

Explicit Pricing Concessions
Revenues for the Health System under the traditional fee-for service Medicare and Medicaid programs are based on prospectively determined rates per discharge or visit, reasonable (allowable) cost, or prospective rates per episodic period, depending on the type of provider.

- Inpatient acute care services provided to Medicare program beneficiaries are paid using the prospective payment system ("PPS") to determine rates-per-discharge. These rates vary according to a patient classification system ("DRG"), based on diagnostic, clinical and other factors. In addition, inpatient capital costs (depreciation and interest) are reimbursed by Medicare on the basis of a prospectively determined rate per discharge. Medicare outpatient services are paid on a prospective payment system, based on a pre-determined amount for each outpatient procedure (APC), subject to various mandated modifications. Retrospectively determined cost-based revenues under these programs, such as indirect medical education, direct graduate medical education, disproportionate share hospital, transplant services, and bad debt reimbursement are based on the hospital's cost reports and are estimated using historical trends and current factors. The Health System's payments for inpatient services rendered to New Hampshire ("NH") and Vermont ("VT") Medicaid beneficiaries are based on PPS, while outpatient services are reimbursed on a retrospective cost basis or fee schedules for NH beneficiaries. VT outpatient beneficiaries are paid on a prospective basis per outpatient procedure.

- Inpatient acute, swing, and outpatient services furnished by critical access hospitals ("CAH") are reimbursed by Medicare at 101% of reasonable costs, subject to 2% sequestration, excluding ambulance services and inpatient hospice care.

- Providers of home health services to patients eligible for Medicare home health benefits are paid on a prospective basis, with no retrospective settlement. The prospective payment is based on the scoring attributed to the acuity level of the patient at a rate determined by federal guidelines.

- Hospice services to patients eligible for Medicare hospice benefits are paid on a per diem basis, with no retrospective settlement, provided the aggregate annual Medicare reimbursement is below a predetermined aggregate capitated rate.

- The Health System's cost based services to Medicare and Medicaid are reimbursed during the year based on varying interim payment methodologies. Final settlement is determined after the submission of an annual cost report and subject to audit of this report by Medicare and Medicaid auditors, as well as administrative and judicial review. Because the laws, regulations, and rule interpretations, governing Medicare and Medicaid reimbursement are complex and change frequently, the estimates recorded could change over time by material amounts.

- Revenues under Managed Care Plans (Plans) consist primarily of payment terms involving mutually agreed upon rates per diagnosis, discounted fee-for service rates, or similar contractual arrangements. These revenues are also subject to review and possible audit. The Plans are billed for patient services on an individual patient basis. An individual patient's bill is subject to adjustments in accordance with contractual terms in place with the Plans following their review and adjudication of each bill.

The Health System is not aware of any claims, disputes, or unsettled matters with any payer that would materially affect its revenues for which it has not adequately provided in the accompanying Health System's consolidated financial statements.

The Health System provides charity care to patients who are unable to pay for healthcare services they receive as determined by financial conditions. Patients who qualify receive partial or full adjustments to charges for services rendered. The Health System's policy is to treat amounts qualified as charity care as explicit price concessions and as such are not reported in net patient service revenue.

During fiscal year 2016, Vermont state legislation passed changes to the tax base for home health providers from 19.30% of core home health care services (primarily Medicaid services) with a cap of 6% of net patient service revenue to 3.63% of net patient revenue for fiscal year 2017 and fiscal year 2018. Home health provider tax paid, which is included in other operating expenses, was $628,000 and $737,000 in 2019 and 2018, respectively.

On June 30, 2014, the NH Governor signed into law a bi-partisan legislation reflecting an agreement between the State of NH and 25 NH hospitals on the Medicaid Enhancement Tax (MET) Senate Bill 369. As part of the agreement, the parties have agreed to resolve all pending litigation related to MET and Medicaid Rates, including the Catholic Medical Center Litigation, the Northeast Rehabilitation Litigation, 2014 DRA Refund Requests, and the State Rate Litigation. As part of the MET Agreement Effective July 1, 2014, a "Trust / Lock Box" dedicated funding mechanism will be established for receipt and distribution of all MET proceeds with all monies used exclusively to support Medicaid services.

On May 22, 2018, the State of New Hampshire and all New Hampshire hospitals (NH Hospitals) signed a new settlement agreement and multi-year plan for Disproportionate Share Hospital (DSH) payments, with provisions to create alternative payments should there be federal changes to the DSH program by the United States Congress. The agreement may change or limit federal matching funds for MET when used to support DSH payments to hospitals and the Medicaid program, or change the definition of Uncompensated Care (UCC) for purposes of calculating DSH or other allowable uncompensated care payments. The term of the agreement is through state fiscal year (SFY) 2024. Under the agreement, the NH Hospitals forgo approximately $28,000,000 of DSH payment for SFY 2018 and 2019, in consideration of the State agreeing to form a pool of funds to make directed payments or otherwise increase rates to hospitals for SFY 2020 through 2024. The Federal share of payments to NH Hospitals are contingent upon the receipt of matching funds from Centers for Medicare & Medicaid Services (CMS) in the covered years. In the event that, due to changes in federal law, the State is unable to make payments in a way that ensures the federal matching funds are available, the Parties will meet and confer to negotiate in good faith an appropriate amendment to this agreement consistent with the intent of this agreement. The State is required to maintain the UCC Dedicated Fund pursuant to earlier agreements. The agreement prioritizes payments of funds to critical access hospitals at 75% of allowable UCC, the remainder thereafter is distributed to other NH Hospitals in proportion to their allowable uncompensated care amounts. During the term of this agreement, the NH Hospitals are barred from bringing a new claim in federal or state court or at Department of Revenue Administration (DRA) related to the constitutionality of MET.

During the years ended June 30, 2019 and 2018, the Health System received DSH payments of approximately, $69,179,000 and $66,383,000 respectively. DSH payments are subject to audit pursuant to the agreement with the state and therefore, for the years ended June 30, 2019 and

2018, the Health System recognized as revenue DSH receipts of approximately $64,864,000 and approximately $54,469,000, respectively.

During the years ended June 30, 2019 and 2018, the Health System recorded State of NH Medicaid Enhancement Tax ("MET") and State of VT Provider tax of $70,061,000 and $67,692,000, respectively. The taxes are calculated at 5.5% for NH and 6% for VT of certain net patient service revenues in accordance with instructions received from the States. The Provider taxes are included in operating expenses in the consolidated statements of operations and changes in net assets.

Implicit Price Concessions

Generally, patients who are covered by third-party payer contracts are responsible for related co-pays, co-insurance and deductibles, which vary depending on the contractual obligations of patients. The Health System also provides services to uninsured patients and offers those patients a discount from standard charges. The Health System estimates the transaction price for patients with co-pays, co-insurance, and deductibles and for those who are uninsured based on historical collection experience and current market conditions. The discount offered to uninsured patients reduces the transaction price at the time of billing. The uninsured and patient responsible accounts, net of discounts recorded, are further reduced through implicit price concessions based on historical collection trends for similar accounts and other known factors that impact the estimation process. Subsequent changes to the estimate of transaction price are generally recorded as adjustments to net patient service revenue in the period of change.

The implicit price concessions included in estimating the transaction price represent the difference between amounts billed to patients and the amounts the Health System expects to collect based on collection history with similar patients. Although outcomes vary, the Health System's policy is to attempt to collect amounts due from patients, including co-pays, co-insurance and deductibles due from insurance at the time of service while complying with all federal and state statutes and regulations, including but not limited to, the Emergency Medical Treatment and Active Labor Act (EMTALA). Through various systems and processes the Health System estimates Medicare and Medicaid net patient service revenue and cost report settlements and accrues final expected settlements. For filed cost reports, the accrual is recorded based on those filings, subsequent activity, and on historical trends and other relevant evidence. For periods in which a cost report is yet to be filed, accruals are based on estimates of what is expected to be reported, and any trends and relevant evidence. Cost reports generally must be filed within five months of the closing period.

Settlements with third-party payers for retroactive revenue adjustments due to audits, reviews or investigations are considered variable consideration and are included in the determination of the estimated transaction price for providing patient care using the most likely amount. These settlements are estimated based on the terms of the payment agreement with the payer, correspondence from the payer and historical settlement activity, including assessments to ensure that it is probable that a significant reversal in the amount of cumulative revenue recognized will not occur when the uncertainty associated with the retroactive adjustment is subsequently resolved. Estimated settlements are adjusted in future periods as adjustments become known, or as years are settled or are no longer subject to such audits, reviews or investigations. As of June 30, 2019 and 2018, the Health System had $52,470,000 and $52,041,000, respectively, reserved for estimated third-party settlements.

For the years ended June 30, 2019 and 2018, additional increases (decreases) in revenue of $1,800,000 and ($5,604,000), respectively, was recognized due to changes in its prior years related to estimated third-party settlements.

Net operating revenues for the hospital operations of the PPS and CAH, and other business segments consist primarily of patient service revenues, principally for patients covered by Medicare, Medicaid, managed care and other health plans as well as patients covered under the Health System's uninsured discount and charity care programs.

The table below shows the Health System's sources of net operating revenues presented at the net transaction price for the years ended June 30, 2019 and 2018.

	2019		
(in thousands of dollars)	**PPS**	**CAH**	**Total**
Hospital			
Medicare	$ 456,197	$ 72,193	$ 528,390
Medicaid	134,727	12,794	147,521
Commercial	746,647	64,981	811,628
Self Pay	8,811	2,313	11,124
Subtotal	1,346,382	152,281	1,498,663
Professional			
Professional	454,425	23,707	478,132
VNH			22,528
Other Revenue			285,715
Total operating revenue and other support	$ 1,800,807	$ 175,988	$ 2,285,038

	2018		
(in thousands of dollars)	**PPS**	**CAH**	**Total**
Hospital			
Medicare	$ 432,251	$ 76,522	$ 508,773
Medicaid	117,019	10,017	127,036
Commercial	677,162	65,916	743,078
Self Pay	10,687	2,127	12,814
Subtotal	1,237,119	154,582	1,391,701
Professional			
Professional	412,605	24,703	437,308
VNH			22,719
Other Revenue			203,915
Total operating revenue and other support	$ 1,649,724	$ 179,285	$ 2,055,643

Accounts Receivable

The principal components of patient accounts receivable as of June 30, 2019 and 2018 are as follows:

(in thousands of dollars)	2019	2018
Patient accounts recivable	$ 221,125	$ 351,456
Less: Allowance for doubtful accounts	-	(132,228)
Patient accounts receivable	$ 221,125	$ 219,228

The following table categorizes payors into four groups based on their respective percentages of gross patient accounts receivable as of June 30, 2019 and 2018:

	2019	2018
Medicare	34%	34%
Medicaid	12%	14%
Commercial	41%	40%
Self Pay	13%	12%
Patient accounts receivable	100%	100%

5. Investments

The composition of investments at June 30, 2019 and 2018 is set forth in the following table:

(in thousands of dollars)	2019	2018
Assets limited as to use		
Internally designated by board		
Cash and short-term investments	$ 21,890	$ 8,558
U.S. government securities	91,492	50,484
Domestic corporate debt securities	196,132	109,240
Global debt securities	83,580	110,944
Domestic equities	167,384	142,796
International equities	128,909	106,668
Emerging markets equities	23,086	23,562
Real Estate Investment Trust	213	816
Private equity funds	64,563	50,415
Hedge funds	32,287	32,831
	809,536	636,314
Investments held by captive insurance companies (Note 12)		
U.S. government securities	23,241	30,581
Domestic corporate debt securities	11,378	16,764
Global debt securities	10,080	4,513
Domestic equities	14,617	8,109
International equities	6,766	7,971
	66,082	67,938
Held by trustee under indenture agreement (Note 10)		
Cash and short-term investments	631	1,872
Total assets limited as to use	876,249	706,124
Other investments for restricted activities		
Cash and short-term investments	6,113	4,952
U.S. government securities	32,479	28,220
Domestic corporate debt securities	29,089	29,031
Global debt securities	11,263	14,641
Domestic equities	20,981	20,509
International equities	15,531	17,521
Emerging markets equities	2,578	2,155
Real Estate Investment Trust	-	954
Private equity funds	7,638	4,878
Hedge funds	8,414	8,004
Other	33	31
Total other investments for restricted activities	134,119	130,896
Total investments	$ 1,010,368	$ 837,020

Investments are accounted for using either the fair value method or equity method of accounting, as appropriate on a case by case basis. The fair value method is used for all debt securities and equity securities that are traded on active markets and are valued at prices that are readily available in those markets. The equity method is used when investments are made in pooled/commingled investment funds that represent investments where shares or units are owned of pooled funds rather than the underlying securities in that fund. These pooled/commingled funds make underlying investments in securities from the asset classes listed above. All investments, whether the fair value or equity method of accounting is used, are reported at what the Health System believes to be the amount that the Health System would expect to receive if it liquidated its investments at the balance sheets date on a non-distressed basis.

The following tables summarize the investments by the accounting method utilized, as of June 30, 2019 and 2018. Accounting standards require disclosure of additional information for those securities accounted for using the fair value method, as shown in Note 7.

	2019		
(in thousands of dollars)	Fair Value	Equity	Total
Cash and short-term investments	$ 28,634	$ -	$ 28,634
U.S. government securities	147,212	-	147,212
Domestic corporate debt securities	164,996	71,603	236,599
Global debt securities	55,520	49,403	104,923
Domestic equities	178,720	24,262	202,982
International equities	76,328	74,878	151,206
Emerging markets equities	1,295	24,369	25,664
Real Estate Investment Trust	213	-	213
Private equity funds	-	72,201	72,201
Hedge funds	-	40,701	40,701
Other	33	-	33
	$ 652,951	$ 357,417	$ 1,010,368

	2018		
(in thousands of dollars)	Fair Value	Equity	Total
Cash and short-term investments	$ 15,382	$ -	$ 15,382
U.S. government securities	109,285	-	109,285
Domestic corporate debt securities	95,481	59,554	155,035
Global debt securities	49,104	80,994	130,098
Domestic equities	157,011	14,403	171,414
International equities	60,002	72,158	132,160
Emerging markets equities	1,296	24,421	25,717
Real Estate Investment Trust	222	1,548	1,770
Private equity funds	-	55,293	55,293
Hedge funds	-	40,835	40,835
Other	31	-	31
	$ 487,814	$ 349,206	$ 837,020

Investment income is comprised of the following for the years ended June 30, 2019 and 2018:

(in thousands of dollars)	2019	2018
Net assets without donor restrictions		
Interest and dividend income, net	$ 11,333	$ 12,324
Net realized gains on sales of securities	17,419	24,411
Change in net unrealized gains on investments	12,283	4,612
	41,035	41,347
Net assets with donor restrictions		
Interest and dividend income, net	987	1,526
Net realized gains on sales of securities	2,603	1,438
Change in net unrealized gains on investments	(908)	1,390
	2,682	4,354
	$ 43,717	$ 45,701

For the years ended June 30, 2019 and 2018 investment income is reflected in the accompanying consolidated statements of operations and changes in net assets as operating revenue of approximately $983,000 and $960,000 and as non-operating gains of approximately $40,052,000 and $40,387,000, respectively.

Private equity limited partnership shares are not eligible for redemption from the fund or general partner, but can be sold to third party buyers in private transactions that typically can be completed in approximately 90 days. It is the intent of the Health System to hold these investments until the fund has fully distributed all proceeds to the limited partners and the term of the partnership agreement expires. Under the terms of these agreements, the Health System has committed to contribute a specified level of capital over a defined period of time. Through June 30, 2019 and 2018, the Health System has committed to contribute approximately $164,319,000 and $137,219,000 to such funds, of which the Health System has contributed approximately $109,584,000 and $91,942,000 and has outstanding commitments of $54,735,000 and $45,277,000, respectively.

6. Property, Plant, and Equipment

Property, plant, and equipment are summarized as follows at June 30, 2019 and 2018:

(in thousands of dollars)	2019	2018
Land	$ 38,232	$ 38,058
Land improvements	42,607	42,295
Buildings and improvements	898,050	876,537
Equipment	888,138	818,902
Equipment under capital leases	15,809	20,966
	1,882,836	1,796,758
Less: Accumulated depreciation and amortization	1,276,746	1,200,549
Total depreciable assets, net	606,090	596,209
Construction in progress	15,166	11,112
	$ 621,256	$ 607,321

As of June 30, 2019, construction in progress primarily consists of an addition to the ambulatory surgical center located in Manchester, NH as well as renovations taking place at the various pharmacy locations to bring their facilities compliant with Regulation USP800. The estimated cost to complete the ambulatory surgical center at June 30, 2019 is approximately $59,000,000 over the next two fiscal years while the pharmacy renovation is estimated to cost approximately $6,300,000 over the next fiscal year.

The construction in progress reported as of June 30, 2018 for the building renovations taking place at the birthing pavilion in Lebanon, NH was completed during the first quarter of fiscal year 2019 and the information systems PeopleSoft project for Alice Peck Day Memorial Hospital and Cheshire was completed in the fourth quarter of fiscal year 2019.

Depreciation and amortization expense included in operating and non-operating activities was approximately $88,496,000 and $84,729,000 for 2019 and 2018, respectively.

7. Fair Value Measurements

The following is a description of the valuation methodologies for assets and liabilities measured at fair value on a recurring basis:

Cash and Short-Term Investments
Consists of money market funds and are valued at net asset value (NAV) reported by the financial institution.

Domestic, Emerging Markets and International Equities
Consists of actively traded equity securities and mutual funds which are valued at the closing price reported on an active market on which the individual securities are traded (Level 1 measurements).

U.S. Government Securities, Domestic Corporate and Global Debt Securities
Consists of U.S. government securities, domestic corporate and global debt securities, mutual funds and pooled/commingled funds that invest in U.S. government securities, domestic corporate and global debt securities. Securities are valued based on quoted market prices or dealer quotes where available (Level 1 measurement). If quoted market prices are not available, fair values are based on quoted market prices of comparable instruments or, if necessary, matrix pricing from a third party pricing vendor to determine fair value (Level 2 measurements). Matrix prices are based on quoted prices for securities with similar coupons, ratings and maturities, rather than on specific bids and offers for a designated security. Investments in mutual funds are measured based on the quoted NAV as of the close of business in the respective active market (Level 1 measurements).

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

Investments are classified in their entirety based on the lowest level of input that is significant to the fair value measurement. The following tables set forth the consolidated financial assets and liabilities that were accounted for at fair value on a recurring basis as of June 30, 2019 and 2018:

	2019					
(in thousands of dollars)	Level 1	Level 2	Level 3	Total	Redemption or Liquidation	Days' Notice
Assets						
Investments						
Cash and short term investments	$ 28,634	$ -	$ -	$ 28,634	Daily	1
U.S. government securities	147,212	-	-	147,212	Daily	1
Domestic corporate debt securities	34,723	130,273	-	164,996	Daily–Monthly	1–15
Global debt securities	28,412	27,108	-	55,520	Daily–Monthly	1–15
Domestic equities	171,318	7,402	-	178,720	Daily–Monthly	1–10
International equities	76,295	33	-	76,328	Daily–Monthly	1–11
Emerging market equities	1,295	-	-	1,295	Daily–Monthly	1–7
Real estate investment trust	213	-	-	213	Daily–Monthly	1–7
Other	-	33	-	33	Not applicable	Not applicable
Total investments	488,102	164,849	-	652,951		
Deferred compensation plan assets						
Cash and short-term investments	2,952	-	-	2,952		
U.S. government securities	45	-	-	45		
Domestic corporate debt securities	4,932	-	-	4,932		
Global debt securities	1,300	-	-	1,300		
Domestic equities	22,403	-	-	22,403		
International equities	3,576	-	-	3,576		
Emerging market equities	27	-	-	27		
Real estate	11	-	-	11		
Multi strategy fund	48,941	-	-	48,941		
Guaranteed contract	-	-	89	89		
Total deferred compensation plan assets	84,187	-	89	84,276	Not applicable	Not applicable
Beneficial interest in trusts	-	-	9,301	9,301	Not applicable	Not applicable
Total assets	$ 572,289	$ 164,849	$ 9,390	$ 746,528		

	2018					
(in thousands of dollars)	Level 1	Level 2	Level 3	Total	Redemption or Liquidation	Days' Notice
Assets						
Investments						
Cash and short term investments	$ 15,382	$ -	$ -	$ 15,382	Daily	1
U.S. government securities	109,285	-	-	109,285	Daily	1
Domestic corporate debt securities	41,488	53,993	-	95,481	Daily–Monthly	1–15
Global debt securities	32,874	16,230	-	49,104	Daily–Monthly	1–15
Domestic equities	157,011	-	-	157,011	Daily–Monthly	1–10
International equities	59,924	78	-	60,002	Daily–Monthly	1–11
Emerging market equities	1,296	-	-	1,296	Daily–Monthly	1–7
Real estate investment trust	222	-	-	222	Daily–Monthly	1–7
Other	-	31	-	31	Not applicable	Not applicable
Total investments	417,482	70,332	-	487,814		
Deferred compensation plan assets						
Cash and short-term investments	2,637	-	-	2,637		
U.S. government securities	38	-	-	38		
Domestic corporate debt securities	3,749	-	-	3,749		
Global debt securities	1,089	-	-	1,089		
Domestic equities	18,470	-	-	18,470		
International equities	3,584	-	-	3,584		
Emerging market equities	28	-	-	28		
Real estate	9	-	-	9		
Multi strategy fund	46,680	-	-	46,680		
Guaranteed contract	-	-	86	86		
Total deferred compensation plan assets	76,284	-	86	76,370	Not applicable	Not applicable
Beneficial interest in trusts	-	-	9,374	9,374	Not applicable	Not applicable
Total assets	$ 493,766	$ 70,332	$ 9,460	$ 573,558		

The following table is a rollforward of financial instruments classified by the Health System within Level 3 of the fair value hierarchy defined above.

	2019		
(in thousands of dollars)	Beneficial Interest in Perpetual Trust	Guaranteed Contract	Total
Balances at beginning of year	$ 9,374	$ 86	$ 9,460
Net unrealized gains (losses)	(73)	3	(70)
Balances at end of year	$ 9,301	$ 89	$ 9,390

	2018		
(in thousands of dollars)	Beneficial Interest in Perpetual Trust	Guaranteed Contract	Total
Balances at beginning of year	$ 9,244	$ 83	$ 9,327
Net unrealized gains	130	3	133
Balances at end of year	$ 9,374	$ 86	$ 9,460

There were no transfers into and out of Level 1 and 2 measurements due to changes in valuation methodologies during the years ended June 30, 2019 and 2018.

8. Net Assets with Donor Restrictions

Net assets with donor restrictions are available for the following purposes at June 30, 2019 and 2018:

(in thousands of dollars)	2019	2018
Healthcare services	$ 20,140	$ 19,570
Research	26,496	24,732
Purchase of equipment	3,273	3,068
Charity care	12,494	13,667
Health education	19,833	18,429
Other	3,841	2,973
Investments held in perpetuity	56,383	55,394
	$ 142,460	$ 137,833

Income earned on donor restricted net assets held in perpetuity is available for these purposes.

9. Board Designated and Endowment Funds

Net assets include numerous funds established for a variety of purposes including both donor-restricted endowment funds and funds designated by the Board of Trustees to function as endowments. Net assets associated with endowment funds, including funds designated by the Board of Trustees to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

The Board of Trustees has interpreted the NH and VT Uniform Prudent Management of Institutional Funds Acts (UPMIFA or Act) for donor-restricted endowment funds as requiring the preservation of the original value of gifts, as of the gift date, to donor-restricted endowment funds, absent explicit donor stipulations to the contrary. The Health System's net assets with donor restrictions which are to be held in perpetuity consist of (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to be held in perpetuity, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund, if any. Collectively these amounts are referred to as the historic dollar value of the fund.

Net assets without donor restrictions include funds designated by the Board of Trustees to function as endowments and the income from certain donor-restricted endowment funds, and any accumulated investment return thereon, which pursuant to donor intent may be expended based on trustee or management designation. Net assets with donor restrictions that are temporary in nature, either restricted by time or purpose, include funds appropriated for expenditure pursuant to endowment and investment spending policies, certain expendable endowment gifts from donors, and any retained income and appreciation on donor-restricted endowment funds, which are restricted by the donor to a specific purpose or by law. When the restrictions on these funds have been met, the funds are reclassified to net assets without donor restrictions.

In accordance with the Act, the Health System considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: the duration and preservation of the fund; the purposes of the donor-restricted endowment fund; general economic conditions; the possible effect of inflation and deflation; the expected total return from income and the appreciation of investments; other resources available; and investment policies.

The Health System has endowment investment and spending policies that attempt to provide a predictable stream of funding for programs supported by its endowment while ensuring that the purchasing power does not decline over time. The Health System targets a diversified asset allocation that places emphasis on investments in domestic and international equities, fixed income, private equity, and hedge fund strategies to achieve its long-term return objectives within prudent risk constraints. The Health System's Investment Committee reviews the policy portfolio asset allocations, exposures, and risk profile on an ongoing basis.

The Health System, as a policy, may appropriate for expenditure or accumulate so much of an endowment fund as the institution determines is prudent for the uses, benefits, purposes, and duration for which the endowment is established, subject to donor intent expressed in the gift instrument and the standard of prudence prescribed by the Act.

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below their original contributed value. Such market losses were not material as of June 30, 2019 and 2018.

Endowment net asset composition by type of fund consists of the following at June 30, 2019 and 2018:

	2019		
(in thousands of dollars)	Without Donor Restrictions	With Donor Restrictions	Total
Donor-restricted endowment funds	$ -	$ 78,268	$ 78,268
Board-designated endowment funds	31,421	-	31,421
Total endowed net assets	$ 31,421	$ 78,268	$ 109,689

(in thousands of dollars)	2018 Without Donor Restrictions	2018 With Donor Restrictions	2018 Total
Donor-restricted endowment funds	$ -	$ 78,197	$ 78,197
Board-designated endowment funds	29,506	-	29,506
Total endowed net assets	$ 29,506	$ 78,197	$ 107,703

Changes in endowment net assets for the years ended June 30, 2019 and 2018 are as follows:

(in thousands of dollars)	2019 Without Donor Restrictions	2019 With Donor Restrictions	2019 Total
Balances at beginning of year	$ 29,506	$ 78,197	$ 107,703
Net investment return	1,184	2,491	3,675
Contributions	804	1,222	2,026
Transfers	(73)	(1,287)	(1,360)
Release of appropriated funds	-	(2,355)	(2,355)
Balances at end of year	$ 31,421	$ 78,268	$ 109,689

(in thousands of dollars)	2018 Without Donor Restrictions	2018 With Donor Restrictions	2018 Total
Balances at beginning of year	$ 26,389	$ 75,457	$ 101,846
Net investment return	3,112	4,246	7,358
Contributions	-	1,121	1,121
Transfers	5	(35)	(30)
Release of appropriated funds	-	(2,592)	(2,592)
Balances at end of year	$ 29,506	$ 78,197	$ 107,703

10. Long-Term Debt

A summary of long-term debt at June 30, 2019 and 2018 is as follows:

(in thousands of dollars)	2019	2018
Variable rate issues		
New Hampshire Health and Education Facilities Authority (NHHEFA) Revenue Bonds		
Series 2018A, principal maturing in varying annual amounts, through August 2037 (1)	$ 83,355	$ 83,355
Fixed rate issues		
New Hampshire Health and Education Facilities Authority Revenue Bonds		
Series 2018B, principal maturing in varying annual amounts, through August 2048 (1)	303,102	303,102
Series 2017A, principal maturing in varying annual amounts, through August 2040 (2)	122,435	122,435
Series 2017B, principal maturing in varying annual amounts, through August 2031 (2)	109,800	109,800
Series 2014A, principal maturing in varying annual amounts, through August 2022 (3)	26,960	26,960
Series 2018C, principal maturing in varying annual amounts, through August 2030 (4)	25,865	-
Series 2012, principal maturing in varying annual amounts, through July 2039 (5)	25,145	25,955
Series 2014B, principal maturing in varying annual amounts, through August 2033 (3)	14,530	14,530
Series 2016B, principal maturing in varying annual amounts, through August 2045 (6)	10,970	10,970
Total variable and fixed rate debt	$ 722,162	$ 697,107

A summary of long-term debt at June 30, 2019 and 2018 is as follows (continued):

(in thousands of dollars)	2019	2018
Other		
Series 2010, principal maturing in varying annual amounts, through August 2040 (7)*	$ -	$ 15,498
Note payable to a financial institution payable in interest free monthly installments through July 2015; collateralized by associated equipment*	445	646
Note payable to a financial institution with entire principal due June 2029 that is collateralized by land and building. The note payable is interest free*	323	380
Mortgage note payable to the US Dept of Agriculture; monthly payments of $10,892 include interest of 2.375% through November 2046*	2,629	2,697
Obligations under capital leases	17,526	18,965
Total other debt	20,923	38,186
Total variable and fixed rate debt	722,162	697,107
Total long-term debt	743,085	735,293
Less: Original issue discounts and premiums, net	(25,542)	(26,862)
Bond issuance costs, net	5,533	5,716
Current portion	10,914	3,464
	$ 752,180	$ 752,975

*Represents nonobligated group bonds

Aggregate annual principal payments required under revenue bond agreements and capital lease obligations for the next five years ending June 30 and thereafter are as follows:

(in thousands of dollars)	2019
2020	$ 10,914
2021	10,693
2022	10,843
2023	7,980
2024	3,016
Thereafter	699,639
	$ 743,085

Dartmouth-Hitchcock Obligated Group (DHOG) Bonds

MHMH established the DHOG in 1993 for the original purpose of issuing bonds financed through NHHEFA or the "Authority". The members of the obligated group consist of D-HH, MHMH, DHC, Cheshire, NLH, MAHHC, and, effective August 15, 2018, APD. D-HH is designated as the obligated group agent.

Revenue Bonds issued by members of the DHOG are administered through notes registered in the name of the Bond Trustee and in accordance with the terms of a Master Trust Indenture. The Master Trust Indenture contains provisions permitting the addition, withdrawal, or consolidation of members of the DHOG under certain conditions. The notes constitute a joint and several obligation of the members of the DHOG (and any other future members of the DHOG) and are equally and ratably collateralized by a pledge of the members' gross receipts. The DHOG is also subject to certain annual covenants under the Master Trust Indenture, the most restrictive is the Annual Debt Service Coverage Ratio (1.10x).

(1) Series 2018A and Series 2018B Revenue Bonds

The DHOG issued NHHEFA Revenue Bonds, Series 2018A and Series 2018B in February 2018. The Series 2018A Revenue Bonds were primarily used to refund a portion of Series 2015A and Series 2016A. The Series 2018B were primarily used to refund a portion of Series 2015A and Series 2016A, Revolving Line of Credit, Series 2012 Bank Loan and the Series 2015A and Series 2016A Swap terminations. A loss on the extinguishment of debt of approximately $578,000 was recognized in non-operating gains (losses) on the statement of operations and changes in net assets, as a result of the refinancing. The interest on the Series 2018A Revenue Bonds is variable with a current interest rate of 5.00% and matures in variable amounts through 2037. The interest on the Series 2018B Revenue Bonds is fixed with an interest rate of 4.18% and matures in variable amounts through 2048.

(2) Series 2017A and Series 2017B Revenue Bonds

The DHOG issued NHHEFA Revenue Bonds, Series 2017A and Series 2017B in December, 2017. The Series 2017A Revenue Bonds were primarily used to refund Series 2009 and Series 2010 and the Series 2017B Revenue Bonds were used to refund Series 2012A and Series 2012B. The interest on the Series 2017A Revenue Bonds is fixed with an interest rate of 5.00% and matures in variable amounts through 2040. The interest on the Series 2017B Revenue Bonds is fixed with an interest rate of 2.54% and matures in variable amounts through 2031.

(3) Series 2014A and Series 2014B Revenue Bonds

The DHOG issued NHHEFA Revenue Bonds, Series 2014A and Series 2014B in August 2014. The proceeds from the Series 2014A and 2014B Revenue Bonds were used to partially refund the Series 2009 Revenue Bonds and to cover cost of issuance. Interest on the 2014A Revenue Bonds is fixed with an interest rate of 2.63% and matures at various dates through 2022. Interest on the Series 2014B Revenue Bonds is fixed with an interest rate of 4.00% and matures at various dates through 2033.

(4) Series 2018C Revenue Bonds

The DHOG issued NHHEFA Revenue Bonds, Series 2018C in August, 2018. The Series 2018C Revenue Bonds were used primarily to refinance the Series 2010 Revenue Bonds. The interest on the series 2018C Revenue Bonds is fixed with an interest rate of 3.22% and matures in variable amounts through 2030.

(5) Series 2012 Revenue Bonds

The NHHEFA issued $29,650,000 of tax-exempt Revenue Bonds, Series 2012. The proceeds of these bonds were used to refund 1998 and 2009 Series Bonds, to finance the settlement cost of the interest rate swap, and to finance the purchase of certain equipment and renovations. The bonds have fixed interest coupon rates ranging from 2.0% to 5.0% (a net interest cost of 3.96%), and matures in variable amounts through 2039.

(6) Series 2016B Revenue Bonds

The DHOG issued NHHEFA Revenue Bonds, Series 2016B in July 2016 through a private placement with a financial institution. The Series 2016B Revenue Bonds were used to finance 2016 projects. The Series 2016B is fixed with an interest rate of 1.78% and matures at various dates through 2045.

Outstanding joint and several indebtedness of the DHOG at June 30, 2019 and 2018 approximates $722,162,000 and $697,107,000, respectively.

Non Obligated Group Bonds

(7) Series 2010 Revenue Bonds

The Business Finance Authority (BFA) of the State of NH issued Revenue Bonds, Series 2010. Interest is based on an annual percentage rate equal to the sum of (a) 69% of the 1-Month LIBOR rate plus (b) 1.8975/5. The Health System redeemed these bonds in August 2018.

The Health System Indenture agreements require establishment and maintenance of debt service reserves and other trustee held funds. Trustee held funds of approximately $631,000 and $1,872,000 at June 30, 2019 and 2018, respectively, are classified as assets limited as to use in the accompanying consolidated balance sheets (Note 5). The debt service reserves are mainly comprised of escrowed funds held for future principal and interest payments.

For the years ended June 30, 2019 and 2018 interest expense on the Health System's long term debt is reflected in the accompanying consolidated statements of operations and changes in net assets as operating expense of approximately $25,514,000 and $18,822,000 and other non-operating losses of $3,784,000 and $2,793,000, respectively.

Swap Agreements

The Health System is subject to market risks such as changes in interest rates that arise from normal business operation. The Health System regularly assesses these risks and has established business strategies to provide natural offsets, supplemented by the use of derivative financial instruments to protect against the adverse effect of these and other market risks. The Health System has established clear policies, procedures, and internal controls governing the use of derivatives and does not use them for trading, investment, or other speculative purposes.

As of June 30, 2019 and 2018, there was no liability for interest rate swaps as all remaining swaps were terminated in February 2018. For the year ended June 30, 2018, the Health System recognized a non-operating loss due to swap termination of $14,247,000 relating to the swap termination. The change in fair value during the year ended June 30, 2018 was a decrease of

$4,897,000. For the year ended June 30, 2018 the Health System recognized a non-operating gain of $145,000 resulting from hedge ineffectiveness and amortization of frozen swaps.

11. Employee Benefits

All eligible employees of the Health System are covered under various defined benefit and/or define contribution plans. In addition, certain members provide postretirement medical and life benefit plans to certain of its active and former employees who meet eligibility requirements. The postretirement medical and life plans are not funded.

All of the defined benefit plans within the Health System have been frozen and therefore there are no remaining participants earning benefits in any of the Health System's defined benefit plans.

The Health System continued to execute the settlement of obligations due to retirees in the defined benefit plans through bulk lump sum offerings or purchases of annuity contracts. The annuity purchases follow guidelines established by the Department of Labor (DOL). The Health System anticipates continued consideration and/or implementation of additional settlements over the next several years.

Defined Benefit Plans
Net periodic pension expense included in employee benefits in the consolidated statements of operations and changes in net assets is comprised of the components listed below for the years ended June 30, 2019 and 2018:

(in thousands of dollars)	2019	2018
Service cost for benefits earned during the year	$ 150	$ 150
Interest cost on projected benefit obligation	47,814	47,190
Expected return on plan assets	(65,270)	(64,561)
Net loss amortization	10,357	10,593
Total net periodic pension expense	$ (6,949)	$ (6,628)

The following assumptions were used to determine net periodic pension expense as of June 30, 2019 and 2018:

	2019	2018
Discount rate	3.90 % - 4.60%	4.00 % – 4.30 %
Rate of increase in compensation	N/A	N/A
Expected long-term rate of return on plan assets	7.50%	7.50 % – 7.75 %

The following table sets forth the funded status and amounts recognized in the Health System's consolidated financial statements for the defined benefit pension plans at June 30, 2019 and 2018:

(in thousands of dollars)	2019	2018
Change in benefit obligation		
Benefit obligation at beginning of year	$ 1,087,940	$ 1,122,615
Service cost	150	150
Interest cost	47,814	47,190
Benefits paid	(51,263)	(47,550)
Expenses paid	(170)	(172)
Actuarial (gain) loss	93,358	(34,293)
Settlements	(42,306)	-
Benefit obligation at end of year	1,135,523	1,087,940
Change in plan assets		
Fair value of plan assets at beginning of year	884,983	878,701
Actual return on plan assets	85,842	33,291
Benefits paid	(51,263)	(47,550)
Expenses paid	(170)	(172)
Employer contributions	20,631	20,713
Settlements	(42,306)	-
Fair value of plan assets at end of year	897,717	884,983
Funded status of the plans	(237,806)	(202,957)
Less: Current portion of liability for pension	(46)	(45)
Long term portion of liability for pension	(237,760)	(202,912)
Liability for pension	$ (237,806)	$ (202,957)

As of June 30, 2019 and 2018 the liability, for pension is included in the liability for pension and other postretirement plan benefits in the accompanying consolidated balance sheets.

Amounts not yet reflected in net periodic pension expense and included in the change in net assets without donor restrictions include approximately $478,394,000 and $418,971,000 of net actuarial loss as of June 30, 2019 and 2018, respectively.

The estimated amounts to be amortized from net assets without donor restrictions into net periodic pension expense in fiscal year 2020 for net actuarial losses is $12,032,000.

The accumulated benefit obligation for the defined benefit pension plans was approximately $1,135,770,000 and $1,087,991,000 at June 30, 2019 and 2018, respectively.

The following table sets forth the assumptions used to determine the benefit obligation at June 30, 2019 and 2018:

	2019	2018
Discount rate	4.20% - 4.50%	4.20 % – 4.50 %
Rate of increase in compensation	N/A	N/A

The primary investment objective for the Plan's assets is to support the Pension liabilities of the Pension Plans for Employees of the Health System, by providing long-term capital appreciation and by also using a Liability Driven Investing ("LDI") strategy to partially hedge the impact fluctuating interest rates have on the value of the Plan's liabilities. As of both June 30, 2019 and 2018, it is expected that the LDI strategy will hedge approximately 60% of the interest rate risk associated with pension liabilities. To achieve the appreciation and hedging objectives, the Plans utilize a diversified structure of asset classes designed to achieve stated performance objectives measured on a total return basis, which includes income plus realized and unrealized gains and losses.

The range of target allocation percentages and the target allocations for the various investments are as follows:

	Range of Target Allocations	Target Allocations
Cash and short-term investments	0–5%	3%
U.S. government securities	0–10	5
Domestic debt securities	20–58	38
Global debt securities	6–26	8
Domestic equities	5–35	19
International equities	5–15	11
Emerging market equities	3–13	5
Real estate investment trust funds	0–5	0
Private equity funds	0–5	0
Hedge funds	5–18	11

To the extent an asset class falls outside of its target range on a quarterly basis, the Health System shall determine appropriate steps, as it deems necessary, to rebalance the asset class.

The Boards of Trustees of the Health System, as Plan Sponsors, oversee the design, structure, and prudent professional management of the Health System's Plans' assets, in accordance with Board approved investment policies, roles, responsibilities and authorities and more specifically the following:

- Establishing and modifying asset class targets with Board approved policy ranges,
- Approving the asset class rebalancing procedures,
- Hiring and terminating investment managers, and
- Monitoring performance of the investment managers, custodians and investment consultants.

The hierarchy and inputs to valuation techniques to measure fair value of the Plans' assets are the same as outlined in Note 7. In addition, the estimation of fair value of investments in private equity and hedge funds for which the underlying securities do not have a readily determinable value is made using the NAV per share or its equivalent as a practical expedient. The Health System's Plans own interests in these funds rather than in securities underlying each fund and, therefore, are generally required to consider such investments as Level 2 or 3, even though the underlying securities may not be difficult to value or may be readily marketable.

The following table sets forth the Health System's Plans' investments and deferred compensation plan assets that were accounted for at fair value as of June 30, 2019 and 2018:

	2019					
(in thousands of dollars)	Level 1	Level 2	Level 3	Total	Redemption or Liquidation	Days' Notice
Investments						
Cash and short-term investments	$ 166	$ 18,232	$ -	$ 18,398	Daily	1
U.S. government securities	48,580	-	-	48,580	Daily–Monthly	1–15
Domestic debt securities	122,178	273,424	-	395,602	Daily–Monthly	1–15
Global debt securities	428	75,146	-	75,574	Daily–Monthly	1–15
Domestic equities	159,259	18,316	-	177,575	Daily–Monthly	1–10
International equities	17,232	77,146	-	94,378	Daily–Monthly	1–11
Emerging market equities	321	39,902	-	40,223	Daily–Monthly	1–17
REIT funds	357	2,883	-	3,240	Daily–Monthly	1–17
Private equity funds	-	-	21	21	See Note 7	See Note 7
Hedge funds	-	-	44,126	44,126	Quarterly–Annual	60–96
Total investments	$ 348,521	$ 505,049	$ 44,147	$ 897,717		

	2018					
(in thousands of dollars)	Level 1	Level 2	Level 3	Total	Redemption or Liquidation	Days' Notice
Investments						
Cash and short-term investments	$ 142	$ 35,817	$ -	$ 35,959	Daily	1
U.S. government securities	46,265	-	-	46,265	Daily–Monthly	1–15
Domestic debt securities	144,131	220,202	-	364,333	Daily–Monthly	1–15
Global debt securities	470	74,676	-	75,146	Daily–Monthly	1–15
Domestic equities	158,634	17,594	-	176,228	Daily–Monthly	1–10
International equities	18,656	80,803	-	99,459	Daily–Monthly	1–11
Emerging market equities	382	39,881	-	40,263	Daily–Monthly	1–17
REIT funds	371	2,686	-	3,057	Daily–Monthly	1–17
Private equity funds	-	-	23	23	See Note 7	See Note 7
Hedge funds	-	-	44,250	44,250	Quarterly–Annual	60–96
Total investments	$ 369,051	$ 471,659	$ 44,273	$ 884,983		

The following table presents additional information about the changes in Level 3 assets measured at fair value for the years ended June 30, 2019 and 2018:

	2019		
(in thousands of dollars)	Hedge Funds	Private Equity Funds	Total
Balances at beginning of year	$ 44,250	$ 23	$ 44,273
Net unrealized losses	(124)	(2)	(126)
Balances at end of year	$ 44,126	$ 21	$ 44,147

	2018		
(in thousands of dollars)	Hedge Funds	Private Equity Funds	Total
Balances at beginning of year	$ 40,507	$ 96	$ 40,603
Sales	-	(51)	(51)
Net realized losses	-	(51)	(51)
Net unrealized gains	3,743	29	3,772
Balances at end of year	$ 44,250	$ 23	$ 44,273

The total aggregate net unrealized gains (losses) included in the fair value of the Level 3 investments as of June 30, 2019 and 2018 were approximately $14,617,000 and $14,743,000, respectively. There were no transfers into and out of Level 3 measurements during the years ended June 30, 2019 and 2018.

There were no transfers into and out of Level 1 and 2 measurements due to changes in valuation methodologies during the years ended June 30, 2019 and 2018.

The weighted average asset allocation for the Health System's Plans at June 30, 2019 and 2018 by asset category is as follows:

	2019	2018
Cash and short-term investments	2 %	4 %
U.S. government securities	5	5
Domestic debt securities	44	41
Global debt securities	9	9
Domestic equities	20	20
International equities	11	11
Emerging market equities	4	5
Hedge funds	5	5
	100 %	100 %

The expected long-term rate of return on plan assets is reviewed annually, taking into consideration the asset allocation, historical returns on the types of assets held, and the current economic environment. Based on these factors, it is expected that the pension assets will earn an average of 7.50% per annum.

The Health System is expected to contribute approximately $20,426,000 to the Plans in 2020 however actual contributions may vary from expected amounts.

The following benefit payments, which reflect expected future service, as appropriate, are expected to be paid for the years ending June 30 and thereafter:

(in thousands of dollars)

2020	$ 50,743
2021	52,938
2022	55,199
2023	57,562
2024	59,843
2025 – 2028	326,737

Defined Contribution Plans

The Health System has an employer-sponsored 401(a) plan for certain of its members, under which the employer makes base, transition and discretionary match contributions based on specified percentages of compensation and employee deferral amounts. Total employer contributions to the plan of approximately $40,537,000 and $38,563,000 in 2019 and 2018, respectively, are included in employee benefits in the accompanying consolidated statements of operations and changes in net assets.

Various 403(b) and tax- sheltered annuity plans are available to employees of the Health System. Plan specifications vary by member and plan. No employer contributions were made to any of these plans in 2019 and 2018 respectively.

Postretirement Medical and Life Benefits

The Health System has postretirement medical and life benefit plans covering certain of its active and former employees. The plans generally provide medical or medical and life insurance benefits to certain retired employees who meet eligibility requirements. The plans are not funded.

Net periodic postretirement medical and life benefit (income) cost is comprised of the components listed below for the years ended June 30, 2019 and 2018:

(in thousands of dollars)	2019	2018
Service cost	$ 384	$ 533
Interest cost	1,842	1,712
Net prior service income	(5,974)	(5,974)
Net loss amortization	10	10
	$ (3,738)	$ (3,719)

The following table sets forth the accumulated postretirement medical and life benefit obligation and amounts recognized in the Health System's consolidated financial statements at June 30, 2019 and 2018:

(in thousands of dollars)	2019	2018
Change in benefit obligation		
Benefit obligation at beginning of year	$ 42,581	$ 42,277
Service cost	384	533
Interest cost	1,842	1,712
Benefits paid	(3,149)	(3,174)
Actuarial loss	5,013	1,233
Benefit obligation at end of year	46,671	42,581
Funded status of the plans	$ (46,671)	$ (42,581)
Current portion of liability for postretirement medical and life benefits	$ (3,422)	$ (3,266)
Long term portion of liability for postretirement medical and life benefits	(43,249)	(39,315)
Liability for postretirement medical and life benefits	$ (46,671)	$ (42,581)

As of June 30, 2019 and 2018, the liability for postretirement medical and life benefits is included in the liability for pension and other postretirement plan benefits in the accompanying consolidated balance sheets.

Amounts not yet reflected in net periodic postretirement medical and life benefit income and included in the change in net assets without donor restrictions are as follows:

(in thousands of dollars)	2019	2018
Net prior service income	$ (9,556)	$ (15,530)
Net actuarial loss	8,386	3,336
	$ (1,170)	$ (12,194)

The estimated amounts that will be amortized from net assets without donor restrictions into net periodic postretirement income in fiscal year 2020 for net prior service cost is $5,974,000.

The following future benefit payments, which reflect expected future service, as appropriate, are expected to be paid for the year ending June 30, 2020 and thereafter:

(in thousands of dollars)	
2020	$ 3,468
2021	3,436
2022	3,394
2023	3,802
2024	3,811
2025-2028	17,253

In determining the accumulated postretirement medical and life benefit obligation, the Health System used a discount rate of 3.70% in 2019 and an assumed healthcare cost trend rate of 6.50%, trending down to 5.00% in 2024 and thereafter. Increasing the assumed healthcare cost trend rates by one percentage point in each year would increase the accumulated postretirement medical benefit obligation as of June 30, 2019 and 2018 by $1,601,000 and $1,088,000 and the net periodic postretirement medical benefit cost for the years then ended by $77,000 and $81,000, respectively. Decreasing the assumed healthcare cost trend rates by one percentage point in each year would decrease the accumulated postretirement medical benefit obligation as of June 30, 2019 and 2018 by $1,452,000 and $996,000 and the net periodic postretirement medical benefit cost for the years then ended by $71,000 and $72,000, respectively.

12. Professional and General Liability Insurance Coverage

Mary Hitchcock Memorial Hospital and Dartmouth-Hitchcock Clinic, along with Dartmouth College, Cheshire Medical Center, The New London Hospital Association, Mt. Ascutney Hospital and Health Center, and the Visiting Nurse and Hospice for VT and NH are provided professional and general liability insurance on a claims-made basis through Hamden Assurance Risk Retention Group, Inc. (RRG), a VT captive insurance company. Effective November 1, 2018 Alice Peck Day Memorial Hospital is provided professional and general liability insurance coverage through RRG. RRG reinsures the majority of this risk to Hamden Assurance Company Limited (HAC), a captive insurance company domiciled in Bermuda and to a variety of commercial reinsurers. Mary Hitchcock Memorial Hospital, Dartmouth-Hitchcock Clinic, and Dartmouth College have ownership interests in both HAC and RRG. The insurance program provides coverage to the covered institutions and named insureds on a modified claims-made basis which means coverage is triggered when claims are made. Premiums and related insurance deposits are actuarially determined based on asserted liability claims adjusted for future development. The reserves for outstanding losses are recorded on an undiscounted basis.

Selected financial data of HAC and RRG, taken from the latest available financial statements at June 30, 2019 and 2018, are summarized as follows:

	2019		
(in thousands of dollars)	HAC	RRG	Total
Assets	$ 75,867	$ 2,201	$ 78,068
Shareholders' equity	13,620	50	13,670

	2018		
(in thousands of dollars)	HAC	RRG	Total
Assets	$ 72,753	$ 2,068	$ 74,821
Shareholders' equity	13,620	50	13,670

13. Commitments and Contingencies

Litigation

The Health System is involved in various malpractice claims and legal proceedings of a nature considered normal to its business. The claims are in various stages and some may ultimately be brought to trial. While it is not feasible to predict or determine the outcome of any of these claims, it is the opinion of management that the final outcome of these claims will not have a material effect on the consolidated financial position of the Health System.

Operating Leases and Other Commitments

The Health System leases certain facilities and equipment under operating leases with varying expiration dates. The Health System's rental expense totaled approximately $12,707,000 and $14,096,000 for the years ended June 30, 2019 and 2018, respectively.

Minimum future lease payments under noncancelable operating leases at June 30, 2019 were as follows:

(in thousands of dollars)

2020	$ 11,342
2021	10,469
2022	7,488
2023	6,303
2024	4,127
Thereafter	5,752
	$ 45,481

Lines of Credit

The Health System has entered into Loan Agreements with financial institutions establishing access to revolving loans ranging from $2,000,000 up to $30,000,000. Interest is variable and determined using LIBOR or the Wall Street Journal Prime Rate. The Loan Agreements are due to expire March 27, 2020. There was no outstanding balance under the lines of credit as of June 30, 2019 and 2018. Interest expense was approximately $95,000 and $232,000, respectively, and is included in the consolidated statements of operations and changes in net assets.

14. Functional Expenses

Operating expenses are presented by functional classification in accordance with the overall service missions of the Health System. Each functional classification displays all expenses related to the underlying operations by natural classification. Salaries, employee benefits, medical supplies and medications, and purchased services and other expenses are generally considered variable and are allocated to the mission that best aligns to the type of service provided. Medicaid enhancement tax is allocated to program services. Interest expense is allocated based on usage of debt-financed space. Depreciation and amortization is allocated based on square footage and specific identification of equipment used by department.

Operating expenses of the Health System by functional and natural basis are as follows for the year ended June 30, 2019:

	2019			
(in thousands of dollars)	Program Services	Management and General	Fundraising	Total
Operating expenses				
Salaries	$ 922,902	$ 138,123	$ 1,526	$ 1,062,551
Employee benefits	178,983	72,289	319	251,591
Medical supplies and medications	406,782	1,093	-	407,875
Purchased services and other	212,209	108,783	2,443	323,435
Medicaid enhancement tax	70,061	-	-	70,061
Depreciation and amortization	37,528	50,785	101	88,414
Interest	3,360	22,135	19	25,514
Total operating expenses	$ 1,831,825	$ 393,208	$ 4,408	$ 2,229,441

Operating expenses of the Health System by functional classification are as follows for the year ended June 30, 2018:

(in thousands of dollars)	2018
Program services	$ 1,715,760
Management and general	303,527
Fundraising	2,354
	$ 2,021,641

15. Liquidity

The Health System is substantially supported by cash generated from operations. In addition, the Health System holds financial assets for specific purposes which are limited as to use. Thus, certain financial assets reported on the accompanying consolidated balance sheet may not be available for general expenditure within one year of the balance sheet date.

The Health System's financial assets available at June 30, 2019 to meet cash needs for general expenditures within one year of June 30, 2019 are as follows:

(in thousands of dollars)	2019
Cash and cash equivalents	$ 143,587
Patient accounts receivable	221,125
Assets limited as to use	876,249
Other investments for restricted activities	134,119
Total financial assets	$ 1,375,080
Less: Those unavailable for general expenditure within one year:	
Investments held by captive insurance companies	66,082
Investments for restricted activities	134,119
Other investments with liquidity horizons greater than one year	97,063
Total financial assets available within one year	$ 1,077,816

For the years ending June 30, 2019 and June 30, 2018, the Health System generated positive cash flow from operations of approximately $161,853,000 and $136,031,000, respectively. In addition, the Health System's liquidity management plan includes investing excess daily cash in intermediate or long term investments based on anticipated liquidity needs. The Health System has an available line of credit of up to $30,000,000 which it can draw upon as needed to meet its liquidity needs. See Note 13 for further details on the line of credit.

16. Subsequent Events

The Health System has assessed the impact of subsequent events through November 26, 2019, the date the audited consolidated financial statements were issued, and has concluded that there were no such events that require adjustment to the audited consolidated financial statements or disclosure in the notes to the audited consolidated financial statements other than as noted below.

Effective September 30, 2019, the Boards of Trustees of D-HH, GraniteOne Health, Catholic Medical Center Health Services, and their respective member organizations approved a Combination Agreement to combine their healthcare systems. If regulatory approval of the transaction is obtained, the name of the new system will be Dartmouth-Hitchcock Health GraniteOne.

The GraniteOne Health system is comprised of Catholic Medical Center (CMC), a community hospital located in Manchester NH, Huggins Hospital located in Wolfeboro NH, and Monadnock Community Hospital located in Peterborough NH. Both Huggins Hospital and Monadnock Community Hospital are designated as Critical Access Hospitals. GraniteOne is a non-profit, community based health care system.

On September 13, 2019, the Board of Trustees of D-HH approved the issuance of up to $100,000,000 par of new debt. On October 17, 2019, D-HH closed on the direct placement tax-

exempt borrowing of $99,165,000 on behalf of the DHOG acting through the New Hampshire Health and Education Facilities Authority and issued its DHOG Issue, Series 2019A Bonds.

Consolidating Supplemental Information – Unaudited

Dartmouth-Hitchcock Health and Subsidiaries
Consolidating Balance Sheets
June 30, 2019

(in thousands of dollars)	Dartmouth-Hitchcock Health	Dartmouth-Hitchcock	Cheshire Medical Center	Alice Peck Day Memorial	New London Hospital Association	Mt. Ascutney Hospital and Health Center	Eliminations	DH Obligated Group Subtotal	All Other Non-Oblig Group Affiliates	Eliminations	Health System Consolidated
Assets											
Current assets											
Cash and cash equivalents	$ 42,456	$ 47,465	$ 9,411	$ 7,066	$ 10,462	$ 8,372	$ -	$ 125,232	$ 18,355	$ -	$ 143,587
Patient accounts receivable, net	-	180,938	15,880	7,279	8,960	5,010	-	218,067	3,058	-	221,125
Prepaid expenses and other current assets	14,178	139,034	8,563	2,401	5,567	1,423	(74,083)	97,083	1,421	(3,009)	95,495
Total current assets	56,634	367,437	33,854	16,746	24,989	14,805	(74,083)	440,382	22,834	(3,009)	460,207
Assets limited as to use	92,602	688,485	18,759	12,684	12,427	11,619	-	836,576	39,673	-	876,249
Notes receivable, related party	553,484	752	-	1,406	-	-	(554,236)	1,406	(1,406)	-	-
Other investments for restricted activities	-	91,882	6,970	31	2,973	6,323	-	108,179	25,940	-	134,119
Property, plant, and equipment, net	22	432,277	67,147	30,945	41,946	17,797	-	590,134	31,122	-	621,256
Other assets	24,864	108,208	1,279	15,019	6,042	4,388	(10,970)	148,830	(3,013)	(21,346)	124,471
Total assets	$ 727,606	$ 1,689,041	$ 128,009	$ 76,831	$ 88,377	$ 54,932	$ (639,289)	$ 2,125,507	$ 115,150	$ (24,355)	$ 2,216,302
Liabilities and Net Assets											
Current liabilities											
Current portion of long-term debt	$ -	$ 8,226	$ 830	$ 954	$ 547	$ 262	$ -	$ 10,819	$ 95	$ -	$ 10,914
Current portion of liability for pension and other postretirement plan benefits	-	3,468	-	-	-	-	-	3,468	-	-	3,468
Accounts payable and accrued expenses	55,499	99,884	15,620	6,299	3,878	2,776	(74,083)	109,873	6,953	(3,009)	113,817
Accrued compensation and related benefits	-	110,639	5,851	3,694	2,313	4,270	-	126,767	1,641	-	128,408
Estimated third-party settlements	-	26,405	103	1,290	10,851	2,921	-	41,570	-	-	41,570
Total current liabilities	55,499	248,622	22,404	12,237	17,589	10,229	(74,083)	292,497	8,689	(3,009)	298,177
Notes payable, related party	-	526,202	-	-	28,034	-	(554,236)	-	-	-	-
Long-term debt, excluding current portion	643,257	44,820	24,503	35,604	643	11,465	(10,970)	749,322	2,858	-	752,180
Insurance deposits and related liabilities	-	56,786	440	513	388	240	-	58,367	40	-	58,407
Liability for pension and other postretirement plan benefits, excluding current portion	-	266,427	10,262	-	-	4,320	-	281,009	-	-	281,009
Other liabilities	-	98,201	1,104	28	1,585	-	-	100,918	23,218	-	124,136
Total liabilities	698,756	1,241,058	58,713	48,382	48,239	26,254	(639,289)	1,482,113	34,805	(3,009)	1,513,909
Commitments and contingencies											
Net assets											
Net assets without donor restrictions	28,832	356,880	63,051	27,653	35,518	21,242	-	533,176	48,063	(21,306)	559,933
Net assets with donor restrictions	18	91,103	6,245	796	4,620	7,436	-	110,218	32,282	(40)	142,460
Total net assets	28,850	447,983	69,296	28,449	40,138	28,678	-	643,394	80,345	(21,346)	702,393
Total liabilities and net assets	$ 727,606	$ 1,689,041	$ 128,009	$ 76,831	$ 88,377	$ 54,932	$ (639,289)	$ 2,125,507	$ 115,150	$ (24,355)	$ 2,216,302

Dartmouth-Hitchcock Health and Subsidiaries
Consolidating Balance Sheets
June 30, 2019

(in thousands of dollars)	D-HH and Other Subsidiaries	D-H and Subsidiaries	Cheshire and Subsidiaries	NLH and Subsidiaries	MAHHC and Subsidiaries	APD and Subsidiaries	VNH and Subsidiaries	Eliminations	Health System Consolidated
Assets									
Current assets									
Cash and cash equivalents	$ 42,456	$ 48,052	$ 11,952	$ 11,120	$ 8,549	$ 15,772	$ 5,686	$ -	$ 143,587
Patient accounts receivable, net	-	180,938	15,880	8,960	5,060	7,280	3,007	-	221,125
Prepaid expenses and other current assets	14,178	139,832	9,460	5,567	1,401	1,678	471	(77,092)	95,495
Total current assets	56,634	368,822	37,292	25,647	15,010	24,730	9,164	(77,092)	460,207
Assets limited as to use	92,602	707,597	17,383	12,427	12,738	12,685	20,817	-	876,249
Notes receivable, related party	553,484	752	-	-	-	-	-	(554,236)	-
Other investments for restricted activities	-	99,807	24,985	2,973	6,323	31	-	-	134,119
Property, plant, and equipment, net	22	434,953	70,846	42,423	19,435	50,338	3,239	-	621,256
Other assets	24,864	108,366	7,388	5,476	1,931	8,688	74	(32,316)	124,471
Total assets	$ 727,606	$ 1,720,297	$ 157,894	$ 88,946	$ 55,437	$ 96,472	$ 33,294	$ (663,644)	$ 2,216,302
Liabilities and Net Assets									
Current liabilities									
Current portion of long-term debt	$ -	$ 8,226	$ 830	$ 547	$ 288	$ 954	$ 69	$ -	$ 10,914
Current portion of liability for pension and other postretirement plan benefits	-	3,468	-	-	-	-	-	-	3,468
Accounts payable and accrued expenses	55,499	100,441	19,356	3,879	2,856	6,704	2,174	(77,092)	113,817
Accrued compensation and related benefits	-	110,639	5,851	2,313	4,314	4,192	1,099	-	128,408
Estimated third-party settlements	-	26,405	103	10,851	2,921	1,290	-	-	41,570
Total current liabilities	55,499	249,179	26,140	17,590	10,379	13,140	3,342	(77,092)	298,177
Notes payable, related party	-	526,202	-	28,034	-	-	-	(554,236)	-
Long-term debt, excluding current portion	643,257	44,820	24,503	643	11,763	35,604	2,560	(10,970)	752,180
Insurance deposits and related liabilities	-	56,786	440	388	240	513	40	-	58,407
Liability for pension and other postretirement plan benefits, excluding current portion	-	266,427	10,262	-	4,320	-	-	-	281,009
Other liabilities	-	98,201	1,115	1,585	-	23,235	-	-	124,136
Total liabilities	698,756	1,241,615	62,460	48,240	26,702	72,492	5,942	(642,298)	1,513,909
Commitments and contingencies									
Net assets									
Net assets without donor restrictions	28,832	379,498	65,873	36,087	21,300	22,327	27,322	(21,306)	559,933
Net assets with donor restrictions	18	99,184	29,561	4,619	7,435	1,653	30	(40)	142,460
Total net assets	28,850	478,682	95,434	40,706	28,735	23,980	27,352	(21,346)	702,393
Total liabilities and net assets	$ 727,606	$ 1,720,297	$ 157,894	$ 88,946	$ 55,437	$ 96,472	$ 33,294	$ (663,644)	$ 2,216,302

Dartmouth-Hitchcock Health and Subsidiaries
Consolidating Balance Sheets
June 30, 2018

(in thousands of dollars)	Dartmouth-Hitchcock Health	Dartmouth-Hitchcock	Cheshire Medical Center	New London Hospital Association	Mt. Ascutney Hospital and Health Center	Eliminations	DH Obligated Group Subtotal	All Other Non-Oblig Group Affiliates	Eliminations	Health System Consolidated
Assets										
Current assets										
Cash and cash equivalents	$ 134,634	$ 22,544	$ 6,688	$ 9,419	$ 6,604	$ -	$ 179,889	$ 20,280	$ -	$ 200,169
Patient accounts receivable, net	-	176,981	17,183	8,302	5,055	-	207,521	11,707	-	219,228
Prepaid expenses and other current assets	11,964	143,893	6,551	5,253	2,313	(72,361)	97,613	4,766	(4,877)	97,502
Total current assets	146,598	343,418	30,422	22,974	13,972	(72,361)	485,023	36,753	(4,877)	516,899
Assets limited as to use	8	616,929	17,438	12,821	10,829	-	658,025	48,099	-	706,124
Notes receivable, related party	554,771	-	-	-	-	(554,771)	-	-	-	-
Other investments for restricted activities	-	87,613	8,591	2,981	6,238	-	105,423	25,473	-	130,896
Property, plant, and equipment, net	36	443,154	66,759	42,438	17,356	-	569,743	37,578	-	607,321
Other assets	24,863	101,078	1,370	5,906	4,280	(10,970)	126,527	3,604	(21,346)	108,785
Total assets	$ 726,276	$ 1,592,192	$ 124,580	$ 87,120	$ 52,675	$ (638,102)	$ 1,944,741	$ 151,507	$ (26,223)	$ 2,070,025
Liabilities and Net Assets										
Current liabilities										
Current portion of long-term debt	$ -	$ 1,031	$ 810	$ 572	$ 187	$ -	$ 2,600	$ 864	$ -	$ 3,464
Current portion of liability for pension and other postretirement plan benefits	-	3,311	-	-	-	-	3,311	-	-	3,311
Accounts payable and accrued expenses	54,995	82,061	20,107	6,705	3,029	(72,361)	94,536	6,094	(4,877)	95,753
Accrued compensation and related benefits	-	106,485	5,730	2,487	3,796	-	118,498	7,078	-	125,576
Estimated third-party settlements	3,002	24,411	-	9,655	1,625	-	38,693	2,448	-	41,141
Total current liabilities	57,997	217,299	26,647	19,419	8,637	(72,361)	257,638	16,484	(4,877)	269,245
Notes payable, related party	-	527,346	-	27,425	-	(554,771)	-	-	-	-
Long-term debt, excluding current portion	644,520	52,878	25,354	1,179	11,270	(10,970)	724,231	28,744	-	752,975
Insurance deposits and related liabilities	-	54,616	465	155	240	-	55,476	40	-	55,516
Liability for pension and other postretirement plan benefits, excluding current portion	-	232,696	4,215	-	5,316	-	242,227	-	-	242,227
Other liabilities	-	85,577	1,107	1,405	-	-	88,089	38	-	88,127
Total liabilities	702,517	1,170,412	57,788	49,583	25,463	(638,102)	1,367,661	45,306	(4,877)	1,408,090
Commitments and contingencies										
Net assets										
Net assets without donor restrictions	23,759	334,882	61,828	32,897	19,812	-	473,178	72,230	(21,306)	524,102
Net assets with donor restrictions	-	86,898	4,964	4,640	7,400	-	103,902	33,971	(40)	137,833
Total net assets	23,759	421,780	66,792	37,537	27,212	-	577,080	106,201	(21,346)	661,935
Total liabilities and net assets	$ 726,276	$ 1,592,192	$ 124,580	$ 87,120	$ 52,675	$ (638,102)	$ 1,944,741	$ 151,507	$ (26,223)	$ 2,070,025

Dartmouth-Hitchcock Health and Subsidiaries
Consolidating Balance Sheets
June 30, 2018

(in thousands of dollars)	D-HH and Other Subsidiaries	D-H and Subsidiaries	Cheshire and Subsidiaries	NLH and Subsidiaries	MAHHC and Subsidiaries	APD	VNH and Subsidiaries	Eliminations	Health System Consolidated
Assets									
Current assets									
Cash and cash equivalents	$ 134,634	$ 23,094	$ 8,621	$ 9,982	$ 6,654	$ 12,144	$ 5,040	$ -	$ 200,169
Patient accounts receivable, net	-	176,981	17,183	8,302	5,109	7,996	3,657	-	219,228
Prepaid expenses and other current assets	11,964	144,755	5,520	5,276	2,294	4,443	488	(77,238)	97,502
Total current assets	146,598	344,830	31,324	23,560	14,057	24,583	9,185	(77,238)	516,899
Assets limited as to use	8	635,028	17,438	12,821	11,862	9,612	19,355	-	706,124
Notes receivable, related party	554,771	-	-	-	-	-	-	(554,771)	-
Other investments for restricted activities	-	95,772	25,873	2,981	6,238	32	-	-	130,896
Property, plant, and equipment, net	36	445,829	70,607	42,920	19,065	25,725	3,139	-	607,321
Other assets	24,863	101,235	7,526	5,333	1,886	130	128	(32,316)	108,785
Total assets	$ 726,276	$ 1,622,694	$ 152,768	$ 87,615	$ 53,108	$ 60,082	$ 31,807	$ (664,325)	$ 2,070,025
Liabilities and Net Assets									
Current liabilities									
Current portion of long-term debt	$ -	$ 1,031	$ 810	$ 572	$ 245	$ 739	$ 67	$ -	$ 3,464
Current portion of liability for pension and other postretirement plan benefits	-	3,311	-	-	-	-	-	-	3,311
Accounts payable and accrued expenses	54,995	82,613	20,052	6,714	3,092	3,596	1,929	(77,238)	95,753
Accrued compensation and related benefits	-	106,485	5,730	2,487	3,831	5,814	1,229	-	125,576
Estimated third-party settlements	3,002	24,411	-	9,655	1,625	2,448	-	-	41,141
Total current liabilities	57,997	217,851	26,592	19,428	8,793	12,597	3,225	(77,238)	269,245
Notes payable, related party	-	527,346	-	27,425	-	-	-	(554,771)	-
Long-term debt, excluding current portion	644,520	52,878	25,354	1,179	11,593	25,792	2,629	(10,970)	752,975
Insurance deposits and related liabilities	-	54,616	465	155	241	-	39	-	55,516
Liability for pension and other postretirement plan benefits, excluding current portion	-	232,696	4,215	-	5,316	-	-	-	242,227
Other liabilities	-	85,577	1,117	1,405	-	28	-	-	88,127
Total liabilities	702,517	1,170,964	57,743	49,592	25,943	38,417	5,893	(642,979)	1,408,090
Commitments and contingencies									
Net assets									
Net assets without donor restrictions	23,759	356,518	65,069	33,383	19,764	21,031	25,884	(21,306)	524,102
Net assets with donor restrictions	-	95,212	29,956	4,640	7,401	634	30	(40)	137,833
Total net assets	23,759	451,730	95,025	38,023	27,165	21,665	25,914	(21,346)	661,935
Total liabilities and net assets	$ 726,276	$ 1,622,694	$ 152,768	$ 87,615	$ 53,108	$ 60,082	$ 31,807	$ (664,325)	$ 2,070,025

Dartmouth-Hitchcock Health and Subsidiaries
Consolidating Statements of Operations and Changes in Net Assets without Donor Restrictions
Year Ended June 30, 2019

(In thousands of dollars)	Dartmouth-Hitchcock Health	Dartmouth-Hitchcock	Cheshire Medical Center	Alice Peck Day Memorial	New London Hospital Association	Mt. Ascutney Hospital and Health Center	Eliminations	DH Obligated Group Subtotal	All Other Non-Oblig Group Affiliates	Eliminations	Health System Consolidated
Operating revenue and other support											
Patient service revenue	$ -	$ 1,580,552	$ 220,255	$ 69,794	$ 60,166	$ 46,029	$ -	$ 1,976,796	$ 22,527	$ -	$ 1,999,323
Contracted revenue	5,011	109,051	355	-	-	5,902	(46,100)	74,219	790	8	75,017
Other operating revenue	21,128	186,852	3,407	1,748	4,261	2,289	(22,076)	197,609	13,386	(297)	210,698
Net assets released from restrictions	369	11,556	732	137	177	24	-	12,995	1,110	-	14,105
Total operating revenue and other support	26,508	1,888,011	224,749	71,679	64,604	54,244	(68,176)	2,261,619	37,813	(289)	2,299,143
Operating expenses											
Salaries	-	868,311	107,671	37,297	30,549	26,514	(24,682)	1,045,660	15,785	1,106	1,062,551
Employee benefits	-	208,346	24,225	6,454	5,434	6,966	(3,763)	247,662	3,642	287	251,591
Medical supplies and medications	-	354,201	34,331	8,634	6,298	3,032	-	406,496	1,379	-	407,875
Purchased services and other	11,366	242,106	35,088	15,308	13,528	13,950	(21,176)	310,170	14,887	(1,622)	323,435
Medicaid enhancement tax	-	54,954	8,005	3,062	2,264	1,776	-	70,061	-	-	70,061
Depreciation and amortization	14	69,343	7,977	2,305	3,915	2,360	-	85,914	2,500	-	88,414
Interest	20,677	21,585	1,053	1,169	1,119	228	(20,850)	24,981	533	-	25,514
Total operating expenses	32,057	1,818,846	218,350	74,229	63,107	54,826	(70,471)	2,190,944	38,726	(229)	2,229,441
Operating (loss) margin	(5,549)	69,165	6,399	(2,550)	1,497	(582)	2,295	70,675	(913)	(60)	69,702
Non-operating gains (losses)											
Investment income (losses), net	3,929	32,193	227	469	834	623	(198)	38,077	1,975	-	40,052
Other (losses) income, net	(3,784)	1,586	(187)	30	(240)	279	(2,097)	(4,413)	791	60	(3,562)
Loss on early extinguishment of debt	-	-	-	(87)	-	-	-	(87)	-	-	(87)
Loss on swap termination	-	-	-	-	-	-	-	-	-	-	-
Total non-operating gains (losses), net	145	33,779	40	412	594	902	(2,295)	33,577	2,766	60	36,403
(Deficiency) excess of revenue over expenses	(5,404)	102,944	6,439	(2,138)	2,091	320	-	104,252	1,853	-	106,105
Net assets without donor restrictions											
Net assets released from restrictions	-	419	565	-	402	318	-	1,704	65	-	1,769
Change in funded status of pension and other postretirement benefits	-	(65,005)	(7,720)	-	-	682	-	(72,043)	-	-	(72,043)
Net assets transferred to (from) affiliates	10,477	(16,360)	1,939	8,760	128	110	-	5,054	(5,054)	-	-
Additional paid in capital	-	-	-	-	-	-	-	-	-	-	-
Other changes in net assets	-	-	-	-	-	-	-	-	-	-	-
Change in fair value on interest rate swaps	-	-	-	-	-	-	-	-	-	-	-
Change in funded status of interest rate swaps	-	-	-	-	-	-	-	-	-	-	-
Increase in net assets without donor restrictions	$ 5,073	$ 21,998	$ 1,223	$ 6,622	$ 2,621	$ 1,430	$ -	$ 38,967	$ (3,136)	$ -	$ 35,831

Dartmouth-Hitchcock Health and Subsidiaries
Consolidating Statements of Operations and Changes in Net Assets without Donor Restrictions
Year Ended June 30, 2019

(in thousands of dollars)	D-HH and Other Subsidiaries	D-H and Subsidiaries	Cheshire and Subsidiaries	NLH and Subsidiaries	MAHHC and Subsidiaries	APD and Subsidiaries	VNH and Subsidiaries	Eliminations	Health System Consolidated
Operating revenue and other support									
Patient service revenue	$ -	$ 1,580,552	$ 220,254	$ 60,166	$ 46,029	$ 69,794	$ 22,528	$ -	$ 1,999,323
Contracted revenue	5,010	109,842	355	-	5,902	-	-	(46,092)	75,017
Other operating revenue	21,128	188,775	3,549	4,260	3,868	10,951	540	(22,373)	210,698
Net assets released from restrictions	371	12,637	732	177	26	162	-	-	14,105
Total operating revenue and other support	26,509	1,891,806	224,890	64,603	55,825	80,907	23,068	(68,465)	2,299,143
Operating expenses									
Salaries	-	868,311	107,706	30,549	27,319	40,731	11,511	(23,576)	1,062,551
Employee benefits	-	208,346	24,235	5,434	7,133	7,218	2,701	(3,476)	251,591
Medical supplies and medications	-	354,201	34,331	6,298	3,035	8,639	1,371	-	407,875
Purchased services and other	11,366	246,101	35,396	13,390	14,371	18,172	7,437	(22,798)	323,435
Medicaid enhancement tax	-	54,954	8,005	2,264	1,776	3,062	-	-	70,061
Depreciation and amortization	14	69,343	8,125	3,920	2,478	4,194	340	-	88,414
Interest	20,678	21,585	1,054	1,119	228	1,637	63	(20,850)	25,514
Total operating expenses	32,058	1,822,841	218,852	62,974	56,340	83,653	23,423	(70,700)	2,229,441
Operating (loss) margin	(5,549)	68,965	6,038	1,629	(515)	(2,746)	(355)	2,235	69,702
Non-operating gains (losses)									
Investment income (losses), net	3,929	33,310	129	785	645	469	983	(198)	40,052
Other (losses) income, net	(3,784)	1,586	(171)	(240)	288	31	765	(2,037)	(3,562)
Loss on early extinguishment of debt	-	-	-	-	-	(87)	-	-	(87)
Loss on swap termination	-	-	-	-	-	-	-	-	-
Total non-operating gains (losses), net	145	34,896	(42)	545	933	413	1,748	(2,235)	36,403
(Deficiency) excess of revenue over expenses	(5,404)	103,861	5,996	2,174	418	(2,333)	1,393	-	106,105
Net assets without donor restrictions									
Net assets released from restrictions	-	484	565	402	318	-	-	-	1,769
Change in funded status of pension and other postretirement benefits	-	(65,005)	(7,720)	-	682	-	-	-	(72,043)
Net assets transferred to (from) affiliates	10,477	(16,360)	1,963	128	118	3,629	45	-	-
Additional paid in capital	-	-	-	-	-	-	-	-	-
Other changes in net assets	-	-	-	-	-	-	-	-	-
Change in fair value on interest rate swaps	-	-	-	-	-	-	-	-	-
Change in funded status of interest rate swaps	-	-	-	-	-	-	-	-	-
Increase in net assets without donor restrictions	$ 5,073	$ 22,980	$ 804	$ 2,704	$ 1,536	$ 1,296	$ 1,438	$ -	$ 35,831

Dartmouth-Hitchcock Health and Subsidiaries
Consolidating Statements of Operations and Changes in Net Assets without Donor Restrictions
Year Ended June 30, 2018

(in thousands of dollars)	Dartmouth-Hitchcock Health	Dartmouth-Hitchcock	Cheshire Medical Center	New London Hospital Association	Mt. Ascutney Hospital and Health Center	Eliminations	DH Obligated Group Subtotal	All Other Non-Oblig Group Affiliates	Eliminations	Health System Consolidated
Operating revenue and other support										
Patient service revenue	$ -	$ 1,475,314	$ 216,736	$ 60,486	$ 52,014	$ -	$ 1,804,550	$ 94,545	$ -	$ 1,899,095
Provision for bad debts	-	31,358	10,967	1,554	1,440	-	45,319	2,048	-	47,367
Net patient service revenue	-	1,443,956	205,769	58,932	50,574	-	1,759,231	92,497	-	1,851,728
Contracted revenue	(2,305)	97,291	-	-	2,169	(42,870)	54,285	716	(32)	54,969
Other operating revenue	9,799	134,461	3,365	4,169	1,814	(10,554)	143,054	6,978	(1,086)	148,946
Net assets released from restrictions	658	11,605	620	52	44	-	12,979	482	-	13,461
Total operating revenue and other support	8,152	1,687,313	209,754	63,153	54,601	(53,424)	1,969,549	100,673	(1,118)	2,069,104
Operating expenses										
Salaries	-	806,344	105,607	30,360	24,854	(21,542)	945,623	42,035	1,605	989,263
Employee benefits	-	181,833	28,343	7,252	7,000	(5,385)	219,043	10,221	419	229,683
Medical supplies and medications	-	289,327	31,293	6,161	3,055	-	329,836	10,195	-	340,031
Purchased services and other	8,509	215,073	33,065	13,587	13,960	(19,394)	264,800	29,390	(2,818)	291,372
Medicaid enhancement tax	-	53,044	8,070	2,659	1,744	-	65,517	2,175	-	67,692
Depreciation and amortization	23	66,073	10,217	3,934	2,030	-	82,277	2,501	-	84,778
Interest	8,684	15,772	1,004	981	224	(8,882)	17,783	1,039	-	18,822
Total operating expenses	17,216	1,627,466	217,599	64,934	52,867	(55,203)	1,924,879	97,556	(794)	2,021,641
Operating margin (loss)	(9,064)	59,847	(7,845)	(1,781)	1,734	1,779	44,670	3,117	(324)	47,463
Non-operating gains (losses)										
Investment income (losses), net	(26)	33,628	1,408	1,151	858	(198)	36,821	3,566	-	40,387
Other (losses) income, net	(1,364)	(2,599)	-	1,276	266	(1,581)	(4,002)	733	361	(2,908)
Loss on early extinguishment of debt	-	(13,909)	-	(305)	-	-	(14,214)	-	-	(14,214)
Loss on swap termination	-	(14,247)	-	-	-	-	(14,247)	-	-	(14,247)
Total non-operating gains (losses), net	(1,390)	2,873	1,408	2,122	1,124	(1,779)	4,358	4,299	361	9,018
(Deficiency) excess of revenue over expenses	(10,454)	62,720	(6,437)	341	2,858	-	49,028	7,416	37	56,481
Net assets without donor restrictions										
Net assets released from restrictions	-	16,038	-	4	252	-	16,294	19	-	16,313
Change in funded status of pension and other postretirement benefits	-	4,300	2,827	-	1,127	-	8,254	-	-	8,254
Net assets transferred to (from) affiliates	17,791	(25,355)	7,188	48	328	-	-	-	-	-
Additional paid in capital	-	-	-	-	-	-	-	58	(58)	-
Other changes in net assets	-	-	-	-	-	-	-	(185)	-	(185)
Change in fair value on interest rate swaps	-	4,190	-	-	-	-	4,190	-	-	4,190
Change in funded status of interest rate swaps	-	14,102	-	-	-	-	14,102	-	-	14,102
Increase in net assets without donor restrictions	$ 7,337	$ 75,995	$ 3,578	$ 393	$ 4,565	$ -	$ 91,868	$ 7,308	$ (21)	$ 99,155

Dartmouth-Hitchcock Health and Subsidiaries

Consolidating Statements of Operations and Changes in Net Assets without Donor Restrictions

Year Ended June 30, 2018

(in thousands of dollars)	D-HH and Other Subsidiaries	D-H and Subsidiaries	Cheshire and Subsidiaries	NLH and Subsidiaries	MAHHC and Subsidiaries	APD	VNH and Subsidiaries	Eliminations	Health System Consolidated
Operating revenue and other support									
Patient service revenue	$ -	$ 1,475,314	$ 216,736	$ 60,486	$ 52,014	$ 71,458	$ 23,087	$ -	$ 1,899,095
Provision for bad debts	-	31,358	10,967	1,554	1,440	1,680	368	-	47,367
Net patient service revenue	-	1,443,956	205,769	58,932	50,574	69,778	22,719	-	1,851,728
Contracted revenue	(2,305)	98,007	-	-	2,169	-	-	(42,902)	54,969
Other operating revenue	9,799	137,242	4,061	4,166	3,168	1,697	453	(11,640)	148,946
Net assets released from restrictions	658	11,984	620	52	44	103	-	-	13,461
Total operating revenue and other support	8,152	1,691,189	210,450	63,150	55,955	71,578	23,172	(54,542)	2,069,104
Operating expenses									
Salaries	-	806,344	105,607	30,360	25,592	29,215	12,082	(19,937)	989,263
Employee benefits	-	181,833	28,343	7,252	7,162	7,406	2,653	(4,966)	229,683
Medical supplies and medications	-	289,327	31,293	6,161	3,057	8,484	1,709	-	340,031
Purchased services and other	8,512	218,690	33,431	13,432	14,354	19,220	5,945	(22,212)	291,372
Medicaid enhancement tax	-	53,044	8,070	2,659	1,743	2,176	-	-	67,692
Depreciation and amortization	23	66,073	10,357	3,939	2,145	1,831	410	-	84,778
Interest	8,684	15,772	1,004	981	223	975	65	(8,882)	18,822
Total operating expenses	17,219	1,631,083	218,105	64,784	54,276	69,307	22,864	(55,997)	2,021,641
Operating (loss) margin	(9,067)	60,106	(7,655)	(1,634)	1,679	2,271	308	1,455	47,463
Non-operating gains (losses)									
Investment income (losses), net	(26)	35,177	1,954	1,097	787	203	1,393	(198)	40,387
Other (losses) income, net	(1,364)	(2,599)	(3)	1,276	273	(223)	952	(1,220)	(2,908)
Loss on early extinguishment of debt	-	(13,909)	-	(305)	-	-	-	-	(14,214)
Loss on swap termination	-	(14,247)	-	-	-	-	-	-	(14,247)
Total non-operating gains (losses), net	(1,390)	4,422	1,951	2,068	1,060	(20)	2,345	(1,418)	9,018
(Deficiency) excess of revenue over expenses	(10,457)	64,528	(5,704)	434	2,739	2,251	2,653	37	56,481
Net assets without donor restrictions									
Net assets released from restrictions	-	16,058	-	4	251	-	-	-	16,313
Change in funded status of pension and other postretirement benefits	-	4,300	2,827	-	1,127	-	-	-	8,254
Net assets transferred to (from) affiliates	17,791	(25,355)	7,188	48	328	-	-	-	-
Additional paid in capital	58	-	-	-	-	-	-	(58)	-
Other changes in net assets	-	-	-	-	-	(185)	-	-	(185)
Change in fair value on interest rate swaps	-	4,190	-	-	-	-	-	-	4,190
Change in funded status of interest rate swaps	-	14,102	-	-	-	-	-	-	14,102
Increase (decrease) in net assets without donor restrictions	$ 7,392	$ 77,823	$ 4,311	$ 486	$ 4,445	$ 2,066	$ 2,653	$ (21)	$ 99,155

Dartmouth-Hitchcock Health and Subsidiaries
Notes to Supplemental Consolidating Information
June 30, 2019 and 2018

1. Basis of Presentation

The accompanying supplemental consolidating information includes the consolidating balance sheet and the consolidating statement of operations and changes in net assets without donor restrictions of D-HH and its subsidiaries. All intercompany accounts and transactions between D-HH and its subsidiaries have been eliminated. The consolidating information presented is prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America consistent with the consolidated financial statements. The consolidating information is presented for purposes of additional analysis of the consolidated financial statements and is not required as part of the basic financial statements.

Cheshire Medical Center - 2020 Board of Directors				
Susan	Abert *(VICE CHAIR)	Attorney - Norton & Abert PC	Keene NH	03431
Ashok	Bahl	Procurement Director, C&S Wholesale Grocers	Keene NH	03431
Mark	Gavin *(TREASURER)	Chief Financial Officer - SoClean	Peterborough NH	03458
H. Roger	Hansen *(AT LARGE)	Retired physician - Cheshire Medical Center	Keene NH	03431
Nathalie	Houder *(CHAIR)	Chief Financial Officer, Auto Europe	Portland, ME	04101
Michael	Kapiloff	Owner/Agent - Kapiloff Insurance Agency	Keene NH	03431
Stephen	LeBlanc	Chief Strategy Officer - Dartmouth Hitchcock	Lebanon NH	03756
Robert	Mitchell	Retired, FDIC Bank Examiner	Swanzey, NH	03446
Geof	Molina	Retired, Vice President, Internal Audit, Main Street America Group	Keene NH	03431
Maria	Padin, MD	Chief Medical Officer, Community Practice Group - Dartmouth Hitchcock	Bedford, NH	03110
Katherine	Snow *(SECRETARY)	Retired President, Monadnock United Way	Keene NH	03431
Gregg	Tewksbury	President, Savings Bank of Walpole	Keene NH	03431
Andrew	Tremblay, MD	Chair, Dept. of Primary Care Services - Dartmouth Hitchcock	Keene NH	03431
Michael	Waters	Treasurer - Dartmouth Hitchcock	Lebanon NH	03756
Ex Officio				
Don	Caruso, MD	CEO/Pres/CMO - Dartmouth Hitchcock	Keene NH	03431
Michael	Ormont, MD	Physician & Medical Staff Pres - Dartmouth Hitchcock	Keene NH	03431
Cherie	Holmes, MD	Medical Director - Dartmouth Hitchcock	Keene NH	03431

CURRICULUM VITAE

CHERIE A. HOLMES

EDUCATION:

1979	Dartmouth College, Hanover, NH **B.A. English**
1983	Georgetown University School of Medicine, Washington, D.C. **M.D.**
	Internship:
July 1983 - June 1985	Dartmouth - Hitchcock Medical Center, Hanover, NH General Surgery
	Residency:
July 1985 - December 1988	Harvard Combined Orthopedic Residency Program Boston, MA
July 2010 – June 2012	Harvard T.H. Chan School of Public Health Master of Science (M.Sc.) Health Care Management
	Fellowship:
August 1993 – August 1994	Sports Medicine Fellow, Rush Presbyterian-St. Luke's Medical Center, Chicago, IL
January 1993 - July 1993	Orthopedic Trauma Fellow, Maryland Institute of Emergency Medical Services Systems, Baltimore, MD
January 1989 - June 1989	Maurice E. Mueller Research Fellow, Orthopedic Biomechanics Laboratory, Beth Israel Hospital/Harvard Medical School, Boston, MA
	Relevant Course Training:
March, 1990	Advanced Trauma Life Support (Instructor)

BOARD CERTIFICATION:

1991	Diplomate, American Board of Orthopedic Surgery
2002, 2012, 2022 (early)	Recertification, ABOS

LICENSURE:

1997 - Present	State of New Hampshire Board of Medicine
1988 – Present Currently inactive	Massachusetts Board of Registration in Medicine

EMPLOYMENT:

November 2019 – Present	Chief Medical Officer, Cheshire Medical Center/Dartmouth-Hitchcock Clinic, Keene, NH
November 2018 – November 2019	Medical Director, Acute Care and Ambulatory Services, Cheshire Medical Center/Dartmouth-Hitchcock Clinic, Keene, NH
September 2015 – November 2018	Medical Director, Acute Care Services, Cheshire Medical Center/Dartmouth-Hitchcock Clinic, Keene, NH
December 2011 – September 2015	Associate Medical Director for Operations, Cheshire Medical Center/ Dartmouth-Hitchcock Clinic, Keene, NH
December 2004 – September 2015	Chief, Department of Orthopedic Surgery, Cheshire Medical Center/Dartmouth-Hitchcock Clinic, Keene, NH
December 2004 – December 2011	Chair, Department of Surgery, Dartmouth-Hitchcock Clinic , Keene, NH
June 1997 – October 2000, February 2002 - Present	Orthopedic Staff Surgeon, Dartmouth-Hitchcock Clinic, Keene, NH
October 2000 – January 2002	Orthopedic and Sports Medicine Staff Surgeon and Chairperson of Department of Physical Medicine and Rehabilitation, Carolinas Medical Center – Emirates Palomar, Abu Dhabi, United Arab Emirates
September 1994 - May 1997	Congressional Orthopedic Associates, P.A. Rockville, MD *Duties included* General orthopedics, sports and trauma care at three hospitals one of which is a Level-II trauma center. Member of the Suburban Hospital pharmacy and therapeutics committee. Community lectures on sports medicine and orthopedic topics of interest.
July 1989 - December 1992	Orthopedic Staff Surgeon, National Naval Medical Center, Bethesda MD *Duties included.* General orthopedics, sports and trauma care. Mortality and Morbidity Coordinator, Department of Orthopedics. Director of Quality Assurance, Department of Orthopedics.
August 1990- March 1991	Orthopedic Staff Surgeon, USNS Comfort T-AH 20, Operation Desert Storm/Desert Shield

ACADEMIC APPOINTMENTS:

May 2019 –Present	Designated Institutional Officer, Cheshire Medical Center/Dartmouth-Hitchcock Clinic, Keene, NH
September 1997 - Present	Team Physician, Keene State College, Keene, NH
July 1989 - December 1992	Director of Research, Department of Orthopedics, National Naval Medical Center, Bethesda MD
July 1989 - Present	Assistant Clinical Professor of Surgery, Uniformed Services University of the Health Sciences, Bethesda MD
July 1988 - December 1988	Instructor in Orthopedic Surgery, Harvard Medical School, Boston, MA
July 1988 - December 1988	Chief, Orthopedic Ward Service, Beth Israel Hospital/Harvard Medical School, Boston, MA
MILITARY SERVICE: December 1979 - September 1994	Commander, Medical Corps, USNR

PROFESSIONAL MEMBERSHIPS AND COMMUNITY SERVICE:

Fellow, American Academy of Orthopedic Surgeons
National Medical Association
Ruth Jackson Society (Women's Orthopedic Society)
Society of Military Orthopedic Surgeons
Active Member, Orthopedic Trauma Association
New Hampshire Orthopedic Society
Member, American College of Sports Medicine
Veteran's of Foreign Wars/American Legion
Trustee, Williston - Northampton School, 1989 - 1994
Member, Board of Trustees, The Moving Company, Keene, NH, 1999 - 2000
At –Large Member, Dartmouth Alumni Council, 2004 – 2007
Member, Board of Trustees, Cheshire Medical Center 2016 -Present
Member, Board of Trustees, Dartmouth-Hitchcock, 2017 - Present
Member , Board of Governors, Dartmouth-Hitchcock, 2014 - Present

PUBLICATIONS:

Journal Articles:

Holmes, C.A., Bach, B.R. Knee Dislocations: Immediate and Definitive Care. *The Physician and Sports Medicine* 23 (11): 69 - 82, 1995.

Bosse, M.J., Holmes, C., Vossoughi, J., and Alter, D. Comparison of Howmedica and Synthes Military External Fixation Frames. *Journal of Orthopedic Trauma*, 8 (2): 119 - 126, 1994.

Holmes, C.; Edwards, T; Myers, E.; Lewallen, D.; White, A.; and Hayes, W. Biomechanics of Pin and Screw Fixation of Femoral Neck Fractures. *Journal of Orthopedic Trauma*, 7(3):242-247, 1993.

Buckley, S.;Jones, A.; Bosse, M.; Holmes, C.; et al. Arthroscopic Surgery of the Knee on the U.S. Naval Hospital Ships During Operation Desert Shield. *Military Medicine*, 157(9):441, 1992.

Vossoughi, J.; Bosse, M.; Holmes, C.; Burgess, A.; Poka, A.; and Brumback, R. Increasing the Rigidity of the External Fixators (Proceedings of the 10th Southern Biomedical Engineering Conference, Georgia Tech, 1991).

Book Chapters:

Holmes C.A., and Bach, B.R. Two-Incision Arthroscopy - Assisted ACL Reconstruction using Patellar Tendon Substitution. In: Parisien, J.S.; Ed. *Current Techniques in Arthroscopy.* Philadelphia: Current Medicine, 1996.

Holmes, C.A., and Bach, B.R., Posterolateral Knee Injuries. In Torg, J.S., and Shephard, R.J., Eds. *Current Therapy in Sports Medicine (3rd Edition)* St. Louis: Mosby Year Book, Inc., 1995.

PRESENTATIONS:

Holmes, C., and Bosse, M. et al. ***Comparison of Howmedica and Synthes Military External Fixation.*** American Academy of Orthopedic Surgeons Annual Meeting, San Francisco, 1993.

Holmes, C., and Bosse, M. et al. ***Comparison of Howmedica and Synthes Military External Fixation*** (Abstracts 1992, Society of Military Orthopedic Surgeons).

Holmes, C.; Kaylor, K.; and Moren, J. ***Sports Medicine Knee Injuries*** Sri Lanka Sports Medicine Society. May 1992, Colombo, Sri Lanka.

Holmes, C. ***Upper and Lower Extremity Amputations*** Sri Lanka Army Medical Corps. May, 1992, Colombo, Sri Lanka.

Holmes, C.; Buckley, S. et al. ***Arthroscopic Surgery of the Knee: Its Role in the Support of U.S. Troops During Operation Desert Shield*** (Abstracts, 1991 Society of Military Orthopedic Surgeons).

Holmes, C.; Bosse, M. et al. ***The Orthopaedic Capabilities of the U.S. Navy Hospital Ships and the Contribution of the Ships to "Operation Desert Shield"*** (Abstracts, 1991 Orthopedic Trauma Association)

Holmes, C.; Bosse, M. et al. ***The U.S. Navy Hospital Ships: The Contribution of the Ships to "Operation Desert Shield"*** (Abstracts, 1991 Society of Military Orthopedic Surgeons).

Bosse, M.; Holmes, C.; and Vossoughi, J. ***Biomechanical Analysis of the Stability of the Synthes and Howmedica Trauma External Fixator Frames.*** (Abstracts 1991 Society of Military Orthopedic Surgeons).

Holmes, C., and Bosse, M. ***Bead and Bone Graft Reconstructive Techniques for Diaphyseal Defect Reconstruction*** (13th Meeting of the French Military Orthopedic Surgeons and Traumatologists, Paris, France: May 1990).

Holmes, C., and Lipson, S. ***Contributions of Discometrics in the Diagnosis of Cervical Neck Pain Prior to Anterior Cervical Fusion*** (Abstracts, 1988 Cervical Spine Research Society).

Holmes, C.; Volk, C.; Bosse, M. ***Lead Toxicity Secondary to Retained Intra-articular Bullets*** 1994 Meeting, American Academy of Orthopedic Surgeons, New Orleans, LA (Poster Session)

Bosse, M.; Holmes, C.; Vossoughi, J.; and Alter, D. ***Comparison of Howmedica and Synthes Military External Fixation.*** Meeting of Orthopedic Trauma Association, Minneapolis, MN, 1992. (Poster session)

Invited Lectures:
Holmes,C. ***Current Concepts in Knee Dislocations*** Grand Rounds Speaker, Lahey Hitchcock Medical Center. November 1997, Burlington MA

Faculty, Orthopedic Trauma Association Regional Trauma Update, Chicago, Illinois, May 13 - 14, 1994

Faculty, AO ASIF Principles of Fracture Management Course for Residents, Albany, New York, June 10 - 13, 1999

Oral Examiner, **American Board of Orthopedic Surgery Oral Examinations,** Chicago, Illinois, July 10 - 13, 2000

Faculty, Orthopedic Trauma Association Regional Trauma Update, Burlington, MA

Faculty, Practicing Excellence – The Physician Institute, Studer Group, Atlanta, Georgia, October 22-23, 2008

Faculty, Conference: Taking You and Your Organization to the Next Level, Studer Group, Burlington, MA, April 2-3, 2008

AWARDS

New Hampshire Service Award, New Hampshire Athletic Trainers" Association, 2019

Leadership Recognition Award, Cheshire Medical Center/ Dartmouth-Hitchcock Clinic, Keene, NH, January 2009

First Place Winner, National Naval Medical Center Clinical Investigator Department Research Competition, 1992.

Amy W. Matthews, DNP, RN, CENP

Nurse Leader Profile

Senior nurse leader with extensive experience. Recognized for analytic problem solving, operational knowledge, inclusive decision-making, and patient focus. Fosters interdisciplinary collaboration.

Leader Demonstrated expertise in strategic leadership, clinical management, specialty oversight, and operations. Green Belt Quality Improvement Certification. AONE Nurse Executive Fellow, 2019. Emergency management skill and responsibility. Board membership and leadership.

Educator Mentor for new leaders. Significant experience providing staff education and clinical preceptorship.

Clinician Effective clinician in multiple areas of practice and nurse leader within organizations from rural critical access to academic medical center.

Professional Experience

Cheshire Medical Center/Dartmouth-Hitchcock, Keene NH

Vice President of Patient Care Services and Chief Nursing Officer October 2018--present

Reporting to the President/CEO, the Vice President, Patient Care Services/Chief Nursing Officer (CNO) provides organizational strategic leadership. Contributes as a member of the executive team, supporting and assisting the Office of the President, and CMC/CHF Boards to develop and implement strategic direction, operational goals, financial plans, and community initiatives for Cheshire Medical Center-DH. Provides executive leadership for Patient Care Services, selected services and programs, and accountability for nursing and nursing delegated practice at Cheshire Medical Center-DH.

Led financial improvement plans for patient care services resulting in positive margin with increased volume and reduced transfer from community. Established nurse led councils for ambulatory and acute practice to improve decision making at the point of service. Instituted new compensation structures to align with national and regional markets. Served as the operations section chief under incident command response to COVID-19 pandemic.

Senior Director of Patient Care Services June 2015 – October 2018

Collaborated with the Sr. Vice President, Patient Care Services/CNO to develop, promote and implement the division's strategic plans. Developed operational priorities and determine the resources required to implement plans. Member of the senior operations team.

Provided leadership and oversight for in-patient medical-surgical, progressive care, intensive care, labor and delivery, women and children's and acute rehabilitation units, centralized resources, administrative supervisors, emergency services, respiratory therapy, infection

prevention and control, emergency management, and out-patient rehabilitation. Implemented tele-medicine programs including eICU, tele-ED, and tele-neurology. Served on multiple organization wide work groups including patient safety, just culture, patient experience, and life safety.

Responsible for capacity growth in collaboration with Dartmouth Hitchcock to develop a regional referral model. Developed operational plans to increase revenue and control cost while expanding services. Led the restructure of inpatients service areas, and integration of technology to increase acute capacity by more than 70%.

Served on the oversight and implementation teams, and provided leadership for transition to Epic in fall of 2017.

Director of Critical Care and Emergency Services January 2014-June 2015

Leadership and oversight for Administrative Clinical Supervision, ICU/Telemetry Unit and Emergency Services. Responsible for strategic, operational and financial decisions to ensure safe, high quality care. Improved relationships and hand-off between ED and ICU.

Engaged staff in re-design and led ED team through renovation of Emergency Department physical space to improve patient privacy and staff efficiency. Active member of hospital-wide QA/QI teams, collaborated to improve care and responsible for loop closure on of actions plans. Green Belt QI certification and led a team to improve the tertiary transfer process.

Director of Emergency Services October 2011-December 2013

Responsible for strategic and operational management of a community ED with approximately 26,000 annual visits. Partnered with physician leaders to design, evaluate, and drive quality care. Partnered with IT to upgrade EHR including direct interface of diagnostics.

Established new guidelines and physical space for care of behavioral health patients in response to changing needs and lack of acute care beds.

Emergency Department RN, EMS &Trauma Program Coordinator 2000-2011

Care of patients, triage decisions, led emergency department team.

EMS coordinator for 24 pre-hospital services. Trauma coordinator, achieving level III NH state trauma designation. Created new partnerships with DHMC and made significant changes to STEMI care resulting in improved cardiac metrics beginning in 2007 and sustained.

Provided TNCC and ENPC education, staff competencies and injury prevention programs.

Partnered with EMS director and community organizations to established heart-safe designation for the City of Keene.

Monadnock Community Hospital, Peterborough NH 2000-2002

Critical Care Unit Educator
Developed and implemented programs to meet the education needs of ED and ICU staff. Provided ALCS instruction.

Musgrove Ear Nose & Throat ASC, Silver Spring MD 1998-2000

Nurse Administrator
Developed a freestanding surgical center in collaboration with physician owners.

Designed fiscal guidelines, policies, and an environment of care which exceeded JCAHO standards, Federal and State requirements.

Anne Arundel Medical Center, Annapolis MD 1995-1998
Staff and charge RN, Emergency Department. Staff and patient education committee.

Nyack Hospital, Nyack NY 1992-1995
Staff & charge RN, Emergency Department.

Kenneth Hauck MD, Silver Spring MD 1990-1991
Office RN, otolaryngology practice. Developed new office space, policy and procedures.

Kimbrough Army Community Hospital, Fort Meade MD 1989-1990
Staff & Charge RN, operating room, with primary responsibility for orthopedic service

Georgetown University Hospital, Washington DC 1988-1989
Staff RN, level III Neonatal ICU.

Copper Queen Community Hospital, Bisbee AZ 1986-1988
Staff and charge RN, medical/surgical, OR, ICU and ER. Relief evening supervisor.

Georgia Baptist Medical Center, Atlanta GA 1985-1986
Staff RN, surgical unit.

New England Deaconess Hospital, Boston, MA 1982-1985
Float Pool nursing assistant.

Appalachian Mountain Club, Pinkham's Grant NH 1983-1985, seasonal
Hut Personnel, providing hospitality, facility/trail maintenance, first aid, search & rescue.

Education

FairField University
2019 Doctor of Nursing Practice, executive practice

Excelsior College, Albany NY
2013 Mater of Science, Nursing Education

2008 Bachelor of Sience in Nursing

New England Deaconess Hospital School of Nursing, Boston MA
1985 Diploma of Nursing

Awards

Distinguished Leadership Award, Cheshire Medical Center 2014
Peer nominated award "In recognition of exemplary leadership by effectively demonstrating the leadership behaviors of caring, character, commitment, competence and communication".

FEMA leadership award for performance during HERT-ICE exercise 2014

Iola Hubbard Award, Cheshire Medical Center, Keene NH 2011
Nominated by peers and recognized for "consistent demonstration of compassionate patient care, sensitivity to patient and family needs and excellence in nursing practice".

Presidents Quarterly Leadership Award Nomination, Cheshire Medical Center 2009
Peer nomination and quarterly president's award.

Outstanding Leaders Award, GSUSA 2008
Nominated through state council by high school Girl Scouts.

Presidents Quarterly Leadership Nomination 2006
Nominated by peers for leadership recognition, 1st quarter.

Presidents Quarterly Leadership Nomination 2006
Nominated by peers for leadership recognition, 4th quarter.

American Red Cross: Volunteer of the Year Award 1994
For service as health & safety coordinator, instructor and local board member.

Professional Memberships

AONE

Sigma Theta Tau International, Tau Kappa Chapter

Organization of Nurse Leaders

Summary of Provider & Instructor Experience

PALS provider 1997-2011	TNCC provider 5/1999- 2015
PALS instructor 1999-2002	TNCC instructor 6/2003-2013
ACLS provider 1987-2015	ENPC provider 9/2001-2015
ACLS instructor 2002-2005	ENPC instructor 10/2001-2013

Professional Licensure & Certification

NH RN license	#048273-21
Certified Nurse Executive Practice (CENP)	2019-present
Certified Nurse Manger & Leader (CNML)	2016-2020
Certified Healthcare Emergency Professional	2010- 2018
Certified Emergency Nurse (CEN)	1999-2016

Christine A. Schon, MHCDS, MPA, FAMCPE

Executive Profile

Senior, results-oriented medical practice executive with extensive experience in integrated health care delivery systems. Proven record as a leader with clarity of vision and operational expertise to implement effective patient centered programs. Known for organizational and problem solving skills combined with in-depth knowledge of physician group practice, health care delivery operations and revenue optimization strategies. Ability to build relationships with senior executives, physicians and community representatives to advance strategic initiatives. Consultative decision maker, inspiring vision and motivation in others.

Education

Master in Health Care Delivery Science (2016)
Dartmouth College (Tuck Business School / Geisel School of Medicine)
Hanover, New Hampshire
M.A. - Public Administration (1986)
Northern Illinois University
DeKalb, Illinois
B.A. - Anthropology (1976)
Southern Illinois University
Carbondale, Illinois

Experience

Cheshire Medical Center / Dartmouth-Hitchcock, New Hampshire 2016-Present
Cheshire Medical Center / Dartmouth-Hitchcock is a member of the Dartmouth-Hitchcock Health system consisting of a regional referral center, multi-specialty group practice and a Center for Population Health.

Chief Operating Officer
Senior Executive leader for the Cheshire Organization, a Dartmouth-Hitchcock affiliate. Leadership and executive oversight of the operating and financial performance for acute care services and ambulatory practices for a 169-bed regional referral center and 150+ provider medical practice with approximately $225 in net revenue. Lead and promote clinical and shared services integration across other components of the D-HH system.

- Leader of a performance improvement plan that improved net operating margin and financial performance by $14 million over a 12 month period through targeted revenue optimization and service growth balancing efficient operations and expense management.
- Executive sponsorship of PeopleSoft implementation across Human Resources, Finance and Supply Chain resulting in decreased service cost and integrated functions with other member organizations.

- Leader of a three year strategic operating plan developing strategies, goals and tactics resulting in improved performance of the campus.
- Faculty member of internal leadership institute providing content and coursework for change management.

Dartmouth-Hitchcock, New Hampshire 2006-2016

Dartmouth-Hitchcock is an internationally renowned, nationally ranked health care system consisting of an academic medical center, ambulatory community group practices and affiliated hospitals with 1 4 billion in net revenue and over 8000 employees including 1200 providers in primary, medical and surgical specialties

Vice President, Community Group Practices

Leadership and executive oversight of the operating and financial performance for five community practice divisions consisting of 450 providers with $250 million in net revenue. Promote and foster integration of clinical, educational, and administrative relationships across the practices and with other components of the Dartmouth-Hitchcock System.

- Improved regional contribution margin by $11.1 million over a 24 month period through growth in revenue while limiting growth in expenses through operational efficiencies
- Developed strong relationships with community hospitals resulting in improved access to primary care and select specialty services through professional services agreements accounting for $6.5 million in other revenue.
- Project leader for new 150,000 square foot multispecialty Ambulatory Medical Office Building that was $2 million under budget and opened 3 months ahead of schedule.
- Grew providers from 350 to 450 over 6 years through integration of a new multispecialty group into the system as well as through clinical service expansion and acquisition of select private practice groups.
- Administrative Leader for newly formed Primary Care Service Line resulting in standardization in operations and leading to improvement in contribution margin.

PeaceHealth Medical Group, Eugene OR June 2005 – August 2006

Employed medical group consisting of primary care, medical and surgical specialties as part of the Oregon Region of the multi-state PeaceHealth system across the Pacific Northwest

Associate Vice President

Operational leadership and executive oversight of the 120-provider multispecialty group practice with revenues of $53 million. Lead medical group operations, evaluate the development of new and continuing services, and participate in physician compensation plan administration. Served as a member of the PeaceHealth Oregon Region Executive Team.

- Development and oversight of a $58 million dollar budget that met system target contribution margin with revenue growth of 4%.
- Lead the development of a patient-centered environment to enhance community relations and improve operating margins.
- Designed a new Professional Staff program to enhance physician recruitment and retention.

- Participated in functional planning and design of two new clinic facilities totaling over 100,000 square footage in clinical space.

Billings Clinic, Billings MT September 2003 – June 2005

The Billings Clinic is an integrated health care organization, based in Billings, Montana Billings Clinic is a not-for-profit organization which serves the local community as well as residents of Montana, Wyoming and the western Dakotas

Director, Cardiovascular Services

Administrative leadership of cardiovascular services to ensure continuity and consistency across Healthcare system. Accountabilities include program/business development, quality of services, short and long range planning, fiscal control, physician relations, and personnel management. Lead overall marketing, program development, and service priorities that support a quality-focused environment and the financial objectives of cardiac services

- Managed a $55 million budget resulting in a positive contribution margin of 19% to the overall organization.
- Recognized as a Top 100 Hospital for Cardiovascular Services and received a 5-Star Ranking by Healthgrades during tenure due to relentless focus on quality and outcomes.
- Recognized as a leader by VHA and CMS for achieving 100% on AMI Core measures.
- Stabilized clinical operations and financial processes in a cardiology practice dealing with loss of physicians.
- Developed a regional strategy focusing on referral relationships to maintain market share in a highly competitive cardiac market growing services in Montana.

Bassett Healthcare, Cooperstown, NY February 1989 – August 2003

Bassett Healthcare Network is an integrated health care system that provides care and services to people living in an eight county region covering 5,600 square miles in upstate New York The organization includes affiliated hospitals, community and school-based health centers, and health partners in related fields.

Administrative Director, Bassett Heart Care Institute July 2002 – August 2003

Directed the development, coordination and integration of a cardiovascular clinical service line consisting of Cardiology, Cardiothoracic Surgery, Cardiovascular Research and Cardiovascular Nursing.

- Directed the preparation and completion of a work plan detailing the phases of the cardiovascular program initiation and development.
- Directed preparation and development of policies, procedures and processes consistent with New York State Department of Health cardiac program regulations leading to a successful DOH site visit and unconditional approval of the open-heart surgery certificate of need.
- Developed $8.6 million budget and financial reporting for the cardiovascular program across clinical divisions and departments including a revenue capture program for new services.

- Developed performance improvement indicators with respect to clinical issues, access, service, quality, cost and patient satisfaction.

Senior Director, Physician Practice Operations November 1998 – July 2002

Direct practice and business operations for a 250 multispecialty provider group division through strategic planning, workflow and infrastructure design, and implementation of new systems. Administrative leadership of Department and divisional managers and related staff in support of physicians and patient care systems throughout the regional network. Served as lead liaison with corporate services divisions providing Information Systems, Facilities and Human Resources.

- Directed the reengineering of ambulatory systems and processes to enhance patient service and access to care through multi-departmental project teams and interaction with senior leadership, physicians, and practice managers.
- Successfully led JCAHO site review ambulatory team for clinics and regional centers, contributing to a successful three-year accreditation.
- Developed and implemented new policies and programs related to patient access to physician services while ensuring high quality patient-focused services.

Administrative Manager, Department of Medicine February 1989 – November 1998

Direct administrative, financial and clinical service operations for Adult and Pediatric Medicine consisting of 56 physicians with patient care, education and research missions. Manage departmental business affairs including professional billing and practice operations, budget preparation and monitoring, financial reporting, strategic planning, personnel management and facilities management.

- Chaired institutional project team for redesign of ambulatory care operations focusing on patient access and service.
- Developed and implemented revenue capture programs that enhanced profitability and ensured compliance with regulatory and third-party payor requirements.
- Developed triage system and urgent care clinics to enhance primary care services to patients, thereby reducing emergency room utilization.
- Member of Executive Steering Committee guiding the development and implementation of the electronic medical record and clinical data repository at Bassett.

University of Illinois, College of Medicine, Rockford, IL September 1978-September 1988

Regional medical school of the University of Illinois, College of Medicine focusing on preparing medical students and residents as family medicine physicians residing in small, rural communities

Personnel Officer October 1985 - September 1988

Responsible for the direction and administration of a comprehensive personnel program for nonfaculty staff including programs, policies and procedures related to recruitment and retention, classification and compensation, employee relations, staff development and performance appraisal.

- Guided the personnel office into a proactive organizational role regarding the implementation and management of operational policies and procedures.

- Recommended and developed procedures for reorganization of administrative departments.

Previous Position: Departmental Business Manager September 1978 – October 1985

Professional Affiliations

Fellow, American College of Medical Practice Executives
Medical Group Management Association

- Co-Chair, CEO Search Committee 2011
- Board of Directors 2001-2010
- Chair, Board of Directors 2008 - 2009
- Annual Conference Chair 2006

Dartmouth College, Reviewer, Health Care Delivery Science Action Learning Project
University of Alabama Health Sciences Program Judge, Case Competition, Health Care Administration
Fischer Cats Foundation, Board Member
New Hampshire State Coordinating Council for Community Transportation, Business Member

Academic Appointments

Adjunct Faculty 1999 - 2003
Health Services Administration
The New School for Social Research
Utica, New York

- Courses in Group Practice, Information Systems Analysis and U.S. Healthcare

Presentations

"Facility Design with Patients at the Center" Healthcare Design Conference Washington D.C., November 2015

"Modular Planning: Putting Patients at the Center of Care" Medical Group Management Association, Annual Conference, Las Vegas, NV, October 2014

"Modular planning results in Savings" Vermont Association of Hospitals and Health Services, Manchester, Vermont, September 2013

"The Journey towards an ACO: The Dartmouth-Hitchcock Experience in Population Health and Patient Centered Care" Northeast MGMA Tri-State Conference, Rockland, Maine, May 2012

"The Journey to Accountable Care" Northeast MGMA Tri-State Conference, Boston, Massachusetts, May 2011

"Journey to an ACO: The Dartmouth-Hitchcock Experience" MGMA PEER Conference, Washington D.C., March 2011

"Journey to an ACO: The Dartmouth-Hitchcock Experience" Health Plan Involvement in Medical Home and ACOs, New York City, NY, November 2010

"Panel on Physician Income and Medical Practice Differences Across Specialties: Should Medicare Care?" National Health Policy Forum, Washington D.C., May 2008

"Use of a Self-Assessment Tool to Help Identify Medical and Medication Safety in Physician Office Practices" 2007 Annual NPSF Patient Safety Congress, Washington D.C., May 2007

"Complementary and Alternative Medicine: Are they Right for You?" 2005 MGMA Annual Conference, Nashville, Tennessee, October 2005.

"Complementary and Alternative Medicine: Are they Right for You?" 2004 MGMA Annual Conference, San Francisco, California, October 2004.

"Personal Service Excellence" 2004 NYMGMA Annual Conference, Lake George, New York, June 2004.

"Best Practices in AMI" 2004 VHA Women's Heart Advantage User's Conference, Dallas, Texas, April 2004

"Disaster Readiness: Making Necessary Choices to Manage Destiny" 2002 MGMA Annual Conference, Las Vegas, Nevada, October 2002.

"Disaster Readiness: Developing an Emergency Preparedness Plan:" 2002 NYMGMA Annual Conference, Saratoga Springs, New York, June 2002

"Panel on How to Increase Your Applicant Pool" 2001 Eastern / Southern Section / Primary Care Assembly Joint Conference, Savannah, Georgia, July 2001.

"Panel on Call Management and Triage" 2001 Eastern / Southern Section / Primary Care Assembly Joint Conference, Savannah, Georgia, July 2001

"Implementing an Electronic Medical Record in an Integrated Delivery System" Poster Session, 73rd Annual MGMA National Conference, San Diego, California, October 1999.

"Medical Group Practice Management, The Issues, The Resources, The Answers" Facilitator, roundtable discussions at the NYMGMA Spring Meeting, Syracuse, New York, March 1999.

"Implementing an Electronic Medical Record in an Integrated Delivery System" MGMA / HCMA of Central New York, Syracuse, New York, June 1998

"Physician Productivity and Compensation" Facilitator, roundtable discussions at the 70th MGMA National Conference, Minneapolis, Minnesota, October 1996

"Practice Management Issues from an Internist's Point of View" Facilitator, roundtable discussions at the 69th MGMA National Conference, New Orleans, Louisiana, October 1995

Christopher Tkal, BA, CLL, CSSBB

Objective

- A challenging position as an executive leading healthcare operations where my skills and years of experience developing strategy and driving continuous improvement can deliver exceptional organizational performance

Summary of Skills and Experience

- Over twenty years in leadership roles including supervisor, manager, director, and now over four years as Vice President
- Sixteen years of experience in roles dedicated to process improvement, nine of which were directly leading or managing lean transformation and continuous improvement departments
- Highly experienced in directing all improvement activities across large organizations
- Hold multiple certifications in process improvement including being a certified. Continuous Improvement Black Belt, Lean Leader, and Six Sigma Black Belt
- Experience with applying Lean and Six Sigma improvement methodologies in a healthcare environment to improve quality, safety, and value
- Extensive work with risk analysis and quality planning where customers' lives depend on the quality output of the processes and systems
- Experienced managing in quality regulated industries (Healthcare, Automotive, and Aerospace)
- Directly involved with implementing structured quality systems (ISO-9001, QS-9000, NADCAP)
- Forward thinking professional with skill at setting vision, mission, and strategy at an organizational level and guiding the development of supporting plans (strategy deployment)
- Solid ability to influence staff and all levels of leadership
- Strong leadership skills with proven ability to guide and motivate employees in the achievement of breakthrough objectives and incremental improvements
- Collaborative style that ensures high levels of engagement and buy-in from staff producing increased innovation, the development of effective tactics, and exceptional results
- Self-directed and flexible leader with the ability to adapt and respond to dynamic business conditions
- Familiar with developing and managing large departmental budgets
- Experience working with employees to create skill development plans and setting SMART goals that result in increased job satisfaction and improved performance
- Passionate about developing employees, ensuring accountability, and rewarding performance
- Excellent written and verbal communication skills with the ability to provide effective presentations to small and large groups
- Proficient with developing and/or leading the development of highly efficient processes and procedures for all aspects of a business
- Practiced in the development of quality standards and standardized work to ensure the highest levels of quality output and productivity
- Highly skilled in the development of leader standard work and leadership cadence activities

Position History

- Cheshire Medical Center/Dartmouth-Hitchcock Keene; Keene, NH
  - Vice-President, Operations, Quality & Patient Safety
    - May 2018 - Present
  - Vice-President, Quality & Patient Safety
    - April 2016 - April 2018
  - Director, QI/Risk
    - December 2014 – April 2016
- Dartmouth-Hitchcock Medical Center; Lebanon, NH
  - Senior Performance Improvement Consultant / L6S Black Belt
    - March 2013 – December 2014
- Timken Aerospace, Lebanon, NH
  - Department Manager - Continuous Improvement and Training
    - January 2009 - March 2013
  - Department Manager - Turn, Heat Treat, and Metallurgical Laboratory
    - April 2008 - January 2009
  - Senior Continuous Improvement Leader
    - January 2006 - April 2008
- NSK Steering Systems America, Bennington, Vermont
  - Lean Transformation Leader
    - November 2001 - January 2006
  - Manufacturing Section Manager
    - May 1996 - November 2001
  - Production Manager
    - April 1994 - May 1996
  - Team Leader
    - March 1992 - April 1994
- Triangle Plastics, Wire, and Cable; Bennington, Vermont
  - Production Cell Leader (Supervisor)
    - September 1991 - March 1992
  - Injection Mold Set-Up Technician
    - March 1989 - September 1991
- Zia Graphics; Albuquerque, New Mexico
  - Machine Set-Up Technician
    - November 1986 - February 1989
- United States Air Force
  - Aircraft Engine Mechanic
    - November 1982 - November 1986

Certifications

- Certified Black Belt in Continuous Improvement - Dartmouth-Hitchcock Value Institute
- Certified 6-Sigma Black Belt - The Timken Company / North Haven Group
- Process Improvement Certificate - Worcester Polytechnic Institute (WPI)
- Certified Lean Leader - The Timken Company
- Lean Leadership Academy Graduate - McPherson Business Advisors
- Intercompany Lean Systems Assessor - The Timken Company
- Lean, Advanced Lean, and Lean Management Certificates - VT Manufacturing Extension Center (VMEC)
- Certified Internal ISO-9001 Auditor - QCS International

Training and Education

- College
  - Bachelor of Arts, Operations Management and Analysis – Ashford University, Clinton IA
  - Graduated Summa Cum Laude
  - Alpha Sigma Lambda Honor Society, SALUTE - Veterans National Honor Society - Alpha Level

- Leadership and Supervisory Training
  - U S Air Force NCO Leadership School
  - Production Management – NSK Japan
  - Quality of Leadership – Torrington Co
  - Personal Effectiveness
  - Core Skills for Building Commitment
  - Facilitating Improved Performance
  - Communicating and Listening
  - Timken Leadership Development Program
  - Managing Growth and Development
  - Building Trust
  - Effective Performance Discussions
  - Making Effective Decisions
  - Ergonomic Evaluation and Process Improvement
  - Guiding Conflict Resolution
  - Accident Investigation Training
  - Timken Manufacturing Academy

- Quality and 6-Sigma Training
  - Certified 6-Sigma Black Belt
  - TQM - Managing For Quality
  - Certified Internal ISO-9001 Auditor
  - Failure Modes & Effects Analysis (FMEA)
  - QS-9000 Training For Managers
  - Statistical Process Control
  - Advanced Statistical Process Control
  - The 9-Cause Model & Levels of Stratification
  - Ford Motor Company PPAP Training
  - Data Mining and Manipulation (JMP program)

- Lean, Advanced Lean, and Lean Management Certificates - VT Manufacturing Extension Center
  - Principles of Lean Manufacturing
  - Value Stream Mapping
  - The 5S System
  - Cellular Manufacturing
  - Flowing the Value Stream
  - Learning to Pull
  - Creating Mixed Model Value Streams
  - Setup Reduction (SMED)
  - Pull / Kanban Material Systems
  - Value Stream Mapping for the Office
  - Total Productive Maintenance
  - Materials Productivity
  - Industrial Marketing
  - Supercharged Product Development
  - Performance Measurements for Lean
  - Change Management for Lean
  - Strategic Planning for Manufacturers

- Process Improvement Certificate - Worcester Polytechnic Institute (WPI)
  - Advanced Problem Solving
  - Fundamentals of Project Management
  - Poka-Yoke Principles and Applications
  - Failure Mode and Effects Analysis
  - Design of Experiments

- Toyota Production System (TPS)
  - TPS Training - Toyota Company Japanese Sensei - 2 years, U S Sensei - 4 years
  - Advanced Production System (APS) Training - NSK Soja Facility, Maebashi City, Gunma, Japan
  - Ambrake Production System Training - Bluegrass Auto Manufacturers Association (BAMA)
  - Creating Continuous Flow - Lean Enterprise Institute (LEI)
  - Lean Project Management - Lean Enterprise Institute (LEI)
  - Toyota's 8-Step Problem Solving Process - Toyota Consulting Group
  - Lean Leader Training - The Timken Company
  - Intercompany Lean Assessor Training - The Timken Company
  - Lean Leadership Academy - McPherson Business Advisors

Cheshire Medical Center/Dartmouth-Hitchcock

Key Personnel

Name	Job Title	Salary	% Paid from this Contract	Amount Paid from this Contract
Cherie Holmes, MD	Chief Medical Officer	$483,627	0	0
Amy Matthews	Vice President, Patient Care Services and Chief Nursing Officer	$179,825	0	0
Christine Schon	Chief Operations Officer	$303,368	0	0
Christopher Tkal	Vice President, Operations, Quality & Patient Safety	$189,259	0	0

Subject: Hospital-Based COVID-19 Community Testing (SS-2021-DPHS-04-HOSPI-05)

Notice: This agreement and all of its attachments shall become public upon submission to Governor and Executive Council for approval. Any information that is private, confidential or proprietary must be clearly identified to the agency and agreed to in writing prior to signing the contract.

AGREEMENT

The State of New Hampshire and the Contractor hereby mutually agree as follows:

GENERAL PROVISIONS

1. **IDENTIFICATION.**

1.1 State Agency Name New Hampshire Department of Health and Human Services		1.2 State Agency Address 129 Pleasant Street Concord, NH 03301-3857	
1.3 Contractor Name Elliot Health System		1.4 Contractor Address 1 Elliot Way Manchester, NH 03102	
1.5 Contractor Phone Number (603) 281-9378	1.6 Account Number 05-095-090-903010-19010000-102-500731	1.7 Completion Date December 1, 2020	1.8 Price Limitation $290,000
1.9 Contracting Officer for State Agency Nathan D. White, Director		1.10 State Agency Telephone Number (603) 271-9631	
1.11 Contractor Signature Date:		1.12 Name and Title of Contractor Signatory W. Gregory Boyle MD President EHS	
1.13 State Agency Signature Date: 07/28/2020		1.14 Name and Title of State Agency Signatory Lisa Morris, Director - DHHS/DPHS	
1.15 Approval by the N.H. Department of Administration, Division of Personnel *(if applicable)* By:		Director, On:	
1.16 Approval by the Attorney General (Form, Substance and Execution) *(if applicable)* By: Catherine Pinos		On: 07/30/20	
1.17 Approval by the Governor and Executive Council *(if applicable)* G&C Item number:		G&C Meeting Date:	

Contractor Initials MB
Date 7/29/2020

2. SERVICES TO BE PERFORMED. The State of New Hampshire, acting through the agency identified in block 1.1 ("State"), engages contractor identified in block 1.3 ("Contractor") to perform, and the Contractor shall perform, the work or sale of goods, or both, identified and more particularly described in the attached EXHIBIT B which is incorporated herein by reference ("Services").

3. EFFECTIVE DATE/COMPLETION OF SERVICES.
3.1 Notwithstanding any provision of this Agreement to the contrary, and subject to the approval of the Governor and Executive Council of the State of New Hampshire, if applicable, this Agreement, and all obligations of the parties hereunder, shall become effective on the date the Governor and Executive Council approve this Agreement as indicated in block 1.17, unless no such approval is required, in which case the Agreement shall become effective on the date the Agreement is signed by the State Agency as shown in block 1.13 ("Effective Date").
3.2 If the Contractor commences the Services prior to the Effective Date, all Services performed by the Contractor prior to the Effective Date shall be performed at the sole risk of the Contractor, and in the event that this Agreement does not become effective, the State shall have no liability to the Contractor, including without limitation, any obligation to pay the Contractor for any costs incurred or Services performed. Contractor must complete all Services by the Completion Date specified in block 1.7.

4. CONDITIONAL NATURE OF AGREEMENT.
Notwithstanding any provision of this Agreement to the contrary, all obligations of the State hereunder, including, without limitation, the continuance of payments hereunder, are contingent upon the availability and continued appropriation of funds affected by any state or federal legislative or executive action that reduces, eliminates or otherwise modifies the appropriation or availability of funding for this Agreement and the Scope for Services provided in EXHIBIT B, in whole or in part. In no event shall the State be liable for any payments hereunder in excess of such available appropriated funds. In the event of a reduction or termination of appropriated funds, the State shall have the right to withhold payment until such funds become available, if ever, and shall have the right to reduce or terminate the Services under this Agreement immediately upon giving the Contractor notice of such reduction or termination. The State shall not be required to transfer funds from any other account or source to the Account identified in block 1.6 in the event funds in that Account are reduced or unavailable.

5. CONTRACT PRICE/PRICE LIMITATION/ PAYMENT.
5.1 The contract price, method of payment, and terms of payment are identified and more particularly described in EXHIBIT C which is incorporated herein by reference.
5.2 The payment by the State of the contract price shall be the only and the complete reimbursement to the Contractor for all expenses, of whatever nature incurred by the Contractor in the performance hereof, and shall be the only and the complete compensation to the Contractor for the Services. The State shall have no liability to the Contractor other than the contract price.
5.3 The State reserves the right to offset from any amounts otherwise payable to the Contractor under this Agreement those liquidated amounts required or permitted by N.H. RSA 80:7 through RSA 80:7-c or any other provision of law.
5.4 Notwithstanding any provision in this Agreement to the contrary, and notwithstanding unexpected circumstances, in no event shall the total of all payments authorized, or actually made hereunder, exceed the Price Limitation set forth in block 1.8.

6. COMPLIANCE BY CONTRACTOR WITH LAWS AND REGULATIONS/ EQUAL EMPLOYMENT OPPORTUNITY.
6.1 In connection with the performance of the Services, the Contractor shall comply with all applicable statutes, laws, regulations, and orders of federal, state, county or municipal authorities which impose any obligation or duty upon the Contractor, including, but not limited to, civil rights and equal employment opportunity laws. In addition, if this Agreement is funded in any part by monies of the United States, the Contractor shall comply with all federal executive orders, rules, regulations and statutes, and with any rules, regulations and guidelines as the State or the United States issue to implement these regulations. The Contractor shall also comply with all applicable intellectual property laws.
6.2 During the term of this Agreement, the Contractor shall not discriminate against employees or applicants for employment because of race, color, religion, creed, age, sex, handicap, sexual orientation, or national origin and will take affirmative action to prevent such discrimination.
6.3. The Contractor agrees to permit the State or United States access to any of the Contractor's books, records and accounts for the purpose of ascertaining compliance with all rules, regulations and orders, and the covenants, terms and conditions of this Agreement.

7. PERSONNEL.
7.1 The Contractor shall at its own expense provide all personnel necessary to perform the Services. The Contractor warrants that all personnel engaged in the Services shall be qualified to perform the Services, and shall be properly licensed and otherwise authorized to do so under all applicable laws.
7.2 Unless otherwise authorized in writing, during the term of this Agreement, and for a period of six (6) months after the Completion Date in block 1.7, the Contractor shall not hire, and shall not permit any subcontractor or other person, firm or corporation with whom it is engaged in a combined effort to perform the Services to hire, any person who is a State employee or official, who is materially involved in the procurement, administration or performance of this Agreement. This provision shall survive termination of this Agreement.
7.3 The Contracting Officer specified in block 1.9, or his or her successor, shall be the State's representative. In the event of any dispute concerning the interpretation of this Agreement, the Contracting Officer's decision shall be final for the State.

Contractor Initials CWB
Date 3/28/2020

8. EVENT OF DEFAULT/REMEDIES.
8.1 Any one or more of the following acts or omissions of the Contractor shall constitute an event of default hereunder ("Event of Default"):
8.1.1 failure to perform the Services satisfactorily or on schedule;
8.1.2 failure to submit any report required hereunder; and/or
8.1.3 failure to perform any other covenant, term or condition of this Agreement.
8.2 Upon the occurrence of any Event of Default, the State may take any one, or more, or all, of the following actions:
8.2.1 give the Contractor a written notice specifying the Event of Default and requiring it to be remedied within, in the absence of a greater or lesser specification of time, thirty (30) days from the date of the notice; and if the Event of Default is not timely cured, terminate this Agreement, effective two (2) days after giving the Contractor notice of termination;
8.2.2 give the Contractor a written notice specifying the Event of Default and suspending all payments to be made under this Agreement and ordering that the portion of the contract price which would otherwise accrue to the Contractor during the period from the date of such notice until such time as the State determines that the Contractor has cured the Event of Default shall never be paid to the Contractor;
8.2.3 give the Contractor a written notice specifying the Event of Default and set off against any other obligations the State may owe to the Contractor any damages the State suffers by reason of any Event of Default; and/or
8.2.4 give the Contractor a written notice specifying the Event of Default, treat the Agreement as breached, terminate the Agreement and pursue any of its remedies at law or in equity, or both.
8.3. No failure by the State to enforce any provisions hereof after any Event of Default shall be deemed a waiver of its rights with regard to that Event of Default, or any subsequent Event of Default. No express failure to enforce any Event of Default shall be deemed a waiver of the right of the State to enforce each and all of the provisions hereof upon any further or other Event of Default on the part of the Contractor.

9. TERMINATION.
9.1 Notwithstanding paragraph 8, the State may, at its sole discretion, terminate the Agreement for any reason, in whole or in part, by thirty (30) days written notice to the Contractor that the State is exercising its option to terminate the Agreement.
9.2 In the event of an early termination of this Agreement for any reason other than the completion of the Services, the Contractor shall, at the State's discretion, deliver to the Contracting Officer, not later than fifteen (15) days after the date of termination, a report ("Termination Report") describing in detail all Services performed, and the contract price earned, to and including the date of termination. The form, subject matter, content, and number of copies of the Termination Report shall be identical to those of any Final Report described in the attached EXHIBIT B. In addition, at the State's discretion, the Contractor shall, within 15 days of notice of early termination, develop and submit to the State a Transition Plan for services under the Agreement.

10. DATA/ACCESS/CONFIDENTIALITY/ PRESERVATION.
10.1 As used in this Agreement, the word "data" shall mean all information and things developed or obtained during the performance of, or acquired or developed by reason of, this Agreement, including, but not limited to, all studies, reports, files, formulae, surveys, maps, charts, sound recordings, video recordings, pictorial reproductions, drawings, analyses, graphic representations, computer programs, computer printouts, notes, letters, memoranda, papers, and documents, all whether finished or unfinished.
10.2 All data and any property which has been received from the State or purchased with funds provided for that purpose under this Agreement, shall be the property of the State, and shall be returned to the State upon demand or upon termination of this Agreement for any reason.
10.3 Confidentiality of data shall be governed by N.H. RSA chapter 91-A or other existing law. Disclosure of data requires prior written approval of the State.

11. CONTRACTOR'S RELATION TO THE STATE. In the performance of this Agreement the Contractor is in all respects an independent contractor, and is neither an agent nor an employee of the State. Neither the Contractor nor any of its officers, employees, agents or members shall have authority to bind the State or receive any benefits, workers' compensation or other emoluments provided by the State to its employees.

12. ASSIGNMENT/DELEGATION/SUBCONTRACTS.
12.1 The Contractor shall not assign, or otherwise transfer any interest in this Agreement without the prior written notice, which shall be provided to the State at least fifteen (15) days prior to the assignment, and a written consent of the State. For purposes of this paragraph, a Change of Control shall constitute assignment. "Change of Control" means (a) merger, consolidation, or a transaction or series of related transactions in which a third party, together with its affiliates, becomes the direct or indirect owner of fifty percent (50%) or more of the voting shares or similar equity interests, or combined voting power of the Contractor, or (b) the sale of all or substantially all of the assets of the Contractor.
12.2 None of the Services shall be subcontracted by the Contractor without prior written notice and consent of the State. The State is entitled to copies of all subcontracts and assignment agreements and shall not be bound by any provisions contained in a subcontract or an assignment agreement to which it is not a party.

13. INDEMNIFICATION. Unless otherwise exempted by law, the Contractor shall indemnify and hold harmless the State, its officers and employees, from and against any and all claims, liabilities and costs for any personal injury or property damages, patent or copyright infringement, or other claims asserted against the State, its officers or employees, which arise out of (or which may be claimed to arise out of) the acts or omission of the

Contractor Initials ASB
Date 7/17/2020

Contractor, or subcontractors, including but not limited to the negligence, reckless or intentional conduct. The State shall not be liable for any costs incurred by the Contractor arising under this paragraph 13. Notwithstanding the foregoing, nothing herein contained shall be deemed to constitute a waiver of the sovereign immunity of the State, which immunity is hereby reserved to the State. This covenant in paragraph 13 shall survive the termination of this Agreement.

14. INSURANCE.

14.1 The Contractor shall, at its sole expense, obtain and continuously maintain in force, and shall require any subcontractor or assignee to obtain and maintain in force, the following insurance:

14.1.1 commercial general liability insurance against all claims of bodily injury, death or property damage, in amounts of not less than $1,000,000 per occurrence and $2,000,000 aggregate or excess; and

14.1.2 special cause of loss coverage form covering all property subject to subparagraph 10.2 herein, in an amount not less than 80% of the whole replacement value of the property.

14.2 The policies described in subparagraph 14.1 herein shall be on policy forms and endorsements approved for use in the State of New Hampshire by the N.H. Department of Insurance, and issued by insurers licensed in the State of New Hampshire.

14.3 The Contractor shall furnish to the Contracting Officer identified in block 1.9, or his or her successor, a certificate(s) of insurance for all insurance required under this Agreement. Contractor shall also furnish to the Contracting Officer identified in block 1.9, or his or her successor, certificate(s) of insurance for all renewal(s) of insurance required under this Agreement no later than ten (10) days prior to the expiration date of each insurance policy. The certificate(s) of insurance and any renewals thereof shall be attached and are incorporated herein by reference.

15. WORKERS' COMPENSATION.

15.1 By signing this agreement, the Contractor agrees, certifies and warrants that the Contractor is in compliance with or exempt from, the requirements of N.H. RSA chapter 281-A *("Workers' Compensation")*.

15.2 To the extent the Contractor is subject to the requirements of N.H. RSA chapter 281-A, Contractor shall maintain, and require any subcontractor or assignee to secure and maintain, payment of Workers' Compensation in connection with activities which the person proposes to undertake pursuant to this Agreement. The Contractor shall furnish the Contracting Officer identified in block 1.9, or his or her successor, proof of Workers' Compensation in the manner described in N.H. RSA chapter 281-A and any applicable renewal(s) thereof, which shall be attached and are incorporated herein by reference. The State shall not be responsible for payment of any Workers' Compensation premiums or for any other claim or benefit for Contractor, or any subcontractor or employee of Contractor, which might arise under applicable State of New Hampshire Workers' Compensation laws in connection with the performance of the Services under this Agreement.

16. NOTICE. Any notice by a party hereto to the other party shall be deemed to have been duly delivered or given at the time of mailing by certified mail, postage prepaid, in a United States Post Office addressed to the parties at the addresses given in blocks 1.2 and 1.4, herein.

17. AMENDMENT. This Agreement may be amended, waived or discharged only by an instrument in writing signed by the parties hereto and only after approval of such amendment, waiver or discharge by the Governor and Executive Council of the State of New Hampshire unless no such approval is required under the circumstances pursuant to State law, rule or policy.

18. CHOICE OF LAW AND FORUM. This Agreement shall be governed, interpreted and construed in accordance with the laws of the State of New Hampshire, and is binding upon and inures to the benefit of the parties and their respective successors and assigns. The wording used in this Agreement is the wording chosen by the parties to express their mutual intent, and no rule of construction shall be applied against or in favor of any party. Any actions arising out of this Agreement shall be brought and maintained in New Hampshire Superior Court which shall have exclusive jurisdiction thereof.

19. CONFLICTING TERMS. In the event of a conflict between the terms of this P-37 form (as modified in EXHIBIT A) and/or attachments and amendment thereof, the terms of the P-37 (as modified in EXHIBIT A) shall control.

20. THIRD PARTIES. The parties hereto do not intend to benefit any third parties and this Agreement shall not be construed to confer any such benefit.

21. HEADINGS. The headings throughout the Agreement are for reference purposes only, and the words contained therein shall in no way be held to explain, modify, amplify or aid in the interpretation, construction or meaning of the provisions of this Agreement.

22. SPECIAL PROVISIONS. Additional or modifying provisions set forth in the attached EXHIBIT A are incorporated herein by reference.

23. SEVERABILITY. In the event any of the provisions of this Agreement are held by a court of competent jurisdiction to be contrary to any state or federal law, the remaining provisions of this Agreement will remain in full force and effect.

24. ENTIRE AGREEMENT. This Agreement, which may be executed in a number of counterparts, each of which shall be deemed an original, constitutes the entire agreement and understanding between the parties, and supersedes all prior agreements and understandings with respect to the subject matter hereof.

Contractor Initials _____

Date 7/20/2020

REVISIONS TO STANDARD CONTRACT PROVISIONS

1. **Revisions to Form P-37, General Provisions**

1.1. Paragraph 3, Subparagraph 3.1, Effective Date/Completion of Services, is amended as follows:

3.1. Notwithstanding any provision of this Agreement to the contrary, and subject to the approval of the Governor of the State of New Hampshire, issued under the Executive Order 2020-04 and any extensions thereof, this Agreement, and all obligations of the parties hereunder, shall become effective on August 1, 2020. ("Effective Date").

1.2. Paragraph 3, Effective Date/Completion of Services, is amended by adding subparagraph 3.3 as follows:

3.3. The parties may extend the Agreement for up to one (1) additional year from the Completion Date, contingent upon satisfactory delivery of services, available funding, agreement of the parties, and required governmental approval.

1.3. Paragraph 5, Subparagraph 5.2, Contract Price/Price Limitation/Payment, is amended as follows:

5.2 Consistent with Exhibit C, the payment by the State of the contract price shall be the only and the complete reimbursement to the Contractor for all expenses, of whatever nature incurred by the Contractor in the performance hereof, and shall be the only and the complete compensation to the Contractor for the Services. The State shall have no liability to the Contractor other than the contract price.

1.4 Paragraph 7, Subparagraph 7.1, Personnel, is amended as follows:

7.1 The Contractor shall provide all personnel necessary to perform the Services. The Contractor warrants that all personnel engaged in the Services shall be qualified to perform the Services, and shall be properly licensed and otherwise authorized to do so under all applicable laws.

1.5 Paragraph 12, Subparagraph 12.3, Assignment/Delegation/Subcontracts, is amended as follows:

12.3. Subcontractors are subject to the same contractual conditions as the Contractor and the Contractor is responsible to ensure subcontractor compliance with those conditions. The Contractor shall have written agreements with all subcontractors, specifying the work to be performed and how corrective action shall be managed if the subcontractor's performance is inadequate. The Contractor shall manage the subcontractor's performance on an ongoing basis and take corrective action as necessary. The Contractor shall annually provide the State with

a list of all subcontractors provided for under this Agreement and notify the State of any inadequate subcontractor performance.

Scope of Services

1. **Statement of Work**

1.1. For the purposes of this agreement, any references to days shall mean calendar days.

1.2. The Contractor shall conduct specimen collection and testing for SARS-CoV-2 in an outpatient setting for individuals who reside within the hospital catchment area or local community, regardless of individuals' prior affiliations with the hospital.

1.3. The Contractor shall conduct specimen collection and testing for patients who have symptoms of COVID-19 or who are pre-symptomatic or asymptomatic at the request of:

1.3.1. The individual to be tested; or

1.3.2. The Department of Health and Human Services (Department) Division of Public Health Services (DPHS).

1.4. The Contractor shall not require an office or telemedicine visit for asymptomatic patients in order for patients to receive COVID-19 testing.

1.5. In the event of a significant increase in community transmission of COVID-19, the Contractor shall not be responsible for meeting significantly increased levels of testing and may request the Department to provide additional testing capacity.

1.6. The Contractor shall determine the appropriate venue and physical location for specimen collection, which may include, but is not limited to:

1.6.1. An existing physical location.

1.6.2. A temporary drive-through location.

1.6.3. A drive-up facility.

1.7. The Contractor shall request a waiver, if necessary, from the Department's Bureau of Health Facilities Administration for a temporary drive-through location or drive-up facility.

1.8. The Contractor shall determine the appropriate number of days per week and the duration of time per day to perform community specimen collection for COVID-19 testing to meet the needs of the hospital catchment area and local community and communicate the hours of operation to the Department.

1.9. The Contractor shall ensure the collection, handling, processing and testing of specimens comply with guidelines issued by the Centers for Disease Control and Prevention (CDC), available at https://www.cdc.gov/coronavirus/2019-nCoV/lab/guidelines-clinical-specimens.html and by the laboratory used for processing specimens.

1.10. The Contractor shall ensure patients sign an appropriate consent form, prior to collection of specimens, authorizing testing at the laboratory and reporting to the ordering medical provider, the Department, and any other individual or entity designated to receive the test results.

1.11. The Contractor shall identify of any communication access needs to ensure needed language assistance is provided, which may include, but is not limited to:

1.11.1. Over-the-phone interpretation of spoken languages.

1.11.2. Video remote interpretation to access American Sign Language.

1.12. The Contractor shall ensure communication and language assistance is provided to individuals, as appropriate and needed, to ensure the validity of any signed consent by utilizing translated consent forms and/or interpreters.

1.13. The Contractor shall ensure all personnel collecting, handling, processing and transporting specimens are trained to safeguard the confidentiality of the patient and protected health information (PHI), as defined in the Health Information Portability and Accountability Act (HIPAA).

1.14. The Contractor shall ensure the secure and confidential transporting of specimens to the laboratory.

1.15. The Contractor shall ensure the ordering provider for each COVID-19 test is a licensed medical provider.

1.16. The Contractor shall ensure the licensed medical provider ordering COVID-19 tests notifies patients of testing results received from the laboratory in a timely manner. The Contractor shall ensure:

1.16.1. Patients with positive results confirming the diagnosis of COVID-19 are informed:

1.16.1.1. By telephone or other electronic method.

1.16.1.2. By first-class U.S. mail, if telephone or other electronic method is unsuccessful

1.16.2. Patients with negative results are informed of test results in a method determined by the Contractor.

1.17. The Contractor shall utilize existing communication methods to inform the local community of the availability of outpatient COVID-19 testing, which may include, but are not limited to:

1.17.1. The hospital's website.

1.17.2. Hospital newsletters.

1.17.3. Social media platforms.

1.18. The Contractor shall ensure published information includes how and when

patients can access the services and the location of the specimen collection site.

1.19. The Contractor shall ensure any marketing materials abide by existing requirements for communication access, including but not limited to:

1.19.1. Vital and significant materials should be made available in additional languages, as appropriate, and must be translated by qualified, competent translation providers, as follows:

1.19.1.1. Statewide, only Spanish meets the criteria for translation.

1.19.1.2. Translation is required for languages depending on factors including the number and proportion of LEP persons served or likely to seek services in the Contractor's service areas, and the frequency with which LEP individuals come into contact with the Contractor's programs, activities and services.

1.19.1.3. Notification on all materials of the availability of free communication access and language assistance for any individuals who may require it.

1.19.1.4. All materials have a phone number to call for further information, ensuring staff answering that phone number shall have access to over-the-phone interpretation to assist callers who need spoken language interpretation.

1.20. The Contractor shall provide communication and language assistance at all points of contact in accessing COVID-19 testing to individuals with communication access needs, including individuals with limited English proficiency, or individuals who are deaf or have hearing loss.

1.21. The Contractor shall conduct outreach to vulnerable populations and minority populations in the hospital catchment area or local community, including notifying partner organizations who work with these populations about the availability of COVID-19 testing.

1.22. The Contractor shall report both positive and negative test results to the Division of Public Health Services through the Electronic Laboratory Reporting (ELR) system and ensure the laboratory used for processing specimens and conducting testing reports both positive and negative results to the Division of Public Health Services through the ELR system.

1.23. The Contractor shall report all positive cases of COVID-19 with complete case information by fax to (603) 271-0545 to the Division of Public Health Services using the New Hampshire Confidential COVID-19 Case Report Form available at: https://www.dhhs.nh.gov/dphs/cdcs/covid19/covid19-reporting-form.pdf.

1.24. The Contractor shall notify patients who are uninsured or do not have full coverage benefits for COVID-19 testing that New Hampshire Medicaid has established a COVID-19 Testing Benefit that may pay for testing and diagnosis of COVID-19 for persons who are not already a Medicaid beneficiary and do not have full coverage for COVID-19 testing and diagnosis.

2. Exhibits Incorporated

2.1. The Contractor shall comply with all Exhibits D through H and Exhibit J, which are attached hereto and incorporated by reference herein.

2.2. To the extent the State shares Confidential Data, the Contractor shall comply with Exhibit K, which is attached hereto and incorporated by reference herein.

2.3. The Contractor's Use and Responsibilities for Confidential Information are as follows.

2.3.1. The Contractor agrees to use, disclose, maintain, or transmit Confidential Data from Providers as required, specifically authorized, or permitted under the Contract or this Agreement. Further, the Contractor, including but not limited to all its directors, officers, employees, and agents, agrees not to use, disclose, maintain, or transmit PHI in any manner that would constitute a violation of the Privacy and Security Rules. The Contractor shall provide Confidential Information as required by the Contract, RSA 141-C:7, 141-C:9, RSA 141-C:10, and in a form required by He-P 301.03 and the "New Hampshire Local Implementation Guide for Electronic Laboratory Reporting for Communicable Disease and Lead Test Results Using HL7 2.5.1," Version 4.0 (5/23/2016), found at: https://www.dhhs.nh.gov/dphs/bphsi/documents/elrguide.pdf.

2.3.2. The Contractor shall transmit Confidential Information to the Division of Public Health Services by means of a secure file transport protocol (sFTP) provided by the Department and agreed to by the parties and approved by the Department's Information Security Officer.

2.3.3. The Contractor shall transmit the Confidential Information to the Division of Public Health Services as required by statute and this Agreement, namely:

2.3.3.1. All test results, including but not limited to positive and negative results, shall be reported electronically via electronic laboratory reporting procedures, also referred to as "ELR," as noted above.

2.3.3.2. Test results shall be provided within 24 hours of the test being completed.

2.4. As necessary, the Contractor agrees to comply with any request to correct or complete the data once transmitted to the Division of Public Health Services.

2.5. The Contractor agrees that the data submitted shall be the "minimum necessary" to carry out the stated use of the data, as defined in the HIPAA Privacy Rule and in accordance with all applicable confidentiality laws.

2.6. The parties agree that this Agreement shall be construed in accordance with the terms of Contract and governed by the laws of the State of New Hampshire.

2.7. The Contractor and the Department agree to negotiate an amendment to this Agreement as needed to address a Contract amendment, or any changes in policy issues, fiscal issues, information security, and other specific safeguards required for maintaining confidentiality of the data.

3. Reporting Requirements

3.1. The Contractor shall submit data to the Department for COVID-19 testing, including, but not limited to:

3.1.1. Number of persons who received COVID-19 testing.

3.1.2. Number of persons for whom race and/or ethnicity is documented.

3.2. The Contractor shall ensure race and/or ethnicity demographic identifiers for the persons who received COVID-19 testing are collected consistently and correctly, in accordance with best practice standards and processes as provided by the Office of Heath Equity, and entered either manually or electronically on the hospital or reference laboratory COVID-19 test requisition forms.

4. Additional Terms

4.1. Impacts Resulting from Court Orders or Legislative Changes

4.1.1. The Contractor agrees that, to the extent future state or federal legislation or court orders may have an impact on the Services described herein, the State has the right to modify service priorities and expenditure requirements under this Agreement so as to achieve compliance therewith.

4.2. Federal Civil Rights Laws Compliance: Culturally and Linguistically Appropriate Programs and Services

4.2.1. The Contractor shall submit within ten (10) days of the contract effective date, and comply with, a detailed description of the communication access and language assistance services they will provide to ensure meaningful access to their programs and/or services to persons with limited English proficiency, people who are deaf or have hearing loss, are blind or have low vision, or who have speech challenges.

4.3. **Credits and Copyright Ownership**

4.3.1. All documents, notices, press releases, research reports and other materials prepared during or resulting from the performance of the services of the Contract shall include the following statement, "The preparation of this (report, document etc.) was financed under a Contract with the State of New Hampshire, Department of Health and Human Services, with funds provided in part by the State of New Hampshire and/or such other funding sources as were available or required, e.g., the United States Department of Health and Human Services."

4.3.2. All materials produced or purchased under the contract shall have prior approval from the Department before printing, production, distribution or use.

4.3.3. The Department shall retain copyright ownership for any and all original materials produced with funds provided under this Agreement, including, but not limited to: brochures, resource directories, protocols or guidelines, posters and reports.

4.3.4. The Contractor shall not reproduce any materials produced under the contract without prior written approval from the Department.

4.4. **Operation of Facilities: Compliance with Laws and Regulations**

4.4.1. In the operation of any facilities for providing services, the Contractor shall comply with all laws, orders and regulations of federal, state, county and municipal authorities and with any direction of any Public Officer or officers pursuant to laws which shall impose an order or duty upon the contractor with respect to the operation of the facility or the provision of the services at such facility. If any governmental license or permit shall be required for the operation of the said facility or the performance of the said services, the Contractor will procure said license or permit, and will at all times comply with the terms and conditions of each such license or permit. In connection with the foregoing requirements, the Contractor hereby covenants and agrees that, during the term of this Contract the facilities shall comply with all rules, orders, regulations, and requirements of the State Office of the Fire Marshal and the local fire protection agency, and shall be in conformance with local building and zoning codes, by-laws and regulations.

5. **Records**

5.1. The Contractor shall keep records that include, but are not limited to:

5.1.1. Books, records, documents and other electronic or physical data evidencing and reflecting all costs and other expenses incurred by the

Contractor in the performance of the Contract, and all income received or collected by the Contractor.

5.1.2. All records must be maintained in accordance with accounting procedures and practices, which sufficiently and properly reflect all such costs and expenses, and which are acceptable to the Department, and to include, without limitation, all ledgers, books, records, and original evidence of costs such as purchase requisitions and orders, vouchers, requisitions for materials, inventories, valuations of in-kind contributions, labor time cards, payrolls, and other records requested or required by the Department.

5.1.3. Statistical, enrollment, attendance or visit records for each recipient of services, which records shall include all records of application and eligibility (including all forms required to determine eligibility for each such recipient), records regarding the provision of services and all invoices submitted to the Department to obtain payment for such services.

5.1.4. Medical records on each patient/recipient of services.

5.2. During the term of this Contract and the period for retention hereunder, the Department, the United States Department of Health and Human Services, and any of their designated representatives shall have access to all reports and records maintained pursuant to the Contract for purposes of audit, examination, excerpts and transcripts. Upon the purchase by the Department of the maximum number of units provided for in the Contract and upon payment of the price limitation hereunder, the Contract and all the obligations of the parties hereunder (except such obligations as, by the terms of the Contract are to be performed after the end of the term of this Contract and/or survive the termination of the Contract) shall terminate, provided however, that if, upon review of the Final Expenditure Report the Department shall disallow any expenses claimed by the Contractor as costs hereunder the Department shall retain the right, at its discretion, to deduct the amount of such expenses as are disallowed or to recover such sums from the Contractor.

EXHIBIT C

Payment Terms

1. This Agreement is funded by the Epidemiology and Laboratory Capacity for Prevention and Control of Emerging Infectious Diseases (ELC) cooperative agreement from the Centers for Disease Control and Prevention Division of Preparedness and Emerging Infections, CFDA #93.323, FAIN #NU50CK000522.
2. For the purposes of this Agreement:
   - 2.1. The Department has identified the Contractor as a Subrecipient, in accordance with 2 CFR 200.330.
   - 2.2. The Department has identified this Contract as NON-R&D, in accordance with 2 CFR §200.87.
3. This Agreement is for COVID-19 testing-related activities to be conducted between August 1, 2020 and December 1, 2020.
4. Payment:
   - 4.1. The Department will pay the Contractor the amount listed in box 1.8 Price Limitation included in the General Provisions Form Number P-37, for providing the services included in Exhibit B, Scope of Services, after the Effective Date of the Contract.
     - 4.1.1. The Contractor shall submit an expense report in a form satisfactory to the State every sixty (60) days, which identifies allowable expenses incurred during the duration of the contract.
     - 4.1.2. Any unspent funds will be returned to the Department within sixty (60) calendar days of contract expiration date.
     - 4.1.3. In lieu of hard copies, all expense reports may be assigned an electronic signature and must be emailed to dphscontractbilling@dhhs.nh.gov.
5. The Contractor must provide the services in Exhibit B, Scope of Services, in compliance with funding requirements.
6. The Contractor agrees that funding under this Agreement may be recouped, in whole or in part in the event of non-compliance with the terms and conditions of Exhibit B, Scope of Services.
7. The Contractor shall be responsible for billing patients for the COVID-19 testing. The payment received by Contractor from the State under this Agreement shall cover additional administrative over-head or startup costs that are not otherwise reimbursable by patients or third party payors.

8. The Contractor shall keep detailed records of their activities related to Department-funded programs and services and have records available for Department review, as requested.

9. Notwithstanding anything to the contrary herein, the Contractor agrees that funding under this agreement may be recouped, in whole or in part, in the event of non-compliance with any Federal or State law, rule or regulation applicable to the services provided, or if the said services or products have not been satisfactorily completed in accordance with the terms and conditions of this agreement.

10. Notwithstanding Paragraph 17 of the General Provisions Form P-37, changes limited to adjusting amounts within the price limitation and adjusting encumbrances between State Fiscal Years and budget class lines through the Budget Office may be made by written agreement of both parties, without obtaining approval of the Governor and Executive Council, if needed and justified.

11. Audits

11.1. The Contractor is required to submit an annual audit to the Department if any of the following conditions exist:

11.1.1. Condition A - The Contractor expended $750,000 or more in federal funds received as a subrecipient pursuant to 2 CFR Part 200, during the most recently completed fiscal year.

11.1.2. Condition B - The Contractor is subject to audit pursuant to the requirements of NH RSA 7:28, III-b, pertaining to charitable organizations receiving support of $1,000,000 or more.

11.1.3. Condition C - The Contractor is a public company and required by Security and Exchange Commission (SEC) regulations to submit an annual financial audit.

11.2. If Condition A exists, the Contractor shall submit an annual single audit performed by an independent Certified Public Accountant (CPA) to the Department within 120 days after the close of the Contractor's fiscal year, conducted in accordance with the requirements of 2 CFR Part 200, Subpart F of the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal awards.

11.3. If Condition B or Condition C exists, the Contractor shall submit an annual financial audit performed by an independent CPA within 120 days after the close of the Contractor's fiscal year.

11.4. In addition to, and not in any way in limitation of obligations of the Contract, it is understood and agreed by the Contractor that the Contractor shall be held liable for any state or federal audit exceptions

and shall return to the Department all payments made under the Contract to which exception has been taken, or which have been disallowed because of such an exception.

CERTIFICATION REGARDING DRUG-FREE WORKPLACE REQUIREMENTS

The Vendor identified in Section 1.3 of the General Provisions agrees to comply with the provisions of Sections 5151-5160 of the Drug-Free Workplace Act of 1988 (Pub. L. 100-690, Title V, Subtitle D; 41 U.S.C. 701 et seq.), and further agrees to have the Contractor's representative, as identified in Sections 1.11 and 1.12 of the General Provisions execute the following Certification:

ALTERNATIVE I - FOR GRANTEES OTHER THAN INDIVIDUALS

US DEPARTMENT OF HEALTH AND HUMAN SERVICES - CONTRACTORS
US DEPARTMENT OF EDUCATION - CONTRACTORS
US DEPARTMENT OF AGRICULTURE - CONTRACTORS

This certification is required by the regulations implementing Sections 5151-5160 of the Drug-Free Workplace Act of 1988 (Pub. L. 100-690, Title V, Subtitle D; 41 U.S.C. 701 et seq.). The January 31, 1989 regulations were amended and published as Part II of the May 25, 1990 Federal Register (pages 21681-21691), and require certification by grantees (and by inference, sub-grantees and sub-contractors), prior to award, that they will maintain a drug-free workplace. Section 3017.630(c) of the regulation provides that a grantee (and by inference, sub-grantees and sub-contractors) that is a State may elect to make one certification to the Department in each federal fiscal year in lieu of certificates for each grant during the federal fiscal year covered by the certification. The certificate set out below is a material representation of fact upon which reliance is placed when the agency awards the grant. False certification or violation of the certification shall be grounds for suspension of payments, suspension or termination of grants, or government wide suspension or debarment. Contractors using this form should send it to:

Commissioner
NH Department of Health and Human Services
129 Pleasant Street,
Concord, NH 03301-6505

1. The grantee certifies that it will or will continue to provide a drug-free workplace by:
   - 1.1. Publishing a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession or use of a controlled substance is prohibited in the grantee's workplace and specifying the actions that will be taken against employees for violation of such prohibition;
   - 1.2. Establishing an ongoing drug-free awareness program to inform employees about
     - 1.2.1. The dangers of drug abuse in the workplace;
     - 1.2.2. The grantee's policy of maintaining a drug-free workplace;
     - 1.2.3. Any available drug counseling, rehabilitation, and employee assistance programs; and
     - 1.2.4. The penalties that may be imposed upon employees for drug abuse violations occurring in the workplace;
   - 1.3. Making it a requirement that each employee to be engaged in the performance of the grant be given a copy of the statement required by paragraph (a);
   - 1.4. Notifying the employee in the statement required by paragraph (a) that, as a condition of employment under the grant, the employee will
     - 1.4.1. Abide by the terms of the statement; and
     - 1.4.2. Notify the employer in writing of his or her conviction for a violation of a criminal drug statute occurring in the workplace no later than five calendar days after such conviction;
   - 1.5. Notifying the agency in writing, within ten calendar days after receiving notice under subparagraph 1.4.2 from an employee or otherwise receiving actual notice of such conviction. Employers of convicted employees must provide notice, including position title, to every grant officer on whose grant activity the convicted employee was working, unless the Federal agency

has designated a central point for the receipt of such notices. Notice shall include the identification number(s) of each affected grant;

1.6. Taking one of the following actions, within 30 calendar days of receiving notice under subparagraph 1.4.2, with respect to any employee who is so convicted
   1.6.1. Taking appropriate personnel action against such an employee, up to and including termination, consistent with the requirements of the Rehabilitation Act of 1973, as amended; or
   1.6.2. Requiring such employee to participate satisfactorily in a drug abuse assistance or rehabilitation program approved for such purposes by a Federal, State, or local health, law enforcement, or other appropriate agency;

1.7. Making a good faith effort to continue to maintain a drug-free workplace through implementation of paragraphs 1.1, 1.2, 1.3, 1.4, 1.5, and 1.6.

2. The grantee may insert in the space provided below the site(s) for the performance of work done in connection with the specific grant.

Place of Performance (street address, city, county, state, zip code) (list each location)

Check ☐ if there are workplaces on file that are not identified here.

Vendor Name: Elliot Health System

7/27/2020
Date

Name:
Title: N. Gregory Baxter MD
Pres-Int Elliot Health System

CERTIFICATION REGARDING LOBBYING

The Vendor identified in Section 1.3 of the General Provisions agrees to comply with the provisions of Section 319 of Public Law 101-121, Government wide Guidance for New Restrictions on Lobbying, and 31 U.S.C. 1352, and further agrees to have the Contractor's representative, as identified in Sections 1.11 and 1.12 of the General Provisions execute the following Certification:

US DEPARTMENT OF HEALTH AND HUMAN SERVICES - CONTRACTORS
US DEPARTMENT OF EDUCATION - CONTRACTORS
US DEPARTMENT OF AGRICULTURE - CONTRACTORS

Programs (indicate applicable program covered):
*Temporary Assistance to Needy Families under Title IV-A
*Child Support Enforcement Program under Title IV-D
*Social Services Block Grant Program under Title XX
*Medicaid Program under Title XIX
*Community Services Block Grant under Title VI
*Child Care Development Block Grant under Title IV

The undersigned certifies, to the best of his or her knowledge and belief, that:

1. No Federal appropriated funds have been paid or will be paid by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement (and by specific mention sub-grantee or sub-contractor).

2. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement (and by specific mention sub-grantee or sub-contractor), the undersigned shall complete and submit Standard Form LLL, (Disclosure Form to Report Lobbying, in accordance with its instructions, attached and identified as Standard Exhibit E-I.)

3. The undersigned shall require that the language of this certification be included in the award document for sub-awards at all tiers (including subcontracts, sub-grants, and contracts under grants, loans, and cooperative agreements) and that all sub-recipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by Section 1352, Title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than $10,000 and not more than $100,000 for each such failure.

Vendor Name: Elliot Health System

7/23/2020
Date

Name:
Title: W. Gregory Baker MD
President Elliot Health System

CERTIFICATION REGARDING DEBARMENT, SUSPENSION AND OTHER RESPONSIBILITY MATTERS

The Vendor identified in Section 1.3 of the General Provisions agrees to comply with the provisions of Executive Office of the President, Executive Order 12549 and 45 CFR Part 76 regarding Debarment, Suspension, and Other Responsibility Matters, and further agrees to have the Contractor's representative, as identified in Sections 1.11 and 1.12 of the General Provisions execute the following Certification:

INSTRUCTIONS FOR CERTIFICATION

1. By signing and submitting this proposal (contract), the prospective primary participant is providing the certification set out below.

2. The inability of a person to provide the certification required below will not necessarily result in denial of participation in this covered transaction. If necessary, the prospective participant shall submit an explanation of why it cannot provide the certification. The certification or explanation will be considered in connection with the NH Department of Health and Human Services' (DHHS) determination whether to enter into this transaction. However, failure of the prospective primary participant to furnish a certification or an explanation shall disqualify such person from participation in this transaction.

3. The certification in this clause is a material representation of fact upon which reliance was placed when DHHS determined to enter into this transaction. If it is later determined that the prospective primary participant knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government, DHHS may terminate this transaction for cause or default.

4. The prospective primary participant shall provide immediate written notice to the DHHS agency to whom this proposal (contract) is submitted if at any time the prospective primary participant learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances.

5. The terms "covered transaction," "debarred," "suspended," "ineligible," "lower tier covered transaction," "participant," "person," "primary covered transaction," "principal," "proposal," and "voluntarily excluded," as used in this clause, have the meanings set out in the Definitions and Coverage sections of the rules implementing Executive Order 12549: 45 CFR Part 76. See the attached definitions.

6. The prospective primary participant agrees by submitting this proposal (contract) that, should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transaction with a person who is debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by DHHS.

7. The prospective primary participant further agrees by submitting this proposal that it will include the clause titled "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion - Lower Tier Covered Transactions," provided by DHHS, without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions.

8. A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that it is not debarred, suspended, ineligible, or involuntarily excluded from the covered transaction, unless it knows that the certification is erroneous. A participant may decide the method and frequency by which it determines the eligibility of its principals. Each participant may, but is not required to, check the Nonprocurement List (of excluded parties).

9. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and

information of a participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.

10. Except for transactions authorized under paragraph 6 of these instructions, if a participant in a covered transaction knowingly enters into a lower tier covered transaction with a person who is suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction, in addition to other remedies available to the Federal government, DHHS may terminate this transaction for cause or default.

PRIMARY COVERED TRANSACTIONS

11. The prospective primary participant certifies to the best of its knowledge and belief, that it and its principals:
    - 11.1. are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any Federal department or agency;
    - 11.2. have not within a three-year period preceding this proposal (contract) been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State or local) transaction or a contract under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;
    - 11.3. are not presently indicted for otherwise criminally or civilly charged by a governmental entity (Federal, State or local) with commission of any of the offenses enumerated in paragraph (l)(b) of this certification; and
    - 11.4. have not within a three-year period preceding this application/proposal had one or more public transactions (Federal, State or local) terminated for cause or default.

12. Where the prospective primary participant is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this proposal (contract).

LOWER TIER COVERED TRANSACTIONS

13. By signing and submitting this lower tier proposal (contract), the prospective lower tier participant, as defined in 45 CFR Part 76, certifies to the best of its knowledge and belief that it and its principals:
    - 13.1. are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any federal department or agency.
    - 13.2. where the prospective lower tier participant is unable to certify to any of the above, such prospective participant shall attach an explanation to this proposal (contract).

14. The prospective lower tier participant further agrees by submitting this proposal (contract) that it will include this clause entitled "Certification Regarding Debarment, Suspension, Ineligibility, and Voluntary Exclusion - Lower Tier Covered Transactions," without modification in all lower tier covered transactions and in all solicitations for lower tier covered transactions.

Vendor Name: Elliot Health System

7/27/2010
Date

Name:
Title: McGregory Baxter MD
President and Health System

CERTIFICATION OF COMPLIANCE WITH REQUIREMENTS PERTAINING TO FEDERAL NONDISCRIMINATION, EQUAL TREATMENT OF FAITH-BASED ORGANIZATIONS AND WHISTLEBLOWER PROTECTIONS

The Vendor identified in Section 1.3 of the General Provisions agrees by signature of the Contractor's representative as identified in Sections 1.11 and 1.12 of the General Provisions, to execute the following certification:

Vendor will comply, and will require any subgrantees or subcontractors to comply, with any applicable federal nondiscrimination requirements, which may include:

- the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. Section 3789d) which prohibits recipients of federal funding under this statute from discriminating, either in employment practices or in the delivery of services or benefits, on the basis of race, color, religion, national origin, and sex. The Act requires certain recipients to produce an Equal Employment Opportunity Plan;

- the Juvenile Justice Delinquency Prevention Act of 2002 (42 U.S.C. Section 5672(b)) which adopts by reference, the civil rights obligations of the Safe Streets Act. Recipients of federal funding under this statute are prohibited from discriminating, either in employment practices or in the delivery of services or benefits, on the basis of race, color, religion, national origin, and sex. The Act includes Equal Employment Opportunity Plan requirements;

- the Civil Rights Act of 1964 (42 U.S.C. Section 2000d, which prohibits recipients of federal financial assistance from discriminating on the basis of race, color, or national origin in any program or activity);

- the Rehabilitation Act of 1973 (29 U.S.C. Section 794), which prohibits recipients of Federal financial assistance from discriminating on the basis of disability, in regard to employment and the delivery of services or benefits, in any program or activity;

- the Americans with Disabilities Act of 1990 (42 U.S.C. Sections 12131-34), which prohibits discrimination and ensures equal opportunity for persons with disabilities in employment, State and local government services, public accommodations, commercial facilities, and transportation;

- the Education Amendments of 1972 (20 U.S.C. Sections 1681, 1683, 1685-86), which prohibits discrimination on the basis of sex in federally assisted education programs;

- the Age Discrimination Act of 1975 (42 U.S.C. Sections 6106-07), which prohibits discrimination on the basis of age in programs or activities receiving Federal financial assistance. It does not include employment discrimination;

- 28 C.F.R. pt. 31 (U.S. Department of Justice Regulations – OJJDP Grant Programs); 28 C.F.R. pt. 42 (U.S. Department of Justice Regulations – Nondiscrimination; Equal Employment Opportunity; Policies and Procedures); Executive Order No. 13279 (equal protection of the laws for faith-based and community organizations); Executive Order No. 13559, which provide fundamental principles and policy-making criteria for partnerships with faith-based and neighborhood organizations;

- 28 C.F.R. pt. 38 (U.S. Department of Justice Regulations – Equal Treatment for Faith-Based Organizations); and Whistleblower protections 41 U.S.C. §4712 and The National Defense Authorization Act (NDAA) for Fiscal Year 2013 (Pub. L. 112-239, enacted January 2, 2013) the Pilot Program for Enhancement of Contract Employee Whistleblower Protections, which protects employees against reprisal for certain whistle blowing activities in connection with federal grants and contracts.

The certificate set out below is a material representation of fact upon which reliance is placed when the agency awards the grant. False certification or violation of the certification shall be grounds for suspension of payments, suspension or termination of grants, or government wide suspension or debarment.

In the event a Federal or State court or Federal or State administrative agency makes a finding of discrimination after a due process hearing on the grounds of race, color, religion, national origin, or sex against a recipient of funds, the recipient will forward a copy of the finding to the Office for Civil Rights, to the applicable contracting agency or division within the Department of Health and Human Services, and to the Department of Health and Human Services Office of the Ombudsman.

The Vendor identified in Section 1.3 of the General Provisions agrees by signature of the Contractor's representative as identified in Sections 1.11 and 1.12 of the General Provisions, to execute the following certification:

1. By signing and submitting this proposal (contract) the Vendor agrees to comply with the provisions indicated above.

Vendor Name: Elliot Health System

7/27/2018
Date

Name:
Title: W Gregory Baker MD
President Elliot Health System

CERTIFICATION REGARDING ENVIRONMENTAL TOBACCO SMOKE

Public Law 103-227, Part C - Environmental Tobacco Smoke, also known as the Pro-Children Act of 1994 (Act), requires that smoking not be permitted in any portion of any indoor facility owned or leased or contracted for by an entity and used routinely or regularly for the provision of health, day care, education, or library services to children under the age of 18, if the services are funded by Federal programs either directly or through State or local governments, by Federal grant, contract, loan, or loan guarantee. The law does not apply to children's services provided in private residences, facilities funded solely by Medicare or Medicaid funds, and portions of facilities used for inpatient drug or alcohol treatment. Failure to comply with the provisions of the law may result in the imposition of a civil monetary penalty of up to $1000 per day and/or the imposition of an administrative compliance order on the responsible entity.

The Vendor identified in Section 1.3 of the General Provisions agrees, by signature of the Contractor's representative as identified in Section 1.11 and 1.12 of the General Provisions, to execute the following certification:

1. By signing and submitting this contract, the Vendor agrees to make reasonable efforts to comply with all applicable provisions of Public Law 103-227, Part C, known as the Pro-Children Act of 1994.

Vendor Name: Elliot Health System

7/28/2020
Date

Name:
Title: N. Gregory Baxter MD
President Elliot Health System

HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY ACT (HIPAA) BUSINESS ASSOCIATE AGREEMENT

Exhibit I is not applicable to this Agreement.

Remainder of page intentionally left blank.

CERTIFICATION REGARDING THE FEDERAL FUNDING ACCOUNTABILITY AND TRANSPARENCY ACT (FFATA) COMPLIANCE

The Federal Funding Accountability and Transparency Act (FFATA) requires prime awardees of individual Federal grants equal to or greater than $25,000 and awarded on or after October 1, 2010, to report on data related to executive compensation and associated first-tier sub-grants of $25,000 or more. If the initial award is below $25,000 but subsequent grant modifications result in a total award equal to or over $25,000, the award is subject to the FFATA reporting requirements, as of the date of the award.
In accordance with 2 CFR Part 170 (Reporting Subaward and Executive Compensation Information), the Department of Health and Human Services (DHHS) must report the following information for any subaward or contract award subject to the FFATA reporting requirements:

1. Name of entity
2. Amount of award
3. Funding agency
4. NAICS code for contracts / CFDA program number for grants
5. Program source
6. Award title descriptive of the purpose of the funding action
7. Location of the entity
8. Principle place of performance
9. Unique identifier of the entity (DUNS #)
10. Total compensation and names of the top five executives if:
    - 10.1. More than 80% of annual gross revenues are from the Federal government, and those revenues are greater than $25M annually and
    - 10.2. Compensation information is not already available through reporting to the SEC.

Prime grant recipients must submit FFATA required data by the end of the month, plus 30 days, in which the award or award amendment is made.
The Contractor identified in Section 1.3 of the General Provisions agrees to comply with the provisions of The Federal Funding Accountability and Transparency Act, Public Law 109-282 and Public Law 110-252, and 2 CFR Part 170 (Reporting Subaward and Executive Compensation Information), and further agrees to have the Contractor's representative, as identified in Sections 1.11 and 1.12 of the General Provisions execute the following Certification:
The below named Contractor agrees to provide needed information as outlined above to the NH Department of Health and Human Services and to comply with all applicable provisions of the Federal Financial Accountability and Transparency Act.

Contractor Name: Elliot Health System

2/27/2020
Date

Name:
Title: W. Gregory Boyce MD
President Elliot Health System

FORM A

As the Contractor identified in Section 1.3 of the General Provisions, I certify that the responses to the below listed questions are true and accurate.

1. The DUNS number for your entity is: 131852394

2. In your business or organization's preceding completed fiscal year, did your business or organization receive (1) 80 percent or more of your annual gross revenue in U.S. federal contracts, subcontracts, loans, grants, sub-grants, and/or cooperative agreements; and (2) $25,000,000 or more in annual gross revenues from U.S. federal contracts, subcontracts, loans, grants, subgrants, and/or cooperative agreements?

   X NO _____ YES

   If the answer to #2 above is NO, stop here

   If the answer to #2 above is YES, please answer the following:

3. Does the public have access to information about the compensation of the executives in your business or organization through periodic reports filed under section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C.78m(a), 78o(d)) or section 6104 of the Internal Revenue Code of 1986?

   _____ NO _____ YES

   If the answer to #3 above is YES, stop here

   If the answer to #3 above is NO, please answer the following:

4. The names and compensation of the five most highly compensated officers in your business or organization are as follows:

   Name: _____ Amount: _____

   Name: _____ Amount: _____

   Name: _____ Amount: _____

   Name: _____ Amount: _____

   Name: _____ Amount: _____

I. Definitions

The following terms may be reflected and have the described meaning in this document:

1. "Breach" means the loss of control, compromise, unauthorized disclosure, unauthorized acquisition, unauthorized access, or any similar term referring to situations where persons other than authorized users and for an other than authorized purpose have access or potential access to personally identifiable information, whether physical or electronic. With regard to Protected Health Information, "Breach" shall have the same meaning as the term "Breach" in section 164.402 of Title 45, Code of Federal Regulations.

2. "Computer Security Incident" shall have the same meaning as "Computer Security Incident" in Section 2.1 of NIST Publication 800-61 Rev. 2, Computer Security Incident Handling Guide.

3. "Confidential Information" or "Confidential Data" means all information owned, managed, created, received from, or on behalf of, the Department of Health and Human Services (DHHS) that is protected by information security, privacy or confidentiality rules and state and federal laws. This information includes but is not limited to Derivative Data, Protected Health Information (PHI), Personally Identifiable Information (PII), Federal Tax Information (FTI), Social Security Administration, and Criminal Justice Information Services (CJIS) data.

4. "Derivative Data" means data or information based on or created from Confidential Data.

5. "End User" means any person or entity (e.g. contractor's employee, business associate, subcontractor, other downstream user, etc.) that receives DHHS data or derivative data in accordance with the terms of this Contract.

6. "HIPAA" means the Health Insurance Portability and Accountability Act of 1996 and the regulations promulgated thereunder.

7. "Incident" means an act that potentially violates an explicit or implied security policy, which includes successful attempts to gain unauthorized access to a system or its data, unwanted disruption or denial of service, the unauthorized use of a system for the processing or storage of data; and changes to system hardware, firmware, or software characteristics without the owner's knowledge, instruction, or consent. Incidents include the loss of data through theft or device misplacement, loss or misplacement of hardcopy documents, and misrouting of physical or electronic documents or mail.

8. "Open Wireless Network" means any network or segment of a network that is not designated by the State of New Hampshire's Department of Information

Technology or delegate as a protected network (designed, tested, and approved, by means of the State, to transmit) will be considered an open network and not adequately secure for the transmission of unencrypted or Confidential Data.

9. "Privacy Rule" shall mean the Standards for Privacy of Individually Identifiable Health Information at 45 C.F.R. Parts 160 and 164, promulgated under HIPAA by the United States Department of Health and Human Services.

10. "Security Rule" shall mean the Security Standards for the Protection of Electronic Protected Health Information at 45 C.F.R. Part 164, Subpart C, and amendments thereto.

11. "Virtual Private Network" (VPN) shall mean network technology that creates a secure private connection between the device and endpoint; hiding IP address and encrypting all data in motion.

II. RESPONSIBILITIES OF DHHS AND THE CONTRACTOR

A. Business Use and Disclosure of Confidential Information.

1. The Contractor must not use, disclose, maintain or transmit DHHS Confidential Information except as required or permitted as outlined under this Contract and to carry out its obligations hereunder or as required by law.

2. The Contractor must not disclose any DHHS Confidential Information in connection with this Agreement in response to a request for disclosure on the basis that it is required by law, in response to a subpoena, etc., without first notifying DHHS so that DHHS has an opportunity to consent or object to the disclosure unless a subpoena requires such disclosure.

3. The Contractor agrees that DHHS Confidential Data or derivative therefrom disclosed to an End User must only be used pursuant to the terms of this Contract.

4. The Contractor agrees to provide to the authorized representative of the State of New Hampshire minimal necessary physical and logical process procedures, systems documents, and logs, specifically related to DHHS Confidential data, where possible, for the purpose of validating HIPAA/HITRUST/NIST controls to confirm compliance with the terms of this Contract.

III. METHODS OF SECURE TRANSMISSION OF DATA

1. Application Encryption. If Contractor is transmitting DHHS data containing Confidential Data between applications, the Contractor attests the applications have been evaluated by an expert knowledgeable in cybersecurity and that said application's encryption capabilities ensure secure transmission via the internet. Contractor will encrypt DHHS confidential data, when practical, throughout the data lifecycle while within EHS's network when using, storing, transmitting, and sharing DHHS confidential data within the terms of

this agreement with any applicable End User.

2. Encrypted Email. Contractor may only employ email to transmit Confidential Data if email is protected using encryption protection and being sent to and being received by email addresses of persons authorized to receive such information.
3. Encrypted Website. If Contractor is employing the Web to transmit DHHS Confidential Data, the secure socket layers (SSL) must be used and the website must be secure (SSL encrypts data transmitted via a website).
4. File Hosting Services, also known as File Sharing Sites. Contractor may not use personal, unmanaged, and unprotected file hosting services, such as Dropbox or Google Cloud Storage, to transmit DHHS Confidential Data, without written exception from DHHS Information Security.
5. Ground Mail Service. Contractor may only transmit DHHS Confidential Data via *certified* ground mail within the continental U.S. and when sent to a named individual.
6. Open Wireless Networks. Contractor may not transmit DHHS Confidential Data via an open wireless network unless employing a secure method of transmission or remote access, which complies with the terms and conditions of Exhibit K, such as a virtual private network (VPN).
7. Contractor will employ data protections and secure data management policies, processes, and technologies when handling, storing and transmitting DHHS Confidential Data, including during remote user communication, secure file transfer protocol, using wireless devices, and other file transfer mechanisms. Transport layer security protocol (TLS), as a standalone solution, may not be used to transmit Confidential Data without written exception from DHHS Information Security.

IV. RETENTION AND DISPOSITION OF IDENTIFIABLE RECORDS

The Contractor will only retain DHHS Confidential Data and any derivative of DHHS Confidential Data for the duration of this Contract. After such time, the Contractor will have thirty (30) days to destroy DHHS Confidential Data and any derivative in whatever form it may exist, unless, otherwise required by law or permitted under this Contract. If it is infeasible to return or destroy the Confidential Data, protections pursuant to Exhibit K survive this contract. To this end, the parties must:

A. Retention

1. The Contractor agrees it will not store, transfer or process DHHS Confidential Data or State of New Hampshire intellectual property collected or accessed in connection with the services rendered under this Contract outside of the United States without written exception from DHHS Information Security. This physical location requirement shall also apply in the implementation of cloud computing, cloud service or cloud storage capabilities, and includes backup data and Disaster Recovery locations.

2. The Contractor agrees NH DHHS Confidential Data will not be stored on personal devices.
3. The Contractor agrees to ensure security monitoring capabilities are in place to detect potential security events that can impact State of NH systems and/or DHHS Confidential Information for contractor provided systems accessed or utilized for purposes of carrying out this contract.
4. The Contractor agrees to provide or require security awareness and education for/of its End Users in support of protecting DHHS Confidential Information.
5. The Contractor agrees to retain all electronic and hard copies of Confidential Data in a secure location and identified herein.
6. The Contractor agrees Federal Confidential Data, identified as such to the contractor, stored in a Cloud must be in a FedRAMP/HITECH compliant solution and comply with all applicable statutes and regulations regarding privacy and security. The Contractor agrees DHHS Confidential must follow the HIPAA Security Rule, Privacy Rule, and HIPAA Cloud Computing Guidance (https://www.hhs.gov/hipaa/for-professionals/special-topics/cloud-computing/index.html). All servers and devices must follow the hardening standards as outline in NIST 800-123 (https://nvlpubs.nist.gov/nistpubs/legacy/sp/nistspecialpublication800-123.pdf) . As well as current, updated, and maintained anti-malware utilities (e.g. anti-viral, anti-hacker, anti-spam, anti-spyware). The environment, as a whole, must have intrusion-detection services and intrusion protection services, as well as, firewall protection.
7. The Contractor agrees to work collaboratively with the State's Chief Information Security Officer (CISO) in the detection of any security vulnerability of the hosting infrastructure.

B. Disposition

1. If the Contractor maintains DHHS Confidential Information on its systems in connection with this agreement (or its sub-contractor systems), the Contractor will maintain a documented process for securely disposing of such data upon request or contract termination; and will obtain written certification for any State of New Hampshire data destroyed by the Contractor or any subcontractors as a part of ongoing, emergency, and or disaster recovery operations. When no longer in use, electronic media containing State of New Hampshire Confidential Data shall be rendered unrecoverable via a secure wipe program in accordance with industry-accepted standards for secure deletion and media sanitization, or otherwise physically destroying the media (for example, degaussing) as described in NIST Special Publication 800-88, Rev 1, Guidelines for Media Sanitization, National Institute of Standards and Technology, U. S. Department of Commerce. The Contractor will document and certify in writing at time of the data destruction, and will provide written certification to the Department upon request. The written certification

Contractor Initials

Date 2/10/2021

will include all details necessary to demonstrate DHHS Confidential Data has been properly destroyed and validated. Where applicable, regulatory and professional standards for retention requirements will be jointly evaluated by the State and Contractor prior to destruction. In the event where the Contractor has comingled data and the destruction is not feasible the State and Contractor will jointly evaluate regulatory and professional standards for retention requirements prior to destruction.

2. Unless otherwise specified or otherwise deemed impracticable by Contractor within thirty (30) days of the termination of this Contract, Contractor agrees to destroy all hard copies of State of NH Confidential Data using a secure method such as shredding. Contractor must notify DHHS Information Security immediately upon determining destruction of DHHS hard copy Confidential Data, in connection with this agreement, is impracticable within said timeframe. The Contractor and DHHS Information Security will agree upon an acceptable timeframe for hard copy destruction. If it is agreed it is infeasible to return or destroy the Confidential Data within the agreed upon time period or at all, protections are extended to such information, in accordance with this Agreement.
3. Unless otherwise specified or otherwise deemed impracticable by Contractor within thirty (30) days of the termination of this Contract, Contractor agrees to completely destroy all electronic State of NH Confidential Data, in connection with this agreement, by means of data erasure, also known as secure data wiping. Contractor must notify DHHS Information Security immediately upon determining destruction of DHHS electronic Confidential Data is impracticable within said timeframe. The Contractor and DHHS Information Security will agree upon an acceptable timeframe for hard copy destruction. If it is agreed it is infeasible to return or destroy the Confidential Data within the agreed upon time period or at all, protections are extended to such information, in accordance with this Agreement.

V. PROCEDURES FOR SECURITY

A. Contractor agrees to safeguard the DHHS Confidential Data received under this Contract, and any derivative data or files, as follows:

1. The Contractor will maintain security controls to protect DHHS Confidential Information collected, processed, managed, and/or stored in the delivery of contracted services. If the Contractor has access to Confidential Information/Data, the Contractor agrees to follow the terms of the most recently executed Information Exchange Agreement (s) between DHHS and the federal agency regulating said data.

2. The Contractor will maintain policies and procedures to protect DHHS Confidential Information throughout the information lifecycle, where applicable, (from creation, transformation, use, storage and secure destruction) regardless of the media used to store the data (i.e. tape, disk, paper, etc.).

3. The Contractor will maintain authentication and access controls to contractor systems that collect, transmit, or store DHHS Confidential Information where applicable.

Contractor Initials

Date 7/22/2020

4. If the Contractor will be sub-contracting any core functions of the engagement supporting the services for State of New Hampshire, the Contractor will ensure End User(s) will maintain an internal process or processes that defines specific security expectations, and monitoring compliance to security requirements that at a minimum match those for the Contractor, including breach notification requirements.

5. The Contractor will collaborate with DHHS to review, sign and comply with all applicable State of New Hampshire and Department system access and authorization policies and procedures, systems access forms, and computer use agreements as part of obtaining and maintaining access to any Department system(s). Agreements will be completed and signed by the Contractor and any applicable sub-contractors prior to system access being authorized.

6. If the Department determines the Contractor is a Business Associate pursuant to 45 CFR 160.103, the Contractor will execute a HIPAA Business Associate Agreement (BAA) with the Department and is responsible for maintaining compliance with the agreement.

7. Data Security Breach Liability. In the event of any incident, computer security incident, or breach, Contractor shall make efforts to investigate the causes of the breach, promptly take measures to prevent future incident, computer security incident or breach and minimize any damage or loss resulting from the incident, security incident, or breach. Should an incident, computer security incident, or breach be determined to have been caused by the Contractor and/or End User's negligent or willful failure to safeguard State of New Hampshire networks, systems or DHHS Confidential Data, then the State shall recover from the Contractor and/or End User all costs of response and recovery from the Incident, Computer Security Incident, or Breach.

8. Contractor must comply with all applicable state and federal regulations regulating to the privacy and security of DHHS Confidential Information, and safeguard DHHS Confidential Information at level consistent with the requirements applicable to state and federal agencies. Contractor agrees to establish and maintain administrative, technical, and physical safeguards to protect the confidentiality of DHHS Confidential Data and to prevent unauthorized use or access to it. The safeguards, in connection with DHHS data under this agreement, must provide a level and scope of security that is not less than the level and scope of security requirements established by the State of New Hampshire, Department of Information Technology consistent with the scope of the contract Other than HIPAA/HIRTUST standards and regulations, NH DHHS will advise contractor and list standards that apply to the data defined in the subsequent data sharing language and/or document(s)

9. Contractor agrees to maintain a documented breach notification and incident response process.

10. Contractor agrees to use the minimum necessary Confidential Data in performance of this Contract.

Contractor Initials

Date 3/12/2020

11. The Contractor will not store, knowingly or unknowingly, any State of New Hampshire or Department data offshore or outside the boundaries of the United States unless prior express written consent is obtained from the Information Security Office leadership member within the Department.

12. The Contractor is responsible for ensuring that laptops and other electronic devices/media containing Confidential Information/Data are encrypted and password-protected.

13. The Contractor is responsible for End User oversight and compliance with the terms and conditions of the contract and this Security Requirements Exhibit.

14. The Contractor will collaborate with the DHHS to demonstrate compliance with the privacy and security requirements provided in herein, HIPAA, and other applicable laws and Federal regulations until such time as the Confidential Information/Data is disposed of in accordance with this Contract.

VII LOSS REPORTING

The Contractor must notify the DHHS Security Office, and the Program Contact via the email address provided in Section VIII of this Exhibit, immediately upon the Contractor determining that a breach or security incident has occurred and that DHHS confidential Information/data may have been exposed or compromised.

The Contractor must comply with all applicable state and federal regulations regulating to the privacy and security of State of NH and DHHS Confidential information, and safeguard DHHS Confidential Information at level consistent with the requirements applicable to state and federal agencies. In addition to, and notwithstanding, Contractor's compliance with all applicable obligations and procedures, Contractor's procedures must also address how the Contractor will:

1. Identify Incidents;
2. Determine if personally identifiable information is involved in Incidents;
3. Report suspected or confirmed Incidents as required in this Exhibit or P-37;
4. Identify and convene a core response group to determine the risk level of Incidents and determine risk-based responses to Incidents;
5. Determine whether Breach notification is required, and, if so, identify appropriate Breach notification methods, timing, source, and contents from among different options, and
6. Address and report Incidents, Computer Security Incidents, and/or Breaches that implicate Personal Information in accordance with NH RSA 359-C:20.

VIII PERSONS TO CONTACT

1. DHHS contact for Information Security, Privacy and Data Management Issues::
   DHHSInformationSecurityOffice@dhhs.nh.gov

2. DHHS contact program and policy:
   DHHS-Contracts@dhhs.nh.gov
   (In subject line insert RFP/Contract Name and Number)

State of New Hampshire
Department of State

CERTIFICATE

I, William M. Gardner, Secretary of State of the State of New Hampshire, do hereby certify that ELLIOT HEALTH SYSTEM is a New Hampshire Nonprofit Corporation registered to transact business in New Hampshire on June 25, 1999. I further certify that all fees and documents required by the Secretary of State's office have been received and is in good standing as far as this office is concerned.

Business ID: **320130**
Certificate Number: **0004964572**

IN TESTIMONY WHEREOF,
I hereto set my hand and cause to be affixed the Seal of the State of New Hampshire, this 24th day of July A.D. 2020.

William M. Gardner
Secretary of State

CERTIFICATE OF AUTHORITY

I, Paul W. Hoff, PhD, hereby certify that:

1. I am a duly elected Officer of Elliot Health System.

2. The following is a true copy of a vote taken at a meeting of the Board of Directors, duly called and held on May 21, 2020 at which a quorum of the Directors were present and voting.

VOTED: That W. Gregory Baxter, MD, is duly authorized on behalf of Elliot Health System to enter into contracts or agreements with the State of New Hampshire and any of its agencies or departments and further is authorized to execute any and all documents, agreements and other instruments, and any amendments, revisions, or modifications thereto, which may in his/her judgment be desirable or necessary to effect the purpose of this vote.

3. I hereby certify that said vote has not been amended or repealed and remains in full force and effect as of the date of the contract/contract amendment to which this certificate is attached. This authority **remains valid for thirty (30)** days from the date of this Certificate of Authority. I further certify that it is understood that the State of New Hampshire will rely on this certificate as evidence that the person(s) listed above currently occupy the position(s) indicated and that they have full authority to bind the corporation. To the extent that there are any limits on the authority of any listed individual to bind the corporation in contracts with the State of New Hampshire, all such limitations are expressly stated herein.

Dated: July 24, 2020

Paul W. Hoff

Signature of Elected Officer
Name: Paul W. Hoff, PhD
Title: Secretary

ACORD

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY) 07/24/2020

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER Willis Towers Watson Northeast, Inc. c/o 26 Century Blvd P.O. Box 305191 Nashville, TN 372305191 USA	CONTACT NAME: Willis Towers Watson Certificate Center PHONE (A/C, No, Ext): 1-877-945-7378 FAX (A/C, No): 1-888-467-2378 E-MAIL ADDRESS: certificates@willis.com
INSURED Elliot Health System One Elliot Way Manchester, NH 03103	INSURER(S) AFFORDING COVERAGE — NAIC # INSURER A: Elliot Health Systems — C2753 INSURER B: Safety National Casualty Corporation — 15105 INSURER C: INSURER D: INSURER E: INSURER F:

COVERAGES **CERTIFICATE NUMBER:** W17350900 **REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
A	X COMMERCIAL GENERAL LIABILITY CLAIMS-MADE [X] OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: X POLICY [ ] PRO-JECT [ ] LOC OTHER:			SELF INSURED TRUST	09/01/2019	09/01/2020	EACH OCCURRENCE DAMAGE TO RENTED PREMISES (Ea occurrence) MED EXP (Any one person) PERSONAL & ADV INJURY GENERAL AGGREGATE PRODUCTS - COMP/OP AGG	$ 1,000,000 $ 0 $ 0 $ 0 $ 3,000,000 $ 0
	AUTOMOBILE LIABILITY ANY AUTO OWNED AUTOS ONLY HIRED AUTOS ONLY SCHEDULED AUTOS NON-OWNED AUTOS ONLY						COMBINED SINGLE LIMIT (Ea accident) BODILY INJURY (Per person) BODILY INJURY (Per accident) PROPERTY DAMAGE (Per accident)	$ $ $ $
	UMBRELLA LIAB [ ] OCCUR EXCESS LIAB [ ] CLAIMS-MADE DED RETENTION $						EACH OCCURRENCE AGGREGATE	$ $
B	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) Y / N [ ] If yes, describe under DESCRIPTION OF OPERATIONS below	N/A		AGC4059249	09/01/2019	09/01/2020	X PER STATUTE [ ] OTH-ER E.L. EACH ACCIDENT E.L. DISEASE - EA EMPLOYEE E.L. DISEASE - POLICY LIMIT	$ 1,000,000 $ $ 1,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

CERTIFICATE HOLDER

State of NH
NH DHHS
129 Pleasant Street
Concord, NH 03301

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

Julie M Powers

Elliot Health System
Mission Statement

Elliot Health System strives to:

INSPIRE wellness

HEAL our patients

and **SERVE** with compassion in every interaction.

BAKER NEWMAN NOYES

Elliot Health System and Affiliates

Audited Consolidated Financial Statements
and Other Financial Information

Years Ended June 30, 2019 and 2018
With Independent Auditors' Report

Baker Newman & Noyes LLC
MAINE | MASSACHUSETTS | NEW HAMPSHIRE
800.244.7444 | www.bnncpa.com

ELLIOT HEALTH SYSTEM AND AFFILIATES

AUDITED CONSOLIDATED FINANCIAL STATEMENTS
AND OTHER FINANCIAL INFORMATION

June 30, 2019 and 2018

TABLE OF CONTENTS

BAKER NEWMAN NOYES

Baker Newman & Noyes LLC
MAINE | MASSACHUSETTS | NEW HAMPSHIRE
800.244.7444 | www.bnncpa.com

INDEPENDENT AUDITORS' REPORT

Board of Directors
Elliot Health System

We have audited the accompanying consolidated financial statements of Elliot Health System and Affiliates (the System), which comprise the consolidated balance sheets as of June 30, 2019 and 2018, and the related consolidated statements of operations, changes in net assets and cash flows for the years then ended, and the related notes to the consolidated financial statements (collectively, the financial statements).

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Board of Directors
Elliot Health System

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the System as of June 30, 2019 and 2018, and the results of its operations, changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 2 to the financial statements, in 2019, the System adopted the provisions of Accounting Standards Update (ASU) No. ASU No. 2016-14, *Not-for-Profit Entities (Topic 958) - Presentation of Financial Statements of Not-for-Profit Entities*. Our opinion is not modified with respect to this matter.

Baker Newman & Noyes LLC

Manchester, New Hampshire
September 18, 2019

ELLIOT HEALTH SYSTEM AND AFFILIATES

CONSOLIDATED BALANCE SHEETS

June 30, 2019 and 2018

ASSETS

	2019	2018
Current assets:		
Cash and cash equivalents	$ 83,196,511	$ 76,700,470
Accounts receivable, less allowance for doubtful accounts of $21,906,660 in 2019 and $18,709,744 in 2018 (notes 2, 5 and 11)	47,055,288	51,518,823
Inventories	4,380,747	3,801,625
Other current assets (notes 2 and 15)	17,686,613	9,725,426
Total current assets	152,319,159	141,746,344
Property, plant and equipment, less accumulated depreciation (notes 4 and 15)	202,710,683	190,349,608
Investments (notes 6 and 13)	75,712,637	58,304,112
Other assets (notes 2, 12 and 15)	14,736,615	16,305,019
Assets whose use is limited (notes 6 and 13):		
Board designated and donor restricted investments	139,259,925	131,496,969
Held by trustee under revenue bond and note agreements	3,250	11,830,241
Employee benefit plans and other (note 2)	19,813,013	17,006,819
Beneficial interest in perpetual trusts (note 2)	7,438,506	7,233,609
	166,514,694	167,567,638
Total assets	$611,993,788	$574,272,721

LIABILITIES AND NET ASSETS

	2019	2018
Current liabilities:		
Accounts payable and accrued expenses	$ 35,394,215	$ 28,909,870
Accrued salaries, wages and related accounts	33,952,271	33,068,813
Accrued interest	1,741,690	1,775,506
Amounts payable to third-party payors (note 3)	20,512,332	16,244,878
Current portion of long-term debt (note 5)	6,020,428	5,503,469
Total current liabilities	97,620,936	85,502,536
Accrued pension (note 8)	96,853,321	75,042,244
Self-insurance reserves and other liabilities (note 2)	39,988,107	37,845,255
Long-term debt, less current portion (note 5)	156,253,532	162,258,985
Total liabilities	390,715,896	360,649,020
Elliot Health System net assets:		
Without donor restrictions	194,214,667	193,672,606
With donor restrictions (note 7)	27,063,225	19,378,268
Total Elliot Health System net assets	221,277,892	213,050,874
Noncontrolling interests in consolidated affiliates	–	572,827
Total net assets	221,277,892	213,623,701
Total liabilities and net assets	$611,993,788	$574,272,721

See accompanying notes.

ELLIOT HEALTH SYSTEM AND AFFILIATES

CONSOLIDATED STATEMENTS OF OPERATIONS

Years Ended June 30, 2019 and 2018

	2019	2018
Net patient service revenues (net of contractual allowances and discounts) (notes 2, 3, 9 and 14)	$582,151,399	$550,828,697
Provision for bad debts (notes 2, 3 and 9)	(28,096,966)	(26,650,601)
Net patient service revenues less provision for bad debts	554,054,433	524,178,096
Investment income (note 6)	5,552,942	3,236,157
Other revenues	32,793,411	26,406,961
Total revenues	592,400,786	553,821,214
Expenses (note 10):		
Salaries, wages and fringe benefits (note 8)	354,730,841	342,482,276
Supplies and other expenses (note 12)	163,521,167	157,337,824
Depreciation and amortization	21,040,931	18,301,021
New Hampshire Medicaid Enhancement Tax (note 14)	22,564,148	22,004,678
Interest	6,946,906	7,226,343
Total expenses	568,803,993	547,352,142
Income from operations	23,596,793	6,469,072
Nonoperating gains (losses), net:		
Investment return, net (notes 2 and 6)	5,404,253	5,899,679
Other (notes 2 and 9)	(3,367,446)	(1,777,933)
Net periodic pension gain (cost), net of service cost (note 8)	2,589,438	(1,429,629)
Nonoperating gains, net	4,626,245	2,692,117
Consolidated excess of revenues and nonoperating gains over expenses	28,223,038	9,161,189
Noncontrolling interest in the net gain of consolidated affiliates	(47,920)	(43,239)
Excess of revenues and nonoperating gains over expenses attributable to Elliot Health System	28,175,118	9,117,950
Transfer to SolutionHealth	(706,222)	–
Pension adjustment (note 8)	(25,338,867)	12,312,931
Changes in noncontrolling interest in consolidated affiliates	(1,587,968)	–
Increase in net assets without donor restrictions attributable to Elliot Health System	$ 542,061	$ 21,430,881

See accompanying notes.

ELLIOT HEALTH SYSTEM AND AFFILIATES

CONSOLIDATED STATEMENTS OF CHANGES IN NET ASSETS

Years Ended June 30, 2019 and 2018

	Elliot Health System				
	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Total Elliot Health System Net Assets	Non-controlling Interests in Consolidated Affiliates	Total Net Assets
Balances at July 1, 2017	$172,241,725	$17,078,994	$189,320,719	$ 529,588	$189,850,307
Excess of revenues and nonoperating gains over expenses	9,117,950	–	9,117,950	43,239	9,161,189
Restricted gifts and bequests	–	2,219,772	2,219,772	–	2,219,772
Investment return, net (note 6)	–	94,896	94,896	–	94,896
Net unrealized loss on investments (notes 2 and 6)	–	(15,394)	(15,394)	–	(15,394)
Pension adjustment (note 8)	12,312,931	–	12,312,931	–	12,312,931
Increase in net assets	21,430,881	2,299,274	23,730,155	43,239	23,773,394
Balances at June 30, 2018	193,672,606	19,378,268	213,050,874	572,827	213,623,701
Excess of revenues and nonoperating gains over expenses	28,175,118	–	28,175,118	47,920	28,223,038
Restricted gifts and bequests	–	7,432,590	7,432,590	–	7,432,590
Investment return, net (note 6)	–	277,895	277,895	–	277,895
Net unrealized loss on investments (notes 2 and 6)	–	(25,528)	(25,528)	–	(25,528)
Pension adjustment (note 8)	(25,338,867)	–	(25,338,867)	–	(25,338,867)
Transfer to SolutionHealth	(706,222)	–	(706,222)	–	(706,222)
Changes in noncontrolling interest in consolidated affiliates	(1,587,968)	–	(1,587,968)	(620,747)	(2,208,715)
Increase in net assets	542,061	7,684,957	8,227,018	(572,827)	7,654,191
Balances at June 30, 2019	$194,214,667	$27,063,225	$221,277,892	$ –	$221,277,892

See accompanying notes.

ELLIOT HEALTH SYSTEM AND AFFILIATES

CONSOLIDATED STATEMENTS OF CASH FLOWS

Years Ended June 30, 2019 and 2018

	2019	2018
Operating activities and net gains:		
Increase in net assets	$ 7,654,191	$ 23,773,394
Adjustments to reconcile increase in net assets to net cash provided by operating activities and net gains:		
Depreciation and amortization	21,040,931	18,301,021
Loss on disposal of property, plant and equipment	8,331	283,172
Restricted investment income and net gain on investments	(277,895)	(94,896)
Restricted gifts and bequests	(7,432,590)	(2,219,772)
Pension adjustment	25,338,867	(12,312,931)
Net realized and unrealized gains on investments	(4,864,276)	(5,359,572)
Changes in operating assets and liabilities:		
Accounts receivable, net	4,463,535	6,443,822
Inventories	(579,122)	(276,246)
Other current and noncurrent assets	(6,392,783)	(8,790,556)
Accounts payable and accrued expenses	6,484,345	3,716,562
Accrued salaries, wages and related accounts	883,458	4,407,648
Accrued interest	(33,816)	(12,703)
Accrued pension	(3,527,790)	1,388,563
Self-insurance reserves and other liabilities	2,142,852	7,490,595
Amounts payable to third-party payors	4,267,454	3,308,329
Net cash provided by operating activities and net gains	49,175,692	40,046,430
Investing activities:		
Acquisition of property, plant and equipment	(33,316,868)	(29,184,428)
Net change in assets whose use is limited	5,917,220	12,153,296
Net change in investments	(17,408,525)	(58,304,112)
Net cash used by investing activities	(44,808,173)	(75,335,244)
Financing activities:		
Repayment of long-term debt	(5,581,963)	(5,323,943)
Restricted investment income and net gain on investments	277,895	94,896
Restricted gifts and bequests	7,432,590	2,219,772
Net cash provided (used) by financing activities	2,128,522	(3,009,275)
Increase (decrease) in cash and cash equivalents	6,496,041	(38,298,089)
Cash and cash equivalents at beginning of year	76,700,470	114,998,559
Cash and cash equivalents at end of year	$ 83,196,511	$ 76,700,470

See accompanying notes.

1. Organization

Elliot Health System and Affiliates (the System) consists of Elliot Health System (EHS), a not-for-profit corporation which functions as a parent company to several not-for-profit and for-profit health care entities, and its wholly-owned subsidiaries. EHS is the sole member of the following not-for-profit entities: Elliot Hospital, a provider of health care services whose affiliates also include Elliot Physician Network (EPN), a network of primary care physicians, and Elliot Professional Services (EPS), a network of specialty care physicians (collectively referred to as the Hospital); Visiting Nurse Association of Manchester and Southern New Hampshire, Inc. and Affiliates (the VNA), a provider of home health care and hospice services; and Mary and John Elliot Charitable Foundation, a charitable foundation which supports the System. EHS is also the sole stockholder of Elliot Health System Holdings, Inc. and Subsidiaries, a for-profit corporation which owns interests in health care related and real estate development partnerships and provides real estate and business management services.

Elliot Hospital (excluding EPN and EPS) and EHS comprise the Obligated Group as defined under a Master Trust Indenture dated November 1, 2016 (as amended) related to the 2013 and 2016 bond offerings. See note 5.

The System also participates in certain other strategic affiliation and joint operating agreements with outside entities. In the year ending June 30, 2018, the board of the System, accompanied by the board of Southern New Hampshire Health System, Inc., approved an affiliation agreement between the organizations. The sole corporate member of the System became SolutionHealth, Inc.

2. Significant Accounting Policies

The accounting policies that affect the more significant elements of the financial statements of the System are summarized below:

Principles of Consolidation

The financial statements include the accounts of EHS and its wholly-owned subsidiaries. All significant intercompany balances and transactions have been eliminated in the consolidation. Noncontrolling interests in less-than-wholly-owned subsidiaries of the System are presented as a component of total net assets to distinguish between the interests of the System and the interests of the noncontrolling owners. Revenues, expenses and nonoperating gains from these subsidiaries are included in the amounts presented on the statements of operations. Excess of revenues and nonoperating gains over expenses attributable to the System separately presents the amounts attributable to the controlling interest for each of the years presented.

2. Significant Accounting Policies (Continued)

Noncontrolling Interests

Noncontrolling interests represent the portion of equity in a subsidiary not attributable, directly or indirectly, to a parent. The System's accompanying financial statements include all assets, liabilities, revenues and expenses at their amounts, which include the amounts attributable to the System and the noncontrolling interest. The System recognizes as a separate component of net assets and earnings the portion of income or loss attributable to noncontrolling interests based on the portion of the entity not owned by the System. In May 2019, the System purchased the remaining portion of equity in a consolidated affiliate that was not previously owned by the System. As of June 30, 2019, there is no longer noncontrolling interest in consolidated affiliates as the System controls 100% of all subsidiaries.

Charity Care

The System's patient acceptance policy is based on its mission and its community service responsibilities. Accordingly, the System accepts patients in immediate need of care, regardless of their ability to pay. It does not pursue collection of amounts determined to qualify as charity care based on established policies. These policies define charity care as those services for which no payment is due for all or a portion of the patient's bill. For financial reporting purposes, charity care is excluded from net patient service revenue.

In estimating the cost of providing charity care, the System uses the ratio of average patient care cost to gross charges and then applies that ratio to the gross uncompensated charges associated with providing charity care.

Cash and Cash Equivalents

Cash and cash equivalents include short-term investments and secured repurchase agreements which have an original maturity of three months or less when purchased.

The System maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits. The System has not experienced any losses on such accounts.

Net Patient Service Revenues and Accounts Receivable

The System has agreements with third-party payors that provide for payments at amounts different from its established rates. Payment arrangements include prospectively determined rates per discharge, reimbursed costs, discounted charges, per diem payments and fee schedules. Net patient service revenue is reported at the estimated net realizable amounts from patients, third-party payors and others for services rendered, including estimated retroactive adjustments under reimbursement agreements with third-party payors. Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods as final settlements are determined. Changes in these estimates are reflected in the financial statements in the year in which they occur.

The System recognizes patient service revenue associated with services provided to patients who have third-party payor coverage on the basis of contractual rates for the services rendered. For uninsured patients, the System provides a discount approximately equal to that of its largest private insurance payors.

2. **Significant Accounting Policies (Continued)**

The provision for bad debts is based upon management's assessment of historical and expected net collections considering historical business and economic conditions, trends in health care coverage, and other collection indicators. The System records a provision for bad debts in the period services are provided related to self-pay patients, including both insurance patients and patients with deductible and copayment balances due for which third-party coverage exists for a portion of their balance.

Periodically throughout the year, management assesses the adequacy of the allowance for doubtful accounts based upon historical write-off experience. The results of this review are then used to make any modifications to the provision for bad debts to establish an appropriate allowance for doubtful accounts. The increase in the provision for bad debts in 2019 is driven primarily by an overall increase in self pay revenues. Accounts receivable are written off after collection efforts have been followed in accordance with internal policies.

Income Taxes

The System and all related entities, with the exception of Elliot Health System Holdings, Inc. and Subsidiaries, are not-for-profit corporations as described in Section 501(c)(3) of the Internal Revenue Code and are exempt from federal income taxes on related income pursuant to Section 501(a) of the Code. Management evaluated the System's tax positions and concluded the System has maintained its tax-exempt status, does not have any significant unrelated business income and had taken no uncertain tax positions that require adjustment to the financial statements. Elliot Health System Holdings, Inc. is a holding company and its subsidiaries are for-profit companies subject to federal and state taxation. Income taxes are recorded based upon the asset and liability method.

At June 30, 2019, the System has recorded $434,784 of federal and state income taxes payable in accounts payable and accrued expenses and, at June 30, 2018, the System has recorded $261,527 of prepaid federal and state income taxes in other current assets. The total provision for federal and state current tax expense is recorded in other nonoperating gains (losses) and is $1,070,550 and $124,649 for the years ended June 30, 2019 and 2018, respectively. At June 30, 2019 and 2018, the System has a deferred tax asset of $3,017,169 and $3,223,458 with a corresponding valuation allowance of $904,901 and $633,073, respectively, which is included in other assets, mainly relating to depreciation differences between book and tax on property, plant and equipment.

Elliot Health System Holdings, Inc. believes that it has appropriate support for the income tax positions taken and to be taken on tax returns, and that their accruals for tax liabilities are adequate for all open tax years based on an assessment of many factors including experience and interpretations of tax laws applied to the facts of each matter. Elliot Health System Holdings, Inc. has concluded there are no significant uncertain tax positions requiring disclosure and there is no material liability for unrecognized tax benefits. Elliot Health System Holdings, Inc.'s policy is to recognize interest related to unrecognized tax benefits in interest expense and penalties in income tax expense.

2. Significant Accounting Policies (Continued)

Performance Indicator

For purposes of display, transactions deemed by management to be ongoing, major or central to the provision of health care services are reported as operating revenues and expenses. Peripheral transactions are reported as nonoperating gains or losses.

The statements of operations also include excess of revenues and nonoperating gains over expenses attributable to both controlling and noncontrolling interests. Changes in net assets without donor restrictions which are excluded from excess of revenues and nonoperating gains over expenses, consistent with industry practice, include net assets released from restriction for capital purchases, pension adjustments, changes in noncontrolling interest in consolidated affiliates, and transfers to or from affiliates.

Net Assets With Donor Restrictions

Gifts are reported as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires (when a stipulated time restriction ends or purpose restriction is accomplished), restricted net assets are reclassified as net assets without donor restrictions and reported in the statement of operations as either net assets released from restrictions for operations (for noncapital-related items) or net assets released from restrictions for property, plant and equipment (for capital-related items). Some restricted net assets have been restricted by donors to be maintained by the System in perpetuity.

Donor-restricted contributions whose restrictions are met within the same year as received are reported as unrestricted contributions in the accompanying financial statements.

Investments and Investment Income

Investments, including funds held by trustee under revenue bond and note agreements, are measured at fair value in the balance sheets. Interest and dividend income on unlimited use investments and operating cash is reported within operating revenues. Investment income or loss on assets whose use is limited (including realized and unrealized gains and losses on investments, and interest and dividends) is reported as nonoperating gains (losses). The System has elected to reflect changes in the fair value of investments and assets whose use is limited, including both increases and decreases in value whether realized or unrealized in nonoperating gains or losses.

Beneficial Interest in Perpetual Trusts

The System has an irrevocable right to receive income earned on certain trust assets established for its benefit. Distributions received by the System are restricted by the donor for use in nursing education and women's and children's services. The System's interest in the fair value of the trust assets is included in assets whose use is limited. Changes in the market value of beneficial trust assets are reported as increases or decreases to net assets with donor restrictions.

2. **Significant Accounting Policies (Continued)**

Investment Policies

The System's investment policies provide guidance for the prudent and skillful management of invested assets with the objective of preserving capital and maximizing returns. The invested assets include endowment, specific purpose and board designated funds.

Endowment funds are identified as perpetual in nature, intended to provide support for current or future operations and other purposes identified by the donor. These funds are managed with disciplined longer-term investment objectives and strategies designed to accommodate relevant, reasonable, or probable events.

Net assets with donor restrictions are restricted as to time or purpose as identified by the donor or grantor. These funds have various intermediate/long-term time horizons associated with specific identified spending objectives.

Board designated funds have various intermediate/long-term time horizons associated with specific spending objectives as determined by the Board of Directors.

Management of these assets is designed to maximize total return while preserving the capital values of the funds, protecting the funds from inflation and providing liquidity as needed. The objective is to provide a real rate of return that meets inflation, plus 4.5%, over a long-term time horizon (greater than 7 to 10 years).

The System targets a diversified asset allocation that places emphasis on achieving its long-term return objectives within prudent risk constraints.

Spending Policy for Appropriation of Assets for Expenditure

In accordance with the *Uniform Prudent Management of Institutional Funds Act* (UPMIFA), the System considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (a) the duration and preservation of the fund; (b) the purpose of the organization and the donor-restricted endowment fund; (c) general economic conditions; (d) the possible effect of inflation and deflation; (e) the expected total return from income and the appreciation of investments; (f) other resources of the organization; and (g) the investment policies of the organization.

Spending policies may be adopted by the System, from time to time, to provide a stream of funding for the support of key programs. The spending policies are structured in a manner to ensure that the purchasing power of the assets is maintained while providing the desired level of annual funding to the programs. The System currently has a policy allowing interest and dividend income earned on investments to be used for operations with the goal of keeping principal intact.

2. Significant Accounting Policies (Continued)

Inventories

Inventories of supplies and pharmaceuticals are carried at the lower of cost, determined on a weighted-average method, or net realizable value.

Bond Issuance Costs/Original Issue Premium or Discount

The bond issuance costs incurred to obtain financing for construction and renovation programs and the original issue premium or discount are being amortized over the life of the bonds. The original issue premium or discount and bond issuance costs are presented as a component of the face amount of bonds payable.

Property, Plant and Equipment

Property, plant and equipment is stated at cost at time of purchase, or fair market value at time of donation, less reductions in carrying value based upon impairment and less accumulated depreciation. The System's policy is to capitalize expenditures for major improvements and charge maintenance and repairs for expenditures which do not extend the lives of the related assets. The provision for depreciation is computed on the straight-line method at rates intended to amortize the cost of the related assets over their estimated useful lives. Assets which have been purchased but not yet placed in service are included in construction and projects in progress and no depreciation expense is recorded.

Federal Grant Revenue and Expenditures

Revenues and expenses under federal grant programs are recognized as the related expenditure is incurred.

Advertising Expense

Advertising costs are expensed as incurred and totaled approximately $1,755,000 and $1,586,000 in 2019 and 2018, respectively.

Retirement Benefits

The System maintains a defined benefit pension plan for certain of its employees, the Elliot Health System Pension Plan (the Plan). Effective July 1, 2006, the Plan was amended to close the Plan to employees hired after June 30, 2006. Eligible employees hired prior to July 1, 2006 are grandfathered under the Plan and will continue to accrue benefits as long as they remain at a participating System entity and in an eligible status. See note 8 regarding subsequent changes to this Plan.

2. **Significant Accounting Policies (Continued)**

The System's funding policy is to contribute amounts to the Plan sufficient to meet minimum funding requirements set forth in the Employee Retirement Income Security Act of 1974, plus such additional amounts as might be determined to be appropriate from time to time. The Plan is intended to constitute a plan described in Section 414(k) of the Internal Revenue Code, under which benefits derived from employer contributions are based on the separate account balances of participants in addition to the defined benefits under the Plan.

The System provides a defined contribution program for all eligible employees hired on or after July 1, 2006. Under this program, eligible employees may receive annual employer contributions to a System sponsored 403(b) plan or 401(k) plan up to 3% of annual base pay.

The System also provides matching contributions at the discretion of the System to a 403(b) plan or 401(k) plan for eligible employees hired on or after July 1, 2006 equal to up to one-half of the employee's contribution to a maximum of 4% of their annual base pay. Total expense incurred by the System was $5,410,308 and $4,406,612 under these defined contribution plans for the years ended June 30, 2019 and 2018, respectively.

The System sponsors deferred compensation plans for certain qualifying employees. The amounts ultimately due to employees are to be paid upon the employees attaining certain criteria, including age. At June 30, 2019 and 2018, $19,813,013 and $17,006,819, respectively, is reflected in assets whose use is limited and $19,813,013 and $17,006,819, respectively, in other long-term liabilities related to such agreements.

Workers' Compensation

The System is self-insured for workers' compensation. The System has secured its obligation through a surety bond. The System maintains an excess insurance policy to limit its exposure on claims to $650,000 per occurrence. Reserves for claims made and potential unreported claims have been established to provide for incurred but unpaid claims. The amount of the reserve has been determined by an actuarial consultant.

Employee Health and Dental Insurance

The System maintains its own self-insurance plan for employee health and dental. Under the terms of the plan, employees meeting certain eligibility requirements and their dependents are eligible for participation and, as such, the System is responsible for the administration of the plan and any resultant liability incurred. The System maintains individual stop-loss insurance coverage.

Employee Fringe Benefits

Most of the System's entities have an earned time plan. Under this plan, each qualifying employee earns paid leave for each pay period worked. These hours of paid leave may be used for vacations, holidays or illnesses. Hours earned but not used are vested with the employee and are paid to the employee upon termination subject to certain limits. The System accrues a liability for such paid leave as it is earned, which totaled approximately $15,278,000 and $14,166,000 at June 30, 2019 and 2018, respectively, and is recorded in accrued salaries, wages and related accounts on the accompanying balance sheets.

2. Significant Accounting Policies (Continued)

Malpractice Loss Contingencies

The System is insured against malpractice loss contingencies under claims-made insurance policies. A claims-made policy provides specific coverage for claims made during the policy period. The System maintains excess professional and general liability insurance policies to cover claims in excess of liability retention levels. At June 30, 2019, there were no known malpractice claims outstanding for the System which, in the opinion of management, will be settled for amounts in excess of insurance coverage, nor were there any unasserted claims or incidents which required specific loss accruals. The System has established reserves to cover professional liability exposures for incurred but unpaid or unreported claims. The amounts of the reserves have been determined by actuarial consultants. The possibility exists, as a normal risk of doing business, that malpractice claims in excess of insurance coverage may be asserted against the System.

In accordance with Accounting Standards Update (ASU) No. 2010-24, "*Health Care Entities*" (Topic 954): *Presentation of Insurance Claims and Related Insurance Recoveries* (ASU 2010-24), at June 30, 2019 and 2018, the System recorded a liability of $17,244,125 and $18,474,188, respectively, related to estimated professional liability losses relating to reported cases as well as potentially incurred but not reported claims. At June 30, 2019 and 2018, the System also recorded a receivable of $4,830,031 and $6,298,613, respectively, related to estimated recoveries under insurance coverage for recoveries of the potential losses. These amounts are included in self-insurance reserves and other liabilities, and other assets, respectively, on the balance sheets.

Litigation

The System is involved in litigation and regulatory reviews arising in the ordinary course of business. After consultation with legal counsel, management estimates that these matters will be resolved without material adverse effect on the System's financial position, results of operations or cash flows.

Fair Value of Financial Instruments

The fair value of financial instruments is determined by reference to various market data and other valuation techniques as appropriate. Financial instruments consist of cash and cash equivalents, investments, accounts receivable, assets whose use is limited, accounts payable, amounts payable to third-party payors and long-term debt.

The fair value of all financial instruments other than long-term debt approximates their relative book value as these financial instruments have short-term maturities or are recorded at fair value as disclosed in note 13. The fair value of the System's long-term debt is estimated using discounted cash flow analyses, based on the System's current incremental borrowing rates for similar types of borrowing arrangements, and is disclosed in note 5 to the financial statements.

2. Significant Accounting Policies (Continued)

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities, at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Estimates are used when accounting for the allowance for doubtful accounts, insurance costs, alternative investment funds, employee benefit plans, contractual allowances, amounts payable to third-party payors and contingencies. It is reasonably possible that actual results could differ from those estimates. Adjustments made with respect to the use of estimates often relate to improved information not previously available.

Reclassifications

Certain 2018 amounts have been reclassified to permit comparison with the 2019 financial statements presentation format.

Subsequent Events

Events occurring after the balance sheet date are evaluated by management to determine whether such events should be recognized or disclosed in the financial statements. Management has evaluated subsequent events through September 18, 2019 which is the date the financial statements were available to be issued.

Recent Accounting Pronouncements

In August 2016, FASB issued ASU 2016-14, *Not-for-Profit Entities (Topic 958)* (ASU 2016-14) – *Presentation of Financial Statements of Not-for-Profit Entities*. The update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return. ASU 2016-14 is effective for the System for the year ended June 30, 2019. The System has adjusted the presentation of these consolidated financial statements and related footnotes accordingly. The ASU has been applied retrospectively to all periods presented.

In May 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2014-09, *Revenue from Contracts with Customers* (ASU 2014-09), which requires revenue to be recognized when promised goods or services are transferred to customers in amounts that reflect the consideration to which the System expects to be entitled in exchange for those goods and services. ASU 2014-09 will replace most existing revenue recognition guidance in U.S. GAAP when it becomes effective. ASU 2014-09 is effective for the System on July 1, 2019. ASU 2014-09 permits the use of either the retrospective or cumulative effect transition method. The System is evaluating the impact that ASU 2014-09 will have on its financial statements and related disclosures. Although management's analysis is not complete, the adoption of ASU 2014-09 is not expected to have a material effect on the financial statements.

2. Significant Accounting Policies (Continued)

In February 2016, the FASB issued ASU No. 2016-02, *Leases (Topic 842),* which requires that lease arrangements longer than twelve months result in an entity recognizing an asset and liability. The pronouncement is effective for the System beginning July 1, 2020 but likely to be deferred one year, with early adoption permitted. The guidance may be adopted retrospectively. Management is currently evaluating the impact this guidance will have on the System's financial statements.

In June 2018, the FASB issued ASU No. 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made* (ASU 2018-08). Due to diversity in practice, ASU 2018-08 clarifies the definition of an exchange transaction as well as the criteria for evaluating whether contributions are unconditional or conditional. ASU 2018-08 is effective for the System beginning July 1, 2019, with early adoption permitted. The System is evaluating the impact that ASU 2018-08 will have on its financial statements. Although management's analysis is not complete, the adoption of ASU 2018-08 is not expected to have a material effect on the financial statements.

In August 2018, the FASB issued ASU 2018-13, *Fair Value Measurement (Topic 820): Disclosure Framework – Changes to the Disclosure Requirements for Fair Value Measurement.* The amendments in this ASU modify the disclosure requirements for fair value measurements for Level 3 assets and liabilities, and eliminate the requirement to disclose transfers between Levels 1 and 2 of the fair value hierarchy, among other modifications. ASU 2018-13 is effective for the System on July 1, 2020, with early adoption permitted. The System is currently evaluating the impact that ASU 2018-13 will have on the financial statements.

3. Patient Service Revenues

An estimated breakdown of patient service revenue, net of contractual allowances, discounts and provision for bad debts recognized in 2019 and 2018 from major payor sources, is as follows:

	Gross Patient Service Revenues	Contractual Allowances and Discounts	Provision for Bad Debts	Net Patient Service Revenues Less Provision for Bad Debts
2019				
Private payors (includes coinsurance and deductibles)	$ 613,385,681	$249,367,656	$17,885,626	$ 346,132,399
Medicaid	179,571,994	138,871,387	261,345	40,439,262
Medicare	536,665,088	377,173,282	2,209,646	157,282,160
Self-pay	27,763,157	9,822,196	7,740,349	10,200,612
	$1,357,385,920	$775,234,521	$28,096,966	$ 554,054,433

3. Patient Service Revenues (Continued)

	Gross Patient Service Revenues	Contractual Allowances and Discounts	Provision for Bad Debts	Net Patient Service Revenues Less Provision for Bad Debts
2018				
Private payors (includes coinsurance and deductibles)	$ 566,570,143	$222,060,745	$17,848,332	$ 326,661,066
Medicaid	154,198,057	111,422,349	601,323	42,174,385
Medicare	488,239,440	335,459,655	2,007,486	150,772,299
Self-pay	26,525,775	15,761,969	6,193,460	4,570,346
	$1,235,533,415	$684,704,718	$26,650,601	$524,178,096

Various entities of the System maintain contracts with the Social Security Administration (Medicare) and the State of New Hampshire Department of Health and Human Services (Medicaid). The entities are paid a prospectively determined fixed price for Medicare and Medicaid inpatient acute care services depending on the type of illness or the patient's diagnostic related group classification. Reimbursement for Medicare for outpatient services is based upon a prospective standard rate for procedures performed or services rendered. Home health care and hospice services are reimbursed prospectively on a per episode or per diem basis. Physician services are reimbursed on established and/or negotiated fee schedules. Capital costs and certain Medicare and Medicaid outpatient services are also reimbursed on a prospectively determined fixed rate. The entities receive payment for other Medicare and Medicaid inpatient and outpatient services on a reasonable cost basis which are settled with retroactive adjustments upon completion and audit of related cost finding reports. The percentage of net patient service revenue earned from the Medicare and Medicaid programs was 27% and 4%, respectively, in 2019 and 28% and 8%, respectively, in 2018.

Laws and regulations governing the Medicare and Medicaid programs are complex and subject to interpretation. Compliance with such laws and regulations can be subject to future government review and interpretation as well as significant regulatory action including fines, penalties and exclusion from the Medicare and Medicaid programs. The System believes that it is in substantial compliance with all applicable laws and regulations. However, there is at least a reasonable possibility that recorded estimates could change by a material amount in the near term. Differences between amounts previously estimated and amounts subsequently determined to be recoverable or payable are included in net patient service revenues in the year that such amounts become known. The differences between amounts previously estimated and amounts subsequently determined to be recoverable from third-party payors increased net patient service revenues by approximately $1,200,000 and $1,400,000 in 2019 and 2018, respectively.

The various System entities also maintain contracts with Anthem Blue Cross, Cigna, Harvard Pilgrim Health Care, certain commercial carriers, managed care plans and preferred provider organizations. The basis for payment under these agreements includes prospectively determined rates per discharge and per day, discounts from established charges and fee schedules.

4. Property, Plant and Equipment

The major categories of property, plant and equipment are as follows at June 30:

	2019	2018
Operating properties:		
Land and land improvements	$ 10,470,365	$ 10,456,510
Buildings and fixed equipment	224,291,851	205,185,193
Major movable equipment	208,241,282	189,121,814
Construction and projects in progress	8,840,023	17,015,111
	451,843,521	421,778,628
Less accumulated depreciation	(285,381,592)	(266,359,680)
	166,461,929	155,418,948
Rental properties:		
Land and land improvements	9,961,263	9,785,992
Buildings and fixed equipment	52,983,813	49,903,020
Major movable equipment	134,788	123,207
Construction and projects in progress	50,251	226,312
	63,130,115	60,038,531
Less accumulated depreciation	(26,881,361)	(25,107,871)
	36,248,754	34,930,660
Net property, plant and equipment	$ 202,710,683	$ 190,349,608

5. Debt

Long-term debt consists of the following at June 30:

	2019	2018
New Hampshire Health and Education Facilities Authority - Revenue Bonds:		
Elliot Hospital Obligated Group Series 2016 Bonds with interest ranging from 2.00% to 5.00% per year. Principal payments commenced in October 2017 and are payable in annual installments ranging from $2,875,000 to $10,915,000 through October 2038	$141,745,000	$144,465,000
Plus unamortized original issue premium/discount	16,367,101	16,555,500
	158,112,101	161,020,500

5. **Debt (Continued)**

	2019	2018
Elliot Hospital Obligated Group Series 2013 bonds with a fixed interest rate of 2.05% per year and a total monthly payment of $217,925 of principal and interest through October 1, 2020	$ 3,437,558	$ 5,953,148
Notes payable – see below	1,250,000	1,350,000
Capital lease obligations	–	11,248
	162,799,659	168,334,896
Less current portion	(6,020,428)	(5,503,469)
Less net unamortized bond issuance costs	(525,699)	(572,442)
	$156,253,532	$162,258,985

On November 15, 2016, the Hospital refunded its existing 2009 Series Bonds outstanding of $126,470,000 through the issuance of $147,020,000 in fixed rate New Hampshire Health and Education Facilities Authority Revenue Bonds with interest rates ranging from 2.00% to 5.00%. As of June 30, 2019 and 2018, the balance of defeased 2009 Series Bonds payable not included in the accompanying balance sheets was $124,390,000 and $125,455,000, respectively.

The Obligated Group's agreement with the New Hampshire Health and Education Facilities Authority for the 2016 and 2013 Bonds grants the Authority a security interest in the Hospital's gross receipts and a mortgage on the Hospital's existing and future facilities and equipment. In addition, under the terms of the master indenture, the Obligated Group is required to meet certain covenants requirements. For the years ended June 30, 2019 and 2018, the Hospital was in compliance with all required financial covenants.

The System has a note payable in the amount of $1,250,000 and $1,350,000 at June 30, 2019 and 2018, respectively, the proceeds of which were used for certain property improvements. Interest is payable annually at the fixed rate of 4.61% for the first 10 years, after which it will become variable. Principal and interest are payable annually through the maturity date of December 29, 2031.

Interest paid totaled $7,215,845 and $7,239,047 for the years ended June 30, 2019 and 2018, respectively. There was no interest capitalized for the years ended June 30, 2019 and 2018.

Aggregate annual principal payments required under the bonds and note agreements for each of the five years ending June 30 are approximately as follows: 2020 - $6,020,000; 2021 - $6,527,000; 2022 - $6,817,000; 2023 - $5,755,000; and 2024 - $6,087,000.

The fair value, based on current market rates of the System's long-term debt, was approximately $162,654,000 and $169,267,000 as of June 30, 2019 and 2018, respectively.

5. Debt (Continued)

The System has entered into a $25,000,000 unsecured line of credit agreement with a bank which is due on demand. The line of credit agreement bears interest at LIBOR plus 1.15% (3.55% at June 30, 2019). At June 30, 2019 and 2018, there were no borrowings outstanding under this agreement. The agreement grants the bank a security interest in the System's securities, cash and deposit account balances to collateralize any future outstanding balances.

Subsequent to June 30, 2019, the System entered into a ten year $20,500,000 equipment lease financing with Bank of America to acquire various property and equipment. The financing agreement is due in monthly principal and interest payments at an interest rate of 1.92%.

6. Investments and Assets Whose Use is Limited

Assets whose use is limited at fair value are comprised of the following at June 30:

	2019	2018
Cash and equivalents	$ 7,174,502	$ 15,794,107
Marketable equity securities	91,340,135	72,820,942
Fixed income securities	48,709,870	58,304,112
U.S. Government obligations and corporate bonds	52,862,848	46,015,098
Employee benefit plans and other	19,813,013	17,006,819
Beneficial interest in perpetual trusts	7,438,506	7,233,609
Alternative investments	14,888,457	8,697,063
	$242,227,331	$225,871,750

Board designated and donor restricted investments of various System entities are pooled into the Elliot Common Trust Fund LLC, along with self-insured trust funds, and are comprised of the following at June 30:

	2019	2018
Board designated:		
Capital, working capital and community service	$109,818,714	$106,126,518
Self-insurance	7,791,592	11,486,480
	117,610,306	117,612,998
Donor restricted and other	21,649,619	13,883,971
	$139,259,925	$131,496,969

6. Investments and Assets Whose Use is Limited (Continued)

Funds held by trustee under revenue bond and note agreements are comprised of the following at June 30:

	2019	2018
Construction funds	$ –	$11,828,769
Debt service funds	3,250	1,472
	$3,250	$11,830,241

Investment income, and realized and unrealized gains (losses) on investments are summarized as follows for the years ended June 30:

	2019	2018
Unrestricted investment income and net gains on investments are summarized as follows:		
Investment income	$ 5,552,942	$3,236,157
Nonoperating investment income	514,449	524,713
Realized gains on sale of investments, net	7,825,474	2,262,931
Net unrealized (losses) gains on investments	(2,935,670)	3,112,035
	10,957,195	9,135,836
Restricted investment income and net gains on investments are summarized as follows:		
Investment income and net income on investments	277,895	94,896
Net unrealized losses on investments	(25,528)	(15,394)
	252,367	79,502
Total restricted and unrestricted	$11,209,562	$9,215,338

7. Net Assets With Donor Restrictions

Net assets with donor restrictions are available for the following purposes at June 30:

	2019	2018
Purpose restriction:		
Health care services	$12,332,719	$ 4,787,416
Equipment and capital improvements	564,925	629,489
Education and scholarships	40,823	37,187
	12,938,467	5,454,092

7. Net Assets With Donor Restrictions (Continued)

	2019	2018
Perpetual in nature:		
Investments, gains and income from which is donor restricted	$ 9,473,918	$ 9,273,336
Investments, gains and income from which is released to net assets without donor restrictions	4,650,840	4,650,840
	14,124,758	13,924,176
Total net assets with donor restrictions	$27,063,225	$19,378,268

Net assets with donor restrictions are managed in accordance with donor intent and are invested in various portfolios.

8. Retirement Benefits

A reconciliation of the changes in the Elliot Health System Pension Plan's projected benefit obligation and the fair value of plan assets and a statement of funded status of the plan are as follows as of and for the years ended June 30:

	2019	2018
Changes in benefit obligation:		
Projected benefit obligations, beginning of year	$(345,960,316)	$(363,896,351)
Service cost	(9,061,649)	(9,958,934)
Interest cost	(14,170,462)	(14,072,056)
Benefits paid	8,220,337	22,463,260
Actuarial (loss) gain	(32,757,907)	17,992,287
Administrative expenses paid	1,017,499	1,511,478
Projected benefit obligations, end of year	$(392,712,498)	$(345,960,316)
Changes in plan assets:		
Fair value of plan assets, beginning of year	$ 270,918,072	$ 277,929,739
Actual return on plan assets	24,178,941	6,963,071
Contributions by plan sponsor	10,000,000	10,000,000
Benefits paid	(8,220,337)	(22,463,260)
Actual administrative expense paid	(1,017,499)	(1,511,478)
Fair value of plan assets, end of year	$ 295,859,177	$ 270,918,072
Funded status:		
Fair value of plan assets	$ 295,859,177	$ 270,918,072
Projected benefit obligations	(392,712,498)	(345,960,316)
Funded status of the plan	$ (96,853,321)	$ (75,042,244)

8. Retirement Benefits (Continued)

The accumulated benefit obligation at June 30, 2019 and 2018 was $374,353,677 and $329,167,274, respectively.

Amounts recognized in the statements of financial position consist of the following at June 30:

	2019	2018
Net liability recognized	$(96,853,321)	$(75,042,244)

The weighted-average assumptions used to develop the projected benefit obligation are as follows as of June 30:

	2019	2018
Discount rate	3.55%	4.19%
Rate of compensation	3.75	3.75

In 2019, the System began using the MP-2018 mortality improvement scale which also had an impact on the projected benefit obligation.

Amounts recognized in net assets without donor restrictions consist of the following at June 30:

	2019	2018
Net actuarial loss	$87,721,465	$62,382,598
Total amount recognized	$87,721,465	$62,382,598

8. **Retirement Benefits (Continued)**

Pension Plan Assets

The fair values of the System's pension plan assets and target allocations by asset category are as follows as of June 30, 2019 and 2018 (see note 13 for level definitions):

	Target Allocation	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
2019					
Short-term investments:	5%				
Cash and sweeps		$ 37,361,929	$ 37,361,929	$ –	$ –
Equity securities:	40%				
Mutual funds		130,671,600	130,671,600	–	–
Other equities		13,498,235	13,498,235	–	–
Fixed income securities:	55%				
Corporate and foreign bonds		113,373,633	–	113,373,633	–
		294,905,397	$181,531,764	$113,373,633	$ –
Unallocated insurance contract		953,780			
		$295,859,177			
2018					
Short-term investments:	5%				
Money market fund		$ 3,477,343	$ 3,477,343	$ –	$ –
Equity securities:	40%				
Common stocks		39,385,395	39,385,395	–	–
Mutual funds		10,460,924	10,460,924	–	–
Other equities		32,231,459	32,231,459	–	–
Fixed income securities:	55%				
Corporate and foreign bonds		184,376,327	–	184,376,327	–
		269,931,448	$ 85,555,121	$184,376,327	$ –
Unallocated insurance contract		986,624			
		$270,918,072			

8. Retirement Benefits (Continued)

Management of the assets is designed to maximize total return while preserving the capital values of the fund, protecting the fund from inflation, and providing liquidity as needed for plan benefits. The objective is to provide a rate of return that meets inflation, plus 5.5%, over a long-term horizon.

In addition to the total return goal, the portfolio is constructed to hedge a portion of the interest rate risk of the Plan's liability. The portion of the interest rate risk hedged is the percent of assets allocated to fixed income investments multiplied by the Plan's funded status. The fixed income asset class is structured to reduce the volatility of the funded status by matching the duration of the Plan's liability which is currently approximately 15 years. The current strategic asset allocation target for the fixed income portfolio is 55% of total plan assets, which is designed to hedge approximately 35% of the plan liability.

These funds are managed as permanent funds with disciplined longer term investment objectives and strategies designed to meet cash flow requirements of the plan. Funds are managed in accordance with ERISA and all other regulatory requirements.

Net periodic pension cost includes the following components at June 30:

	2019	2018
Service cost	$ 9,061,649	$ 9,958,934
Interest cost	14,170,462	14,072,056
Expected return on plan assets	(19,033,704)	(18,711,959)
Amortization:		
Actuarial loss	2,273,804	6,061,981
Prior service cost	–	7,551
Net periodic pension cost - System	$ 6,472,211	$ 11,388,563

The weighted-average assumptions used to develop net periodic pension cost were as follows for the years ended June 30:

	2019	2018
Discount rate	4.19%	3.91%
Expected return on plan assets	6.75	6.75
Rate of compensation	3.75	3.75

In selecting the long-term rate of return on assets, the System considered the average rate of earnings expected on the funds invested or to be invested to provide for the benefits of the plan. This included considering the trust's asset allocation and the expected returns likely to be earned over the life of the plan, as well as the historical returns on the types of assets held and the current economic environment.

The loss amount expected to be recognized in net periodic benefit cost in 2020 totals $7,066,439.

8. Retirement Benefits (Continued)

Contributions

The System expects to contribute $10 million to its pension plan in 2020.

Estimated Future Benefit Payments

The following benefit payments, which reflect expected future service, as appropriate, are expected to be paid:

Fiscal Year	Pension Benefits
2020	$ 9,891,900
2021	11,303,900
2022	12,825,600
2023	14,057,000
2024	15,365,400
Years 2025 – 2029	91,850,400

On May 16, 2019, the Board of Directors of the System resolved to freeze the defined benefit pension plan effective December 31, 2019. Any employee who is a participant of the plan on that date will continue as a participant. No other person will become a participant after that date. Benefits to participants also will stop accruing on December 31, 2019. This amendment will impact the present value of accumulated plan benefits by eliminating the increase due to annual benefit accruals. In the fiscal year ended June 30, 2020, the System expects to recognize a gain of approximately $18.4 million related to this change.

9. Community Benefits (Unaudited)

The mission of the System is to provide quality, accessible healthcare services to patients regardless of their ability to pay. The System subsidizes certain health care services, supports community-based healthcare providers, and provides outreach and educational programs.

Charity Care

The System provides services to patients who are uninsured or underinsured under its charity care policy at no charge or at amounts less than its established charges. The estimated costs of providing charity care services are determined using the ratio of average patient care costs to gross charges, and then applying that ratio to the gross charges associated with providing such services.

9. Community Benefits (Unaudited) (Continued)

Community Programs and Subsidized Services

The System provides community health programs, health professional education through partnerships with local post-secondary organizations, health screenings, health publications and other health information services. Many of these services are provided at a financial loss and are subsidized by the System in order to meet important community needs that otherwise would not be available. In addition, supporting contributions and in-kind services are made to a number of community organizations for the promotion of health-related activities.

Government-Sponsored Programs

The System provides services to Medicare and Medicaid recipients. Reimbursement for such services is at rates substantially below cost.

The estimated costs of providing community benefits for the years ended June 30, 2019 and 2018 are summarized below:

	2019	2018
Charity care	$ 9,881,000	$ 7,410,000
Community programs and subsidized services	2,567,372	2,073,654
Government-sponsored programs	124,801,352	109,961,931
	$137,249,724	$119,445,585

In addition, the System provides a significant amount of uncompensated care to patients that are reported as bad debts. For the years ended June 30, 2019 and 2018, the System reported provisions for bad debts of $28,096,966 and $26,650,601, respectively.

10. Functional Expenses

The System provides general health care services to residents within its geographic location including inpatient, outpatient, physician and emergency care. Expenses related to providing these services are as follows for the years ended June 30, 2019:

	Health Services	General and Administrative	Total
Salaries, wages and fringe benefits	$267,555,783	$ 87,175,058	$354,730,841
Supplies and other expenses	106,438,045	57,083,122	163,521,167
Interest	3,487,832	3,459,074	6,946,906
New Hampshire Medicaid Enhancement Tax	22,564,148	–	22,564,148
Depreciation and amortization	7,760,330	13,280,601	21,040,931
	$407,806,138	$160,997,855	$568,803,993

10. Functional Expenses (Continued)

The financial statements report certain expense categories that are attributable to more than one healthcare service or support function. Therefore, these expenses require an allocation on a reasonable basis that is consistently applied. Costs not directly attributable to a function, such as, depreciation and amortization, and interest, are allocated to a function based on square footage. Supporting activities that are not directly identifiable with one or more healthcare programs are classified as general and administrative. If it is impossible or impractical to make a direct identification, allocation of the expenses were made according to management's estimates. Specifically identifiable costs are assigned to the function which they are identified to.

11. Concentration of Credit Risk

The System grants credit without requiring collateral from its patients, most of whom are local residents and are insured under third-party payor agreements. The mix of receivables from patients and third-party payors was as follows for the years ended June 30:

	2019	2018
Medicare	31%	30%
Medicaid	11	9
Managed care and other	26	26
Patients (self pay)	18	22
Anthem Blue Cross	14	13
	100%	100%

12. Leases

The System leases various office facilities and equipment from unrelated parties under noncancelable operating leases. Total rental expense, including month-to-month rentals, for the years ended June 30, 2019 and 2018 was $11,980,747 and $10,364,336, respectively.

Future minimum lease payments required under operating leases as of June 30, 2019 are as follows:

Year Ending June 30:	
2020	$ 6,500,484
2021	4,126,517
2022	3,831,651
2023	3,594,093
2024	3,261,629
Thereafter	19,888,221
	$41,202,595

13. Fair Value Measurements

Fair value of a financial instrument is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In determining fair value, the System uses various methods including market, income and cost approaches. Based on these approaches, the System often utilizes certain assumptions that market participants would use in pricing the asset or liability, including assumptions about risk and or the risks inherent in the inputs to the valuation technique. These inputs can be readily observable, market corroborated, or generally unobservable inputs. The System utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs. Based on the observability of the inputs used in the valuation techniques, the System is required to provide the following information according to the fair value hierarchy. The fair value hierarchy ranks the quality and reliability of the information used to determine fair values. Financial assets and liabilities carried at fair value will be classified and disclosed in one of the following three categories:

Level 1 – Valuations for assets and liabilities traded in active exchange markets, such as the New York Stock Exchange. Valuations are obtained from readily available pricing sources for market transactions involving identical assets or liabilities.

Level 2 – Valuations for assets and liabilities traded in less active dealer or broker markets. Valuations are obtained from third party pricing services for identical or similar assets or liabilities.

Level 3 – Valuations for assets and liabilities that are derived from other valuation methodologies, including option pricing models, discounted cash flow models and similar techniques, and not based on market exchange, dealer or broker traded transactions. Level 3 valuations incorporate certain assumptions and projections in determining the fair value assigned to such assets or liabilities.

In determining the appropriate levels, the System performs a detailed analysis of the assets and liabilities that are subject to fair value measurements. At each reporting period, all assets and liabilities for which the fair value measurement is based on significant unobservable inputs are classified as Level 3.

The following are descriptions of the valuation methodologies used:

Marketable Equity Securities

Marketable equity securities are valued based on stated market prices and at the net asset value of shares held by the System at year end, which generally results in classification as Level 1 within the fair value hierarchy.

Fixed Income Securities

The fair value for debt instruments is determined by using broker or dealer quotations, external pricing providers, or alternative pricing sources with reasonable levels of price transparency. The System holds U.S. governmental and federal agency debt instruments, municipal bonds, corporate bonds, and foreign bonds which are primarily classified as Level 2 within the fair value hierarchy.

13. Fair Value Measurements (Continued)

Alternative Investments

The System invests in certain alternative investments that include limited partnership interests in investment funds, which, in turn, invest in diversified portfolios predominantly comprised of equity and fixed income securities, as well as options, futures contracts, and some other less liquid investments. Management has approved procedures pursuant to the methods in which the System values these investments at fair value, which ordinarily will be the amount equal to the pro-rata interest in the net assets of the limited partnership, as such value is supplied by, or on behalf of, each investment from time to time, usually monthly and/or quarterly by the investment manager. These investments are classified at net asset value.

System management is responsible for the fair value measurements of alternative investments reported in the consolidated financial statements. Such amounts are generally determined using audited financial statements of the funds and/or recently settled transactions. Because of inherent uncertainty of valuation of certain alternative investments, the estimate of the fund manager or general partner may differ from actual values, and differences could be significant. Management believes that reported fair values of its alternative investments at the balance sheet dates are reasonable.

Beneficial Interests in Perpetual Trusts

The System is the beneficiary of perpetual trusts held by a third party. Under the terms of the trusts, the System has the irrevocable right to receive the income earned on the assets of the trusts in perpetuity, but never receives the assets held in the trusts. The System has transparency into the holdings of the trusts. These investments are generally classified as Level 1 within the fair value hierarchy.

Employee Benefit Plan and Other

Underlying plan investments within these funds are stated at quoted market prices. These investments are generally classified as Level 1 within the fair value hierarchy.

13. Fair Value Measurements (Continued)

Fair Value on a Recurring Basis

The following presents the balances of assets measured at fair value on a recurring basis at June 30:

	Total	Level 1	Level 2	Level 3
2019				
Investments and assets whose use is limited:				
Cash and equivalents	$ 7,174,502	$ 7,174,502	$ –	$ –
Marketable equity securities:				
Common stocks	91,340,135	91,340,135	–	–
Fixed income securities:				
U.S. Government obligations	10,239,373	–	10,239,373	–
Municipal bonds	944,531	–	944,531	–
Corporate bonds	87,485,793	–	87,485,793	–
Foreign bonds	2,903,021	–	2,903,021	–
Beneficial interests in perpetual trusts	7,438,506	7,438,506	–	–
Employee benefit plans and other	19,813,013	19,813,013	–	–
Investments and assets whose use is limited	227,338,874	$125,766,156	$101,572,718	$ –
Alternative investments	14,888,457			
Total assets	$242,227,331			
2018				
Investments and assets whose use is limited:				
Cash and equivalents	$ 15,794,107	$ 15,794,107	$ –	$ –
Marketable equity securities:				
Common stocks	72,820,942	72,820,942	–	–
Fixed income securities:				
U.S. Government obligations	19,893,897	–	19,893,897	–
Municipal bonds	3,184,245	–	3,184,245	–
Corporate bonds	78,812,268	–	78,812,268	–
Foreign bonds	2,428,800	–	2,428,800	–
Beneficial interests in perpetual trusts	7,233,609	7,233,609	–	–
Employee benefit plans and other	17,006,819	17,006,819	–	–
Investments and assets whose use is limited	217,174,687	$112,855,477	$104,319,210	$ –
Alternative investments	8,697,063			
Total assets	$225,871,750			

The alternative investments consist of interests in eleven and six funds at June 30, 2019 and 2018, respectively, that are not actively traded.

13. Fair Value Measurements (Continued)

Net Assets Value Per Share

In accordance with ASU 2009-12, *Investments in Certain Entities That Calculate Net Asset Value per Share (or Its Equivalent)*, the table below sets forth additional disclosures for alternative investments valued based on net asset value to further demonstrate the nature and risk of the investments by category at June 30:

Investment	Net Asset Value	Unfunded Commitment	Redemption Frequency	Redemption Notice Period
2019				
Equity fund	$2,833,975	$ –	Monthly	90 days
Multi-strategy hedge fund	851,977	–	Illiquid	N/A
Global equity fund	125,708	196,772	Liquid	N/A
Commingled REIT fund	361,648	1,971,361	Liquid	N/A
Multi-strategy hedge fund	1,476,000	–	Annually	N/A
Multi-strategy hedge fund	3,301,280	–	Quarterly	65 days
Multi-strategy hedge fund	2,576,862	–	Quarterly	95 days
Multi-strategy hedge fund	681,144	311,575	Illiquid	N/A
Equity fund	45,910	939,370	Illiquid	N/A
Multi-strategy hedge fund	611,083	1,400,000	Illiquid	N/A
Multi-strategy hedge fund	2,022,870	–	Quarterly	100 days
2018				
Equity fund	$2,841,068	$ –	Monthly	90 days
Multi-strategy hedge fund	748,411	–	Illiquid	N/A
Global equity fund	95,132	110,230	Liquid	N/A
Commingled REIT fund	441,246	1,971,361	Liquid	N/A
Multi-strategy hedge fund	1,377,000	–	Annually	N/A
Multi-strategy hedge fund	3,194,206	–	Quarterly	65 days

Investments, in general, are exposed to various risks, such as interest rate, credit and overall market volatility. As such, it is reasonably possible that changes in the fair value of investments will occur in the near term and that such changes could materially affect the amounts reported in the balance sheets and statements of operations.

Investment Strategies

Fixed Income Securities (Debt Instruments)

The primary purpose of fixed income investments is to provide a highly predictable and dependable source of income, preserve capital, and reduce the volatility of the total portfolio and hedge against the risk of deflation or protracted economic contraction.

13. Fair Value Measurements (Continued)

Marketable Equity Securities

The primary purpose of equity investments is to provide appreciation of principal and growth of income with the recognition that this requires the assumption of greater market volatility and risk of loss. The total equity portion of the portfolio will be broadly diversified according to economic sector, industry, number of holdings and other characteristics including style and capitalization. The System may employ multiple equity investment managers, each of whom may have distinct investment styles. Accordingly, while each manager's portfolio may not be fully diversified, it is expected that the combined equity portfolio will be broadly diversified.

Alternative Investments

The primary purpose of alternative investments is to provide further portfolio diversification and to reduce overall portfolio volatility by investing in strategies that are less correlated with traditional equity and fixed income investments. Alternative investments may provide access to strategies otherwise not accessible through traditional equities and fixed income such as derivative instruments, real estate, distressed debt and private equity and debt.

14. Medicaid Enhancement Tax and Disproportionate Share Payment

Under the State of New Hampshire's tax code, the State imposes a Medicaid Enhancement Tax (MET) equal to 5.4% of the Hospital's net patient service revenues, with certain exclusions. The amount of tax incurred by the Hospital for fiscal 2019 and 2018 was $22,564,148 and $22,004,678, respectively.

In the fall of 2010, in order to remain in compliance with stated federal regulations, the State of New Hampshire adopted a new approach related to Medicaid disproportionate share funding retroactive to July 1, 2010. Unlike the former funding method, the State's approach led to a payment that was not directly based on, and did not equate to, the level of tax imposed. As a result, the legislation created some level of losses at certain New Hampshire hospitals, while other hospitals realized gains. The Hospital recorded $16,214,638 and $17,472,570 in disproportionate share revenue for the years ended June 30, 2019 and 2018, respectively, which is recorded in net patient service revenues.

CMS has completed the audits of the State's program and the disproportionate share payments made by the State from 2011 to 2014, the first years that those payments reflected the amount of uncompensated care provided by New Hampshire hospitals. It is possible that subsequent years will also be audited by CMS. The System has recorded reserves to address its exposure based on the audit results to date.

15. Pledges Receivable

Pledges receivable represent promises to give and are predominantly related to a capital campaign for a regional cancer center. Pledges expected to be collected within one year are recorded at their net realizable value. Pledges that are expected to be collected in future years are recorded at the present value of estimated future cash flows. The present value of estimated future cash flows has been measured utilizing risk-free rates of return adjusted for market and credit risk established at the time a contribution is received. Amounts are included within other assets on the consolidated balance sheets as of June 30, 2019 and 2018.

Pledges are expected to be collected as follows at June 30, 2019:

One year or less	$ 112,252
Between one year and two years	517,445
Between two years and three years	517,445
Between three years and four years	462,445
Between four years and five years	135,363
Thereafter	726,055
Pledges receivable	2,471,005
Present value discount	(414,899)
Allowance for uncollectible pledges	(119,998)
Pledges receivable, net	$1,936,108

16. Financial Assets and Liquidity Resources

As of June 30, 2019, financial assets and liquidity resources available within one year for general expenditure, such as operating expenses, scheduled principal payments on debt, and capital construction costs not financed with debt, consisted of the following:

Cash and cash equivalents	$ 83,196,511
Accounts receivable	47,055,288
	$130,251,799

To manage liquidity, the System maintains sufficient cash and cash equivalent balances to support daily operations throughout the year. Cash and cash equivalents include bank deposits, money market funds, and other similar vehicles that generate a return on cash and provide daily liquidity to the System. In addition, the System has board-designated assets and investments without donor restrictions that can be utilized at the discretion of management to help fund both operational needs and/or capital projects. As of June 30, 2019, the balances in board-designated assets and investments were $117,610,306 and $75,712,637, respectively.

BAKER NEWMAN NOYES

Baker Newman & Noyes LLC
MAINE | MASSACHUSETTS | NEW HAMPSHIRE
800.244.7444 | www.bnncpa.com

INDEPENDENT AUDITORS' REPORT ON OTHER FINANCIAL INFORMATION

Board of Directors
Elliot Health System

We have audited the consolidated financial statements of Elliot Health System and Affiliates (the System) as of and for the years ended June 30, 2019 and 2018, and have issued our report thereon which contains an unmodified opinion on those consolidated statements. See page 1. Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating information is presented for purposes of additional analysis rather than to present the financial position, results of operations, and cash flows of the individual companies and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The consolidating information has been subjected to the auditing procedures applied in the audits of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Baker Newman & Noyes LLC

Manchester, New Hampshire
September 18, 2019

ELLIOT HEALTH SYSTEM AND AFFILIATES

CONSOLIDATING BALANCE SHEET

June 30, 2019

ASSETS

	Obligated Group*	Elliot Health System	Elliot Hospital and Affiliates	Visiting Nurse Association of Manchester and Southern New Hampshire, Inc. and Affiliates	Elliot Health System Holdings and Subsidiaries	Mary and John Elliot Charitable Foundation	Elimi-nations	Consol-idated
Current assets:								
Cash and cash equivalents	$ 63,342,294	$ 8,467	$ 66,138,993	$ 3,543,383	$ 12,662,939	$ 842,729	$ –	$ 83,196,511
Accounts receivable, net	39,951,318	–	44,191,258	1,516,162	1,347,868	–	–	47,055,288
Inventories	4,002,497	–	4,002,497	–	378,250	–	–	4,380,747
Amounts due from affiliates	2,875,742	–	–	–	859,521	49,603	(909,124)	–
Other current assets	15,926,255	–	16,465,785	70,101	1,155,389	(4,662)	–	17,686,613
Total current assets	126,098,106	8,467	130,798,533	5,129,646	16,403,967	887,670	(909,124)	152,319,159
Property, plant and equipment, net	171,286,758	–	171,638,356	438,949	30,633,279	99	–	202,710,683
Other assets:								
Investment in subsidiary	47,685,270	47,685,270	–	–	–	–	(47,685,270)	–
Investments	75,712,637	–	75,712,637	–	–	–	–	75,712,637
Other	9,128,937	–	9,128,937	–	3,944,896	1,993,185	(330,403)	14,736,615
	132,526,844	47,685,270	84,841,574	–	3,944,896	1,993,185	(48,015,673)	90,449,252
Assets whose use is limited:								
Board designated and donor restricted investments	110,341,008	–	110,341,008	10,049,008	1,163,319	17,706,590	–	139,259,925
Held by trustee under revenue bond and note agreements	3,250	–	3,250	–	–	–	–	3,250
Employee benefit plans and other	19,813,013	–	19,813,013	–	–	–	–	19,813,013
Beneficial interest in perpetual trusts	7,438,506	–	7,438,506	–	–	–	–	7,438,506
	137,595,777	–	137,595,777	10,049,008	1,163,319	17,706,590	–	166,514,694
Total assets	$567,507,485	$47,693,737	$524,874,240	$15,617,603	$52,145,461	$20,587,544	$(48,924,797)	$611,993,788

* Includes Elliot Health System and Elliot Hospital, exclusive of affiliates

LIABILITIES AND NET ASSETS

	Obligated Group*	Elliot Health System	Elliot Hospital and Affiliates	Visiting Nurse Association of Manchester and Southern New Hampshire, Inc. and Affiliates	Elliot Health System Holdings and Subsidiaries	Mary and John Elliot Charitable Foundation	Elimi-nations	Consol-idated
Current liabilities:								
Accounts payable and accrued expenses	$ 32,181,526	$ –	$ 32,667,097	$ 320,796	$ 2,259,290	$ 147,032	$ –	$ 35,394,215
Accrued salaries, wages and related accounts	20,689,976	–	32,425,275	1,177,032	349,964	–	–	33,952,271
Accrued interest	1,737,267	–	1,737,267	–	84,826	–	(80,403)	1,741,690
Amounts payable to third-party payors	20,500,569	–	20,512,332	–	–	–	–	20,512,332
Amounts due to affiliates	–	–	255,971	334,509	318,644	–	(909,124)	–
Current portion of long-term debt	5,920,428	–	5,920,428	–	350,000	–	(250,000)	6,020,428
Total current liabilities	81,029,766	–	93,518,370	1,832,337	3,362,724	147,032	(1,239,527)	97,620,936
Accrued pension	85,305,724	–	93,892,022	2,961,299	–	–	–	96,853,321
Self-insurance reserves and other liabilities	39,988,107	–	39,988,107	–	–	–	–	39,988,107
Long-term debt, less current portion	155,156,065	–	155,156,065	–	1,097,467	–	–	156,253,532
Total liabilities	361,479,662	–	382,554,564	4,793,636	4,460,191	147,032	(1,239,527)	390,715,896
Net assets:								
Without donor restrictions/owners' equity	190,988,210	47,693,737	127,280,063	10,326,066	47,685,270	8,914,801	(47,685,270)	194,214,667
With donor restrictions	15,039,613	–	15,039,613	497,901	–	11,525,711	–	27,063,225
Total net assets	206,027,823	47,693,737	142,319,676	10,823,967	47,685,270	20,440,512	(47,685,270)	221,277,892
Total liabilities and net assets	$ 567,507,485	$ 47,693,737	$ 524,874,240	$ 15,617,603	$ 52,145,461	$ 20,587,544	$ (48,924,797)	$ 611,993,788

* Includes Elliot Health System and Elliot Hospital, exclusive of affiliates

ELLIOT HEALTH SYSTEM AND AFFILIATES

CONSOLIDATING STATEMENT OF OPERATIONS

Year Ended June 30, 2019

	Obligated Group*	Elliot Health System	Elliot Hospital and Affiliates	Visiting Nurse Association of Manchester and Southern New Hampshire, Inc. and Affiliates	Elliot Health System Holdings and Subsidiaries	Mary and John Elliot Charitable Foundation	Elimi-nations	Consol-idated
Net patient service revenues (net of contractual allowances and discounts)	$ 474,935,149	$ –	$ 549,628,246	$17,092,701	$16,731,161	$ –	$ (1,300,709)	$ 582,151,399
Provision for bad debts	(24,944,071)	–	(27,369,147)	58,562	(786,381)	–	–	(28,096,966)
Net patient service revenues, less provision for bad debts	449,991,078	–	522,259,099	17,151,263	15,944,780	–	(1,300,709)	554,054,433
Investment income	5,090,433	–	5,090,433	211,814	62,659	188,036	–	5,552,942
Other revenues	35,436,708	–	32,891,740	399,072	9,518,203	1,039,760	(11,055,364)	32,793,411
Total revenues	490,518,219	–	560,241,272	17,762,149	25,525,642	1,227,796	(12,356,073)	592,400,786
Expenses:								
Salaries, wages and fringe benefits	229,356,693	–	337,116,153	13,950,012	4,369,392	595,993	(1,300,709)	354,730,841
Supplies and other expenses	151,743,782	76	156,144,927	3,135,854	16,555,967	1,218,004	(13,533,661)	163,521,167
Depreciation and amortization	18,628,351	–	18,938,677	115,506	1,986,586	162	–	21,040,931
New Hampshire Medicaid Enhancement Tax	22,564,148	–	22,564,148	–	–	–	–	22,564,148
Interest	6,885,935	–	6,885,935	–	69,847	–	(8,876)	6,946,906
Total expenses	429,178,909	76	541,649,840	17,201,372	22,981,792	1,814,159	(14,843,246)	568,803,993
Income (loss) from operations	61,339,310	(76)	18,591,432	560,777	2,543,850	(586,363)	2,487,173	23,596,793
Nonoperating gains (losses):								
Investment return, net	4,080,104	–	4,080,104	177,771	–	1,146,378	–	5,404,253
Other	3,338,110	932,322	697,766	84,690	(1,563,608)	(99,121)	(3,419,495)	(3,367,446)
Net periodic pension gain, net of service cost	2,270,154	–	2,510,152	79,286	–	–	–	2,589,438
Nonoperating gains (losses) , net	9,688,368	932,322	7,288,022	341,747	(1,563,608)	1,047,257	(3,419,495)	4,626,245
Consolidated excess of revenues and nonoperating gains (losses) over expenses	71,027,678	932,246	25,879,454	902,524	980,242	460,894	(932,322)	28,223,038
Noncontrolling interests in net gain of consolidated affiliates	–	–	–	–	(47,920)	–	–	(47,920)
Excess of revenues and nonoperating gains (losses) over expenses attributable to Elliot Health System	71,027,678	932,246	25,879,454	902,524	932,322	460,894	(932,322)	28,175,118
Net transfers (to) from affiliates and SolutionHealth	(43,230,412)	5,159,020	(5,964,432)	–	5,318,210	(60,000)	(5,159,020)	(706,222)
Pension adjustment	(21,736,922)	–	(24,577,745)	(761,122)	–	–	–	(25,338,867)
Changes in noncontrolling interest in consolidated affiliates	(1,428,778)	(1,428,778)	–	–	(1,587,968)	–	1,428,778	(1,587,968)
Increase (decrease) in net assets without donor restrictions attributable to Elliot Health System	$ 4,631,566	$ 4,662,488	$ (4,662,723)	$ 141,402	$ 4,662,564	$ 400,894	$ (4,662,564)	$ 542,061

* Includes Elliot Health System and Elliot Hospital, exclusive of affiliates

ELLIOT HEALTH SYSTEM AND AFFILIATES

CONSOLIDATING BALANCE SHEET

June 30, 2018

ASSETS

	Obligated Group*	Elliot Health System	Elliot Hospital and Affiliates	Visiting Nurse Association of Manchester and Southern New Hampshire, Inc. and Affiliates	Elliot Health System Holdings and Subsidiaries	Mary and John Elliot Charitable Foundation	Elimi-nations	Consol-idated
Current assets:								
Cash and cash equivalents	$ 61,425,766	$ 8,543	$ 63,976,084	$ 2,840,249	$ 8,910,309	$ 965,285	$ –	$ 76,700,470
Accounts receivable, net	42,047,720	–	48,461,909	1,747,260	1,309,654	–	–	51,518,823
Inventories	3,443,050	–	3,443,050	–	358,575	–	–	3,801,625
Amounts due from affiliates	3,224,402	–	278,164	–	537,109	45,520	(860,793)	–
Other current assets	8,531,124	–	8,921,786	53,242	749,874	524	–	9,725,426
Total current assets	118,672,062	8,543	125,080,993	4,640,751	11,865,521	1,011,329	(860,793)	141,746,344
Property, plant and equipment, net	159,991,418	–	160,343,769	532,994	29,472,584	261	–	190,349,608
Other assets:								
Investment in subsidiary	43,022,706	43,022,706	–	–	–	–	(43,022,706)	–
Investments	58,304,112	–	58,304,112	–	–	–	–	58,304,112
Other	11,231,738	–	11,231,738	–	4,246,004	1,148,808	(321,531)	16,305,019
	112,558,556	43,022,706	69,535,850	–	4,246,004	1,148,808	(43,344,237)	74,609,131
Assets whose use is limited:								
Board designated and donor restricted investments	110,067,887	–	110,067,887	9,661,305	1,163,319	10,604,458	–	131,496,969
Held by trustee under revenue bond and note agreements	11,830,241	–	11,830,241	–	–	–	–	11,830,241
Employee benefit plans and other	17,006,819	–	17,006,819	–	–	–	–	17,006,819
Beneficial interest in perpetual trusts	7,233,609	–	7,233,609	–	–	–	–	7,233,609
	146,138,556	–	146,138,556	9,661,305	1,163,319	10,604,458	–	167,567,638
Total assets	$537,360,592	$43,031,249	$501,099,168	$14,835,050	$46,747,428	$12,764,856	$(44,205,030)	$574,272,721

* Includes Elliot Health System and Elliot Hospital, exclusive of affiliates

LIABILITIES AND NET ASSETS

	Obligated Group*	Elliot Health System	Elliot Hospital and Affiliates	Visiting Nurse Association of Manchester and Southern New Hampshire, Inc. and Affiliates	Elliot Health System Holdings and Subsidiaries	Mary and John Elliot Charitable Foundation	Elimi-nations	Consol-idated
Current liabilities:								
Accounts payable and accrued expenses	$ 27,363,969	$ –	$ 27,822,684	$ 253,677	$ 737,960	$ 95,549	$ –	$ 28,909,870
Accrued salaries, wages and related accounts	20,357,448	–	31,579,177	1,163,190	326,446	–	–	33,068,813
Accrued interest	1,771,081	–	1,771,081	–	75,955	–	(71,530)	1,775,506
Amounts payable to third-party payors	16,233,115	–	16,244,878	–	–	–	–	16,244,878
Amounts due to affiliates	–	–	–	392,151	468,643	–	(860,794)	–
Current portion of long-term debt	5,403,469	–	5,403,469	–	350,000	–	(250,000)	5,503,469
Total current liabilities	71,129,082	–	82,821,289	1,809,018	1,959,004	95,549	(1,182,324)	85,502,536
Accrued pension	66,238,550	–	72,698,777	2,343,467	–	–	–	75,042,244
Self-insurance reserves and other liabilities	37,765,254	–	37,765,254	–	–	80,001	–	37,845,255
Long-term debt, less current portion	161,066,094	–	161,066,094	–	1,192,891	–	–	162,258,985
Total liabilities	336,198,980	–	354,351,414	4,152,485	3,151,895	175,550	(1,182,324)	360,649,020
Elliot Health System net assets:								
Without donor restrictions/owners' equity	186,356,644	43,031,249	131,942,786	10,184,664	43,022,706	8,513,907	(43,022,706)	193,672,606
With donor restrictions	14,804,968	–	14,804,968	497,901	–	4,075,399	–	19,378,268
Total Elliot Health System net assets	201,161,612	43,031,249	146,747,754	10,682,565	43,022,706	12,589,306	(43,022,706)	213,050,874
Noncontrolling interests in consolidated affiliates	–	–	–	–	572,827	–	–	572,827
Total net assets	201,161,612	43,031,249	146,747,754	10,682,565	43,595,533	12,589,306	(43,022,706)	213,623,701
Total liabilities and net assets	$537,360,592	$43,031,249	$501,099,168	$14,835,050	$46,747,428	$12,764,856	$(44,205,030)	$574,272,721

* Includes Elliot Health System and Elliot Hospital, exclusive of affiliates

ELLIOT HEALTH SYSTEM AND AFFILIATES

CONSOLIDATING STATEMENT OF OPERATIONS

Year Ended June 30, 2018

	Obligated Group*	Elliot Health System	Elliot Hospital and Affiliates	Visiting Nurse Association of Manchester and Southern New Hampshire, Inc. and Affiliates	Elliot Health System Holdings and Subsidiaries	Mary and John Elliot Charitable Foundation	Elimi-nations	Consol-idated
Net patient service revenues (net of contractual allowances and discounts)	$ 450,049,453	$ –	$ 521,148,429	$17,006,574	$13,343,025	$ –	$ (669,331)	$ 550,828,697
Provision for bad debts	(21,471,096)	–	(26,001,597)	2,238	(651,242)	–	–	(26,650,601)
Net patient service revenues, less provision for bad debts	428,578,357	–	495,146,832	17,008,812	12,691,783	–	(669,331)	524,178,096
Investment income	2,825,755	43	2,825,813	185,443	64,845	160,013	–	3,236,157
Other revenues	28,389,967	–	26,363,428	409,139	8,196,488	1,118,360	(9,680,454)	26,406,961
Total revenues	459,794,079	43	524,336,073	17,603,394	20,953,116	1,278,373	(10,349,785)	553,821,214
Expenses:								
Salaries, wages and fringe benefits	224,469,751	–	324,411,447	13,958,679	4,178,681	602,800	(669,331)	342,482,276
Supplies and other expenses	147,156,717	74	150,805,950	3,100,191	14,400,650	1,000,452	(11,969,493)	157,337,824
Depreciation and amortization	16,084,180	–	16,314,595	130,643	1,855,621	162	–	18,301,021
New Hampshire Medicaid Enhancement Tax	22,004,678	–	22,004,678	–	–	–	–	22,004,678
Interest	7,160,179	–	7,160,179	15	75,021	–	(8,872)	7,226,343
Total expenses	416,875,505	74	520,696,849	17,189,528	20,509,973	1,603,414	(12,647,696)	547,352,142
Income (loss) from operations	42,918,574	(31)	3,639,224	413,866	443,143	(325,041)	2,297,911	6,469,072
Nonoperating gains (losses):								
Investment return, net	4,971,431	–	4,971,431	406,921	–	521,327	–	5,899,679
Other	2,633,728	(39,799)	973,532	58,344	(439,703)	(72,195)	(2,258,112)	(1,777,933)
Net periodic pension cost, net of service cost	(1,261,118)	–	(1,385,079)	(44,550)	–	–	–	(1,429,629)
Nonoperating gains (losses) , net	6,344,041	(39,799)	4,559,884	420,715	(439,703)	449,132	(2,258,112)	2,692,117
Consolidated excess (deficiency) of revenues and nonoperating gains (losses) over expenses	49,262,615	(39,830)	8,199,108	834,581	3,440	124,091	39,799	9,161,189
Noncontrolling interests in net gain of consolidated affiliates	–	–	–	–	(43,239)	–	–	(43,239)
Excess (deficiency) of revenues and nonoperating gains losses over expenses attributable to Elliot Health System	49,262,615	(39,830)	8,199,108	834,581	(39,799)	124,091	39,799	9,117,950
Net transfers (to) from affiliates	(41,160,025)	4,589,000	(6,379,025)	–	4,589,000	1,790,025	(4,589,000)	–
Pension adjustment	10,980,648	–	11,834,331	478,600	–	–	–	12,312,931
Increase in net assets without donor restrictions attributable to Elliot Health System	$ 19,083,238	$ 4,549,170	$ 13,654,414	$ 1,313,181	$ 4,549,201	$1,914,116	$ (4,549,201)	$ 21,430,881

* Includes Elliot Health System and Elliot Hospital, exclusive of affiliates

Elliot Health System

WE ARE SOLUTIONHEALTH

Board of Directors
2020

W. Gregory Baxter, MD
Loretta Brady, PhD
Rev. John A Cerrato, Jr.
Susan Critz, MS, RN
David Cuzzi
Matthew Dayno, MD
Marina Feldman, MD
Sherry Hausmann
John Hession
Paul Hoff, PhD
James Hood, Esquire
Joseph Hyatt, MD
Dottie Kelley
Linda Kornfeld, MD
Stephen Loosigian, DO
John Mercier
Daniel Monfried
Charles Rolecek
Elizabeth Soukup, MD
Philip Taub, Esquire
James Tenn, Jr., Esquire
Peter van der Meer, MD

Curriculum Vitae
John P. Bissonnette, M.D.

Address Pathology Specialists of New England
1 Elliot Way
Manchester, NH 03103
Ph: 603-663-2583

Current Position

2005-present	Pathology Specialists of New England
2/2015-present	Laboratory Medical Director, Elliot Hospital
2007-2/2015	Laboratory Medical Director, Parkland Medical Center
2006-2007	Laboratory Medical Director, Monadnock Community Hospital

Hospital/Laboratory Affiliations

Elliot Hospital, Manchester, NH (2005-present)
Catholic Medical Center, Manchester, NH (2005-present)
Parkland Hospital, Derry, NH (2005-present)
Monadnock Community Hospital, Peterborough, NH (2005-present)
Southern NH Medical Center, Nashua, NH (2012-present)

Education

1995	B.S. Biology, Magna Cum Laude	Boston College
1999	M.D.	Loyola University Chicago

Postdoctoral Training

1999-2003	AP/CP Resident	Massachusetts General Hospital
2003-2004	AP Chief Resident	Massachusetts General Hospital
2003-2005	Robert E. Scully Fellow in Gynecologic Pathology and Fellow in Cytopathology, Massachusetts General Hospital	

Licensure and Certification

2003	Massachusetts Full Medical License
2005	Board Certified in AP/CP and Cytopathology
2005	New Hampshire Full Medical License

Professional Activities

AP Resident

- Surgical specimens: 5,180
- Cytology specimens: 1,750
- Autopsies: 57
- Intradepartmental and interdepartmental presentations of surgical pathology and cytopathology cases including gynecologic oncology tumor board.
- Frozen section lab sign-out (on-call) during last year of training (1/03-6/03)

CP Resident

- Covered each lab medicine service, 1800 consults total (blood transfusion, coagulation, chemistry, microbiology, hematopathology and hematology) in 2 month blocks (24-hour on-call page availability when covering each service)
- Intradepartmental and interdepartmental presentations of laboratory medicine topics
- Functioned as blood transfusion service fellow (2 months)
- Involved in 200 pheresis procedures

Clinical Fellow (completed to date)

- 5 weeks of co-signed surgical pathology sign-out
- 22 weeks of independent surgical pathology sign-out (double scoping with resident)
- 28 weeks of cytopathology (ACGME accredited)
- 61 fine needle aspiration biopsies
- Frozen section lab sign-out (on-call) 7/03-6/04
- Present pathology at gynecologic oncology tumor board

Administrative Activities

AP Chief Resident (11/1/03-2/29/04)
Responsibilities included:

- Presented pathology at weekly internal medicine conference
- Participated in AP Steering Committee and Residency Training Committee
- Restructured resident schedule

Publications

Bissonnette JP and Fekete DM. Standard atlas of the gross anatomy of the developing inner ear of the chicken, J Comp Neurol 368:620-630, 1996.

Abstracts

Fasullo, M, Samarkoon, R, Bissonnette, J and Bennett T. *Saccharomyces cerevisiae* RAD51 is required for DNA damage stimulation of gene conversion and sister chromatid recombination. "DNA Repair: Bacteria to Humans", The Genetics Society of America, Warrenton, VA, April 16-19, 1998.

Oliva, E, Bissonnette, JP, Duska, LR, Debernardo, RL, Sonoda, Y, Saunders, N, Wilton, A, Venkatraman, E and Soslow RA. Clinicopathologic analysis of 157 high-grade endometrial carcinomas: a heterogeneous group of aggressive tumors. USCAP, Vancouver, BC, Canada, March 6-12, 2004.

Bissonnette, JP and Wilbur, DC. Low Grade Dysplasia Pap Smears and Negative Cervical Biopsies: Are They Really Non-Correlating Specimens? USCAP, San Antonio, TX, USA, February 2005.

Teaching

2001 Harvard Medical School Pathology Course:
- Case based small group session on diseases affecting the tubules and interstitium of the kidney

2002 AP Teaching Resident, July-September

Research Experience

1996 Radiation Oncology Summer Research Student
"The effect of RAD51 genetic recombination on DNA damage in *Saccharomyces cerevisiae*" with Michael Fasullo, Ph.D., Dept. of Radiotherapy, Loyola University Chicago

1998-1999 Neuropathology Research
1) "The effect of arteriosclerosis on the brain pathology of Alzheimer's Disease" and 2) "Reverse transcriptase PCR analysis of Loyola brain bank to elucidate the presence of mRNA" with John M. Lee, M.D., Ph.D., Dept. of Neuropathology, Loyola University Chicago

Employment Experience

1992-1995 Evergreen School for Mentally Handicapped Children, Assistant Teacher
Responsible for helping students with their ADL's and school assignments

Volunteer Experience

1996 Tri-Village P.A.D.S. homeless shelter
1996-1997 S.T.E.P.S. in-patient pediatric tutor

Professional Organizations

United States and Canadian Academy of Pathology
College of American Pathologists

State of New Hampshire
BOARD OF MEDICINE

JOHN P BISSONNETTE, MD

License #: 12617

Issued: 03/02/2005

has been duly registered to practice medicine
in this state through 06/30/2021

President Emily R Baker

CURRICULUM VITAE

Anil K Dewan M.D.

WORK ADDRESS:

Seacoast Pathology
1 Hampton Road
Exeter
New Hampshire 03833
Phone: 603-778-8522

HOME ADDRESS:

Brentwood
New Hampshire 03833
Phone: 603-580-2854
Cell Phone: 603-686-3092

EDUCATION:	INSTITUTION	DEGREE	YEARS
	University of St Andrews St. Andrews, Fife, Scotland	BSc	1995 – 1998
	University of Manchester, Manchester, England	MBChB	1998 – 2001

PROFFESIONAL TRAINING

INSTITUTION	POSITION	YEARS
Central Manchester and Manchester Childrens University Hospitals, Manchester, (National Health Service), United Kingdom.	House Officer	2001 - 2002
Penn State, Milton S Hershey Medical Center, Hershey, Pennsylvania.	AP/CP Resident	2002 - 2006
Penn State, Milton S Hershey Medical Center, Hershey, Pennsylvania.	Chief Resident	2005 - 2006
University of Virginia, Charlottesville, Virginia.	Gynecologic Pathology Fellow	2006 – 2007

EMPLOYMENT HISTORY

Owner and Managing Director of J-1 Ltd July 2007 – April 2011

7th July 2007 – 28th December 2007
Scarborough General Hospital, (National Health Service),
Department of Pathology,
Woodlands Drive,
Scarborough, YO12 6QL
United Kingdom.

1st January 2008 – 23rd October 2009
Calderdale Royal Hospital, (National Health Service),
Salterhebble,
Halifax, HX3 0PW,
United Kingdom.

1st November 2009 – 17 August 2012
Seacoast Pathology,
(Encompassing Exeter Hospital, Anna Jaques Hospital, and York Hospital),
Exeter,
New Hampshire,
03833,
USA.

20 August 2012 – present.
Pathology Specialists of New England.

PROFESSIONAL CERTIFICATION

United States Medical Licensing Examination	
Step 1	11/30/1999
Step 2	8/23/2000
Clinical Skills Assessment	7/9/2001
ECFMG Certification – valid indefinately	11/12/2001
Step 3	4/28/2004
Diplomate of the American Board of Pathology	8/22/2006

LICENSURE

State of Pennsylvania Graduate Medical Trainee License	2001 – 2006
General Medical Council, (United Kingdom)	2002 – 2010 (Inactive).
Commonwealth of Virginia	2006 – Present.
Commonwealth of Massachusetts	2009 – Present.
State of New Hampshire	2009 – Present.

MEMBERSHIP IN PROFESSONAL SOCIETIES

American Society for Clinical Pathology.
College of American Pathologists.
United States and Canadian Academy of Pathology.

COMMITTEES

Medical Executive Committee SNHMC	2012 – Present
Infection Prevention Committee SNHMC	2012 – Present
Breast Program Leadership Team SNHMC	2012 – Present
Cancer Committee SNHMC	2012 – Present
Credentials Committee SNHMC	2012 - Present
Cancer Committee Exeter Hospital	2011 – Present.
IRB Committee Exeter Hospital	2011 – Present.
Pennsylvania State University – Hershey Medical Center	
-Anatomic and Clinical pathology issues of concern, (monthly).	7/2004 – 6/2005
-Hospital Blood Usage committee, (quarterly).	7/2003 - 6/2004
ASCP Resident Network Liason Member	7/2004 – 6/2006.

APPOINTMENTS

Medical Director SNHMC	8/20/2012 – Present
Medical Director Seacoast Pathology	8/1/2010 – 8/2012
Medical Director University of New Hampshire	4/30/2011 – 8/2012

TEACHING

Tumor Board weekly – SNHMC

Gynecologic Oncology Tumor Board - SNHMC

Tumor Board, weekly – Exeter Hospital.

Breast Conference, weekly – Exeter Hospital.

Cytology round scope teaching, monthly – Seacoast Pathology.

Breast Tumor Board, weekly – Huddersfield Royal Infirmary.

Breast Tumor Board, weekly – Scarborough General Hospital.

Gynecologic Oncology Tumor Board, weekly – University of Virginia Health Systems.

Breast Tumor Board, weekly – University of Virginia Health Systems.

University of Virginia.
-Second year medical school curriculum laboratory assistant, obstetric and gynecology course.

Head and Neck Tumor Board, bi–monthly - Hershey Medical Center.

Gastrointestinal Tumor Board at Penn State University – Hershey Medical Center.

Pennsylvania State University College of Medicine – Hershey Medical Center
-Second year medical school curriculum laboratory assistant, gastrointestinal course.
-Second year medical school curriculum laboratory assistant, reproductive course.
-Second year medical school curriculum laboratory assistant, renal course.
-Second year medical school curriculum laboratory assistant, cardiovascular course.
-First year medical school Autopsy/Gross pathology lab.
-Assistant, surgical pathology medical school rotation, 3rd and 4th year elective.
-Junior resident instructor, Blood Banking/Apheresis.

PRESENTATIONS

Pre-invasive Endometrial Lesions, at the University of Virginia – University of Virginia Health Systems 8/2006.

The Cytology of Mesenchymal Lesions of the Head and Neck, at Penn State University – Hershey Medical Center, 6/2004

Mesenchymal Lesions of the Head and Neck at Penn State University – Hershey Medical Center, 6/2004

The Cytology of the Thyroid Gland at Penn State University – Hershey Medical Center, 4/2004

Pathology of the Thyroid Gland at Penn State University – Hershey Medical Center, 4/2004

The Cytology of Lesions of the Nasopharynx, Hypopharynx and Trachea at Penn State University – Hershey Medical Center, 2/2004

Pathology of the Nasopharynx, Hypopharynx and Trachea at Penn State University – Hershey Medical Center, 2/2004.

Pathology of the Head and Neck Jeopardy Competition at Penn State University – Hershey Medical Center, 12/2003.

The Thromboelastogram Made Easy at Penn State University – Hershey Medical Center, 12/2003.

The Cytology of Salivary Gland Neoplasms at Penn State University – Hershey Medical Center, 9/2003.
Pathology of the Salivary Gland II at Penn State University – Hershey Medical Center, 9/2003.

Pathology of the Salivary Gland I at Penn State University – Hershey Medical Center, 8/2003.

Gastrointestinal Stromal Tumors Autopsy Grand Rounds Penn State University – Hershey Medical Center 3/2003.

Nodular Heterotopias Neuropathology Grand Rounds, Penn State University – Hershey Medical Center 10/2002.

PUBLICATIONS

Anil K Dewan, Silloo B Kapadia, Brendan C Stack, Is Routine Frozen Section Necessary for Parathyroid Surgery? Otolaryngology - Head and Neck Surgery, Volume 133, Issue 6, December 2005, Pages 857-862

Anil K Dewan. Pathology in the Land of Chocolate. acp News 2005.

Anil K Dewan. The Life of the Obstetric and Gynecologic Pathology Fellow. acp News 2006.

TEXT BOOK CHAPTERS

CJ Darus, AK Dewan, WP Irvin. Non-Epithelial Ovarian Cancer. *Gynecologic Oncology*. Alvarez-Secord A and Gehrig P eds. Landes Publishing 2007 (in press).

Ruggiero FP, Dewan A, Stack BC Jr: Lymphoscintigraphy and sentinel node dissection, in D'cruz AK et al eds. Otolaryngology, Head and Neck Surgery. Mumbai, India: Orient Longman Ltd. 2005 (in press).

Beus KS, Stack Jr., BC. Parathyroid Carcinoma. Otolaryngologic Clinics of North America 2004 (in press).

Beus KS, Stack Jr., BC. Calciphylaxis. Otolaryngologic Clinics of North America 2004 (in press).

ABSTRACTS

Marina Y. Dolina, Michael G. Benninghoff, Anil K. Dewan, and Rebecca Bascom. Persistent Hemoptysis from Cavitating Pseudomonas Pneumonia in a Patient with Severe Bronchiectasis as a Complication of Allergic Bronchopulmonary Aspergillosis. Chest Meeting Abstracts 2006 130: 288S-a.

Anil K Dewan, Silloo B Kapadia, Brendan C Stack. Is Routine Frozen Section Necessary for Parathyroid Surgery? Poster, Sixth International Conference on Head and Neck Cancer, Washington, D.C., Aug. 7-11, 2004

Anil K. Dewan, Eric J. Burks, Thomas P. Nifong, Michael Bayerl. T-Large Granular Lymphocyte Leukemia and Concurrent Hairy Cell Leukemia: A physiologic clonal T-cell response or a secondary malignancy? Poster, American Society of Clinical Pathology, New Orleans, LA, September 18-21, 2003.

SUBMITTED ARTICLES

Ayesha N. Khalid MD, Anil Dewan MD, Cunfeng Pu MD, Jon E. Isaacson MD. Pathology Quiz: Intratemporal Presentation of a Geniculate Ganglion Meningioma. Archives of Otolaryngology- Head and Neck Surgery.

Marina Y. Dolina, Michael G. Benninghoff, Anil K. Dewan, and Rebecca Bascom. Persistent Hemoptysis from Cavitating Pseudomonas Pneumonia in a Patient with Severe Bronchiectasis as a Complication of Allergic Bronchopulmonary Aspergillosis. Chest.

Ayesha N Khalid MD, Johnathan L Chadwick MD, Anil K Dewan MD, Brendan C Stack MD, FACS, FACE. Diagnosis and Management of Familial Non-Medullary Thyroid Carcinoma. The Laryngoscope.

ALEXANDRA T. MOREAU

Career Objective

To obtain a laboratory director position that provides strategic development, planning and management of all aspects of the clinical and anatomical pathology laboratory. Additionally, a position that allows for leadership in improving laboratory utilization for overall cost containment, maintaining strong revenue integrity, securing and increasing operational productivity, improving staff satisfaction and providing the utmost in quality patient care through the guidance of established corporate strategic goals.

Professional Summary

A passionate, enthusiastic and creative laboratory operations manager with a thirty-five year career focused in numerous technical and administrative laboratory operations of a large full service community health system. Experience includes multi-site facility operations, a robust outreach program, overall laboratory budgeting and financial planning, blood transfusion medicine, safety, compliance, along with varied accreditation management. Proficient in project management with a lab and healthcare system focus, as well as lab consolidation, demergers and laboratory renovations experience. A patient and employee-centric manager who has fostered camaraderie among staff and built strong relationships throughout the health system that have had positive quality outcomes.

Experience

Elliot Hospital, Manchester, NH

Regional Directory of Laboratory Services — for SolutioNHealth — December 2018 - present

Laboratory Director — Jan 2016 - December 2018

Laboratory Control Manager — 2000-present

- Operations manager who oversees the activities of 160+ employees in 23 departments of a 300-bed hospital (including Level II trauma center and NICU) with an outreach program comprising more than 300 clients.
- Works in partnership with Revenue Integrity department to achieve operational laboratory efficiencies related to pricing, compliance, coding, & optimal reimbursements for all lab billables.
- Member of a hospital utilization team tasked to ensure hospital viability transitioning from a fee for service to a risk contract environment. Team contributions are crucial not only for ensuring corporate financial savings, but also for patient and physician satisfaction as we move into the future.
- Part of a team developing a program to monitor leakage in laboratory volume due to upcoming Quest interface for hospital owned users (EPN/S). This program, in conjunction with patient communication and a new policy to retain all office collected specimens moving forward, will allow the hospital to maintain their lab revenue base.

- Laboratory facilitator tasked to assist all lab sub-departments in the development, maintenance and action plans involved with employee surveys. Ultimate goal is to improve staff engagement, achieve a high level of staff satisfaction, and increase retention.
- In conjunction with director, responsible for leading a group of lab supervisors to benchmark and maintain productivity that is aligned with the Top 100Truven hospitals and Elliot's Strategic Sustainability Pillar.
- A liaison between the outreach clients and the laboratory to promote increased customer satisfaction, with a high success rate of maintaining and increasing current customer base.
- Monitors quality assurance to assure high quality and improved patient & provider satisfaction.
- Maintains adherence to hospital inpatient, emergency department, and all outpatient entities and assists the director in flexing to adjust services and/or problems to meet the clinical needs or market dynamics.
- Öevelops and maintains positive working relationships with employees, technical supervisors, management, physicians, and internal/external hospital clients.
- In conjunction with the director, plans, budgets and maintains both salary and non-salary expense, capital equipment purchases and contract negotiations of vendors and non-owned clients.
- Oversight for all inspection checklists within the laboratory to include hospital, off-site STAT labs and all patient service centers.
- Works closely with supervisors to manage conflict resolution, disciplinary action.
- Active member of Granite Health Network Directors workgroup reviewing potential consolidation, test sharing, reference lab contracts, equipment and reagent cost savings initiatives.

Selected Professional Achievements:

- Assisted the laboratory director in the strategic planning and growth of laboratory outreach business from 300,000 billable tests per year to 1.3 million tests.
- A key member of a de-merger team that rebuilt a successful full-service laboratory that is now 2nd in volume in the state of NH.
- Maintained the highest quality of work in an undersized laboratory through focus on site renovations, space repurposing and optimization, and lean process improvements..
- Key driver in developing and implementing the successful expansion of 6 patient service centers throughout southern NH.
- Prepared business proposal for the acquisition of the STAT Laboratory at NH Oncology Hematology LRC. Developed, implemented, and executed the creation of a 6.0 FTE Stat laboratory & phlebotomy collection station.
- Prepared business proposal for the STAT Laboratory at Londonderry. Project managed the STAT lab from inception through to current facility operation state. This required development, planning, and workflow evaluation as well as thorough planning for computer integration with the Dana Farber Cancer Institute.
- Project management of numerous logistical moves involving vendors, facilities, IT, and other departments, to include successful opening of River's Edge laboratory with membership on multidisciplinary facility team.
- Expanded laboratory service line to include 30 nursing home and associated phlebotomy traveling team to support that new service line.
- Laboratory representative to both EPIC ambulatory and CPOE work teams tasked to implement evaluate best practice laboratory workflows and train both technical and non-technical lab staff.

- Directed the implementation for the LifePoint connectivity solution for non-Elliot owned clients.
- Project managed and/or assisted in a number of collaborative projects in the lab and throughout the organization, such as Sunquest Collection Manager for positive patient identification at the bedside, ICD-10, lab/nursing forums to improve communication, identify problems and creatively identify solutions to many interdepartmental problems.

Blood Bank Supervisor 1985-2000

- Responsible for all technical, administrative, financial and scientific oversight of the blood bank.
- Planned and implemented a new hospital specialty department with neonatology provider staff — researched blood bank best practices, developed products designed for small volume neonatal transfusions, created policies and procedures for the neonatal intensive care unit.
- Part of RFP team who identified new computer system, built all aspects of the blood bank system applications, tested and trained all technical staff, developed all new policies & procedures to support the new Sunquest Laboratory Information Computer System (LIS).
- Negotiated and implemented a blood product overstock at the Elliot to support the State of NH and level II trauma center.
- Project managed a number of collaborative projects throughout the hospital organization, such as American Red Cross blood drives, Acute Care Committee member for the CMC & Elliot merger, assisted with general laboratory LIS build.

~~Blood Bank Supervisor for NH Medical Laboratories (NHML)~~ 1996-2000

- Managed and directed the technical and administrative areas of the Blood Banks at Elliot Hospital & CMC with administrative and financial reporting responsibilities to NHML—part of Optima merger.
- Successfully planned and implemented the merger of two hospital blood banks that included policies, procedures, build of a new computer system, and hiring of staff into appropriate positions.
- Key member in the strategic planning for the conversion to the for-profit arm known as NHML, which was jointly owned by Elliot & CMC.

Staff Medical Technologist (generalist) 1980, 1983-1985

Eastman Kodak, Rochester, NY

Customer Service Application Specialist 1981-1983

- Assisted PhD's in the development, execution, formal reporting and presentation of experiments to resolve customer equipment technical problems for the Ektachem analyzer.
- Maintained and supported competitor analyzers as part of routine evaluations.
- Assisted in making formal recommendations to clients for problem resolutions.
- Analyzed data analytics using large main frame computer applications.
- Focus on achieving high level of technical customer satisfaction.
- Performed onsite hospital training and participated in national technical trade show demonstrations.

B.S. Medical Technology, University of New Hampshire, Durham, NH	1976-1980
One Year Medical Technology Internship, Mary Hitchcock Hospital, Lebanon, NH	1979-1980
American Society of Clinical Pathologists, Board of Registry, Chicago, Illinois	Feb 1981
Education/Certification	

Affiliations/Awards

clinical Laboratory Management Association, Board Member, Treasurer	2014-present
UNH Medical Technology Advisory Committee Member	2012-present
Dean's List	2003
Community Service	

Manchester Central High School Pride Foundation Founding Board Member 2004-2014

St. George Cathedral Girls Basketball Coach 2004-2008 American Red Cross Committees & State Advisory Committee Member 1985-2000

Multiple booster clubs and PTA committees with board member appointments over many years

XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX

CONTRACTOR NAME

Key Personnel

Name	Job Title	Salary	% Paid from this Contract	Amount Paid from this Contract
Dr. JP Bissonnette	Lab Medical Director Elliot Hospital	N/A		
Dr. Anil Dewan	Lab Medical Director Southern NH Medical Center	N/A		
Alexandra T Moreau	Regional Laboratory Director	N/A		

Subject: Hospital-Based COVID-19 Community Testing (SS-2021-DPHS-04-HOSPI-07)

Notice: This agreement and all of its attachments shall become public upon submission to Governor and Executive Council for approval. Any information that is private, confidential or proprietary must be clearly identified to the agency and agreed to in writing prior to signing the contract.

AGREEMENT

The State of New Hampshire and the Contractor hereby mutually agree as follows:

GENERAL PROVISIONS

1. IDENTIFICATION.

1.1 State Agency Name New Hampshire Department of Health and Human Services		1.2 State Agency Address 129 Pleasant Street Concord, NH 03301-3857	
1.3 Contractor Name LRGHealthcare		1.4 Contractor Address 80 Highland St. Laconia, NH 03246	
1.5 Contractor Phone Number (603) 527-2898	1.6 Account Number 05-095-090-903010-19010000	1.7 Completion Date December 1, 2020	1.8 Price Limitation $290,000
1.9 Contracting Officer for State Agency Nathan D. White, Director		1.10 State Agency Telephone Number (603) 271-9631	
1.11 Contractor Signature Date: 7/27/20		1.12 Name and Title of Contractor Signatory Kevin W. Donovan, CEO	
1.13 State Agency Signature Date: 7/29/20		1.14 Name and Title of State Agency Signatory Ann H. Landry, Assoc. Commissioner	
1.15 Approval by the N.H. Department of Administration, Division of Personnel *(if applicable)* By:		Director, On:	
1.16 Approval by the Attorney General (Form, Substance and Execution) *(if applicable)* By: Catherine Pinos		On: 08/07/20	
1.17 Approval by the Governor and Executive Council *(if applicable)* G&C Item number:		G&C Meeting Date:	

Contractor Initials KWD
Date 7/27/20

2. **SERVICES TO BE PERFORMED.** The State of New Hampshire, acting through the agency identified in block 1.1 ("State"), engages contractor identified in block 1.3 ("Contractor") to perform, and the Contractor shall perform, the work or sale of goods, or both, identified and more particularly described in the attached EXHIBIT B which is incorporated herein by reference ("Services").

3. **EFFECTIVE DATE/COMPLETION OF SERVICES.**
3.1 Notwithstanding any provision of this Agreement to the contrary, and subject to the approval of the Governor and Executive Council of the State of New Hampshire, if applicable, this Agreement, and all obligations of the parties hereunder, shall become effective on the date the Governor and Executive Council approve this Agreement as indicated in block 1.17, unless no such approval is required, in which case the Agreement shall become effective on the date the Agreement is signed by the State Agency as shown in block 1.13 ("Effective Date").
3.2 If the Contractor commences the Services prior to the Effective Date, all Services performed by the Contractor prior to the Effective Date shall be performed at the sole risk of the Contractor, and in the event that this Agreement does not become effective, the State shall have no liability to the Contractor, including without limitation, any obligation to pay the Contractor for any costs incurred or Services performed. Contractor must complete all Services by the Completion Date specified in block 1.7.

4. **CONDITIONAL NATURE OF AGREEMENT.**
Notwithstanding any provision of this Agreement to the contrary, all obligations of the State hereunder, including, without limitation, the continuance of payments hereunder, are contingent upon the availability and continued appropriation of funds affected by any state or federal legislative or executive action that reduces, eliminates or otherwise modifies the appropriation or availability of funding for this Agreement and the Scope for Services provided in EXHIBIT B, in whole or in part. In no event shall the State be liable for any payments hereunder in excess of such available appropriated funds. In the event of a reduction or termination of appropriated funds, the State shall have the right to withhold payment until such funds become available, if ever, and shall have the right to reduce or terminate the Services under this Agreement immediately upon giving the Contractor notice of such reduction or termination. The State shall not be required to transfer funds from any other account or source to the Account identified in block 1.6 in the event funds in that Account are reduced or unavailable.

5. **CONTRACT PRICE/PRICE LIMITATION/ PAYMENT.**
5.1 The contract price, method of payment, and terms of payment are identified and more particularly described in EXHIBIT C which is incorporated herein by reference.
5.2 The payment by the State of the contract price shall be the only and the complete reimbursement to the Contractor for all expenses, of whatever nature incurred by the Contractor in the performance hereof, and shall be the only and the complete compensation to the Contractor for the Services. The State shall have no liability to the Contractor other than the contract price.
5.3 The State reserves the right to offset from any amounts otherwise payable to the Contractor under this Agreement those liquidated amounts required or permitted by N.H. RSA 80:7 through RSA 80:7-c or any other provision of law.
5.4 Notwithstanding any provision in this Agreement to the contrary, and notwithstanding unexpected circumstances, in no event shall the total of all payments authorized, or actually made hereunder, exceed the Price Limitation set forth in block 1.8.

6. **COMPLIANCE BY CONTRACTOR WITH LAWS AND REGULATIONS/ EQUAL EMPLOYMENT OPPORTUNITY.**
6.1 In connection with the performance of the Services, the Contractor shall comply with all applicable statutes, laws, regulations, and orders of federal, state, county or municipal authorities which impose any obligation or duty upon the Contractor, including, but not limited to, civil rights and equal employment opportunity laws. In addition, if this Agreement is funded in any part by monies of the United States, the Contractor shall comply with all federal executive orders, rules, regulations and statutes, and with any rules, regulations and guidelines as the State or the United States issue to implement these regulations. The Contractor shall also comply with all applicable intellectual property laws.
6.2 During the term of this Agreement, the Contractor shall not discriminate against employees or applicants for employment because of race, color, religion, creed, age, sex, handicap, sexual orientation, or national origin and will take affirmative action to prevent such discrimination.
6.3. The Contractor agrees to permit the State or United States access to any of the Contractor's books, records and accounts for the purpose of ascertaining compliance with all rules, regulations and orders, and the covenants, terms and conditions of this Agreement.

7. **PERSONNEL.**
7.1 The Contractor shall at its own expense provide all personnel necessary to perform the Services. The Contractor warrants that all personnel engaged in the Services shall be qualified to perform the Services, and shall be properly licensed and otherwise authorized to do so under all applicable laws.
7.2 Unless otherwise authorized in writing, during the term of this Agreement, and for a period of six (6) months after the Completion Date in block 1.7, the Contractor shall not hire, and shall not permit any subcontractor or other person, firm or corporation with whom it is engaged in a combined effort to perform the Services to hire, any person who is a State employee or official, who is materially involved in the procurement, administration or performance of this Agreement. This provision shall survive termination of this Agreement.
7.3 The Contracting Officer specified in block 1.9, or his or her successor, shall be the State's representative. In the event of any dispute concerning the interpretation of this Agreement, the Contracting Officer's decision shall be final for the State.

Contractor Initials KWD
Date 7/27/20

8. EVENT OF DEFAULT/REMEDIES.

8.1 Any one or more of the following acts or omissions of the Contractor shall constitute an event of default hereunder ("Event of Default"):

8.1.1 failure to perform the Services satisfactorily or on schedule;

8.1.2 failure to submit any report required hereunder; and/or

8.1.3 failure to perform any other covenant, term or condition of this Agreement.

8.2 Upon the occurrence of any Event of Default, the State may take any one, or more, or all, of the following actions:

8.2.1 give the Contractor a written notice specifying the Event of Default and requiring it to be remedied within, in the absence of a greater or lesser specification of time, thirty (30) days from the date of the notice; and if the Event of Default is not timely cured, terminate this Agreement, effective two (2) days after giving the Contractor notice of termination;

8.2.2 give the Contractor a written notice specifying the Event of Default and suspending all payments to be made under this Agreement and ordering that the portion of the contract price which would otherwise accrue to the Contractor during the period from the date of such notice until such time as the State determines that the Contractor has cured the Event of Default shall never be paid to the Contractor;

8.2.3 give the Contractor a written notice specifying the Event of Default and set off against any other obligations the State may owe to the Contractor any damages the State suffers by reason of any Event of Default; and/or

8.2.4 give the Contractor a written notice specifying the Event of Default, treat the Agreement as breached, terminate the Agreement and pursue any of its remedies at law or in equity, or both.

8.3. No failure by the State to enforce any provisions hereof after any Event of Default shall be deemed a waiver of its rights with regard to that Event of Default, or any subsequent Event of Default. No express failure to enforce any Event of Default shall be deemed a waiver of the right of the State to enforce each and all of the provisions hereof upon any further or other Event of Default on the part of the Contractor.

9. TERMINATION.

9.1 Notwithstanding paragraph 8, the State may, at its sole discretion, terminate the Agreement for any reason, in whole or in part, by thirty (30) days written notice to the Contractor that the State is exercising its option to terminate the Agreement.

9.2 In the event of an early termination of this Agreement for any reason other than the completion of the Services, the Contractor shall, at the State's discretion, deliver to the Contracting Officer, not later than fifteen (15) days after the date of termination, a report ("Termination Report") describing in detail all Services performed, and the contract price earned, to and including the date of termination. The form, subject matter, content, and number of copies of the Termination Report shall be identical to those of any Final Report described in the attached EXHIBIT B. In addition, at the State's discretion, the Contractor shall, within 15 days of notice of early termination, develop and submit to the State a Transition Plan for services under the Agreement.

10. DATA/ACCESS/CONFIDENTIALITY/ PRESERVATION.

10.1 As used in this Agreement, the word "data" shall mean all information and things developed or obtained during the performance of, or acquired or developed by reason of, this Agreement, including, but not limited to, all studies, reports, files, formulae, surveys, maps, charts, sound recordings, video recordings, pictorial reproductions, drawings, analyses, graphic representations, computer programs, computer printouts, notes, letters, memoranda, papers, and documents, all whether finished or unfinished.

10.2 All data and any property which has been received from the State or purchased with funds provided for that purpose under this Agreement, shall be the property of the State, and shall be returned to the State upon demand or upon termination of this Agreement for any reason.

10.3 Confidentiality of data shall be governed by N.H. RSA chapter 91-A or other existing law. Disclosure of data requires prior written approval of the State.

11. CONTRACTOR'S RELATION TO THE STATE. In the performance of this Agreement the Contractor is in all respects an independent contractor, and is neither an agent nor an employee of the State. Neither the Contractor nor any of its officers, employees, agents or members shall have authority to bind the State or receive any benefits, workers' compensation or other emoluments provided by the State to its employees.

12. ASSIGNMENT/DELEGATION/SUBCONTRACTS.

12.1 The Contractor shall not assign, or otherwise transfer any interest in this Agreement without the prior written notice, which shall be provided to the State at least fifteen (15) days prior to the assignment, and a written consent of the State. For purposes of this paragraph, a Change of Control shall constitute assignment. "Change of Control" means (a) merger, consolidation, or a transaction or series of related transactions in which a third party, together with its affiliates, becomes the direct or indirect owner of fifty percent (50%) or more of the voting shares or similar equity interests, or combined voting power of the Contractor, or (b) the sale of all or substantially all of the assets of the Contractor.

12.2 None of the Services shall be subcontracted by the Contractor without prior written notice and consent of the State. The State is entitled to copies of all subcontracts and assignment agreements and shall not be bound by any provisions contained in a subcontract or an assignment agreement to which it is not a party.

13. INDEMNIFICATION. Unless otherwise exempted by law, the Contractor shall indemnify and hold harmless the State, its officers and employees, from and against any and all claims, liabilities and costs for any personal injury or property damages, patent or copyright infringement, or other claims asserted against the State, its officers or employees, which arise out of (or which may be claimed to arise out of) the acts or omission of the

Contractor Initials KWD

Date 7/27/20

Contractor, or subcontractors, including but not limited to the negligence, reckless or intentional conduct. The State shall not be liable for any costs incurred by the Contractor arising under this paragraph 13. Notwithstanding the foregoing, nothing herein contained shall be deemed to constitute a waiver of the sovereign immunity of the State, which immunity is hereby reserved to the State. This covenant in paragraph 13 shall survive the termination of this Agreement.

14. INSURANCE.

14.1 The Contractor shall, at its sole expense, obtain and continuously maintain in force, and shall require any subcontractor or assignee to obtain and maintain in force, the following insurance:

14.1.1 commercial general liability insurance against all claims of bodily injury, death or property damage, in amounts of not less than $1,000,000 per occurrence and $2,000,000 aggregate or excess; and

14.1.2 special cause of loss coverage form covering all property subject to subparagraph 10.2 herein, in an amount not less than 80% of the whole replacement value of the property.

14.2 The policies described in subparagraph 14.1 herein shall be on policy forms and endorsements approved for use in the State of New Hampshire by the N.H. Department of Insurance, and issued by insurers licensed in the State of New Hampshire.

14.3 The Contractor shall furnish to the Contracting Officer identified in block 1.9, or his or her successor, a certificate(s) of insurance for all insurance required under this Agreement. Contractor shall also furnish to the Contracting Officer identified in block 1.9, or his or her successor, certificate(s) of insurance for all renewal(s) of insurance required under this Agreement no later than ten (10) days prior to the expiration date of each insurance policy. The certificate(s) of insurance and any renewals thereof shall be attached and are incorporated herein by reference.

15. WORKERS' COMPENSATION.

15.1 By signing this agreement, the Contractor agrees, certifies and warrants that the Contractor is in compliance with or exempt from, the requirements of N.H. RSA chapter 281-A *("Workers' Compensation")*.

15.2 To the extent the Contractor is subject to the requirements of N.H. RSA chapter 281-A, Contractor shall maintain, and require any subcontractor or assignee to secure and maintain, payment of Workers' Compensation in connection with activities which the person proposes to undertake pursuant to this Agreement. The Contractor shall furnish the Contracting Officer identified in block 1.9, or his or her successor, proof of Workers' Compensation in the manner described in N.H. RSA chapter 281-A and any applicable renewal(s) thereof, which shall be attached and are incorporated herein by reference. The State shall not be responsible for payment of any Workers' Compensation premiums or for any other claim or benefit for Contractor, or any subcontractor or employee of Contractor, which might arise under applicable State of New Hampshire Workers' Compensation laws in connection with the performance of the Services under this Agreement.

16. NOTICE. Any notice by a party hereto to the other party shall be deemed to have been duly delivered or given at the time of mailing by certified mail, postage prepaid, in a United States Post Office addressed to the parties at the addresses given in blocks 1.2 and 1.4, herein.

17. AMENDMENT. This Agreement may be amended, waived or discharged only by an instrument in writing signed by the parties hereto and only after approval of such amendment, waiver or discharge by the Governor and Executive Council of the State of New Hampshire unless no such approval is required under the circumstances pursuant to State law, rule or policy.

18. CHOICE OF LAW AND FORUM. This Agreement shall be governed, interpreted and construed in accordance with the laws of the State of New Hampshire, and is binding upon and inures to the benefit of the parties and their respective successors and assigns. The wording used in this Agreement is the wording chosen by the parties to express their mutual intent, and no rule of construction shall be applied against or in favor of any party. Any actions arising out of this Agreement shall be brought and maintained in New Hampshire Superior Court which shall have exclusive jurisdiction thereof.

19. CONFLICTING TERMS. In the event of a conflict between the terms of this P-37 form (as modified in EXHIBIT A) and/or attachments and amendment thereof, the terms of the P-37 (as modified in EXHIBIT A) shall control.

20. THIRD PARTIES. The parties hereto do not intend to benefit any third parties and this Agreement shall not be construed to confer any such benefit.

21. HEADINGS. The headings throughout the Agreement are for reference purposes only, and the words contained therein shall in no way be held to explain, modify, amplify or aid in the interpretation, construction or meaning of the provisions of this Agreement.

22. SPECIAL PROVISIONS. Additional or modifying provisions set forth in the attached EXHIBIT A are incorporated herein by reference.

23. SEVERABILITY. In the event any of the provisions of this Agreement are held by a court of competent jurisdiction to be contrary to any state or federal law, the remaining provisions of this Agreement will remain in full force and effect.

24. ENTIRE AGREEMENT. This Agreement, which may be executed in a number of counterparts, each of which shall be deemed an original, constitutes the entire agreement and understanding between the parties, and supersedes all prior agreements and understandings with respect to the subject matter hereof.

Contractor Initials KWD
Date 7/27/20

REVISIONS TO STANDARD CONTRACT PROVISIONS

1. Revisions to Form P-37, General Provisions

1.1. Paragraph 3, Subparagraph 3.1, Effective Date/Completion of Services, is amended as follows:

3.1. Notwithstanding any provision of this Agreement to the contrary, and subject to the approval of the Governor of the State of New Hampshire, issued under the Executive Order 2020-04 and any extensions thereof, this Agreement, and all obligations of the parties hereunder, shall become effective on August 1, 2020. ("Effective Date").

1.2. Paragraph 3, Effective Date/Completion of Services, is amended by adding subparagraph 3.3 as follows:

3.3. The parties may extend the Agreement for up to one (1) additional year from the Completion Date, contingent upon satisfactory delivery of services, available funding, agreement of the parties, and required governmental approval.

1.3. Paragraph 12, Subparagraph 12.3, Assignment/Delegation/Subcontracts, is amended as follows:

12.3. Subcontractors are subject to the same contractual conditions as the Contractor and the Contractor is responsible to ensure subcontractor compliance with those conditions. The Contractor shall have written agreements with all subcontractors, specifying the work to be performed and how corrective action shall be managed if the subcontractor's performance is inadequate. The Contractor shall manage the subcontractor's performance on an ongoing basis and take corrective action as necessary. The Contractor shall annually provide the State with a list of all subcontractors provided for under this Agreement and notify the State of any inadequate subcontractor performance.

Scope of Services

1. **Statement of Work**

1.1. For the purposes of this agreement, any references to days shall mean calendar days.

1.2. The Contractor shall conduct specimen collection and testing for SARS-CoV-2 in an outpatient setting for individuals who reside within the hospital catchment area or local community, regardless of individuals' prior affiliations with the hospital.

1.3. The Contractor shall conduct specimen collection and testing for patients who have symptoms of COVID-19 or who are pre-symptomatic or asymptomatic at the request of:

1.3.1. The individual to be tested; or

1.3.2. The Department of Health and Human Services (Department) Division of Public Health Services (DPHS).

1.4. The Contractor shall not require an office or telemedicine visit for asymptomatic patients in order for patients to receive COVID-19 testing.

1.5. In the event of a significant increase in community transmission of COVID-19, the Contractor shall not be responsible for meeting significantly increased levels of testing and may request the Department to provide additional testing capacity.

1.6. The Contractor shall determine the appropriate venue and physical location for specimen collection, which may include, but is not limited to:

1.6.1. An existing physical location.

1.6.2. A temporary drive-through location.

1.6.3. A drive-up facility.

1.7. The Contractor shall request a waiver, if necessary, from the Department's Bureau of Health Facilities Administration for a temporary drive-through location or drive-up facility.

1.8. The Contractor shall determine the appropriate number of days per week and the duration of time per day to perform community specimen collection for COVID-19 testing to meet the needs of the hospital catchment area and local community and communicate the hours of operation to the Department.

1.9. The Contractor shall ensure the collection, handling, processing and testing of specimens comply with guidelines issued by the Centers for Disease Control and Prevention (CDC), available at https://www.cdc.gov/coronavirus/2019-nCoV/lab/guidelines-clinical-specimens.html and by the laboratory used for processing specimens.

1.10. The Contractor shall ensure patients sign an appropriate consent form, prior to collection of specimens, authorizing testing at the laboratory and reporting to the ordering medical provider, the Department, and any other individual or entity designated to receive the test results.

1.11. The Contractor shall identify of any communication access needs to ensure needed language assistance is provided, which may include, but is not limited to:

1.11.1. Over-the-phone interpretation of spoken languages.

1.11.2. Video remote interpretation to access American Sign Language.

1.12. The Contractor shall ensure communication and language assistance is provided to individuals, as appropriate and needed, to ensure the validity of any signed consent by utilizing translated consent forms and/or interpreters.

1.13. The Contractor shall ensure all personnel collecting, handling, processing and transporting specimens are trained to safeguard the confidentiality of the patient and protected health information (PHI), as defined in the Health Information Portability and Accountability Act (HIPAA).

1.14. The Contractor shall ensure the secure and confidential transporting of specimens to the laboratory.

1.15. The Contractor shall ensure the ordering provider for each COVID-19 test is a licensed medical provider.

1.16. The Contractor shall ensure the licensed medical provider ordering COVID-19 tests notifies patients of testing results received from the laboratory in a timely manner. The Contractor shall ensure:

1.16.1. Patients with positive results confirming the diagnosis of COVID-19 are informed:

1.16.1.1. By telephone or other electronic method.

1.16.1.2. By first-class U.S. mail, if telephone or other electronic method is unsuccessful

1.16.2. Patients with negative results are informed of test results in a method determined by the Contractor.

1.17. The Contractor shall utilize existing communication methods to inform the local community of the availability of outpatient COVID-19 testing, which may include, but are not limited to:

1.17.1. The hospital's website.

1.17.2. Hospital newsletters.

1.17.3. Social media platforms.

1.18. The Contractor shall ensure published information includes how and when

patients can access the services and the location of the specimen collection site.

1.19. The Contractor shall ensure any marketing materials abide by existing requirements for communication access, including but not limited to:

1.19.1. Vital and significant materials should be made available in additional languages, as appropriate, and must be translated by qualified, competent translation providers, as follows:

1.19.1.1. Statewide, only Spanish meets the criteria for translation.

1.19.1.2. Translation is required for languages depending on factors including the number and proportion of LEP persons served or likely to seek services in the Contractor's service areas, and the frequency with which LEP individuals come into contact with the Contractor's programs, activities and services.

1.19.1.3. Notification on all materials of the availability of free communication access and language assistance for any individuals who may require it.

1.19.1.4. All materials have a phone number to call for further information, ensuring staff answering that phone number shall have access to over-the-phone interpretation to assist callers who need spoken language interpretation.

1.20. The Contractor shall provide communication and language assistance at all points of contact in accessing COVID-19 testing to individuals with communication access needs, including individuals with limited English proficiency, or individuals who are deaf or have hearing loss.

1.21. The Contractor shall conduct outreach to vulnerable populations and minority populations in the hospital catchment area or local community, including notifying partner organizations who work with these populations about the availability of COVID-19 testing.

1.22. The Contractor shall report both positive and negative test results to the Division of Public Health Services through the Electronic Laboratory Reporting (ELR) system, or ensure the laboratory used for processing specimens and conducting testing reports both positive and negative results to the Division of Public Health Services through the ELR system.

1.23. The Contractor shall report all positive cases of COVID-19 with complete case information by fax to (603) 271-0545 to the Division of Public Health Services using the New Hampshire Confidential COVID-19 Case Report Form available at: https://www.dhhs.nh.gov/dphs/cdcs/covid19/covid19-reporting-form.pdf.

1.24. The Contractor shall notify patients who are uninsured or do not have full coverage benefits for COVID-19 testing that New Hampshire Medicaid has established a COVID-19 Testing Benefit that may pay for testing and diagnosis of COVID-19 for persons who are not already a Medicaid beneficiary and do not have full coverage for COVID-19 testing and diagnosis. The Contractor shall assist patients in completing the application available at https://nheasy.nh.gov.

2. Exhibits Incorporated

2.1. The Contractor shall use and disclose Protected Health Information in compliance with the Standards for Privacy of Individually Identifiable Health Information (Privacy Rule) (45 CFR Parts 160 and 164) under the Health Insurance Portability and Accountability Act (HIPAA) of 1996, and in accordance with the attached Exhibit I, Business Associate Agreement, which has been executed by the parties.

2.2. The Contractor shall comply with all Exhibits D through K, which are attached hereto and incorporated by reference herein.

2.3. The Contractor's Use and Responsibilities for Confidential Information are as follows.

2.3.1. The Contractor agrees to use, disclose, maintain, or transmit Confidential Data from Providers as required, specifically authorized, or permitted under the Contract or this Agreement. Further, the Contractor, including but not limited to all its directors, officers, employees, and agents, agrees not to use, disclose, maintain, or transmit PHI in any manner that would constitute a violation of the Privacy and Security Rules. The Contractor shall provide Confidential Information as required by the Contract, RSA 141-C:7, 141-C:9, RSA 141-C:10, and in a form required by He-P 301.03 and the "New Hampshire Local Implementation Guide for Electronic Laboratory Reporting for Communicable Disease and Lead Test Results Using HL7 2.5.1," Version 4.0 (5/23/2016), found at: https://www.dhhs.nh.gov/dphs/bphsi/documents/elrguide.pdf.

2.3.2. The Contractor shall transmit Confidential Information to the Division of Public Health Services by means of a secure file transport protocol (sFTP) provided by the Department and agreed to by the parties and approved by the Department's Information Security Officer.

2.3.2.1. Any individual seeking credentials to access the sFTP site shall sign and return to the Department a "Data Use and Confidentiality Agreement" (Attachment A) when requesting sFTP account.

2.3.3. The Contractor shall transmit the Confidential Information to the Division of Public Health Services as required by statute and this Agreement, namely:

2.3.3.1. All test results, including but not limited to positive and negative results, shall be reported electronically via electronic laboratory reporting procedures, also referred to as "ELR," as noted above.

2.3.3.2. Test results shall be provided within 24 hours of the test being completed.

2.4. As necessary, the Contractor agrees to comply with any request to correct or complete the data once transmitted to the Division of Public Health Services.

2.5. The Contractor agrees that the data submitted shall be the "minimum necessary" to carry out the stated use of the data, as defined in the HIPAA Privacy Rule and in accordance with all applicable confidentiality laws.

2.6. The parties agree that this Agreement shall be construed in accordance the terms of Contract and governed by the laws of the State of New Hampshire.

2.7. The Contractor and the Department agree to negotiate an amendment to this Agreement as needed to address a Contract amendment, or any changes in policy issues, fiscal issues, information security, and other specific safeguards required for maintaining confidentiality of the data.

3. Reporting Requirements

3.1. The Contractor shall submit monthly reports to the Department showing that the public is able to access COVID-19 testing, including, but not limited to:

3.1.1. Number of persons who received COVID-19 testing.

3.1.2. Number of persons assisted with enrollment in the Medicaid COVID-19 Testing benefit or other assistance program who received COVID-19 testing.

3.1.3. Number of persons for whom race and/or ethnicity is documented.

3.2. The Contractor shall ensure race and/or ethnicity demographic identifiers for the persons who received COVID-19 testing are collected consistently and correctly, in accordance with best practice standards and processes as provided by the Office of Heath Equity, and entered either manually or electronically on the hospital or reference laboratory COVID-19 test requisition forms.

4. Additional Terms

4.1. **Impacts Resulting from Court Orders or Legislative Changes**

4.1.1. The Contractor agrees that, to the extent future state or federal legislation or court orders may have an impact on the Services described herein, the State has the right to modify service priorities and expenditure requirements under this Agreement so as to achieve compliance therewith.

4.2. **Federal Civil Rights Laws Compliance: Culturally and Linguistically Appropriate Programs and Services**

4.2.1. The Contractor shall submit within ten (10) days of the contract effective date, and comply with, a detailed description of the communication access and language assistance services they will provide to ensure meaningful access to their programs and/or services to persons with limited English proficiency, people who are deaf or have hearing loss, are blind or have low vision, or who have speech challenges.

4.3. **Credits and Copyright Ownership**

4.3.1. All documents, notices, press releases, research reports and other materials prepared during or resulting from the performance of the services of the Contract shall include the following statement, "The preparation of this (report, document etc.) was financed under a Contract with the State of New Hampshire, Department of Health and Human Services, with funds provided in part by the State of New Hampshire and/or such other funding sources as were available or required, e.g., the United States Department of Health and Human Services."

4.3.2. All materials produced or purchased under the contract shall have prior approval from the Department before printing, production, distribution or use.

4.3.3. The Department shall retain copyright ownership for any and all original materials produced, including, but not limited to: brochures, resource directories, protocols or guidelines, posters and reports.

4.3.4. The Contractor shall not reproduce any materials produced under the contract without prior written approval from the Department.

4.4. **Operation of Facilities: Compliance with Laws and Regulations**

4.4.1. In the operation of any facilities for providing services, the Contractor shall comply with all laws, orders and regulations of federal, state, county and municipal authorities and with any direction of any Public Officer or officers pursuant to laws which shall impose an order or duty upon the contractor with respect to the operation of the facility or the provision of the services at such facility. If any governmental license or permit shall be required for the operation of the said facility or the performance of the said services, the Contractor will procure said license or permit, and will at all times comply with the terms and conditions of each such license or permit. In connection with the foregoing requirements, the Contractor hereby covenants and agrees that, during the term of this Contract the facilities shall comply with all rules, orders, regulations, and requirements of the State Office of the

Fire Marshal and the local fire protection agency, and shall be in conformance with local building and zoning codes, by-laws and regulations.

5. Records

5.1. The Contractor shall keep records that include, but are not limited to:

5.1.1. Books, records, documents and other electronic or physical data evidencing and reflecting all costs and other expenses incurred by the Contractor in the performance of the Contract, and all income received or collected by the Contractor.

5.1.2. All records must be maintained in accordance with accounting procedures and practices, which sufficiently and properly reflect all such costs and expenses, and which are acceptable to the Department, and to include, without limitation, all ledgers, books, records, and original evidence of costs such as purchase requisitions and orders, vouchers, requisitions for materials, inventories, valuations of in-kind contributions, labor time cards, payrolls, and other records requested or required by the Department.

5.1.3. Statistical, enrollment, attendance or visit records for each recipient of services, which records shall include all records of application and eligibility (including all forms required to determine eligibility for each such recipient), records regarding the provision of services and all invoices submitted to the Department to obtain payment for such services.

5.1.4. Medical records on each patient/recipient of services.

5.2. During the term of this Contract and the period for retention hereunder, the Department, the United States Department of Health and Human Services, and any of their designated representatives shall have access to all reports and records maintained pursuant to the Contract for purposes of audit, examination, excerpts and transcripts. Upon the purchase by the Department of the maximum number of units provided for in the Contract and upon payment of the price limitation hereunder, the Contract and all the obligations of the parties hereunder (except such obligations as, by the terms of the Contract are to be performed after the end of the term of this Contract and/or survive the termination of the Contract) shall terminate, provided however, that if, upon review of the Final Expenditure Report the Department shall disallow any expenses claimed by the Contractor as costs hereunder the Department shall retain the right, at its discretion, to deduct the amount of such expenses as are disallowed or to recover such sums from the Contractor.

New Hampshire Department of Health and Human Services
HOSPITAL-BASED COVID-19 COMMUNITY TESTING

EXHIBIT B -1

Reporting Entity Data Use and Confidentiality Agreement

By requesting and receiving approval to use confidential data for Department purposes:

- I understand that I will have direct and indirect access to confidential information in the course of performing my work activities.
- I agree to protect the confidential nature of all information to which I have access.
- I understand that there are state and federal laws and regulations that ensure the confidentiality of an individual's information.
- I understand that there are Department policies and agency procedures with which I am required to comply related to the protection of individually identifiable information.
- I understand that the information extracted from the site shall not be shared outside this Scope of Work or related signed Memorandum of Understanding and/or Information Exchange Agreement/Data Sharing Agreement agreed upon.
- I understand that my SFTP or any information security credentials (user name and password) should not be shared with anyone. This applies to credentials used to access the site directly or indirectly through a third party application.
- I will not disclose or make use of the identity, financial or health information of any person or establishment discovered inadvertently. I will report such discoveries as soon as feasible to DHHSInformationSecurityOffice@dhhs.nh.gov and DHHSPrivacyOfficer@dhhs.nh.gov, but no more than 24 hours after the aforementioned has occurred and that Confidential Data may have been exposed or compromised. If a suspected or known information security event, Computer Security Incident, Incident or Breach involves Social Security Administration (SSA) provided data or Internal Revenue Services (IRS) provided Federal Tax Information (FTI).
- I will not imply or state, either in written or oral form, that interpretations based on the data are those of the original data sources or the State of NH unless the data user and the Department are formally collaborating.
- I will acknowledge, in all reports or presentations based on these data, the original source of the data.
- I understand how I am expected to ensure the protection of individually identifiable information. Should questions arise in the future about how to protect information to which I have access, I will immediately notify my supervisor.
- I understand that I am legally and ethically obligated to maintain the confidentiality of Department client, patient, and other sensitive information that is protected by information security, privacy or confidentiality rules and state and federal laws even after I leave the employment of the Department.
- I have been informed that this signed agreement will be retained on file for future reference.

Kevin W. Donovan
Signature

7/27/20
Date

Kevin W. Donovan
Printed Name

CEO
Title

LRGHEALTHCARE
Business Name

EXHIBIT C

Payment Terms

1. This Agreement is funded by the Epidemiology and Laboratory Capacity for Prevention and Control of Emerging Infectious Diseases (ELC) cooperative agreement from the Centers for Disease Control and Prevention Division of Prepardness and Emerging Infections, CFDA #93.323, FAIN #NU50CK000522.
2. For the purposes of this Agreement:
   2.1. The Department has identified the Contractor as a Subrecipient, in accordance with 2 CFR 200.330.
   2.2. The Department has identified this Contract as NON-R&D, in accordance with 2 CFR §200.87.
3. This Agreement is for COVID-19 testing and testing-related activities to be conducted between August 1, 2020 and December 1, 2020.
4. Payment:
   4.1. The Department will pay the Contractor the amount listed in box 1.8 Price Limitation included in the General Provisions Form Number P-37, for providing the services included in Exhibit B, Scope of Services, after the Effective Date of the Contract.
      4.1.1. The Contractor shall submit an expense report in a form satisfactory to the State every sixty (60) days, which identifies allowable expenses incurred during the duration of the contract.
      4.1.2. Any unspent start-up payment funds will be returned to the Department within sixty (60) calendar days of contract expiration date.
      4.1.3. In lieu of hard copies, all expense reports may be assigned an electronic signature and must be emailed to dphscontractbilling@dhhs.nh.gov.
5. The Contractor must provide the services in Exhibit B, Scope of Services, in compliance with funding requirements.
6. The Contractor agrees that funding under this Agreement may be recouped, in whole or in part in the event of non-compliance with the terms and conditions of Exhibit B, Scope of Services.
7. The Contractor shall keep detailed records of their activities related to Department-funded programs and services and have records available for Department review, as requested.
8. Notwithstanding anything to the contrary herein, the Contractor agrees that funding under this agreement may be recouped, in whole or in part, in the event

of non-compliance with any Federal or State law, rule or regulation applicable to the services provided, or if the said services or products have not been satisfactorily completed in accordance with the terms and conditions of this agreement.

9. Notwithstanding Paragraph 17 of the General Provisions Form P-37, changes limited to adjusting amounts within the price limitation and adjusting encumbrances between State Fiscal Years and budget class lines through the Budget Office may be made by written agreement of both parties, without obtaining approval of the Governor and Executive Council, if needed and justified.

10. Audits

10.1. The Contractor is required to submit an annual audit to the Department if any of the following conditions exist:

10.1.1. Condition A - The Contractor expended $750,000 or more in federal funds received as a subrecipient pursuant to 2 CFR Part 200, during the most recently completed fiscal year.

10.1.2. Condition B - The Contractor is subject to audit pursuant to the requirements of NH RSA 7:28, III-b, pertaining to charitable organizations receiving support of $1,000,000 or more.

10.1.3. Condition C - The Contractor is a public company and required by Security and Exchange Commission (SEC) regulations to submit an annual financial audit.

10.2. If Condition A exists, the Contractor shall submit an annual single audit performed by an independent Certified Public Accountant (CPA) to the Department within 120 days after the close of the Contractor's fiscal year, conducted in accordance with the requirements of 2 CFR Part 200, Subpart F of the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal awards.

10.3. If Condition B or Condition C exists, the Contractor shall submit an annual financial audit performed by an independent CPA within 120 days after the close of the Contractor's fiscal year.

10.4. In addition to, and not in any way in limitation of obligations of the Contract, it is understood and agreed by the Contractor that the Contractor shall be held liable for any state or federal audit exceptions and shall return to the Department all payments made under the Contract to which exception has been taken, or which have been disallowed because of such an exception.

CERTIFICATION REGARDING DRUG-FREE WORKPLACE REQUIREMENTS

The Vendor identified in Section 1.3 of the General Provisions agrees to comply with the provisions of Sections 5151-5160 of the Drug-Free Workplace Act of 1988 (Pub. L. 100-690, Title V, Subtitle D; 41 U.S.C. 701 et seq.), and further agrees to have the Contractor's representative, as identified in Sections 1.11 and 1.12 of the General Provisions execute the following Certification:

ALTERNATIVE I - FOR GRANTEES OTHER THAN INDIVIDUALS

US DEPARTMENT OF HEALTH AND HUMAN SERVICES - CONTRACTORS
US DEPARTMENT OF EDUCATION - CONTRACTORS
US DEPARTMENT OF AGRICULTURE - CONTRACTORS

This certification is required by the regulations implementing Sections 5151-5160 of the Drug-Free Workplace Act of 1988 (Pub. L. 100-690, Title V, Subtitle D; 41 U.S.C. 701 et seq.). The January 31, 1989 regulations were amended and published as Part II of the May 25, 1990 Federal Register (pages 21681-21691), and require certification by grantees (and by inference, sub-grantees and sub-contractors), prior to award, that they will maintain a drug-free workplace. Section 3017.630(c) of the regulation provides that a grantee (and by inference, sub-grantees and sub-contractors) that is a State may elect to make one certification to the Department in each federal fiscal year in lieu of certificates for each grant during the federal fiscal year covered by the certification. The certificate set out below is a material representation of fact upon which reliance is placed when the agency awards the grant. False certification or violation of the certification shall be grounds for suspension of payments, suspension or termination of grants, or government wide suspension or debarment. Contractors using this form should send it to:

Commissioner
NH Department of Health and Human Services
129 Pleasant Street,
Concord, NH 03301-6505

1. The grantee certifies that it will or will continue to provide a drug-free workplace by:
   - 1.1. Publishing a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession or use of a controlled substance is prohibited in the grantee's workplace and specifying the actions that will be taken against employees for violation of such prohibition;
   - 1.2. Establishing an ongoing drug-free awareness program to inform employees about
     - 1.2.1. The dangers of drug abuse in the workplace;
     - 1.2.2. The grantee's policy of maintaining a drug-free workplace;
     - 1.2.3. Any available drug counseling, rehabilitation, and employee assistance programs; and
     - 1.2.4. The penalties that may be imposed upon employees for drug abuse violations occurring in the workplace;
   - 1.3. Making it a requirement that each employee to be engaged in the performance of the grant be given a copy of the statement required by paragraph (a);
   - 1.4. Notifying the employee in the statement required by paragraph (a) that, as a condition of employment under the grant, the employee will
     - 1.4.1. Abide by the terms of the statement; and
     - 1.4.2. Notify the employer in writing of his or her conviction for a violation of a criminal drug statute occurring in the workplace no later than five calendar days after such conviction;
   - 1.5. Notifying the agency in writing, within ten calendar days after receiving notice under subparagraph 1.4.2 from an employee or otherwise receiving actual notice of such conviction. Employers of convicted employees must provide notice, including position title, to every grant officer on whose grant activity the convicted employee was working, unless the Federal agency

has designated a central point for the receipt of such notices. Notice shall include the identification number(s) of each affected grant;

1.6. Taking one of the following actions, within 30 calendar days of receiving notice under subparagraph 1.4.2, with respect to any employee who is so convicted
   1.6.1. Taking appropriate personnel action against such an employee, up to and including termination, consistent with the requirements of the Rehabilitation Act of 1973, as amended; or
   1.6.2. Requiring such employee to participate satisfactorily in a drug abuse assistance or rehabilitation program approved for such purposes by a Federal, State, or local health, law enforcement, or other appropriate agency;

1.7. Making a good faith effort to continue to maintain a drug-free workplace through implementation of paragraphs 1.1, 1.2, 1.3, 1.4, 1.5, and 1.6.

2. The grantee may insert in the space provided below the site(s) for the performance of work done in connection with the specific grant.

Place of Performance (street address, city, county, state, zip code) (list each location)

Check ☐ if there are workplaces on file that are not identified here.

Vendor Name:

7/27/20
Date

Kevin W Dawson
Name: KEVIN W. DAWSON
Title: CEO

CERTIFICATION REGARDING LOBBYING

The Vendor identified in Section 1.3 of the General Provisions agrees to comply with the provisions of Section 319 of Public Law 101-121, Government wide Guidance for New Restrictions on Lobbying, and 31 U.S.C. 1352, and further agrees to have the Contractor's representative, as identified in Sections 1.11 and 1.12 of the General Provisions execute the following Certification:

US DEPARTMENT OF HEALTH AND HUMAN SERVICES - CONTRACTORS
US DEPARTMENT OF EDUCATION - CONTRACTORS
US DEPARTMENT OF AGRICULTURE - CONTRACTORS

Programs (indicate applicable program covered):
*Temporary Assistance to Needy Families under Title IV-A
*Child Support Enforcement Program under Title IV-D
*Social Services Block Grant Program under Title XX
*Medicaid Program under Title XIX
*Community Services Block Grant under Title VI
*Child Care Development Block Grant under Title IV

The undersigned certifies, to the best of his or her knowledge and belief, that:

1. No Federal appropriated funds have been paid or will be paid by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement (and by specific mention sub-grantee or sub-contractor).

2. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement (and by specific mention sub-grantee or sub-contractor), the undersigned shall complete and submit Standard Form LLL, (Disclosure Form to Report Lobbying, in accordance with its instructions, attached and identified as Standard Exhibit E-I.)

3. The undersigned shall require that the language of this certification be included in the award document for sub-awards at all tiers (including subcontracts, sub-grants, and contracts under grants, loans, and cooperative agreements) and that all sub-recipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by Section 1352, Title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than $10,000 and not more than $100,000 for each such failure.

Vendor Name:

7/27/20
Date

Name: Kevin W. Dodson
Title: CEO

CERTIFICATION REGARDING DEBARMENT, SUSPENSION AND OTHER RESPONSIBILITY MATTERS

The Vendor identified in Section 1.3 of the General Provisions agrees to comply with the provisions of Executive Office of the President, Executive Order 12549 and 45 CFR Part 76 regarding Debarment, Suspension, and Other Responsibility Matters, and further agrees to have the Contractor's representative, as identified in Sections 1.11 and 1.12 of the General Provisions execute the following Certification:

INSTRUCTIONS FOR CERTIFICATION

1. By signing and submitting this proposal (contract), the prospective primary participant is providing the certification set out below.

2. The inability of a person to provide the certification required below will not necessarily result in denial of participation in this covered transaction. If necessary, the prospective participant shall submit an explanation of why it cannot provide the certification. The certification or explanation will be considered in connection with the NH Department of Health and Human Services' (DHHS) determination whether to enter into this transaction. However, failure of the prospective primary participant to furnish a certification or an explanation shall disqualify such person from participation in this transaction.

3. The certification in this clause is a material representation of fact upon which reliance was placed when DHHS determined to enter into this transaction. If it is later determined that the prospective primary participant knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government, DHHS may terminate this transaction for cause or default.

4. The prospective primary participant shall provide immediate written notice to the DHHS agency to whom this proposal (contract) is submitted if at any time the prospective primary participant learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances.

5. The terms "covered transaction," "debarred," "suspended," "ineligible," "lower tier covered transaction," "participant," "person," "primary covered transaction," "principal," "proposal," and "voluntarily excluded," as used in this clause, have the meanings set out in the Definitions and Coverage sections of the rules implementing Executive Order 12549: 45 CFR Part 76. See the attached definitions.

6. The prospective primary participant agrees by submitting this proposal (contract) that, should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transaction with a person who is debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by DHHS.

7. The prospective primary participant further agrees by submitting this proposal that it will include the clause titled "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion - Lower Tier Covered Transactions," provided by DHHS, without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions.

8. A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that it is not debarred, suspended, ineligible, or involuntarily excluded from the covered transaction, unless it knows that the certification is erroneous. A participant may decide the method and frequency by which it determines the eligibility of its principals. Each participant may, but is not required to, check the Nonprocurement List (of excluded parties).

9. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and

information of a participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.

10. Except for transactions authorized under paragraph 6 of these instructions, if a participant in a covered transaction knowingly enters into a lower tier covered transaction with a person who is suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction, in addition to other remedies available to the Federal government, DHHS may terminate this transaction for cause or default.

PRIMARY COVERED TRANSACTIONS

11. The prospective primary participant certifies to the best of its knowledge and belief, that it and its principals:
    11.1. are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any Federal department or agency;
    11.2. have not within a three-year period preceding this proposal (contract) been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State or local) transaction or a contract under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;
    11.3. are not presently indicted for otherwise criminally or civilly charged by a governmental entity (Federal, State or local) with commission of any of the offenses enumerated in paragraph (i)(b) of this certification; and
    11.4. have not within a three-year period preceding this application/proposal had one or more public transactions (Federal, State or local) terminated for cause or default.

12. Where the prospective primary participant is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this proposal (contract).

LOWER TIER COVERED TRANSACTIONS

13. By signing and submitting this lower tier proposal (contract), the prospective lower tier participant, as defined in 45 CFR Part 76, certifies to the best of its knowledge and belief that it and its principals:
    13.1. are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any federal department or agency.
    13.2. where the prospective lower tier participant is unable to certify to any of the above, such prospective participant shall attach an explanation to this proposal (contract).

14. The prospective lower tier participant further agrees by submitting this proposal (contract) that it will include this clause entitled "Certification Regarding Debarment, Suspension, Ineligibility, and Voluntary Exclusion - Lower Tier Covered Transactions," without modification in all lower tier covered transactions and in all solicitations for lower tier covered transactions.

Vendor Name:

7/27/20
Date

Name: Kevin W. Donovan
Title: CEO

CERTIFICATION OF COMPLIANCE WITH REQUIREMENTS PERTAINING TO FEDERAL NONDISCRIMINATION, EQUAL TREATMENT OF FAITH-BASED ORGANIZATIONS AND WHISTLEBLOWER PROTECTIONS

The Vendor identified in Section 1.3 of the General Provisions agrees by signature of the Contractor's representative as identified in Sections 1.11 and 1.12 of the General Provisions, to execute the following certification:

Vendor will comply, and will require any subgrantees or subcontractors to comply, with any applicable federal nondiscrimination requirements, which may include:

- the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. Section 3789d) which prohibits recipients of federal funding under this statute from discriminating, either in employment practices or in the delivery of services or benefits, on the basis of race, color, religion, national origin, and sex. The Act requires certain recipients to produce an Equal Employment Opportunity Plan;

- the Juvenile Justice Delinquency Prevention Act of 2002 (42 U.S.C. Section 5672(b)) which adopts by reference, the civil rights obligations of the Safe Streets Act. Recipients of federal funding under this statute are prohibited from discriminating, either in employment practices or in the delivery of services or benefits, on the basis of race, color, religion, national origin, and sex. The Act includes Equal Employment Opportunity Plan requirements;

- the Civil Rights Act of 1964 (42 U.S.C. Section 2000d, which prohibits recipients of federal financial assistance from discriminating on the basis of race, color, or national origin in any program or activity);

- the Rehabilitation Act of 1973 (29 U.S.C. Section 794), which prohibits recipients of Federal financial assistance from discriminating on the basis of disability, in regard to employment and the delivery of services or benefits, in any program or activity;

- the Americans with Disabilities Act of 1990 (42 U.S.C. Sections 12131-34), which prohibits discrimination and ensures equal opportunity for persons with disabilities in employment, State and local government services, public accommodations, commercial facilities, and transportation;

- the Education Amendments of 1972 (20 U.S.C. Sections 1681, 1683, 1685-86), which prohibits discrimination on the basis of sex in federally assisted education programs;

- the Age Discrimination Act of 1975 (42 U.S.C. Sections 6106-07), which prohibits discrimination on the basis of age in programs or activities receiving Federal financial assistance. It does not include employment discrimination;

- 28 C.F.R. pt. 31 (U.S. Department of Justice Regulations – OJJDP Grant Programs); 28 C.F.R. pt. 42 (U.S. Department of Justice Regulations – Nondiscrimination; Equal Employment Opportunity; Policies and Procedures); Executive Order No. 13279 (equal protection of the laws for faith-based and community organizations); Executive Order No. 13559, which provide fundamental principles and policy-making criteria for partnerships with faith-based and neighborhood organizations;

- 28 C.F.R. pt. 38 (U.S. Department of Justice Regulations – Equal Treatment for Faith-Based Organizations); and Whistleblower protections 41 U.S.C. §4712 and The National Defense Authorization Act (NDAA) for Fiscal Year 2013 (Pub. L. 112-239, enacted January 2, 2013) the Pilot Program for Enhancement of Contract Employee Whistleblower Protections, which protects employees against reprisal for certain whistle blowing activities in connection with federal grants and contracts.

The certificate set out below is a material representation of fact upon which reliance is placed when the agency awards the grant. False certification or violation of the certification shall be grounds for suspension of payments, suspension or termination of grants, or government wide suspension or debarment.

In the event a Federal or State court or Federal or State administrative agency makes a finding of discrimination after a due process hearing on the grounds of race, color, religion, national origin, or sex against a recipient of funds, the recipient will forward a copy of the finding to the Office for Civil Rights, to the applicable contracting agency or division within the Department of Health and Human Services, and to the Department of Health and Human Services Office of the Ombudsman.

The Vendor identified in Section 1.3 of the General Provisions agrees by signature of the Contractor's representative as identified in Sections 1.11 and 1.12 of the General Provisions, to execute the following certification:

1. By signing and submitting this proposal (contract) the Vendor agrees to comply with the provisions indicated above.

Vendor Name:

7/27/20
Date

Name: Kevin L. Dodoad
Title: CEO

CERTIFICATION REGARDING ENVIRONMENTAL TOBACCO SMOKE

Public Law 103-227, Part C - Environmental Tobacco Smoke, also known as the Pro-Children Act of 1994 (Act), requires that smoking not be permitted in any portion of any indoor facility owned or leased or contracted for by an entity and used routinely or regularly for the provision of health, day care, education, or library services to children under the age of 18, if the services are funded by Federal programs either directly or through State or local governments, by Federal grant, contract, loan, or loan guarantee. The law does not apply to children's services provided in private residences, facilities funded solely by Medicare or Medicaid funds, and portions of facilities used for inpatient drug or alcohol treatment. Failure to comply with the provisions of the law may result in the imposition of a civil monetary penalty of up to $1000 per day and/or the imposition of an administrative compliance order on the responsible entity.

The Vendor identified in Section 1.3 of the General Provisions agrees, by signature of the Contractor's representative as identified in Section 1.11 and 1.12 of the General Provisions, to execute the following certification:

1. By signing and submitting this contract, the Vendor agrees to make reasonable efforts to comply with all applicable provisions of Public Law 103-227, Part C, known as the Pro-Children Act of 1994.

Vendor Name:

7/27/20
Date

Name: Kevin W. Dolan
Title: CEO

HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY ACT BUSINESS ASSOCIATE AGREEMENT

The Contractor identified in Section 1.3 of the General Provisions of the Agreement agrees to comply with the Health Insurance Portability and Accountability Act, Public Law 104-191 and with the Standards for Privacy and Security of Individually Identifiable Health Information, 45 CFR Parts 160 and 164 applicable to business associates. As defined herein, "Business Associate" shall mean the Contractor and subcontractors and agents of the Contractor that receive, use or have access to protected health information under this Agreement and "Covered Entity" shall mean the State of New Hampshire, Department of Health and Human Services.

(1) **Definitions.**

a. "Breach" shall have the same meaning as the term "Breach" in section 164.402 of Title 45, Code of Federal Regulations.

b. "Business Associate" has the meaning given such term in section 160.103 of Title 45, Code of Federal Regulations.

c. "Covered Entity" has the meaning given such term in section 160.103 of Title 45, Code of Federal Regulations.

d. "Designated Record Set" shall have the same meaning as the term "designated record set" in 45 CFR Section 164.501.

e. "Data Aggregation" shall have the same meaning as the term "data aggregation" in 45 CFR Section 164.501.

f. "Health Care Operations" shall have the same meaning as the term "health care operations" in 45 CFR Section 164.501.

g. "HITECH Act" means the Health Information Technology for Economic and Clinical Health Act, TitleXIII, Subtitle D, Part 1 & 2 of the American Recovery and Reinvestment Act of 2009.

h. "HIPAA" means the Health Insurance Portability and Accountability Act of 1996, Public Law 104-191 and the Standards for Privacy and Security of Individually Identifiable Health Information, 45 CFR Parts 160, 162 and 164 and amendments thereto.

i. "Individual" shall have the same meaning as the term "individual" in 45 CFR Section 160.103 and shall include a person who qualifies as a personal representative in accordance with 45 CFR Section 164.501(g).

j. "Privacy Rule" shall mean the Standards for Privacy of Individually Identifiable Health Information at 45 CFR Parts 160 and 164, promulgated under HIPAA by the United States Department of Health and Human Services.

k. "Protected Health Information" shall have the same meaning as the term "protected health information" in 45 CFR Section 160.103, limited to the information created or received by Business Associate from or on behalf of Covered Entity.

l. "Required by Law" shall have the same meaning as the term "required by law" in 45 CFR Section 164.103.

m. "Secretary" shall mean the Secretary of the Department of Health and Human Services or his/her designee.

n. "Security Rule" shall mean the Security Standards for the Protection of Electronic Protected Health Information at 45 CFR Part 164, Subpart C, and amendments thereto.

o. "Unsecured Protected Health Information" means protected health information that is not secured by a technology standard that renders protected health information unusable, unreadable, or indecipherable to unauthorized individuals and is developed or endorsed by a standards developing organization that is accredited by the American National Standards Institute.

p. Other Definitions - All terms not otherwise defined herein shall have the meaning established under 45 C.F.R. Parts 160, 162 and 164, as amended from time to time, and the HITECH
Act.

(2) **Business Associate Use and Disclosure of Protected Health Information.**

a. Business Associate shall not use, disclose, maintain or transmit Protected Health Information (PHI) except as reasonably necessary to provide the services outlined under Exhibit A of the Agreement. Further, Business Associate, including but not limited to all its directors, officers, employees and agents, shall not use, disclose, maintain or transmit PHI in any manner that would constitute a violation of the Privacy and Security Rule.

b. Business Associate may use or disclose PHI:
   I. For the proper management and administration of the Business Associate;
   II. As required by law, pursuant to the terms set forth in paragraph d. below; or
   III. For data aggregation purposes for the health care operations of Covered Entity.

c. To the extent Business Associate is permitted under the Agreement to disclose PHI to a third party, Business Associate must obtain, prior to making any such disclosure, (i) reasonable assurances from the third party that such PHI will be held confidentially and used or further disclosed only as required by law or for the purpose for which it was disclosed to the third party; and (ii) an agreement from such third party to notify Business Associate, in accordance with the HIPAA Privacy, Security, and Breach Notification Rules of any breaches of the confidentiality of the PHI, to the extent it has obtained knowledge of such breach.

d. The Business Associate shall not, unless such disclosure is reasonably necessary to provide services under Exhibit A of the Agreement, disclose any PHI in response to a request for disclosure on the basis that it is required by law, without first notifying Covered Entity so that Covered Entity has an opportunity to object to the disclosure and to seek appropriate relief. If Covered Entity objects to such disclosure, the Business

Associate shall refrain from disclosing the PHI until Covered Entity has exhausted all remedies.

e. If the Covered Entity notifies the Business Associate that Covered Entity has agreed to be bound by additional restrictions over and above those uses or disclosures or security safeguards of PHI pursuant to the Privacy and Security Rule, the Business Associate shall be bound by such additional restrictions and shall not disclose PHI in violation of such additional restrictions and shall abide by any additional security safeguards.

(3) **Obligations and Activities of Business Associate.**

a. The Business Associate shall notify the Covered Entity's Privacy Officer immediately after the Business Associate becomes aware of any use or disclosure of protected health information not provided for by the Agreement including breaches of unsecured protected health information and/or any security incident that may have an impact on the protected health information of the Covered Entity.

b. The Business Associate shall immediately perform a risk assessment when it becomes aware of any of the above situations. The risk assessment shall include, but not be limited to:

- The nature and extent of the protected health information involved, including the types of identifiers and the likelihood of re-identification;
- The unauthorized person used the protected health information or to whom the disclosure was made;
- Whether the protected health information was actually acquired or viewed
- The extent to which the risk to the protected health information has been mitigated.

The Business Associate shall complete the risk assessment within 48 hours of the breach and immediately report the findings of the risk assessment in writing to the Covered Entity.

c. The Business Associate shall comply with all sections of the Privacy, Security, and Breach Notification Rule.

d. Business Associate shall make available all of its internal policies and procedures, books and records relating to the use and disclosure of PHI received from, or created or received by the Business Associate on behalf of Covered Entity to the Secretary for purposes of determining Covered Entity's compliance with HIPAA and the Privacy and Security Rule.

e. Business Associate shall require all of its business associates that receive, use or have access to PHI under the Agreement, to agree in writing to adhere to the same restrictions and conditions on the use and disclosure of PHI contained herein, including the duty to return or destroy the PHI as provided under Section 3 (l). The Covered Entity shall be considered a direct third party beneficiary of the Contractor's business associate agreements with Contractor's intended business associates, who will be receiving PHI

pursuant to this Agreement, with rights of enforcement and indemnification from such business associates who shall be governed by standard Paragraph #13 of the standard contract provisions (P-37) of this Agreement for the purpose of use and disclosure of protected health information.

f. Within five (5) business days of receipt of a written request from Covered Entity, Business Associate shall make available during normal business hours at its offices all records, books, agreements, policies and procedures relating to the use and disclosure of PHI to the Covered Entity, for purposes of enabling Covered Entity to determine Business Associate's compliance with the terms of the Agreement.

g. Within ten (10) business days of receiving a written request from Covered Entity, Business Associate shall provide access to PHI in a Designated Record Set to the Covered Entity, or as directed by Covered Entity, to an individual in order to meet the requirements under 45 CFR Section 164.524.

h. Within ten (10) business days of receiving a written request from Covered Entity for an amendment of PHI or a record about an individual contained in a Designated Record Set, the Business Associate shall make such PHI available to Covered Entity for amendment and incorporate any such amendment to enable Covered Entity to fulfill its obligations under 45 CFR Section 164.526.

i. Business Associate shall document such disclosures of PHI and information related to such disclosures as would be required for Covered Entity to respond to a request by an individual for an accounting of disclosures of PHI in accordance with 45 CFR Section 164.528.

j. Within ten (10) business days of receiving a written request from Covered Entity for a request for an accounting of disclosures of PHI, Business Associate shall make available to Covered Entity such information as Covered Entity may require to fulfill its obligations to provide an accounting of disclosures with respect to PHI in accordance with 45 CFR Section 164.528.

k. In the event any individual requests access to, amendment of, or accounting of PHI directly from the Business Associate, the Business Associate shall within two (2) business days forward such request to Covered Entity. Covered Entity shall have the responsibility of responding to forwarded requests. However, if forwarding the individual's request to Covered Entity would cause Covered Entity or the Business Associate to violate HIPAA and the Privacy and Security Rule, the Business Associate shall instead respond to the individual's request as required by such law and notify Covered Entity of such response as soon as practicable.

l. Within ten (10) business days of termination of the Agreement, for any reason, the Business Associate shall return or destroy, as specified by Covered Entity, all PHI received from, or created or received by the Business Associate in connection with the Agreement, and shall not retain any copies or back-up tapes of such PHI. If return or destruction is not feasible, or the disposition of the PHI has been otherwise agreed to in the Agreement, Business Associate shall continue to extend the protections of the Agreement, to such PHI and limit further uses and disclosures of such PHI to those purposes that make the return or destruction infeasible, for so long as Business

Associate maintains such PHI. If Covered Entity, in its sole discretion, requires that the Business Associate destroy any or all PHI, the Business Associate shall certify to Covered Entity that the PHI has been destroyed.

(4) Obligations of Covered Entity

a. Covered Entity shall notify Business Associate of any changes or limitation(s) in its Notice of Privacy Practices provided to individuals in accordance with 45 CFR Section 164.520, to the extent that such change or limitation may affect Business Associate's use or disclosure of PHI.

b. Covered Entity shall promptly notify Business Associate of any changes in, or revocation of permission provided to Covered Entity by individuals whose PHI may be used or disclosed by Business Associate under this Agreement, pursuant to 45 CFR Section 164.506 or 45 CFR Section 164.508.

c. Covered entity shall promptly notify Business Associate of any restrictions on the use or disclosure of PHI that Covered Entity has agreed to in accordance with 45 CFR 164.522, to the extent that such restriction may affect Business Associate's use or disclosure of PHI.

(5) Termination for Cause

In addition to Paragraph 10 of the standard terms and conditions (P-37) of this Agreement the Covered Entity may immediately terminate the Agreement upon Covered Entity's knowledge of a breach by Business Associate of the Business Associate Agreement set forth herein as Exhibit I. The Covered Entity may either immediately terminate the Agreement or provide an opportunity for Business Associate to cure the alleged breach within a timeframe specified by Covered Entity. If Covered Entity determines that neither termination nor cure is feasible, Covered Entity shall report the violation to the Secretary.

(6) Miscellaneous

a. Definitions and Regulatory References. All terms used, but not otherwise defined herein, shall have the same meaning as those terms in the Privacy and Security Rule, amended from time to time. A reference in the Agreement, as amended to include this Exhibit I, to a Section in the Privacy and Security Rule means the Section as in effect or as amended.

b. Amendment. Covered Entity and Business Associate agree to take such action as is necessary to amend the Agreement, from time to time as is necessary for Covered Entity to comply with the changes in the requirements of HIPAA, the Privacy and Security Rule, and applicable federal and state law.

c. Data Ownership. The Business Associate acknowledges that it has no ownership rights with respect to the PHI provided by or created on behalf of Covered Entity.

d. Interpretation. The parties agree that any ambiguity in the Agreement shall be resolved to permit Covered Entity to comply with HIPAA, the Privacy and Security Rule.

e. Segregation. If any term or condition of this Exhibit I or the application thereof to any person(s) or circumstance is held invalid, such invalidity shall not affect other terms or conditions which can be given effect without the invalid term or condition; to this end the terms and conditions of this Exhibit I are declared severable.

f. Survival. Provisions in this Exhibit I regarding the use and disclosure of PHI, return or destruction of PHI, extensions of the protections of the Agreement in section (3) I, the defense and indemnification provisions of section (3) e and Paragraph 13 of the standard terms and conditions (P-37), shall survive the termination of the Agreement.

IN WITNESS WHEREOF, the parties hereto have duly executed this Exhibit I.

Department of Health and Human Services	LR6 HEALTH CARE
The State	Name of the Contractor
Signature of Authorized Representative	Signature of Authorized Representative
ANN H. LANDRY	KEVIN W. DONOVAN
Name of Authorized Representative	Name of Authorized Representative
ASSOCIATE COMMISSIONER	CEO
Title of Authorized Representative	Title of Authorized Representative
7/29/20	7/27/20
Date	Date

CERTIFICATION REGARDING THE FEDERAL FUNDING ACCOUNTABILITY AND TRANSPARENCY ACT (FFATA) COMPLIANCE

The Federal Funding Accountability and Transparency Act (FFATA) requires prime awardees of individual Federal grants equal to or greater than $25,000 and awarded on or after October 1, 2010, to report on data related to executive compensation and associated first-tier sub-grants of $25,000 or more. If the initial award is below $25,000 but subsequent grant modifications result in a total award equal to or over $25,000, the award is subject to the FFATA reporting requirements, as of the date of the award.
In accordance with 2 CFR Part 170 (Reporting Subaward and Executive Compensation Information), the Department of Health and Human Services (DHHS) must report the following information for any subaward or contract award subject to the FFATA reporting requirements:

1. Name of entity
2. Amount of award
3. Funding agency
4. NAICS code for contracts / CFDA program number for grants
5. Program source
6. Award title descriptive of the purpose of the funding action
7. Location of the entity
8. Principle place of performance
9. Unique identifier of the entity (DUNS #)
10. Total compensation and names of the top five executives if:
    - 10.1. More than 80% of annual gross revenues are from the Federal government, and those revenues are greater than $25M annually and
    - 10.2. Compensation information is not already available through reporting to the SEC.

Prime grant recipients must submit FFATA required data by the end of the month, plus 30 days, in which the award or award amendment is made.
The Contractor identified in Section 1.3 of the General Provisions agrees to comply with the provisions of The Federal Funding Accountability and Transparency Act, Public Law 109-282 and Public Law 110-252, and 2 CFR Part 170 (Reporting Subaward and Executive Compensation Information), and further agrees to have the Contractor's representative, as identified in Sections 1.11 and 1.12 of the General Provisions execute the following Certification:
The below named Contractor agrees to provide needed information as outlined above to the NH Department of Health and Human Services and to comply with all applicable provisions of the Federal Financial Accountability and Transparency Act.

Contractor Name:

7/27/20
Date

Name: Kevin L. Dowling
Title: CEO

FORM A

As the Contractor identified in Section 1.3 of the General Provisions, I certify that the responses to the below listed questions are true and accurate.

1. The DUNS number for your entity is: 07-396-8455

2. In your business or organization's preceding completed fiscal year, did your business or organization receive (1) 80 percent or more of your annual gross revenue in U.S. federal contracts, subcontracts, loans, grants, sub-grants, and/or cooperative agreements; and (2) $25,000,000 or more in annual gross revenues from U.S. federal contracts, subcontracts, loans, grants, subgrants, and/or cooperative agreements?

   X NO _____ YES

   If the answer to #2 above is NO, stop here

   If the answer to #2 above is YES, please answer the following:

3. Does the public have access to information about the compensation of the executives in your business or organization through periodic reports filed under section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C.78m(a), 78o(d)) or section 6104 of the Internal Revenue Code of 1986?

   _____ NO _____ YES

   If the answer to #3 above is YES, stop here

   If the answer to #3 above is NO, please answer the following:

4. The names and compensation of the five most highly compensated officers in your business or organization are as follows:

   Name: _____ Amount: _____

   Name: _____ Amount: _____

   Name: _____ Amount: _____

   Name: _____ Amount: _____

   Name: _____ Amount: _____

A. Definitions

The following terms may be reflected and have the described meaning in this document:

1. "Breach" means the loss of control, compromise, unauthorized disclosure, unauthorized acquisition, unauthorized access, or any similar term referring to situations where persons other than authorized users and for an other than authorized purpose have access or potential access to personally identifiable information, whether physical or electronic. With regard to Protected Health Information, " Breach" shall have the same meaning as the term "Breach" in section 164.402 of Title 45, Code of Federal Regulations.

2. "Computer Security Incident" shall have the same meaning "Computer Security Incident" in section two (2) of NIST Publication 800-61, Computer Security Incident Handling Guide, National Institute of Standards and Technology, U.S. Department of Commerce.

3. "Confidential Information" or "Confidential Data" means all confidential information disclosed by one party to the other such as all medical, health, financial, public assistance benefits and personal information including without limitation, Substance Abuse Treatment Records, Case Records, Protected Health Information and Personally Identifiable Information.

   Confidential Information also includes any and all information owned or managed by the State of NH - created, received from or on behalf of the Department of Health and Human Services (DHHS) or accessed in the course of performing contracted services - of which collection, disclosure, protection, and disposition is governed by state or federal law or regulation. This information includes, but is not limited to Protected Health Information (PHI), Personal Information (PI), Personal Financial Information (PFI), Federal Tax Information (FTI), Social Security Numbers (SSN), Payment Card Industry (PCI), and or other sensitive and confidential information.

4. "End User" means any person or entity (e.g., contractor, contractor's employee, business associate, subcontractor, other downstream user, etc.) that receives DHHS data or derivative data in accordance with the terms of this Contract.

5. "HIPAA" means the Health Insurance Portability and Accountability Act of 1996 and the regulations promulgated thereunder.

6. "Incident" means an act that potentially violates an explicit or implied security policy, which includes attempts (either failed or successful) to gain unauthorized access to a system or its data, unwanted disruption or denial of service, the unauthorized use of a system for the processing or storage of data; and changes to system hardware, firmware, or software characteristics without the owner's knowledge, instruction, or consent. Incidents include the loss of data through theft or device misplacement, loss or misplacement of hardcopy documents, and misrouting of physical or electronic

mail, all of which may have the potential to put the data at risk of unauthorized access, use, disclosure, modification or destruction.

7. "Open Wireless Network" means any network or segment of a network that is not designated by the State of New Hampshire's Department of Information Technology or delegate as a protected network (designed, tested, and approved, by means of the State, to transmit) will be considered an open network and not adequately secure for the transmission of unencrypted PI, PFI, PHI or confidential DHHS data.

8. "Personal Information" (or "PI") means information which can be used to distinguish or trace an individual's identity, such as their name, social security number, personal information as defined in New Hampshire RSA 359-C:19, biometric records, etc., alone, or when combined with other personal or identifying information which is linked or linkable to a specific individual, such as date and place of birth, mother's maiden name, etc.

9. "Privacy Rule" shall mean the Standards for Privacy of Individually Identifiable Health Information at 45 C.F.R. Parts 160 and 164, promulgated under HIPAA by the United States Department of Health and Human Services.

10. "Protected Health Information" (or "PHI") has the same meaning as provided in the definition of "Protected Health Information" in the HIPAA Privacy Rule at 45 C.F.R. § 160.103.

11. "Security Rule" shall mean the Security Standards for the Protection of Electronic Protected Health Information at 45 C.F.R. Part 164, Subpart C, and amendments thereto.

12. "Unsecured Protected Health Information" means Protected Health Information that is not secured by a technology standard that renders Protected Health Information unusable, unreadable, or indecipherable to unauthorized individuals and is developed or endorsed by a standards developing organization that is accredited by the American National Standards Institute.

I. RESPONSIBILITIES OF DHHS AND THE CONTRACTOR

A. Business Use and Disclosure of Confidential Information.

1. The Contractor must not use, disclose, maintain or transmit Confidential Information except as reasonably necessary as outlined under this Contract. Further, Contractor, including but not limited to all its directors, officers, employees and agents, must not use, disclose, maintain or transmit PHI in any manner that would constitute a violation of the Privacy and Security Rule.
2. The Contractor must not disclose any Confidential Information in response to a

request for disclosure on the basis that it is required by law, in response to a subpoena, etc., without first notifying DHHS so that DHHS has an opportunity to consent or object to the disclosure.

3. If DHHS notifies the Contractor that DHHS has agreed to be bound by additional restrictions over and above those uses or disclosures or security safeguards of PHI pursuant to the Privacy and Security Rule, the Contractor must be bound by such additional restrictions and must not disclose PHI in violation of such additional restrictions and must abide by any additional security safeguards.
4. The Contractor agrees that DHHS Data or derivative there from disclosed to an End User must only be used pursuant to the terms of this Contract.
5. The Contractor agrees DHHS Data obtained under this Contract may not be used for any other purposes that are not indicated in this Contract.
6. The Contractor agrees to grant access to the data to the authorized representatives of DHHS for the purpose of inspecting to confirm compliance with the terms of this Contract.

II. METHODS OF SECURE TRANSMISSION OF DATA

1. Application Encryption. If End User is transmitting DHHS data containing Confidential Data between applications, the Contractor attests the applications have been evaluated by an expert knowledgeable in cyber security and that said application's encryption capabilities ensure secure transmission via the internet.
2. Computer Disks and Portable Storage Devices. End User may not use computer disks or portable storage devices, such as a thumb drive, as a method of transmitting DHHS data.
3. Encrypted Email. End User may only employ email to transmit Confidential Data if email is encrypted and being sent to and being received by email addresses of persons authorized to receive such information.
4. Encrypted Web Site. If End User is employing the Web to transmit Confidential Data, the secure socket layers (SSL) must be used and the web site must be secure. SSL encrypts data transmitted via a Web site.
5. File Hosting Services, also known as File Sharing Sites. End User may not use file hosting services, such as Dropbox or Google Cloud Storage, to transmit Confidential Data.
6. Ground Mail Service. End User may only transmit Confidential Data via *certified* ground mail within the continental U.S. and when sent to a named individual.
7. Laptops and PDA. If End User is employing portable devices to transmit Confidential Data said devices must be encrypted and password-protected.
8. Open Wireless Networks. End User may not transmit Confidential Data via an open

wireless network. End User must employ a virtual private network (VPN) when remotely transmitting via an open wireless network.

9. Remote User Communication. If End User is employing remote communication to access or transmit Confidential Data, a virtual private network (VPN) must be installed on the End User's mobile device(s) or laptop from which information will be transmitted or accessed.
10. SSH File Transfer Protocol (SFTP), also known as Secure File Transfer Protocol. If End User is employing an SFTP to transmit Confidential Data, End User will structure the Folder and access privileges to prevent inappropriate disclosure of information. SFTP folders and sub-folders used for transmitting Confidential Data will be coded for 24-hour auto-deletion cycle (i.e. Confidential Data will be deleted every 24 hours).
11. Wireless Devices. If End User is transmitting Confidential Data via wireless devices, all data must be encrypted to prevent inappropriate disclosure of information.

III. RETENTION AND DISPOSITION OF IDENTIFIABLE RECORDS

The Contractor will only retain the data and any derivative of the data for the duration of this Contract. After such time, the Contractor will have 30 days to destroy the data and any derivative in whatever form it may exist, unless, otherwise required by law or permitted under this Contract. To this end, the parties must:

A. Retention

1. The Contractor agrees it will not store, transfer or process data collected in connection with the services rendered under this Contract outside of the United States. This physical location requirement shall also apply in the implementation of cloud computing, cloud service or cloud storage capabilities, and includes backup data and Disaster Recovery locations.
2. The Contractor agrees to ensure proper security monitoring capabilities are in place to detect potential security events that can impact State of NH systems and/or Department confidential information for contractor provided systems.
3. The Contractor agrees to provide security awareness and education for its End Users in support of protecting Department confidential information.
4. The Contractor agrees to retain all electronic and hard copies of Confidential Data in a secure location and identified in section IV. A.2
5. The Contractor agrees Confidential Data stored in a Cloud must be in a FedRAMP/HITECH compliant solution and comply with all applicable statutes and regulations regarding the privacy and security. All servers and devices must have currently-supported and hardened operating systems, the latest anti-viral, anti-hacker, anti-spam, anti-spyware, and anti-malware utilities. The environment, as a

whole, must have aggressive intrusion-detection and firewall protection.

6. The Contractor agrees to and ensures its complete cooperation with the State's Chief Information Officer in the detection of any security vulnerability of the hosting infrastructure.

B. Disposition

1. If the Contractor will maintain any Confidential Information on its systems (or its sub-contractor systems), the Contractor will maintain a documented process for securely disposing of such data upon request or contract termination; and will obtain written certification for any State of New Hampshire data destroyed by the Contractor or any subcontractors as a part of ongoing, emergency, and or disaster recovery operations. When no longer in use, electronic media containing State of New Hampshire data shall be rendered unrecoverable via a secure wipe program in accordance with industry-accepted standards for secure deletion and media sanitization, or otherwise physically destroying the media (for example, degaussing) as described in NIST Special Publication 800-88, Rev 1, Guidelines for Media Sanitization, National Institute of Standards and Technology, U. S. Department of Commerce. The Contractor will document and certify in writing at time of the data destruction, and will provide written certification to the Department upon request. The written certification will include all details necessary to demonstrate data has been properly destroyed and validated. Where applicable, regulatory and professional standards for retention requirements will be jointly evaluated by the State and Contractor prior to destruction.
2. Unless otherwise specified, within thirty (30) days of the termination of this Contract, Contractor agrees to destroy all hard copies of Confidential Data using a secure method such as shredding.
3. Unless otherwise specified, within thirty (30) days of the termination of this Contract, Contractor agrees to completely destroy all electronic Confidential Data by means of data erasure, also known as secure data wiping.

IV. PROCEDURES FOR SECURITY

A. Contractor agrees to safeguard the DHHS Data received under this Contract, and any derivative data or files, as follows:

1. The Contractor will maintain proper security controls to protect Department confidential information collected, processed, managed, and/or stored in the delivery of contracted services.
2. The Contractor will maintain policies and procedures to protect Department confidential information throughout the information lifecycle, where applicable, (from creation, transformation, use, storage and secure destruction) regardless of the media used to store the data (i.e., tape, disk, paper, etc.).

3. The Contractor will maintain appropriate authentication and access controls to contractor systems that collect, transmit, or store Department confidential information where applicable.

4. The Contractor will ensure proper security monitoring capabilities are in place to detect potential security events that can impact State of NH systems and/or Department confidential information for contractor provided systems.

5. The Contractor will provide regular security awareness and education for its End Users in support of protecting Department confidential information.

6. If the Contractor will be sub-contracting any core functions of the engagement supporting the services for State of New Hampshire, the Contractor will maintain a program of an internal process or processes that defines specific security expectations, and monitoring compliance to security requirements that at a minimum match those for the Contractor, including breach notification requirements.

7. The Contractor will work with the Department to sign and comply with all applicable State of New Hampshire and Department system access and authorization policies and procedures, systems access forms, and computer use agreements as part of obtaining and maintaining access to any Department system(s). Agreements will be completed and signed by the Contractor and any applicable sub-contractors prior to system access being authorized.

8. If the Department determines the Contractor is a Business Associate pursuant to 45 CFR 160.103, the Contractor will execute a HIPAA Business Associate Agreement (BAA) with the Department and is responsible for maintaining compliance with the agreement.

9. The Contractor will work with the Department at its request to complete a System Management Survey. The purpose of the survey is to enable the Department and Contractor to monitor for any changes in risks, threats, and vulnerabilities that may occur over the life of the Contractor engagement. The survey will be completed annually, or an alternate time frame at the Departments discretion with agreement by the Contractor, or the Department may request the survey be completed when the scope of the engagement between the Department and the Contractor changes.

10. The Contractor will not store, knowingly or unknowingly, any State of New Hampshire or Department data offshore or outside the boundaries of the United States unless prior express written consent is obtained from the Information Security Office leadership member within the Department.

11. Data Security Breach Liability. In the event of any security breach Contractor shall make efforts to investigate the causes of the breach, promptly take measures to prevent future breach and minimize any damage or loss resulting from the breach. The State shall recover from the Contractor all costs of response and recovery from

the breach, including but not limited to: credit monitoring services, mailing costs and costs associated with website and telephone call center services necessary due to the breach.

12. Contractor must, comply with all applicable statutes and regulations regarding the privacy and security of Confidential Information, and must in all other respects maintain the privacy and security of PI and PHI at a level and scope that is not less than the level and scope of requirements applicable to federal agencies, including, but not limited to, provisions of the Privacy Act of 1974 (5 U.S.C. § 552a), DHHS Privacy Act Regulations (45 C.F.R. §5b), HIPAA Privacy and Security Rules (45 C.F.R. Parts 160 and 164) that govern protections for individually identifiable health information and as applicable under State law.

13. Contractor agrees to establish and maintain appropriate administrative, technical, and physical safeguards to protect the confidentiality of the Confidential Data and to prevent unauthorized use or access to it. The safeguards must provide a level and scope of security that is not less than the level and scope of security requirements established by the State of New Hampshire, Department of Information Technology. Refer to Vendor Resources/Procurement at https://www.nh.gov/doit/vendor/index.htm for the Department of Information Technology policies, guidelines, standards, and procurement information relating to vendors.

14. Contractor agrees to maintain a documented breach notification and incident response process. The Contractor will notify the State's Privacy Officer and the State's Security Officer of any security breach immediately, at the email addresses provided in Section VI. This includes a confidential information breach, computer security incident, or suspected breach which affects or includes any State of New Hampshire systems that connect to the State of New Hampshire network.

15. Contractor must restrict access to the Confidential Data obtained under this Contract to only those authorized End Users who need such DHHS Data to perform their official duties in connection with purposes identified in this Contract.

16. The Contractor must ensure that all End Users:
    a. comply with such safeguards as referenced in Section IV A. above, implemented to protect Confidential Information that is furnished by DHHS under this Contract from loss, theft or inadvertent disclosure.
    b. safeguard this information at all times.
    c. ensure that laptops and other electronic devices/media containing PHI, PI, or PFI are encrypted and password-protected.
    d. send emails containing Confidential Information only if encrypted and being sent to and being received by email addresses of persons authorized to receive such information.

e. limit disclosure of the Confidential Information to the extent permitted by law.

f. Confidential Information received under this Contract and individually identifiable data derived from DHHS Data, must be stored in an area that is physically and technologically secure from access by unauthorized persons during duty hours as well as non-duty hours (e.g., door locks, card keys, biometric identifiers, etc.).

g. only authorized End Users may transmit the Confidential Data, including any derivative files containing personally identifiable information, and in all cases, such data must be encrypted at all times when in transit, at rest, or when stored on portable media as required in section IV above.

h. in all other instances Confidential Data must be maintained, used and disclosed using appropriate safeguards, as determined by a risk-based assessment of the circumstances involved.

i. understand that their user credentials (user name and password) must not be shared with anyone. End Users will keep their credential information secure. This applies to credentials used to access the site directly or indirectly through a third party application.

Contractor is responsible for oversight and compliance of their End Users. DHHS reserves the right to conduct onsite inspections to monitor compliance with this Contract, including the privacy and security requirements provided in herein, HIPAA, and other applicable laws and Federal regulations until such time the Confidential Data is disposed of in accordance with this Contract.

V. LOSS REPORTING

The Contractor must notify the State's Privacy Officer and Security Officer of any Security Incidents and Breaches immediately, at the email addresses provided in Section VI.

The Contractor must further handle and report Incidents and Breaches involving PHI in accordance with the agency's documented Incident Handling and Breach Notification procedures and in accordance with 42 C.F.R. §§ 431.300 - 306. In addition to, and notwithstanding, Contractor's compliance with all applicable obligations and procedures, Contractor's procedures must also address how the Contractor will:

1. Identify Incidents;
2. Determine if personally identifiable information is involved in Incidents;
3. Report suspected or confirmed Incidents as required in this Exhibit or P-37;
4. Identify and convene a core response group to determine the risk level of Incidents and determine risk-based responses to Incidents; and

5. Determine whether Breach notification is required, and, if so, identify appropriate Breach notification methods, timing, source, and contents from among different options, and bear costs associated with the Breach notice as well as any mitigation measures.

Incidents and/or Breaches that implicate PI must be addressed and reported, as applicable, in accordance with NH RSA 359-C:20.

VI. PERSONS TO CONTACT

A. DHHS Privacy Officer:

DHHSPrivacyOfficer@dhhs.nh.gov

B. DHHS Security Officer:

DHHSInformationSecurityOffice@dhhs.nh.gov

State of New Hampshire
Department of State

CERTIFICATE

I, William M. Gardner, Secretary of State of the State of New Hampshire, do hereby certify that LRGHEALTHCARE is a New Hampshire Nonprofit Corporation registered to transact business in New Hampshire on November 15, 1893. I further certify that all fees and documents required by the Secretary of State's office have been received and is in good standing as far as this office is concerned.

Business ID: 64122
Certificate Number: 0004921142

IN TESTIMONY WHEREOF,
I hereto set my hand and cause to be affixed
the Seal of the State of New Hampshire,
this 27th day of May A.D. 2020.

William M. Gardner
Secretary of State

CERTIFICATE OF AUTHORITY

I, **Golda L. Schohan**, hereby certify that:

1. I am a duly elected Secretary/Treasurer of **LRGHealthcare**.

2. The following is a true copy of a vote taken at a meeting of the Board of Directors/shareholders, duly called and held on July 21, 2020, at which a quorum of the Directors/shareholders were present and voting.

VOTED: That **Kevin W. Donovan** is duly authorized on behalf of **LRGHealthcare** to enter into contracts or agreements with the State of New Hampshire and any of its agencies or departments and further is authorized to execute any and all documents, agreements and other instruments, and any amendments, revisions, or modifications thereto, which may in his/her judgment be desirable or necessary to effect the purpose of this vote.

3. I hereby certify that said vote has not been amended or repealed and remains in full force and effect as of the date of the contract/contract amendment to which this certificate is attached. This authority **remains valid for thirty (30)** days from the date of this Certificate of Authority. I further certify that it is understood that the State of New Hampshire will rely on this certificate as evidence that the person(s) listed above currently occupy the position(s) indicated and that they have full authority to bind the corporation. To the extent that there are any limits on the authority of any listed individual to bind the corporation in contracts with the State of New Hampshire, all such limitations are expressly stated herein.

Dated: 7/27/20

Signature of Elected Officer
Name: Golda L. Schohan
Title: Secretary/Treasurer

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY): 12/30/2019

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER MARSH USA, INC. 99 HIGH STREET BOSTON, MA 02110 Attn: Boston.certrequest@Marsh.com CN107277064-LRG-gener-20-21	CONTACT NAME: PHONE (A/C, No, Ext): FAX (A/C, No): E-MAIL ADDRESS:
INSURED LRGHealthcare 80 Highland Street Laconia, NH 03246	INSURER(S) AFFORDING COVERAGE / NAIC # INSURER A : Granite Shield Insurance Exchange INSURER B : INSURER C : INSURER D : INSURER E : INSURER F :

COVERAGES **CERTIFICATE NUMBER:** NYC-010705943-02 **REVISION NUMBER:** 1

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
A	X COMMERCIAL GENERAL LIABILITY			GSIE-PRIM-2020-103	01/01/2020	01/01/2021	EACH OCCURRENCE	$ 2,000,000
	CLAIMS-MADE [X] OCCUR						DAMAGE TO RENTED PREMISES (Ea occurrence)	$
							MED EXP (Any one person)	$
							PERSONAL & ADV INJURY	$
	GEN'L AGGREGATE LIMIT APPLIES PER:						GENERAL AGGREGATE	$ 12,000,000
	POLICY [ ] PRO-JECT [ ] LOC						PRODUCTS - COMP/OP AGG	$
	OTHER:							$
	AUTOMOBILE LIABILITY						COMBINED SINGLE LIMIT (Ea accident)	$
	ANY AUTO						BODILY INJURY (Per person)	$
	OWNED AUTOS ONLY / SCHEDULED AUTOS						BODILY INJURY (Per accident)	$
	HIRED AUTOS ONLY / NON-OWNED AUTOS ONLY						PROPERTY DAMAGE (Per accident)	$
								$
	UMBRELLA LIAB / OCCUR						EACH OCCURRENCE	$
	EXCESS LIAB / CLAIMS-MADE						AGGREGATE	$
	DED / RETENTION $							$
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY Y/N						PER STATUTE / OTH-ER	
	ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? [N] N/A						E.L. EACH ACCIDENT	$
	(Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below						E.L. DISEASE - EA EMPLOYEE	$
							E.L. DISEASE - POLICY LIMIT	$
A	Professional Liability			GSIE-PRIM-2020-103	01/01/2020	01/01/2021		SEE ABOVE

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

CERTIFICATE HOLDER

NH DHHS
129 Pleasant Street
Concord, NH 03301

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE of Marsh USA Inc.

Elizabeth Stapleton

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY): 07/29/2020

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER CROSS INSURANCE - LACONIA 155 Court Street Laconia NH 03246	CONTACT NAME: Tracy Andriski, CISR PHONE (A/C, No, Ext): (603) 524-2425 FAX (A/C, No): (603) 524-3686 E-MAIL ADDRESS: tandriski@crossagency.com
INSURED LRGHealthcare 80 Highland Street Laconia NH 03246	INSURER(S) AFFORDING COVERAGE — NAIC # INSURER A: MEMIC Indemnity Company — 11030 INSURER B: INSURER C: INSURER D: INSURER E: INSURER F:

COVERAGES CERTIFICATE NUMBER: CL1912307773 REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
	COMMERCIAL GENERAL LIABILITY						EACH OCCURRENCE	$
	☐ CLAIMS-MADE ☐ OCCUR						DAMAGE TO RENTED PREMISES (Ea occurrence)	$
							MED EXP (Any one person)	$
							PERSONAL & ADV INJURY	$
	GEN'L AGGREGATE LIMIT APPLIES PER:						GENERAL AGGREGATE	$
	☐ POLICY ☐ PRO-JECT ☐ LOC						PRODUCTS - COMP/OP AGG	$
	OTHER:							$
	AUTOMOBILE LIABILITY						COMBINED SINGLE LIMIT (Ea accident)	$
	ANY AUTO						BODILY INJURY (Per person)	$
	OWNED AUTOS ONLY / SCHEDULED AUTOS						BODILY INJURY (Per accident)	$
	HIRED AUTOS ONLY / NON-OWNED AUTOS ONLY						PROPERTY DAMAGE (Per accident)	$
								$
	UMBRELLA LIAB ☐ OCCUR						EACH OCCURRENCE	$
	EXCESS LIAB ☐ CLAIMS-MADE						AGGREGATE	$
	DED ☐ RETENTION $							$
A	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) Y/N: N If yes, describe under DESCRIPTION OF OPERATIONS below	N/A		3102806892	10/01/2019	10/01/2020	☒ PER STATUTE ☐ OTH-ER	
							E.L. EACH ACCIDENT	$ 1,000,000
							E.L. DISEASE - EA EMPLOYEE	$ 1,000,000
							E.L. DISEASE - POLICY LIMIT	$ 1,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

CERTIFICATE HOLDER

NH DHHS
129 Pleasant Street
Concord NH 03301

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

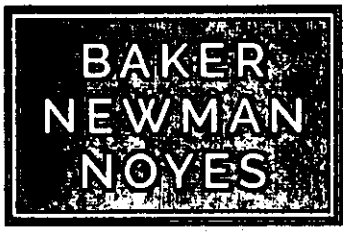
Tracy Andriski

MISSION –

LRGHealthcare's mission is to provide quality, compassionate care and to strengthen the well-being of our community.

VISION-

The LRGHealthcare organization shall be the preeminent provider of high levels of quality health care, patient safety, and overall community satisfaction throughout the Lakes Region of New Hampshire.



LRGHealthcare and Subsidiary

Audited Consolidated Financial Statements

Years Ended September 30, 2019 and 2018
With Independent Auditors' Report

Baker Newman & Noyes LLC
MAINE | MASSACHUSETTS | NEW HAMPSHIRE
800.244.7444 | www.bnncpa.com

LRGHEALTHCARE AND SUBSIDIARY

AUDITED CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2019 and 2018

TABLE OF CONTENTS

Baker Newman & Noyes LLC
MAINE | MASSACHUSETTS | NEW HAMPSHIRE
800.244.7444 | www.bnncpa.com

INDEPENDENT AUDITORS' REPORT

To the Trustees
LRGHealthcare and Subsidiary

We have audited the accompanying consolidated financial statements of LRGHealthcare and Subsidiary, which comprise the consolidated statements of financial position as of September 30, 2019 and 2018, and the related consolidated statements of operations, changes in net (deficit) assets and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements

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

Auditors' Responsibility

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

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

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

To the Trustees
LRGHealthcare and Subsidiary

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of LRGHealthcare and Subsidiary as of September 30, 2019 and 2018, and the results of their operations, changes in their net (deficit) assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter Regarding Going Concern

The accompanying consolidated financial statements have been prepared assuming that LRGHealthcare and Subsidiary will continue as a going concern. As discussed in Note 1 to the consolidated financial statements, LRGHealthcare has incurred significant net operating losses, has negative working capital, and has a net asset deficit, which raise substantial doubt about its ability to continue as a going concern. Management's evaluation of the events and conditions and management's plans regarding these matters are also described in Note 1. The consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty. Our opinion is not modified with respect to this matter.

Other Emphasis of Matter

As discussed in Note 1 to the financial statements, in 2019, LRGHealthcare and Subsidiary adopted Financial Accounting Standards Board Accounting Standards Update (ASU) No. 2016-14, *Not-for-Profit Entities (Topic 958) - Presentation of Financial Statements of Not-for-Profit Entities*, and applied the guidance retrospectively to all periods presented. Our opinion is not modified with respect to this matter.

Baker Newman & Noyes LLC

Manchester, New Hampshire
February 5, 2020

LRGHEALTHCARE AND SUBSIDIARY

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

September 30, 2019 and 2018

ASSETS

	2019	2018
Current assets:		
Cash and cash equivalents	$ 4,061,560	$ 6,987,814
Accounts receivable, net of allowance for doubtful accounts of $9.7 million in 2019 and $8.1 million in 2018	19,387,150	21,442,686
Other receivables	3,345,926	7,706,852
Inventories	4,454,276	5,015,712
Current portion of deferred system development costs	4,999,717	4,999,717
Other prepaid expenses	2,767,736	3,081,592
Total current assets	39,016,365	49,234,373
Assets whose use is limited:		
Under mortgage indenture	12,151,588	12,098,511
Under workers' compensation trust agreement	1,106,094	1,115,128
Under deferred compensation plan	213,866	1,054,999
By donors or grantors for specific purposes	231,115	328,142
By donors for capital improvements	2,070,130	5,104,158
By donors for permanent endowment funds	2,199,737	2,199,737
Total assets whose use is limited	17,972,530	21,900,675
Long-term investments	203,089	256,505
Property, plant and equipment, net	94,082,178	95,452,710
Other assets	6,759,645	4,385,401
Deferred system development costs, less current portion	8,365,360	13,365,077
Prepaid pension\retirement cost	–	1,661,869
Total assets	$166,399,167	$186,256,610

LIABILITIES AND NET (DEFICIT) ASSETS

	2019	2018
Current liabilities:		
Accounts payable and other accrued expenses	$ 21,832,653	$ 24,737,843
Estimated third-party payor settlements payable	12,815,598	12,383,798
Accrued employee compensation:		
Payroll	4,352,971	4,104,145
Compensated absences	3,649,382	4,068,753
Healthcare and other accrued benefits	1,456,466	969,891
Current portion of long-term debt	174,705	4,543,906
Total current liabilities	44,281,775	50,808,336
Long-term debt:		
Notes payable	668,333	552,758
Mortgage payable	110,761,260	113,726,076
Less current installments	(174,705)	(4,543,906)
Long-term debt, net of current portion	111,254,888	109,734,928
Other long-term liabilities:		
Workers' compensation and other liabilities	8,270,866	5,950,999
Accrued pension/retirement costs	11,816,508	–
Total long-term liabilities	131,342,262	115,685,927
Total liabilities	175,624,037	166,494,263
LRGHealthcare net (deficit) assets:		
Without donor restrictions	(18,339,579)	11,703,364
With donor restrictions	9,024,656	7,632,037
Total LRGHealthcare net (deficit) assets	(9,314,923)	19,335,401
Noncontrolling interest in consolidated subsidiary	90,053	426,946
Total net (deficit) assets	(9,224,870)	19,762,347
Total liabilities and net (deficit) assets	$166,399,167	$186,256,610

See accompanying notes.

LRGHEALTHCARE AND SUBSIDIARY

CONSOLIDATED STATEMENTS OF OPERATIONS

Years Ended September 30, 2019 and 2018

	2019	2018
Unrestricted revenue and other support:		
Net patient service revenue, net of contractual allowances and discounts	$202,014,030	$209,293,926
Less provision for doubtful accounts	(13,891,630)	(13,775,232)
Total net patient service revenue less provision for doubtful accounts	188,122,400	195,518,694
Disproportionate share funding	10,771,930	13,440,797
Net assets released from restrictions for operations	493,510	881,760
Other revenue	6,607,927	6,512,135
Total revenue	205,995,767	216,353,386
Expenses:		
Salaries	102,455,377	105,187,559
Payroll taxes	5,581,321	5,486,360
Employee benefits	15,178,327	13,421,864
Purchased services and contracted physicians	31,947,960	29,221,274
Pharmacy supplies	14,862,620	14,936,304
Chargeable supplies	9,919,127	10,764,081
Nonchargeable supplies	6,324,848	7,297,637
Depreciation and amortization	7,161,840	7,574,797
Amortization of deferred system development costs	4,999,717	6,206,105
Rent and occupancy expenses	5,781,893	6,464,655
Professional services	1,837,806	1,201,261
Interest expense	4,984,184	5,216,580
Insurance	3,107,899	2,781,432
Repairs	1,411,322	1,583,598
Tuition, advertising and other	1,857,672	2,036,664
Dues, travel and education	966,072	1,241,530
New Hampshire Medicaid Enhancement Tax	7,836,489	9,058,586
Total expenses	226,214,474	229,680,287
Loss from operations	(20,218,707)	(13,326,901)
Nonoperating gains (losses):		
Gifts, bequests and contributions	–	33,425
Interest and dividend income	198,889	98,686
Gain (loss) on disposal of property, plant and equipment	302,403	(16,607)
Other nonoperating loss	(416,241)	(226,998)
Nonoperating gains (losses), net	85,051	(111,494)
Consolidated deficiency of revenue and nonoperating gains (losses) over expenses	(20,133,656)	(13,438,395)
Excess of revenue and nonoperating (gains) losses over expenses attributable to noncontrolling interest in consolidated subsidiary	(146,677)	(770,938)
Deficiency of revenue and nonoperating gains (losses) over expenses attributable to LRGHealthcare	$(20,280,333)	$(14,209,333)

See accompanying notes.

LRGHEALTHCARE AND SUBSIDIARY

CONSOLIDATED STATEMENTS OF CHANGES IN NET (DEFICIT) ASSETS

Years Ended September 30, 2019 and 2018

	2019	2018
LRGHealthcare net (deficit) assets without donor restrictions:		
Deficiency of revenue and nonoperating gains (losses) over expenses attributable to LRGHealthcare	$(20,280,333)	$(14,209,333)
Adjustment to pension liability	(9,828,737)	3,599,932
Net assets released from restrictions for equipment purchases and property improvements	48,227	359,960
Unrealized gains on investments, net	17,900	41,750
Decrease in LRGHealthcare net (deficit) assets without donor restrictions	(30,042,943)	(10,207,691)
LRGHealthcare net assets with donor restrictions:		
Restricted contributions and pledges	1,934,356	3,012,987
Net assets released from restrictions for:		
Equipment purchases and property improvements	(48,227)	(359,960)
Operating purposes	(493,510)	(881,760)
Increase in LRGHealthcare net assets with donor restrictions	1,392,619	1,771,267
Decrease in LRGHealthcare net (deficit) assets	(28,650,324)	(8,436,424)
Noncontrolling interest in consolidated subsidiary:		
Excess of revenue and nonoperating gains over expenses attributable to noncontrolling interest in consolidated subsidiary	146,677	770,938
Contributions, distributions and other changes in noncontrolling interest	(483,570)	(509,568)
(Decrease) increase in noncontrolling interest in consolidated subsidiary	(336,893)	261,370
Decrease in total net (deficit) assets	(28,987,217)	(8,175,054)
Net assets, beginning of year	19,762,347	27,937,401
Net (deficit) assets, end of year	$ (9,224,870)	$ 19,762,347

See accompanying notes.

LRGHEALTHCARE AND SUBSIDIARY

CONSOLIDATED STATEMENTS OF CASH FLOWS

Years Ended September 30, 2019 and 2018

	2019	2018
Cash flows from operating activities:		
Decrease in total net (deficit) assets	$(28,987,217)	$ (8,175,054)
Adjustments to reconcile decrease in total net (deficit) assets to net cash provided by operating activities:		
Depreciation and amortization	7,161,840	7,574,797
(Gain) loss on disposal of property, plant and equipment	(302,403)	16,607
Provision for doubtful accounts	13,891,630	13,775,232
Adjustment to pension liability	9,828,737	(3,599,932)
Contributions, distributions and other changes in noncontrolling interest in consolidated subsidiary	483,570	509,568
Restricted contributions, pledges and grants	(1,934,356)	(3,012,987)
Amortization of deferred system development costs	4,999,717	6,206,105
Unrealized gains on investments, net	(17,900)	(41,750)
Changes in operating assets and liabilities:		
Accounts receivable	(11,836,094)	(9,866,183)
Estimated third-party settlements payable	431,800	(2,185,606)
Other receivables	4,360,926	(830,402)
Inventories	561,436	599,573
Deferred system development costs	–	(5,626,130)
Other prepaid expenses	313,856	11,642
Other assets	(2,154,000)	409,000
Accounts payable and other accrued expenses	(2,905,190)	10,161,325
Accrued employee compensation	316,030	82,656
Workers' compensation and other liabilities	2,319,867	181,639
Accrued pension/retirement costs	3,649,640	1,897,477
Net cash provided by operating activities	181,889	8,087,577
Cash flows from investing activities:		
Acquisition of property, plant and equipment	(5,848,528)	(1,270,023)
Proceeds from sale of property, plant and equipment	359,623	–
Net (increase) decrease in other noncurrent assets	(220,244)	718,639
Decrease (increase) in assets whose use is limited and long-term investments, net	3,999,461	(3,053,726)
Net cash used by investing activities	(1,709,688)	(3,605,110)
Cash flows from financing activities:		
Proceeds from issuance of note payable	238,000	–
Repayment of long-term debt	(3,087,241)	(4,014,487)
Restricted contributions, pledges and grants	1,934,356	3,040,685
Noncontrolling interest in consolidated subsidiary	(483,570)	(509,568)
Net cash used by financing activities	(1,398,455)	(1,483,370)
Net (decrease) increase in cash and cash equivalents	(2,926,254)	2,999,097
Cash and cash equivalents, beginning of year	6,987,814	3,988,717
Cash and cash equivalents, end of year	$ 4,061,560	$ 6,987,814
Supplemental disclosure of cash flow information:		
Cash paid during the year for interest	$ 4,918,057	$ 4,636,363

See accompanying notes.

1. Description of Organization and Summary of Significant Accounting Policies

Organization

LRGHealthcare's mission is to provide accessible, quality, compassionate care and to strengthen the well being of its communities. LRGHealthcare operates two acute care hospitals located in Franklin and Laconia, New Hampshire. The Franklin facility was designated a Critical Access Hospital effective July 1, 2004 and includes 25 acute care beds. Also, on October 1, 2013, the Franklin facility opened a 10 bed designated psychiatric receiving facility. The Laconia facility includes 137 acute care beds and was designated a Rural Referral Center in 1986 and a Sole Community Hospital in 2009. The facilities provide emergency care, ambulatory surgical units and medical practices.

LRGHealthcare is a New Hampshire nonprofit corporation formed in November 1893 and is classified as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code.

The accompanying consolidated financial statements include the accounts of LRGHealthcare's wholly-owned workers' compensation trust (see note 11). The accompanying consolidated financial statements also include the accounts of Hillside ASC, LLC (Hillside). LRGHealthcare owns a 65.3% interest in Hillside at September 30, 2019 and 2018. Hillside is an ambulatory surgical center located in Gilford, New Hampshire. The consolidated group is collectively referred to herein as "the Hospitals."

Effective June 25, 2015, the Hospitals and Speare Memorial Hospital formed Asquam Community Health Collaborative, LLC (ACHC). ACHC was initially capitalized by contributions of $5,000 made by each member. ACHC has two equal members and may admit additional members in the future with the consent of the original members. ACHC's purpose is to conduct (1) joint purchasing, management and use arrangements involving information technology and other major equipment; (2) shared administrative and other supportive services; (3) the exchange of wage, price, cost and/or clinical outcomes (i.e., quality data) as permitted by law; (4) development and/or participation in innovative healthcare delivery platforms; and (5) other activities as determined by consent of the members. ACHC's initial activity is to jointly purchase an Electronic Healthcare Record (EHR) system. The Hospitals are accounting for ACHC under the equity method and have recorded their share of the ownership interest in ACHC of $48,293 and $4,110 at September 30, 2019 and 2018, respectively, in other assets in the accompanying consolidated statements of financial position. ACHC entered into a noninterest bearing note payable in 2017 with an unrelated party. The members are a guarantor of the note payable. The note payable was paid off and had no outstanding liability balance at September 30, 2019 and was approximately $1,270,000 at September 30, 2018.

LRGHealthcare has recently incurred significant net operating losses, which have continued into 2020 through the date of these consolidated financial statements. Additionally, LRGHealthcare had a net deficit in net assets without donor restrictions and negative working capital at September 30, 2019. Management believes that cost cutting measures have continued to be implemented which have resulted in some stability of cash on hand at the date of these consolidated financial statements. However, there continues to be uncertainty of availability of future cash to meet operating needs.

1. **Description of Organization and Summary of Significant Accounting Policies (Continued)**

Management completed its assessment whether substantial doubt exists regarding LRGHealthcare's ability to continue as a going concern for the twelve months after the date of issuance of these consolidated financial statements. LRGHealthcare has incurred losses in 2019 of approximately $20.2 million. Losses have continued since September 30, 2019 through the date of these consolidated financial statements and LRGHealthcare expects that they will continue for the foreseeable future. LRGHealthcare continues to explore cost cutting measures and strategic affiliations for LRGHealthcare's future, however, these items are not guaranteed. Management concluded that these events or conditions, considered in the aggregate, raise substantial doubt about LRGHealthcare's ability to continue as a going concern for the twelve months after the date of issuance of these consolidated financial statements. No amounts have been recorded in these consolidated financial statements related to this uncertainty.

Principles of Consolidation

All significant intercompany balances and transactions have been eliminated in the consolidation. Noncontrolling interests in the less-than-wholly-owned consolidated subsidiary of LRGHealthcare are presented as a component of total equity to distinguish between the interests of LRGHealthcare and the interests of the noncontrolling owners. Revenues, expenses and nonoperating gains from this subsidiary are included in the consolidated amounts presented on the consolidated statements of operations. Deficiency of revenue and nonoperating gains (losses) over expenses attributable to LRGHealthcare separately presents the amounts attributable to the controlling interest for each of the years presented.

Noncontrolling Interests

Noncontrolling interests represent the portion of equity in a subsidiary not attributable, directly or indirectly, to a parent. LRGHealthcare's accompanying consolidated financial statements include all assets, liabilities, revenues and expenses at their consolidated amounts, which include the amounts attributable to LRGHealthcare and the noncontrolling interest. LRGHealthcare recognizes as a separate component of equity (net assets) and earnings (deficiency of revenue and nonoperating gains/losses over expenses) the portion of income or loss attributable to noncontrolling interests based on the portion of the entity not owned by LRGHealthcare.

Cash and Cash Equivalents

Cash and cash equivalents include money market funds and short-term investments with original maturities of three months or less, excluding assets whose use is limited and long-term investments.

The Hospitals maintain their cash in bank deposit accounts, which at times may exceed federally insured limits. The Hospitals have not experienced any losses on such accounts.

1. Description of Organization and Summary of Significant Accounting Policies (Continued)

Accounts Receivable and the Allowance for Doubtful Accounts

Accounts receivable are reduced by an allowance for doubtful accounts. In evaluating the collectibility of accounts receivable, the Hospitals analyze their past history and identify trends for each of their major payor sources of revenue to estimate the appropriate allowance for doubtful accounts and provision for doubtful accounts. Management regularly reviews data about these major payor sources of revenue in evaluating the sufficiency of the allowance for doubtful accounts. For receivables associated with services provided to patients who have third-party coverage, the Hospitals analyze contractually due amounts and provide an allowance for doubtful accounts and a provision for doubtful accounts, if necessary (for example, for expected uncollectible deductibles and copayments on accounts for which the third-party payor has not yet paid, or for payors who are known to be having financial difficulties that make the realization of amounts due unlikely). For receivables associated with self-pay patients (which includes both patients without insurance and patients with deductible and copayment balances due for which third-party coverage exists for part of the bill), the Hospitals record a provision for doubtful accounts in the period of service on the basis of their past experience, which indicates that many patients are unable or unwilling to pay the portion of their bill for which they are financially responsible. The difference between the standard rates (or the discounted rates if negotiated) and the amounts actually collected after all reasonable collection efforts have been exhausted is charged off against the allowance for doubtful accounts.

The Hospitals' allowance for doubtful accounts for self-pay patients increased from 93% of self-pay accounts receivable at September 30, 2018 to 96% of self-pay accounts receivable at September 30, 2019. The Hospitals' net self-pay bad debt writeoffs decreased $1,095,828 from $13,431,829 in 2018 to $12,336,001 in 2019. The change in the allowance as a percentage of self-pay accounts receivable and bad debt writeoffs was a result of collection trends, payor mix and the overall balance in self-pay accounts receivable.

Investments and Investment Income

Investments, including funds under mortgage indenture, are carried at fair value in the accompanying consolidated statements of financial position. Realized gains or losses on the sale of investment securities are determined by the specific identification method. Except as described in the following paragraph, investment interest and dividends on unrestricted funds are treated as nonoperating gains and losses. Unrealized gains and losses on investments are excluded from the deficiency of revenue and nonoperating gains (losses) over expenses unless the losses are considered other-than-temporary. Periodically, management reviews investments for which the market value has fallen significantly below cost and recognizes impairment losses where they believe these declines are other-than-temporary.

The investments in joint ventures are reported on the equity method of accounting and are recorded at amounts that approximate the Hospitals' equity in the underlying net assets of the entities.

Interest income attributable to operating funds are reported within other revenue in the accompanying consolidated statements of operations. Operating funds are determined by the Hospitals as being 20 days or less of working capital requirements.

1. **Description of Organization and Summary of Significant Accounting Policies (Continued)**

Investment Policies

The Hospitals' investment policies provide guidance for the prudent and skillful management of invested assets with the objective of preserving capital and maximizing returns. The invested assets include endowment, specific purpose and board designated (without donor restrictions) funds.

Endowment funds are identified as permanent in nature, intended to provide support for current or future operations and other purposes identified by the donor. These funds are managed with disciplined longer-term investment objectives and strategies designed to accommodate relevant, reasonable, or probable events.

Specific purpose funds are temporary in nature, restricted as to time or purpose as identified by the donor or grantor. These funds have various intermediate/long-term time horizons associated with specific identified spending objectives.

The goal with respect to the management of endowment funds is to increase, with minimum risk, the inflation adjusted principal and income of the endowment funds over the long term. The Hospitals target a diversified asset allocation that places emphasis on achieving their long-term return objectives within prudent risk constraints.

Assets Whose Use is Limited

Assets whose use is limited include assets held under mortgage indenture, workers' compensation reserves, employee deferred compensation plan and donor-restricted investments.

Inventories

Inventories of supplies and pharmaceuticals are carried at the lower of cost, determined using the "first-in, first-out" (FIFO) method, or net realizable value.

Property, Plant and Equipment

Property, plant and equipment is stated at cost at time of purchase, or fair value at time of donation, less reductions in carrying value based upon impairment and less accumulated depreciation. The Hospitals' policy is to capitalize expenditures for major improvements and charge maintenance and repairs for expenditures which do not extend the lives of the related assets. The provision for depreciation is computed on the straight-line method at rates intended to amortize the cost of the related assets over their estimated useful lives. See also note 6. Assets which have been purchased but not yet placed in service are included in construction in progress and no depreciation expense is recorded.

Donations of fixed assets, or funds received to acquire property and equipment, are reported at fair value when received in net assets with donor restrictions and transferred to net assets without donor restrictions when the asset is placed in service.

1. **Description of Organization and Summary of Significant Accounting Policies (Continued)**

Net Patient Service Revenue

The Hospitals have agreements with third-party payors that provide for payments to the Hospitals at amounts different from their established rates. Payment arrangements include prospectively determined rates per discharge, reimbursed costs, discounted charges and per diem payments. Net patient service revenue is reported at the estimated net realizable amounts from patients, third-party payors and others for services rendered, including estimated retroactive adjustments under reimbursement agreements with third-party payors. Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods as final settlements are determined. Changes in these estimates are reflected in the consolidated financial statements in the year in which they occur.

The Hospitals recognize patient service revenue associated with services provided to patients who have third-party payor coverage on the basis of contractual rates for the services rendered. For uninsured patients, the Hospitals provide a discount approximately equal to that of their largest private insurance payors. On the basis of historical experience, a significant portion of the Hospitals' uninsured patients will be unable or unwilling to pay for the services provided. Thus, the Hospitals record a significant provision for doubtful accounts related to uninsured patients in the period the services are provided.

Laws and regulations governing the Medicare and Medicaid programs are complex and subject to interpretation. The Hospitals believe that they are in compliance with all applicable laws and regulations and are not aware of any pending or threatened investigations involving allegations of potential wrongdoing. While no such regulatory inquiries have been made, compliance with such laws and regulations can be subject to future government review and interpretation, as well as significant regulatory action including fines, penalties and exclusion from the Medicare and Medicaid programs. See also note 4.

Deficiency of Revenue and Nonoperating Gains (Losses) Over Expenses

The Hospitals have deemed all activities as ongoing, major or central to the provision of healthcare services and, accordingly, they are reported as operating revenue and expenses. Peripheral transactions are reported as nonoperating gains or losses.

The consolidated statements of operations include deficiency of revenue and nonoperating gains (losses) over expenses. Changes in net assets without donor restrictions which are excluded from deficiency of revenue and nonoperating gains (losses) over expenses, consistent with industry practice, include the change in net unrealized gains and losses on investments, other than losses considered other-than-temporary, the pension liability adjustments and contributions of long-lived assets, including assets acquired using contributions which by donor restriction were to be used for the purposes of acquiring such assets.

1. **Description of Organization and Summary of Significant Accounting Policies (Continued)**

Charity Care

The Hospitals provide care to patients who meet certain criteria under their charity care policies without charge or at amounts less than their established rates (see note 2). Because the Hospitals do not pursue collection of amounts determined to qualify as charity care, they are not reported as revenue. The estimated costs of providing charity services are based on a calculation which applies a ratio of costs to charges to the gross uncompensated charges associated with providing care to charity patients. The ratio of cost to charges is calculated based on the Hospitals' total expenses divided by gross patient service revenue.

Classification of Net Assets

Gifts are reported as restricted support if they are received with donor stipulations that limit the use of donated assets. When a donor restriction expires (when a stipulated time restriction ends or purpose restriction is accomplished), restricted net assets are reclassified as net assets without donor restriction and reported in the statement of operations as either net assets released from restrictions (for noncapital related items) or as net assets released from restrictions used for capital purchases (capital related items). Some restricted net assets have been restricted by donors to be maintained by the Hospitals in perpetuity.

Except for contributions related to capital purchases, donor-restricted contributions whose restrictions are met within the same year as received are reported as contributions without donor restrictions in the accompanying consolidated financial statements.

In accordance with the *Uniform Prudent Management Institutional Funds Act* (UPMIFA), the Hospitals consider the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (a) the duration and preservation of the fund; (b) the purpose of the organization and the donor-restricted endowment fund; (c) general economic conditions; (d) the possible effect of inflation and deflation; (e) the expected total return from income and the appreciation of investments; (f) other resources of the organization; and (g) the investment policies of the organization.

Spending Policy for Appropriation of Assets for Expenditure

Spending policies may be adopted by the Hospitals, from time to time, to provide a stream of funding for the support of key programs. The spending policies are structured in a manner to ensure that the purchasing power of the assets is maintained while providing the desired level of annual funding to the programs. The Hospitals evaluate their spending policies on an annual basis.

Estimated Workers' Compensation and Healthcare Claims

The Hospitals are self-insured with respect to certain employee workers' compensation (through September 30, 2019) and healthcare costs. The provision for estimated workers' compensation and healthcare claims includes estimates of the ultimate costs for both reported claims and claims incurred but not reported (see note 11).

1. **Description of Organization and Summary of Significant Accounting Policies (Continued)**

Volunteer Hours (Unaudited)

Volunteers contributed approximately 12,500 and 17,000 hours in donated services in 2019 and 2018, respectively. Volunteers perform a number of varied activities for the Hospitals including pharmacy, patient and mail transport as well as filing and reception duties. The monetary value of such services has not been reflected in the accompanying consolidated financial statements.

Grant Revenue and Expenditures

Revenues and expenses under grant programs are recognized as the related expenditures are incurred.

Advertising, Marketing Costs and Community Affairs

Advertising, marketing and related costs are charged to operations when incurred. Such amounts totaled approximately $358,000 in 2019 and $669,000 in 2018.

Income Taxes

The Hospitals, with the exception of Hillside, are not-for-profit corporations as described in Section 501(c)(3) of the Internal Revenue Code and are exempt from federal income taxes on related income pursuant to Section 501(a) of the Code. Management evaluated the Hospitals' tax positions and concluded the Hospitals have maintained their tax-exempt status, do not have any significant unrelated business income and have taken no uncertain tax positions that require adjustment to or disclosure in the consolidated financial statements. Hillside is a for-profit subsidiary and is a limited liability company. As such, the subsidiary is subject to state taxation but is not subject to federal taxation. Deferred taxes are not significant at September 30, 2019 and 2018.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates. The most significant areas which are affected by the use of estimates include the allowance for doubtful accounts and contractual adjustments, estimated third-party payor settlements, malpractice and health insurance reserves, and actuarial assumptions used in determining pension obligations and expense and workers' compensation costs.

1. Description of Organization and Summary of Significant Accounting Policies (Continued)

Recent Accounting Pronouncements

In August 2016, the Financial Accounting Standards Board (FASB) issued ASU 2016-14, *Not-for-Profit Entities (Topic 958)* (ASU 2016-14) – *Presentation of Financial Statements of Not-for-Profit Entities.* The update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return. ASU 2016-14 is effective for the Hospitals for the year ended September 30, 2019. The Hospitals have adjusted the presentation of these consolidated financial statements and related footnotes accordingly. The ASU has been applied retrospectively to all periods presented.

In May 2014, the FASB issued Accounting Standards Update (ASU) No. 2014-09, *Revenue from Contracts with Customers* (ASU 2014-09), which requires revenue to be recognized when promised goods or services are transferred to customers in amounts that reflect the consideration to which the Hospitals expect to be entitled in exchange for those goods and services. ASU 2014-09 will replace most existing revenue recognition guidance in U.S. GAAP when it becomes effective. ASU 2014-09 is effective for the Hospitals on October 1, 2019. ASU 2014-09 permits the use of either the retrospective or cumulative effect transition method. The Hospitals continue to evaluate the impact that ASU 2014-09 will have on their consolidated financial statements and related disclosures, but do not expect that the new pronouncement will have a material impact on its consolidated financial statements.

In February 2016, the FASB issued ASU No. 2016-02, *Leases (Topic 842).* Under ASU 2016-02, at the commencement of a long-term lease, lessees will recognize a liability equivalent to the discounted payments due under the lease agreement, as well as an offsetting right-of-use asset. The guidance is effective for the Hospitals on October 1, 2020, with early adoption permitted. Subsequently, the FASB issued ASU 2018-11, *Leases (Topic 842): Targeted Improvements*, which is intended to reduce costs and ease implementation of the leases standard for financial statement preparers. Under these standards, lessees (for capital and operating leases) may initially apply the new leases standard at the adoption date and recognize a cumulative-effect adjustment in the opening balance of net assets while continuing to present comparative periods in accordance with current GAAP in Topic 840, *Leases.* In November 2019, the FASB issued ASU 2019-10, which extended the original effective date from October 1, 2020 to October 1, 2021. The Hospitals are currently evaluating the impact of the pending adoption of these standards on the consolidated financial statements.

In March 2017, the FASB issued ASU No. 2017-07, *Compensation — Retirement Benefits (Topic 715): Improving the Presentation of Net Periodic Pension Cost and Net Periodic Postretirement Benefit Cost* (ASU 2017-07). ASU 2017-07 will require that an employer report the service cost component of net periodic pension cost in the same line item as other compensation costs arising from services rendered by employees during the period. The other components of net periodic pension cost are required to be presented in the statement of operations separately and outside a subtotal of income from operations, if one is presented. ASU 2017-07 is effective for the Hospitals on October 1, 2019. The Hospitals would have presented net periodic pension cost of approximately $4,500,000 and $2,763,000 for years ended September 30, 2019 and 2018, respectively, as a separate line item in the consolidated statement of operations, outside a subtotal of loss from operations had ASU 2017-07 been adopted.

1. Description of Organization and Summary of Significant Accounting Policies (Continued)

In June 2018, the FASB issued ASU No. 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made* (ASU 2018-08). Due to diversity in practice, ASU 2018-08 clarifies the definition of an exchange transaction as well as the criteria for evaluating whether contributions are unconditional or conditional. ASU 2018-08 is effective for the Hospitals on October 1, 2019. The Hospitals are currently evaluating the impact that ASU 2018-08 will have on their consolidated financial statements, but does not expect that the new pronouncement will have a material impact on its consolidated financial statements.

Reclassifications

Certain 2018 amounts have been reclassified to permit comparison with the 2019 consolidated financial statements presentation format.

Subsequent Events

Management of the Hospitals evaluated events occurring between the end of the Hospitals' fiscal year and February 5, 2020, the date the consolidated financial statements were available to be issued.

2. Charity Care and Community Benefits (Unaudited)

The mission of the Hospitals is to provide quality, accessible healthcare services to patients regardless of their ability to pay. The Hospitals subsidize certain healthcare services, provide outreach and educational programs, build community population partnerships, provide free and discounted healthcare services and subsidize costs exceeding government sponsored healthcare reimbursement.

The estimated costs of providing community benefits and charity care for the years ended September 30 are:

	2019	2018
Charity care	$ 3,059,000	$ 847,000
Community programs and subsidized services	23,625,000	23,625,000
Government sponsored healthcare	17,811,000	17,811,000
	$44,495,000	$42,283,000

3. Concentrations

Financial instruments which subject the Hospitals to concentrations of credit risk consist of cash equivalents, patient accounts receivable and investments, including assets whose use is limited. The risk with respect to cash equivalents is minimized by the Hospitals' policy of investing in financial instruments with short-term maturities issued by highly rated financial institutions. The Hospitals have not experienced any losses on cash equivalents. The Hospitals' patient accounts receivable are primarily due from third-party payors and amounts are presented net of expected contractual allowances and uncollectible amounts. Investments do not represent significant concentrations of specific market risk inasmuch as the Hospitals' investment portfolio is adequately diversified among various issues. No investments exceeded 10% of investments as of September 30, 2019.

Additionally, the Hospitals' patient mix consists of local residents and vacationing tourists, many of whom are insured under third-party payor agreements. The mix of payors including revenue, discounts and allowances granted excluding community care and the provision for doubtful accounts follows for fiscal years ended September 30 (in millions):

	2019			2018		
	Rev-enue	Discount and Allow-ances	Net Patient Rev-enue	Rev-enue	Discount and Allow-ances	Net Patient Rev-enue
Medicare	$288.4	$(202.6)	$ 85.8	$285.1	$(194.2)	$ 90.9
Medicaid	62.0	(55.4)	6.6	54.0	(48.4)	5.6
Insurance – fees for service	163.5	(71.7)	91.8	185.2	(86.2)	99.0
Patients and Healthlink	19.3	(8.8)	10.5	12.7	(6.2)	6.5
Employee health plan	11.0	(3.7)	7.3	9.8	(2.5)	7.3
	$544.2	$(342.2)	$202.0	$546.8	$(337.5)	$209.3

Concentrations of credit risk from gross receivables from patients and third-party payors are as follows at September 30:

	2019	2018
Medicare	44.30%	44.67%
Medicaid	9.11	8.99
Commercial insurers	28.78	31.36
Patients	17.81	14.98
	100.00%	100.00%

4. Net Patient Service Revenue

The Hospitals have agreements with third-party payors that provide for payments to the Hospitals at amounts different from their established rates. Similarly, patients are offered prompt payment discounts through the Hospitals' Patient Advantage Program. A summary of the payment arrangements with major third-party payors follows:

Medicare

Inpatient acute care services rendered to Medicare program beneficiaries are paid at prospectively determined rates per discharge (DRGs). These rates vary according to a patient classification system that is based on clinical diagnosis and other factors. Inpatient non-acute services are paid based on a fixed prospective payment system, again varying according to clinical diagnosis and other factors. As a Sole Community Hospital, the payment is the higher of the hospital specific or federal specific rate.

Since August 2000, outpatient services are reimbursed under the Medicare Outpatient Prospective Payment System (OPPS). Payments are made at a fixed rate based upon each service as categorized by Medicare's Ambulatory Payment Classifications (APCs). As a result, the materiality of prospectively determined settlement adjustments diminished. The Hospitals' classification of patients under the Medicare program and the appropriateness of their admission are subject to an independent review. In 2009, LRGHealthcare was designated a Sole Community Hospital by Medicare adding to its previous designation as a Rural Referral Center.

Effective July 1, 2004, the Franklin facility was classified as a Critical Access Hospital. Thereafter, inpatient, non-acute services related to Medicare beneficiaries are paid based on a blended rate comprised of fixed fee schedules for laboratory services to non-patients and a cost reimbursement methodology. The Franklin facility is reimbursed for cost reimbursable items at a tentative rate with final settlement determined after submission of annual cost reports by the Hospital and audits thereof by the Medicare fiscal intermediary.

Medicaid

Inpatient services rendered to Medicaid program beneficiaries are reimbursed at rates prospectively determined per discharge (DRGs). Outpatient services are reimbursed under a cost reimbursement methodology and a fixed laboratory fee schedule. The Hospitals are reimbursed at a tentative rate with final settlement determined after submission of annual cost reports by the Hospitals subject to audits thereof by the Medicaid fiscal intermediary.

Settlements

The accrual for estimated third-party payor settlements reflected on the accompanying consolidated statements of financial position represents the estimated net amounts to be received/paid under reimbursement contracts with the Centers for Medicare and Medicaid Services (CMS) (Medicare), the New Hampshire Department of Welfare (Medicaid) and any commercial payors with settlement provisions. Settlements for the Franklin facility have been finalized through 2016 for Medicare and 2014 for Medicaid. Settlements for the Laconia facility have been finalized through 2015 for Medicare and Medicaid. Income from operations increased by approximately $667,000 for the year ended September 30, 2019 and $4,931,000 for the year ended September 30, 2018 (primarily due to a change in reserves for disproportionate share payments as discussed below), respectively, due to actual settlements and changes in assumptions underlying estimated future third-party settlements.

4. Net Patient Service Revenue (Continued)

Other

The Hospitals have also entered into payment agreements with certain commercial insurance carriers, health maintenance organizations and preferred provider organizations. The basis for payment to the Hospitals under these agreements includes discounts from established charges, DRG indexed payments, fee schedule based payments and retrospective cost based reimbursement.

Medicaid Enhancement Tax and Medicaid Disproportionate Share

Under the State of New Hampshire's tax code, the State imposes a Medicaid Enhancement Tax (MET) equal to 5.5% of the Hospitals' net patient service revenues, with certain exclusions. The amount of tax incurred by the Hospitals for fiscal 2019 and 2018 was $7,836,489 and $9,058,586, respectively. The Hospitals have accrued approximately $1,972,000 and $2,222,000 in MET at September 30, 2019 and 2018, respectively. These amounts are included in accounts payable and other accrued expenses in the accompanying consolidated statements of financial position at September 30, 2019 and 2018.

In the fall of 2010, in order to remain in compliance with stated federal regulations, the State of New Hampshire adopted a new approach related to Medicaid disproportionate share funding retroactive to July 1, 2010. Unlike the former funding method, the State's approach led to a payment that was not directly based on, and did not equate to, the level of tax imposed. As a result, the legislation created some level of losses at certain New Hampshire hospitals, while other hospitals realized gains. In 2019 and 2018, the Hospitals recognized disproportionate share funding totaling $10,771,930 and $13,440,797, respectively.

As part of the State's biennial budget process for the two-year period ending June 30, 2013, it eliminated disproportionate share payments to certain New Hampshire hospitals, excluding hospitals classified as critical access. For the periods ending June 30, 2019 and 2018, the State included the hospitals not classified as critical access as qualifying for disproportionate share payments. The Hospitals have recorded receivables totaling approximately $2,784,000 and $3,150,000 at September 30, 2019 and 2018, respectively, representing the portion of disproportionate share payments expected to be received related to the Hospitals' fiscal year.

CMS has completed preliminary audits through 2016, however, no final settlements have occurred; therefore, all years starting in 2011 continue to be open which are the first years that those payments reflected the amount of uncompensated care provided by New Hampshire hospitals. It is possible that subsequent years will also be audited by CMS. The Hospitals have recorded reserves to address their exposure based on CMS's audit results to date. Approximately $3,100,000 in reserves relating to these audits is included in estimated third-party payor settlements payable in the accompanying consolidated statements of financial position at both September 30, 2019 and 2018.

4. Net Patient Service Revenue (Continued)

Summary of Patient Service Revenues

An estimated breakdown of patient service revenue, net of contractual allowances, discounts and provision for doubtful accounts recognized in 2019 and 2018 from these major payor sources, is as follows (in millions):

	Gross Patient Service Revenues	Contractual Allowances and Discounts	Provision for Doubtful Accounts	Net Patient Service Revenues Less Provision for Doubtful Accounts
2019				
Private payors (includes coinsurance and deductibles)	$163.5	$ (71.7)	$ (5.4)	$ 86.4
Medicaid	62.0	(55.4)	(0.2)	6.4
Medicare	288.4	(202.6)	(2.5)	83.3
Self-pay and Healthlink	19.3	(8.8)	(5.7)	4.8
Employee health plan	11.0	(3.7)	(0.1)	7.2
	$544.2	$(342.2)	$(13.9)	$188.1
2018				
Private payors (includes coinsurance and deductibles)	$185.2	$ (86.2)	$ (5.4)	$ 93.6
Medicaid	54.0	(48.4)	(0.5)	5.1
Medicare	285.1	(194.2)	(2.6)	88.3
Self-pay and Healthlink	12.7	(6.2)	(5.2)	1.3
Employee health plan	9.8	(2.5)	(0.1)	7.2
	$546.8	$(337.5)	$(13.8)	$195.5

5. Assets Whose Use is Limited and Long-Term Investments

The composition of investments at September 30, 2019 and 2018 is set forth in the table shown below at fair value.

	2019	2018
Assets whose use is limited:		
Under mortgage indenture:		
Cash and cash equivalents (see note 7)	$12,151,588	$12,098,511
Under workers' compensation trust agreement:		
Cash and cash equivalents	500	111,473
Mutual funds	956,135	915,419
Nonfinancial assets	149,459	88,236
	1,106,094	1,115,128
Under deferred compensation plan:		
Mutual funds	213,866	1,054,999
Donor restricted assets:		
Cash and cash equivalents	4,500,982	7,632,037
Total assets whose use is limited	17,972,530	21,900,675
Long-term investments:		
Cash and cash equivalents	201,128	254,544
Marketable equity securities	1,961	1,961
Total long-term investments	203,089	256,505
Total assets whose use is limited and long-term investments	$18,175,619	$22,157,180

The following schedule summarizes total investment return and its classification for the year ended September 30, 2019, with totals for comparative purposes shown for 2018:

	2019			
	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	2019 Total	2018 Total
Interest and dividends	$198,889	$ –	$198,889	$ 98,686
Unrealized gains, net	17,900	–	17,900	41,750
Total investment return	$216,789	$ –	$216,789	$140,436

5. Assets Whose Use is Limited and Long-Term Investments (Continued)

In evaluating whether the investments have suffered an other-than-temporary decline, based on input from outside investment advisors, management evaluated the amount of the decline compared to cost, the length of time and extent to which fair value has been less than cost, the underlying creditworthiness of the issuer, the fair values exhibited during the year, estimated future fair values and the Hospitals' intent and ability to hold the security until a recovery in fair value or maturity. There were no securities in an unrealized loss position at September 30, 2019 and 2018.

6. Property, Plant and Equipment

Property, plant and equipment consists of the following:

	September 30, 2019 (In Millions)			September 30, 2018 (In Millions)		
	Cost	Accum. Depre.	Net	Cost	Accum. Depre.	Net
Land	$ 1.8	$ -	$ 1.8	$ 1.8	$ -	$ 1.8
Land improvements	3.7	(3.1)	0.6	3.8	(3.0)	0.8
Buildings	82.6	(34.7)	47.9	82.2	(33.8)	48.4
Equipment – major	85.9	(69.5)	16.4	85.6	(66.3)	19.3
Equipment – fixed	56.6	(35.9)	20.7	56.6	(33.4)	23.2
	230.6	(143.2)	87.4	230.0	(136.5)	93.5
Construction in process and deposits	6.7	–	6.7	2.0	–	2.0
Total property, plant and equipment	$237.3	$(143.2)	$ 94.1	$232.0	$(136.5)	$ 95.5

The Hospitals own real property which is leased to providers of health services, several small business concerns and charitable organizations. As of September 30, 2019, the cost basis of rented property was $5,179,281 and accumulated depreciation was $2,761,777. Gross rents received during the years ended 2019 and 2018 included in other revenue were $225,226 and $192,330, respectively.

The Hospitals entered into a construction contract in 2019 with a total commitment of approximately $5,600,000 related to the renovation of the emergency department, of which remaining expected costs are approximately $1,835,000 at September 30, 2019. The Hospitals anticipate the project to be completed by the spring of 2020.

7. Long-Term Debt

The following debt issues have primarily been used to finance or refinance construction projects, renovations and capital acquisitions of property and equipment.

2015 Mortgage Payable

On September 30, 2015, the Hospitals refunded their existing 2010 Series Bonds outstanding (see below) of $133,265,000 through the issuance of $125,871,960 in fixed rate Federal Housing and Urban Development Insured Mortgage Payable with an interest rate of 3.70%. The balance of this mortgage at September 30, 2019 and 2018 was $110,761,260 and $113,726,076, respectively. The refunding transaction reduces the Hospitals' total interest costs through the maturity of the refunded bonds. As of September 30, 2019, the amount of defeased 2010 Series Bonds payable not included in the accompanying consolidated statements of financial position was approximately $122,804,000. In May 2019, the Hospitals amended the payment terms on this agreement to interest only payments from June 2019 through May 2024. Principal payments will resume at that time through the mortgage's anticipated payoff in November 2036.

The Hospitals have granted as collateral for the 2015 mortgage payable substantially all property and equipment (excluding the assets of Hillside) and are required to comply with certain restrictive financial covenants defined by Section 41, and the method of calculating the mortgage reserve fund balance defined by Section 21, of the *Regulatory Agreement* between the Hospitals and the U.S. Department of Housing and Urban Development Federal Housing Administration dated December 9, 2010. For the year ended September 30, 2019, the Hospitals were in compliance with all required financial covenants as defined in the *Regulatory Agreement.*

Notes Payable

During 2014, LRGHealthcare entered into a note payable with the State of New Hampshire Department of Health and Human Services in the amount of $829,138 for the construction of a Designated Receiving Facility on the Franklin campus. The note is noninterest bearing and requires annual payments of $55,276 over a fifteen year period. The balance of this note at September 30, 2019 and 2018 was $497,483 and $552,758, respectively.

During 2019, LRGHealthcare entered into a two-year 4.65% note payable with a third party in the amount of $238,000 for the purchase of a property. The balance of this note at September 30, 2019 was $170,850.

Interest expense incurred on the mortgage and notes payable was approximately $4,984,000 and $5,217,000 in 2019 and 2018, respectively.

Principal payments on the mortgage and notes payable outstanding at September 30, 2019 for each of the following years ending September 30 are as follows:

2020	$ 174,705
2021	106,697
2022	55,276
2023	55,276
2024	2,393,603
Thereafter	108,644,036
	$ 111,429,593

7. Long-Term Debt (Continued)

Revolving Lines of Credit

On October 9, 2015, the Hospitals entered into a $6,000,000 unsecured revolving line of credit agreement with a bank, which is due on demand and has no date of expiration. The line of credit agreement bears interest at the Wall Street Journal prime rate (5.00% at September 30, 2019). As of September 30, 2019 and 2018, there was no outstanding balance on this line of credit.

On August 17, 2017, the Hospitals entered into a $9,000,000 180 day short-term revolving line of credit agreement with a bank, which was subsequently extended and expired on July 1, 2019. The line of credit was secured by the Hospitals' accounts receivable with a bank, was due on demand or upon expiration, and bore interest at the Wall Street Journal prime rate plus one-half percent. As of September 30, 2018, there was no outstanding balance on this line of credit.

Amounts Held

The Hospitals are required to maintain escrow funds for the monthly payments made by the Hospitals which, in turn, enable the funding of a debt service reserve and required semi-annual interest payments, annual principal payments, private mortgage insurance, taxes and other insurance due on the Series 2015 mortgage at September 30, 2019 and 2018. Amounts held in escrow funds totaled $12,151,588 and $12,098,511 at September 30, 2019 and 2018, respectively.

8. Retirement Plans

The Hospitals have two retirement plans covering substantially all of their employees.

The Hospitals have a tax sheltered annuity based retirement plan (TSA plan). The TSA plan is a defined contribution plan available to all employees of the Hospitals. There are no employer contributions made to the TSA plan. At September 31, 2019 and 2018, the Hospitals have recorded $213,866 and $1,054,999 on the accompanying consolidated statements of financial position in assets whose use is limited and other liabilities.

The Hospitals also have a defined benefit plan. During 2019, the mortality assumption was updated to use the RP-2014 mortality tables to reflect a modified MP-2019 mortality improvement scale. During 2018, the mortality assumption was updated to use the RP-2014 mortality tables to reflect a modified MP-2018 mortality improvement scale.

The defined benefit plan has received a favorable determination letter dated March 15, 2012.

The defined benefit plan accruals ended December 31, 2004. Those accruals provided for a plan benefit payable upon normal retirement (age 65) of 1.625% of the employee's average highest five consecutive years' earnings during the employee's last 10 years of employment for each year of service up to 25 years. Participants may elect a lump sum form of payment. Beginning January 1, 2005, under the 2005 amendment, a new account was established to accumulate employer contributions and investment credits to be added to the grandfathered defined benefit amount. Those additions will be identical to the cash balance credits described below.

8. Retirement Plans (Continued)

At retirement, grandfathered employees receive the greater of benefits under the defined benefit plan as described above or the cash balance plan. Under the cash balance plan, a participant's January 1, 1995 plan benefit was present valued into a separate account balance in the participant's name which then became the employee's retirement benefit. Thereafter, account additions are determined at 7% of compensation up to $25,000 and 3% thereafter for participants with less than 10 years of service or 4% for participants with 10 or greater years of service. Interest additions are credited at a predetermined rate of interest not to exceed 5.5%. However, ad hoc increases have been made. The interest rate credits for fiscal years 2019 and 2018 were 1.34% and 0.74%, respectively.

The following table sets forth the principal actuarial assumptions used to compute the net periodic pension cost and pension benefit obligations at September 30.

	2019	2018
Principal actuarial assumptions used to determine net periodic pension cost:		
Discount rate	4.54%	4.01%
Expected return on plan assets	7.00	7.00
Salary increases	3.00	3.00
Principal actuarial assumptions used to determine benefit obligations:		
Discount rate	3.54%	4.54%
Salary increases	3.00	3.00

The expected long-term return on asset assumption is reviewed annually, taking into consideration the current and expected future allocation of assets, and the expected long-term return on these asset classes. Historical real returns and expected future inflation are considered as factors in estimating the expected long-term return on these asset classes. The difference between actual investment return and the 7.00% long-term return assumption is amortized over five years. Were the plan to terminate, different assumptions and other factors might be applicable in determining the projected benefit obligation.

The following table sets forth the changes in projected benefit obligations, changes in plan assets, components of net periodic benefit cost and reconciliation of prepaid or accrued pension cost:

	September 30	
	2019	2018
Change in projected benefit obligation:		
Projected benefit obligation at the beginning of the year	$ 64,769,679	$ 67,589,901
Service cost	2,595,979	2,762,813
Interest cost	2,855,227	2,629,827
Distributions	(7,955,562)	(6,342,064)
Assumption changes	6,196,942	(3,374,796)
Experience loss	2,350,912	1,503,998
Projected benefit obligation at the end of the year	$ 70,813,177	$ 64,769,679

8. **Retirement Plans (Continued)**

	September 30 2019	September 30 2018
Change in fair value of plan assets:		
Fair value of plan assets at beginning of year	$ 66,431,548	$ 67,549,315
Actual return on plan assets	242,111	5,224,297
Administrative expenses	(452,562)	(275,452)
Benefits paid	(7,224,428)	(6,066,612)
Fair value of plan assets at the end of the year	$ 58,996,669	$ 66,431,548
Funded status	$(11,816,508)	$ 1,661,869
Components of net periodic pension cost:		
Service cost	$ 2,595,979	$ 2,762,813
Interest cost	2,855,227	2,629,827
Expected return on plan assets	(4,387,309)	(4,467,137)
Net prior service cost amortization	10,901	10,901
Amortization of loss	671,151	960,943
Immediate recognition triggered by settlement	1,903,692	–
Net periodic pension cost	$ 3,649,641	$ 1,897,347
Reconciliation of net statement of financial position liability:		
Net statement of financial position liability at beginning of year	$ 1,661,869	$ (40,586)
Amount recognized in accumulated other comprehensive liability at end of prior year	11,928,423	15,528,225
Prepaid benefit cost (before adjustment) at end of prior year	13,590,292	15,487,639
Immediate recognition triggered by settlement	(1,903,692)	–
Net periodic benefit cost for fiscal year	(1,745,949)	(1,897,347)
Prepaid benefit cost (before adjustment) at end of current year	9,940,651	13,590,292
Amount recognized in accumulated other comprehensive liability at end of current year	(21,757,159)	(11,928,423)
Net statement of financial position (liability) asset at end of current year	$(11,816,508)	$ 1,661,869

The accumulated benefit obligation was $66,833,310 and $61,412,099 at September 30, 2019 and 2018, respectively.

During 2019, the defined benefit plan settled 8.05% of the projected benefit obligation, therefore triggering the net loss for immediate recognition of settlement of $1,903,962, which is included in the net periodic pension cost in the accompanying consolidated statements of operations at September 30, 2019.

8. Retirement Plans (Continued)

The PPA legislates funding levels for defined benefit plans that will exceed the Plan's projected benefit obligation within the next seven years. There was no contribution for 2019. There is no expected contribution for 2020. Benefits expected to be paid by the Plan during the ensuing five years and five years thereafter are approximately as follows:

2020	$ 3,480,500
2021	4,148,700
2022	4,364,500
2023	4,417,300
2024	4,641,600
Five year period thereafter	20,321,600

The total unrecognized loss and prior year service cost are $21,744,651 and $12,508 at September 30, 2019. The loss and prior year service cost amount expected to be recognized in net periodic benefit cost in 2020 are as follows:

Actuarial loss	$1,345,260
Prior service cost	10,901
	$1,356,161

Pension Plan Assets

The primary investment objective of the Hospitals' Retirement Plan is to provide pension benefits for their members and their beneficiaries by ensuring a sufficient pool of assets to meet the Plan's current and future benefit obligations. These funds are managed as permanent funds with disciplined longer-term investment objectives and strategies designed to meet cash flow requirements of the plan. Funds are managed in accordance with ERISA and all other regulatory requirements.

Management of plan assets is designed to maximize total return while preserving the capital values of the fund, protecting the fund from inflation and providing liquidity as needed for plan benefits. Total annualized return, adjusted for trading costs and management fees, achieved by each investment manager of an actively managed portfolio, is expected to equal or exceed an index comprised of 60% of the Vanguard Index Trust 500 Fund and 40% of the Vanguard Total Bond Market Fund.

The Plan aims to assume a moderate level of risk and a diversified portfolio. The Plan invests in one money market account and two mutual funds at September 30, 2019. A periodic review is performed of the pension plan's investments in various asset classes.

8. Retirement Plans (Continued)

The fair values of the assets at September 30, 2019 are as follows (see note 15 for level definitions):

	Level 1	Level 2	Level 3	Total
Money market fund	$33,035,246	$ –	$ –	$33,035,246
Mutual funds:				
Index funds - fixed income	25,961,423	–	–	25,961,423
Total assets at fair value	$58,996,669	$ –	$ –	$58,996,669

The fair values of the assets at September 30, 2018 are as follows (see note 15 for level definitions):

	Level 1	Level 2	Level 3	Total
Money market fund	$ 1,739,905	$ –	$ –	$ 1,739,905
Mutual funds:				
Index fund - domestic	32,991,272	–	–	32,991,272
Index fund - international	7,206,966	–	–	7,206,966
Index fund - fixed income	24,493,405	–	–	24,493,405
	64,691,643	–	–	64,691,643
Total assets at fair value	$66,431,548	$ –	$ –	$66,431,548

9. Leases

The Hospitals have a number of lease agreements with noncancellable terms of more than one year. These include various family health practices and properties leased pursuant to professional service agreements. Leases extend for varying periods and most include renewal options subject to adjustment in the rental amount. Leases that expire are generally expected to be renewed or replaced by other leases, or the Hospitals' owned property will be utilized if available.

The future annual minimum rental payments required under noncancellable operating leases are as follows:

2020	$ 700,637
2021	701,717
2022	270,710
2023	231,767
2024	233,704
Thereafter	1,104,550

9. Leases (Continued)

Rent expense for all operating leases including month-to-month rentals for 2019 and 2018 was approximately $1,628,305 and $1,812,000, respectively.

10. Functional Expenses

The Hospitals provide general healthcare services to residents and vacationing tourists within their geographic area. Expenses related to providing these services are as follows for the year ended September 30:

	Health Services	General and Administrative	Total
2019			
Salaries	$ 84,665,106	$17,790,271	$102,455,377
Payroll taxes	4,332,985	1,248,336	5,581,321
Employee benefits	5,189,068	9,989,259	15,178,327
Purchases services and contracted physicians	14,978,954	16,969,006	31,947,960
Pharmacy supplies	14,862,620	–	14,862,620
Chargeable supplies	9,859,760	59,367	9,919,127
Nonchargeable supplies	4,805,602	1,519,246	6,324,848
Depreciation and amortization	50,207	7,111,633	7,161,840
Amortization of deferred system development costs	–	4,999,717	4,999,717
Rent and occupancy expenses	2,515,833	3,266,060	5,781,893
Professional services	256,198	1,581,608	1,837,806
Interest expense	168,640	4,815,544	4,984,184
Insurance	2,564,265	543,634	3,107,899
Repairs	845,382	565,940	1,411,322
Tuition, advertising and other	487,331	1,370,341	1,857,672
Dues, travel and education	446,026	520,046	966,072
New Hampshire Medicaid Enhancement tax	7,836,489	–	7,836,489
	$153,864,466	$72,350,008	$226,214,474

10. Functional Expenses (Continued)

	Health Services	General and Administrative	Total
2018			
Salaries	$ 78,766,990	$26,420,569	$105,187,559
Payroll taxes	3,765,736	1,720,624	5,486,360
Employee benefits	5,739,332	7,682,532	13,421,864
Purchases services and contracted physicians	14,481,029	14,740,245	29,221,274
Pharmacy supplies	14,286,972	649,332	14,936,304
Chargeable supplies	10,379,754	384,327	10,764,081
Nonchargeable supplies	5,049,994	2,247,643	7,297,637
Depreciation and amortization	–	7,574,797	7,574,797
Amortization of deferred system development costs	–	6,206,105	6,206,105
Rent and occupancy expenses	3,165,979	3,298,676	6,464,655
Professional services	175,308	1,025,953	1,201,261
Interest expense	205,594	5,010,986	5,216,580
Insurance	2,342,717	438,715	2,781,432
Repairs	913,220	670,378	1,583,598
Tuition, advertising and other	505,854	1,530,810	2,036,664
Dues, travel and education	549,401	692,129	1,241,530
New Hampshire Medicaid Enhancement tax	9,058,586	–	9,058,586
	$149,386,466	$80,293,821	$229,680,287

The financial statements report certain expense categories that are attributable to more than one healthcare service or support function. Therefore, these expenses require an allocation on a reasonable basis that is consistently applied. Costs not directly attributable to a function, such as depreciation and interest, are allocated to a function based on square footage. Supporting activities that are not directly identifiable with one or more healthcare programs are classified as general and administrative. If it is impossible or impractical to make a direct identification, allocation of the expenses were made according to management's estimates. Employee benefits were allocated in accordance with the ratio of salaries and wages of the functional classes. Specifically identifiable costs are assigned to the function which they are identified to.

11. Self Insurance

Employee Health Insurance

The Hospitals have a self-funded health insurance plan. The plan is administered by an insurance company which assists in determining the current funding requirements of participants under the terms of the plan and the liability for claims and assessments that would be payable at any given point in time. The Hospitals recognize revenue for services provided to employees of the Hospitals during the year. The Hospitals are insured above a stop-loss amount of $300,000 on individual claims. Estimated unpaid claims, and those claims incurred but not reported at September 30, 2019 and 2018, have been recorded as a liability of approximately $700,000 and $450,000, respectively, and are reflected in the accompanying consolidated statements of financial position within healthcare and other accrued benefits.

11. Self Insurance (Continued)

Workers' Compensation Trust

The Hospitals self-insure their workers' compensation claims incurred prior to October 1, 2018 through a tax-exempt trust, revocable subject to State law retained funding level restrictions for the payment of workers' compensation settlements. Professional insurance consultants have been engaged to assist the Hospitals with determining funding amounts. The financial position and operations of the Trust have been consolidated with these statements. A stop loss policy is in place to limit liability exposure to $600,000 per occurrence. Effective October 1, 2018, the Hospitals are now insured under a commercial claims incurred insurance policy for workers' compensation claims.

Losses from asserted claims and from unasserted claims identified under the Hospitals' incident reporting system are accrued as reported based on estimates that incorporate industry past experience, as well as other considerations including the nature of each claim or incident and relevant trend factors. Accruals for possible losses attributable to incidents that may have occurred but that have not been identified under the incident reporting system have been made based upon industry experience and management's judgment. The Trust's estimate for all claims outstanding was $3,692,000 and $2,685,000 as of September 30, 2019 and 2018, respectively. Assets held in trust to meet such claims amounted to $1,106,094 and $1,115,128 at September 30, 2019 and 2018, respectively.

12. Commitments

In addition to commitments made in the ordinary course of business, the Hospitals have entered into the following agreements:

Participation Agreement Between ACHC and the Hospitals

In conjunction with the formation of ACHC, the Hospitals have entered into a participation agreement with ACHC whereby the Hospitals, as an ACHC member, have agreed to participate in ACHC's agreements with Cerner Corporation (Cerner) and S&P Consultants, Inc. (S&P) and share in 80% of the costs of the services as defined in the Cerner and S&P agreements related to the implementation of an EHR system to provide services to the Hospitals and Speare Memorial Hospital. Speare Memorial Hospital has agreed to participate in approximately 20% of those costs. The Cerner agreement has an initial term of seven years with successive 36-month terms, and the S&P agreement is a continuous agreement. In September 2017, ACHC terminated its agreement with S&P. In August 2017, ACHC entered into a three year agreement with Huntzinger Management Group, Inc. (Huntzinger). In November 2018, ACHC entered into a new agreement with Huntzinger for a minimum three year commitment. The annual fixed fee is approximately $8.3 million subject to 3% annual increases, of which LRGHealthcare is expected to pay approximately 77%. The following schedule reflects the Hospitals' share of future minimum payments to ACHC under the Cerner agreements as of September 30, 2019:

2020	$ 8,583,966
2021	8,770,106
2022	4,530,460
	$21,884,532

12. Commitments (Continued)

Based on the terms of the participation agreement with ACHC, the original costs paid for by the Hospitals for the implementation of the Cerner system are being treated as deferred system development costs and are being expensed over the remaining term of the agreement over the estimated useful life of the assets. Deferred system development costs as of September 30, 2019 and 2018 were $13,365,077 and $18,364,794, respectively. Amounts amortized in the accompanying consolidated statements of operations under this agreement were $4,999,717 and $6,206,105 in 2019 and 2018, respectively.

Purchased Services

The Hospitals contract for services with various specialty practice healthcare providers. The professional service agreements secure access to providers of obstetric, occupational health, surgical, emergency, integrated multi-specialty and other services for patients in the community. Contract terms vary but all provide for trial periods (which have lapsed) with cancellation clauses followed by longer term commitments with remaining terms ranging from one to three years. These agreements, prepared in accordance with Medicare anti-fraud and abuse laws, include employee lease arrangements, real and personal property leases and individual physician compensation agreements based upon nationally based medical procedure surveys. Consistent with the Hospitals' mission, the physician organizations agree to extend their services to patients without regard to the ability to personally pay and expand coverage areas to all communities served by the Hospitals. The contractual gross obligations, excluding benefits of such arrangements, are projected to be $26.6 million for the year ended September 30, 2020 and similar amounts for subsequent years.

Repurchase Contracts

Repurchase contracts on condominium units within the Laconia medical office building and High Street condominium units obligate the Hospitals to reacquire units which have previously been sold. At September 30, 2019, this commitment amounted to approximately $1.2 million.

13. Net Assets

Net Assets With Donor Restrictions

Net assets with donor restrictions are available for the following purposes at September 30:

	2019	2018
Purpose restriction:		
Capital improvements	$6,593,804	$5,104,158
Other special purpose funds	231,115	328,142
	6,824,919	5,432,300
Perpetual in nature:		
Charity care	1,294,034	1,294,034
General Hospital use	750,699	750,699
Other purposes	155,004	155,004
	2,199,737	2,199,737
Total net assets with donor restrictions	$9,024,656	$7,632,037

13. Net Assets (Continued)

In 2019 and 2018, the Hospitals released $493,510 and $881,760, respectively, from net assets with donor restrictions for operations and $48,227 and $359,960 in 2019 and 2018, respectively, released from net assets with donor restrictions for capital improvements.

There was no activity related to endowment funds within net assets with donor restrictions in 2019 and 2018.

14. Contingencies

Medical Malpractice Claims

Prior to January 1, 2011, the Hospitals were insured against malpractice loss contingencies under claims-made insurance policies. A claims-made policy provides specific coverage for claims made during the policy period. Effective January 1, 2011, the Hospitals insure their medical malpractice risks through a multiprovider captive insurance company. Premiums paid are based upon actuarially determined amounts to adequately fund for expected losses. At September 30, 2019, there were no known malpractice claims outstanding for the Hospitals which, in the opinion of management, will be settled for amounts in excess of insurance coverage, nor were there any unasserted claims or incidents which required specific loss accruals, except as noted below. The captive retains and funds up to actuarial expected loss amounts, and obtains reinsurance at various attachment points for individual and aggregate claims in excess of funding in accordance with industry practices. The Hospitals' interest in the captive represents approximately 20% of the captive at September 30, 2019 and 2018, although control of the captive is equally shared by participating hospitals. The Hospitals have recorded their interest in the captive's equity, totaling approximately $1,945,000 in 2019 and $1,714,000 at September 30, 2018, in other assets on the accompanying consolidated statements of financial position. Changes in the Hospitals' interest are included in nonoperating gains (losses) on the accompanying consolidated statements of operations. The Hospitals have established reserves to cover professional liability exposures for incurred but unpaid or unreported claims. The possibility exists, as a normal risk of doing business, that malpractice claims in excess of insurance coverage may be asserted against the Hospitals.

In accordance with ASU No. 2010-24, at September 30, 2019 and 2018, the Hospitals recorded a liability of approximately $4,840,000 and $2,686,000, respectively, related to estimated professional liability losses. At September 30, 2019 and 2018, the Hospitals also recorded a receivable of approximately $4,365,000 and $2,211,000, respectively, related to estimated recoveries under insurance coverage for recoveries of the potential losses. These amounts are included in workers' compensation and other liabilities, and other assets, respectively, on the consolidated statements of financial position.

14. Contingencies (Continued)

New Hampshire Medical Malpractice Joint Underwriting Association Settlement

On August 12, 2011, pursuant to a legislative mandate, the New Hampshire Medical Malpractice Joint Underwriting Association (JUA) set aside $85 million of excess surplus funds for return to JUA policyholders. This amount was transferred to the policyholders' claims administrator on November 15, 2012. The JUA also segregated additional funds totaling $25 million pending resolution of certain JUA tax matters which was released in 2013. The entirety of these funds totaling $110 million had been the subject of a dispute between the JUA's policyholders and the state of New Hampshire (the State) with respect to the State's intent to transfer $110 million of JUA excess surplus to the State's general fund. This dispute resulted in a state of New Hampshire Supreme Court ruling in 2011 which held that the State's intended transfer would unconstitutionally impair JUA policyholders' contractual rights. In 2015, the New Hampshire legislature approved in the 2015 session both the ending of the JUA and taking no claim in the remaining assets after liquidation of liabilities. There was an estimate at the time of the legislation of $23 million in liability for the JUA. At December 31, 2014, the JUA had assets of greater than $117 million. Class action litigation was filed in December 2015 to recover the monies in a structure similar to the prior recovery and LRGHealthcare is again a lead plaintiff. Subsequently, net of a payment of $23,156,298 to MedPro on closing of an Assumption Agreement, the JUA's booked liabilities, the return of tail premium, and paid or accrued JUA expenses, the Insurance Commission of the State of New Hampshire (the Receiver) now has custody of liquid assets of the JUA constituting its remaining surplus funds in excess of $87 million. Further, the Receiver and the plaintiffs, through external counsel, negotiated a holdback or reserve of a portion of this surplus to secure or fund, if necessary, any theoretical liability on the Receiver's contractual liabilities, the JUA's one year covenants to MedPro under the Assumption Agreement expiring August 25, 2017 and/or the JUA's final tax returns. This holdback agreement, if approved by the court, permits the Receiver's immediate interpleader of $50 million for distribution to policyholders with the balance of funds to follow in subsequent transfers by the Receiver before the Receiver is finally discharged, in a manner similar to that accomplished in the prior class proceeding. Net of this holdback, therefore, the Receiver has liquid funds the Receiver is submitting forthwith by interpleader to the jurisdiction of this Receiver Court in the amount of $50 million. In 2018, this was approved and partial distributions of approximately $4,200,000 were received in 2019. Final distributions are expected in 2020 and are not expected to be significant.

15. Fair Value Measurements

Fair value of a financial instrument is defined as the price that would be received upon sale of an asset or paid upon transfer of a liability in an orderly transaction between market participants at the measurement date and in the principal or most advantageous market for that asset or liability. The fair value should be calculated based on assumptions that market participants would use in pricing the asset or liability, not on assumptions specific to the entity. In addition, the fair value of liabilities should include consideration of nonperformance risk including the Hospitals' own credit risk.

15. Fair Value Measurements (Continued)

The FASB's codification establishes a fair value hierarchy for valuation inputs. The hierarchy prioritizes the inputs into three levels based on the extent to which inputs used in measuring fair value are observable in the market. Each fair value measurement is reported in one of the three levels which is determined by the lowest level input that is significant to the fair value measurement in its entirety. These levels are:

Level 1 – Valuations for assets and liabilities traded in active exchange markets, such as the New York Stock Exchange. Level 1 also includes U.S. Treasury and federal agency securities and federal agency mortgage-backed securities, which are traded by dealers or brokers in active markets. Valuations are obtained from readily available pricing sources for market transactions involving identical assets or liabilities.

Level 2 – Valuations for assets and liabilities traded in less active dealer or broker markets. Valuations are obtained from third party pricing services for identical or similar assets or liabilities.

Level 3 – Valuations for assets and liabilities that are derived from other valuation methodologies, including option pricing models, discounted cash flow models and similar techniques, and not based on market exchange, dealer or broker traded transactions. Level 3 valuations incorporate certain assumptions and projections in determining the fair value assigned to such assets or liabilities.

In determining the appropriate levels, the Hospitals perform a detailed analysis of their assets and liabilities. At each reporting period, all assets and liabilities for which the fair value measurement is based on significant unobservable inputs are classified as Level 3.

For the fiscal year ended September 30, 2019, the application of valuation techniques applied to similar assets and liabilities has been consistent with prior years.

The following presents the balances of assets and liabilities measured at fair value on a recurring basis at September 30:

	Level 1	Level 2	Level 3	Total
2019				
Long-term investments:				
Cash and cash equivalents	$ 201,128	$ –	$ –	$ 201,128
Marketable equity securities	1,961	–	–	1,961
	$ 203,089	$ –	$ –	$ 203,089
Assets whose use is limited:				
Cash and cash equivalents	$16,653,070	$ –	$ –	$16,653,070
Mutual funds	1,170,001	–	–	1,170,001
Other	149,459	–	–	149,459
	$17,972,530	$ –	$ –	$17,972,530

15. Fair Value Measurements (Continued)

	Level 1	Level 2	Level 3	Total
2018				
Long-term investments:				
Cash and cash equivalents	$ 254,544	$ –	$ –	$ 254,544
Marketable equity securities	1,961	–	–	1,961
	$ 256,505	$ –	$ –	$ 256,505
Assets whose use is limited:				
Cash and cash equivalents	$19,842,021	$ –	$ –	$19,842,021
Mutual funds	1,970,418	–	–	1,970,418
Other	88,236	–	–	88,236
	$21,900,675	$ –	$ –	$21,900,675

Investments, in general, are exposed to various risks, such as interest rate, credit and overall market volatility. As such, it is reasonably possible that changes in the fair value of investments will occur in the near term and that such changes could materially affect the amounts reported in the accompanying consolidated statements of financial position and statements of operations.

Other financial instruments consist of cash and cash equivalents, patient accounts receivable, other receivables, pledges receivable, accounts payable, estimated third-party payor settlements and long-term debt. The fair value of all financial instruments approximates their relative book values as these financial instruments have short-term maturities or are recorded at amounts that approximate fair value.

16. Financial Assets and Liquidity Resources

As of September 30, 2019, financial assets and liquidity resources available within one year for general expenditure, such as operating expenses, scheduled principal payments on debt, and capital construction costs not financed with debt, consisted of the following:

Cash and cash equivalents	$ 4,061,560
Accounts receivable	19,387,150
Long-term investments	203,089
	$23,651,799

To manage liquidity, the Hospitals maintain sufficient cash and cash equivalent balances to support daily operations throughout the year. Cash and cash equivalents include bank deposits, money market funds, and other similar vehicles that generate a return on cash and provide daily liquidity to the Hospitals. The financial assets and liquidity resources included above exclude $12,151,588 and $1,106,094 recorded as assets whose use is limited under mortgage indenture (see note 7) and under worker's compensation trust agreement (see note 11), respectively, at September 30, 2019. These funds are available to the Hospitals to settle debt payments, workers' compensation claims and related amounts as allowed under the trustee agreements.

LRGHealthcare
2020 BOARD OF TRUSTEES

CHAIR
Cynthia P. Baron

VICE CHAIR
William Bald

SECRETARY / TREASURER
Golda Schohan

TRUSTEES

Scott Clarenbach

James Clements

Kevin Donovan

Nancy LeRoy

K. Mark Primeau

Scott Sullivan

Stuart Trachy

MEDICAL STAFF REPRESENTATIVES – EX-OFFICIO BOARD MEMBERS
Vercin Ephrem, MD, President of the Medical Staff

Jason Mangiardi, Vice President of the Medical Staff

Paul Racicot, MD, Past President of the Medical Staff

KEVIN W. DONOVAN, FACHE

Summary of Qualifications:

Proven, health care executive experienced working in environments demanding strong leadership, operations and relationship skills. Confident and poised in interactions with individuals at all levels.

Experience:

LRGHealthcare, Laconia, NH

President and Chief Executive Officer – 2016 to Present

- President and CEO for a $230 million net revenue, not-for-profit health system representing Lakes Region General Hospital (137 bed acute care hospital), Franklin Regional Hospital (35 bed critical access hospital) and over 20 affiliated medical practices and groups.

Mt. Ascutney Hospital and Health Center & Dartmouth-Hitchcock, Windsor, VT

President and Chief Executive Officer – 2010 to 2016

- President and CEO for a $55 million net revenue, health care organization with a 25 bed acute care hospital, 10 bed inpatient acute rehabilitation program, employed provider network, community grant foundation, 46 bed assisted living facility and 25 bed skilled nursing facility.

Elliot Health System, Manchester, NH

Senior Vice President, Clinical Operations – 2008 to 2010

- Served as a member of the senior leadership team of a $400 million net revenue health system with primary responsibility for management of ancillary, inpatient support, outpatient services, ambulatory care, physician/provider practice and regional operations of the health system.

Vice President, Physician Services – 2007 to 2008

- Responsible for ambulatory, physician/provider, and cancer center services of the health system managing areas of responsibility with budgets of $75 million, 400 support staff FTEs, and over 150 physician and provider FTEs.

Dartmouth-Hitchcock, Lebanon, NH

Director, Ambulatory Services – Children's Hospital at Dartmouth (CHaD) – 2002 to 2007

- Directed, managed and led the multi-specialty physician and provider practice of CHaD, including program growth and group practice operations.
- Effectively managed a budget of $17 million for the Dartmouth-Hitchcock Clinic and Mary Hitchcock Memorial Hospital and a $1 million budget for the Dartmouth Medical School.

Senior Practice Manager – Regional Systems Development Group – 2000 to 2002

Practice Manager – Neurosciences – 1999 to 2000

Affiliated Medical Groups, Quincy, MA and Duxbury, MA

Practice Administrator – 1997 to 1999

Northeast Health System, Inc., Beverly, MA

Practice Administrator – 1996 to 1997

Trustees of Health & Hospitals, Inc., Boston, MA

System Administrator – 1993 to 1994
Computer Support Specialist – 1992 to 1993

Education:

The George Washington University, Washington, DC

- Master of Health Services Administration, May 1997
- Completion of a one-year project oriented residency within Northeast Health System.

Syracuse University, Syracuse, NY

- Bachelor of Science, Information Studies, May 1992

References:

- References are available upon request.

CURRICULUM VITAE

FREDERICK N. JONES, MD
fjones@lrgh.org

EDUCATION:

1991: BS, Biology: Tufts University, Medford, MA
1997: MD, Boston University School of Medicine, Boston, MA

POSTDOCTORAL TRAINING:

1997 – 1998: Intern, Department of Medicine, Boston Medical Center, Boston, MA.

1998 – 2001: Resident in Emergency Medicine, Boston Medical Center Emergency Medicine Residency, Boston, MA. Administrative Responsibility: Chair, Curriculum Committee.

2001 – 2003: Fellow in Emergency Medical Services, Boston EMS, Boston Medical Center, Boston, MA.

LICENSURE:

2001 – Present: Registered Physician, Commonwealth of MA.
2012 – Present: Registered Physician New Hampshire

ACADEMIC APPOINTMENTS:

2001 – 2012: Clinical Instructor in Emergency Medicine, Boston University School of Medicine, Boston, MA.

HOSPITAL STAFF APPOINTMENTS:

2012 – Present: Staff Emergency Physician, LRGHealthcare, Laconia, NH.
2014 – Present Chief Service of Emergency and Ambulatory Medicine.

2012 – 2015: Staff Emergency Physician Huggin's Hospital Wolfeboro, NH.

2001 – 2009: Staff Emergency Physician, Boston Medical Center, Boston, MA. Voluntarily withdrawn.

2001 – 2012: Staff Emergency Physician, Quincy Medical Center, Quincy, MA.
2003 – Present: Director EMS
2003 – 2004: Chairman, Disaster Committee
Voluntarily Withdrawn

2001 - 2002: Consultant in Emergency Medicine, Lahey Clinic, Burlington, MA. Voluntarily withdrawn.

PUBLICATIONS AND PRESENTATIONS:

Dyer KS, Jones FN, Fish SS. Acetaminophen Overdose: How Often Is Therapy Appropriate? Poster Presentation. Society for Academic Emergency Medicine Northeast Regional Conference, April 1997.

Jones FN. The Expanding Leg. CPC Competition. Society for Academic Emergency Medicine, May 1999.

Perera TB, Jones FN, Mitchell P. Do Patients Believe That They Can Refuse Participation in Clinical Research? Society for Academic Emergency Medicine, May 2000. Abstract. Acad Emerg Med, 2000, 7:554a.

Rathlev NK, Balaguera HU, Ramanujam P, Mir J, Jones FN, Craven D. The Impact of Blood Cultures in Managing Hospitalized Patients with Community – Acquired Pneumonia. Society for Academic Emergency Medicine, May 2002. Abstract. Acad Emerg Med, 2002, 9: 391a.

Jones FN, Brinsfield K. Safety and Physiologic Effect of Aggressive Prehospital Nitrate Therapy for Pulmonary Edema Associated with Congestive Heart Failure. Poster Presentation, National Association of EMS Physicians. January 2003.

Subarachnoid Hemorrhage. Chapter in "An Introduction to Emergency Medicine", Medzon R, Mitchell E, Editors. Lippincott Williams & Wilkins. 2005

CERTIFICATIONS:

Current:

Advanced Cardiac Life Support
Basic Life Support
Pediatric Advanced Life Support
Eagle Scout

Past:

Emergency Medical Technician:
Massachusetts, 1990 – 1994.
Colorado, 1987 – 1990.

EXPERIENCE:

1987 – 1993: Hale Reservation, Westwood, MA.
1991 – 1993: Director of Education.
1987 – 1993: Outdoor Education Instructor.

1991 – 1993: Sonographer, Research Assistant, Echocardiology, Lahey Clinic, Burlington, MA.

1989 – 1994: Master Instructor, Thompson Island Outward Bound Education Center, Boston, MA.

COMMUNITY SERVICE:

Boston EMS Volunteer Medical Staff
July 4, 1998 and July 4 2000
Sail Boston 2000

Boy Scouts of America
Advisor Explorer Post 42, 1993 – 1997.
Scoutmaster Troop 181, 1992 – 1993
Assistant Scoutmaster Troop 185, 1986 – 1992.

HOBBIES:

Boating, Kayak Building, Hiking, Photography, Skiing, Reading, and Cooking.

Joshua P. Morrison

RESIDENCY:
Lehigh Valley Hospital, Allentown, PA
Emergency Medicine Resident, June 2009 – June 2013

EDUCATION:
University of New England College of Osteopathic Medicine, Biddeford, ME
Doctor of Osteopathic Medicine, June 2009

Worcester Polytechnic Institute, Worcester, MA
Bachelor of Science, Biology and Biotechnology, May 2002

HONORS/AWARDS:
Sigma Sigma Phi Honorary Osteopathic Service Fraternity
WPI Deans Award for Outstanding Research Presentation
Eagle Scout

RESEARCH:
Alexander J. and Morrison J: Accessing and Managing Exacerbations of COPD, *Emergency Medicine*, March 2007 pp20-26.

Worcester Polytechnic Institute, Biology Department, Undergraduate
Mapping nu385 C. elegans, Worcester Polytechnic Institute 2002
Incorporating Grass Recycling for Road Aggregate in Puerto Rico 2001

WORK/VOLUNTEER EXPERIENCE:
Resident Medical Director, Cetronia Ambulance Corps, PA 2010-2012
Resident Medical Director, Green Lane EMS, PA 2010-2012
Allentown Volunteer Reserve Medical Corps – SERVPA, 2010-2012
Women's Health Mission – Guyana, Remote Area Medical USA, 2005
Emergency Medical Technician, Rescue Inc., Brattleboro, VT, 2004-2005
Volunteer EMT-Firefighter, Langdon Fire and Rescue, NH,1997-2005
Volunteer EMT, Essex Rescue, VT, 2003-2004

LEADERSHIP:
American College of Osteopathic Emergency Physicians
Board of Directors 2006-2007
National Student Chapter President 2006-2007

LICENSURE/ CERTIFICATION:
Pennsylvania Osteopathic Physician Medical License, 10/31/2012
Advanced Cardiac Life Support Instructor, 5/2014
Pediatric Advanced Life Support Instructor, 5/2014
CPR for the Health Care Provider, 2/2013
Advanced Trauma Life Support, 11/4/2014

INTERESTS:
Emergency Medical Services, Sports Medicine, International Medicine
Skiing, playing music, sports

Theresa Champagne DNP, RN- Chief Nursing Officer (CNO) LRGHealthcare.

Dr. Champagne is currently the CNO for LRGHealthcare (LRGH), a 2-hospital community health system in the Lakes Region of New Hampshire. She came to the health system 2 years ago with over 40 years of nursing experience including 16 years' experience in nursing administration. While her nursing and nursing administration background has been mainly in surgical services prior to joining LRGH, she has had administrative experience in multi-site health systems, acquisitions and has lead integration teams in nursing and surgical services. In her current role she has focused on improving patient outcomes and developing her nursing leadership team. To date her accomplishments at LRGH include developing and implementing a system-wide safety huddle, implemented a successful patient Falls Reduction program and developed and implemented a Block Committee in Surgical Services resulting in improved OR utilization. Additionally, she collaborated with a multidisciplinary team and reduce the use of RN travel staff by over 75%.

Prior to coming to LRGH, Dr. Champagne spent 2 years as an Associate Chief Nursing Officer (ACNO) in Surgical Services at Vassar Brothers Medical Center in Poughkeepsie, New York which was part of the Health Quest System. She was also the Director of Surgical Services for Western Connecticut Health Network for 5 years prior to her time in New York.

Theresa is currently enrolled in the inaugural class as a Miller Fellow at Case Western Reserve University. She did her undergraduate work at St. Anselm College in New Hampshire, earned her Master's in Nursing from Western Connecticut State University, and her Doctorate in Nursing Practice from Oakland University in Michigan. She is a certified Black Belt in Lean Six Sigma and holds her CNOR certification as well. Current professional memberships include the American Nurses Association (ANA), the American Organization of Nursing Leadership (AONL), the Association of peri-Operative Nurses (AORN), and the New Hampshire Hospital Association (NHHA).

Andrea T. Harper, CIC, CPPS, CPHQ

INFECTION PREVENTION and PATIENT SAFETY SPECIALIST with EXPERTISE in ACCREDITATION

Hospital professional with 20+ years of excellence in cross-functional experience promoting quality patient outcomes and safety, capturing critical decision-making data, developing streamlined workflows, shepherding projects to completion, and eliminating preventable infections. Infection Prevention and Control Professional soundly dedicated to protection of the public through solid promotion of the highest industry standards of care and excellence.

EDUCATION	CERTIFICATIONS
M.S. in Healthcare Administration New England College Henniker, NH **B.S. in Medical Laboratory Science** University of New Hampshire Durham, NH	**Green Belt Process Improvement Training** Provider: Value Institute Learning Center at Dartmouth Institute **CPHQ Certified Professional in Healthcare Quality®** National Association for Healthcare Quality (NAHQ), 2016 **CPPS Certified Professional in Patient Safety,** Provider: Certification Board for Professionals in Patient Safety (CBPPS), 2014 **ServSafe Certified,** Provider: National Restaurant Association, 2012 **CIC Certification in Infection Control,** Provider: CBIC 2011–2021 **Board of Registry ASCP,** Medical Technology, 1992

EXPERTISE and QUALIFICATIONS

Data Management and Operational Best Practices

- Monitor, assess, and investigate infections and their source. Provide data, collaboration, and administrative support to infection control authorities internally and externally.
- Analyze, research, and disseminate timely infection-prevention data and annual risk assessments; prevailing industry and environmental research; improvement efforts, performance measures, and benchmarks for healthcare professionals, staff, patients, Health Department, and other stakeholders, resulting in effective contamination mitigation.
- Collect, communicate, and manage information and documented evidence of communicable disease; draft policies and compliance procedures; prepare internal interpretive reports, regarding communicable diseases, preemptive exposure mitigation and rapid outbreak intervention, demographics, surveillance, statistics, quality improvement initiatives, disease outbreaks, and environmental conditions.

- Create and generate infection prevention planning and interventions, including report preparation pertaining to plan effectiveness for variety of stakeholder groups dedicated to protecting patients, employees, and visitors from infectious disease.
- Apply astute detailed analysis, knowledge of current trends and best practices, and evidenced-based practices to advocate data-driven decision making as means of resolving complex problems. This can involve comparisons of internal data to applicable industry / national statistics, OSHA and other regulatory standards.
- Review and maintain confidentiality of patient, employee, legal, budget, and department matters; knowledge of legal, accreditation, and regulatory requirements; and hospital / department policies, procedures, standards, guidelines, and protocols.
- Practice patient safety science and human factors engineering (hold ***Certified Professional in Patient Safety*** credential) and identify infection prevention control deficiencies, applying evidence-based assessments, determining process improvements, and implementing strategic solutions that lead to patient safety.
- Utilize Lean Six Sigma process improvement methodology, having earned Yellow Belt.

Leadership

- Provide institutional, cross-department guidance, administrative support, management and staff training, orientation, and education in accordance with statutory and regulatory requirements and collaborate effectively with department leaders (environmental services, radiology, nursing, pharmacy, Operating Room, central sterile, etc.), staff, patients, families, and regulatory agencies.
- Institutes practices of financial stewardship, cost controls, budgetary oversight, and ROI while maintaining and advocating for highest quality of patient care.
- Maintained operational excellence during periods of hospital construction and renovation.
- Comprehend Joint Commission and CMS regulations, having applied this familiarity and organizational skills in development of Patient Readiness Surveys used to sustain inspection-level readiness at all times.
- Build trust, respect, and positive rapport with all facility personnel, regarding infection prevention and other patient safety issues.
- Promote change through adoption of inventive, cutting-edge, and expedient modifications, including outreach to off-site physician practices and urgent or ambulatory care centers.
- Collaborate with organization's governing body as represented by Hospital Quality Council (member), Infection Prevention Committee (chair),and upon request attend and present to medical staff leadership, senior executive leadership, Department of Surgery, and staff at all levels.

Diversified Value Added Skills

- Complete frequent Environment of Care (EOC) rounds to improve patient safety, care, and experience.
- Provide evidence-based best practices during process observations that are related to cleaning and disinfection of instruments.

- Apply experience in microbiology by investigating organisms, disease, and epidemic control, and analyzing blood and bodily fluid for reporting to physicians.
- Exercise proficiency as medical technologist, establishing and monitoring efficient and continued operation of hospital laboratory equipment.
- Experienced in use of variety of electronic medical record platforms, including Epic, EPIC ICON, MEDITECH, SCC Soft Computer, and Cerner.
- Experienced in use of RL solutions software for safer healthcare and MIDAS.
- Skilled in phlebotomy services, including planning and implementation of instruction.

INSTRUCTIONAL EXPERIENCE

Significant experience as a teacher, trainer, lecturer, and presenter with reputation of proficiently disseminating relevant and crucial infection prevention information to many small and large audiences and training sessions. Demonstrates excellent verbal and written communication skills as instructor.

- Worked as an adjunct professor at Manchester Community College in both Manchester, NH and Manchester CT as well as at the Fox Institute of Business and Hartford, CT.
- Trained River Valley MLT student during student's microbiology internship. 2009
- Served as advisory resource for healthcare-related student committee at Plymouth High School; Plymouth, NH. 2008–2009
- Furnished radio (WLNH Laconia, NH) voice representing Speare Memorial Hospital; Plymouth, NH promoting laboratory services. 2009

CAREER HIGHLIGHTS

- Updated hospitals' respiratory protection program that included transition from N-95 respirators to PAPRs as primary PPE for use in negative pressure rooms. PAPRs provided increased protection and approximately $5K in savings per year.
- Initiated System-wide hand hygiene compliance sustained at greater than 90% using both overt and covert hand hygiene observations by trained staff and patient observation surveys.
- Provided evidenced-based research prior to purchase of 3 Xenex germ zapping robots that resulted in 50% reduction in house wide CDIFF infections.
- Implemented employee training and use of Infection Control Risk Assessment tool used in assessing construction and renovation projects and in determining appropriate mitigation tools and techniques.
- Sustained >90% voluntary Healthcare worker influenza vaccination rate for seasonal vaccine. (Initiative launched before my arrival.)
- Enhanced epidemic readiness plan through training and education of registration staff. Triaged staffs to identify, isolate, and inform stakeholders regarding communicable disease threats.
- Trained staff in basics of infection prevention education at New Hire orientation, New Provider orientation, and New Nurse orientations as well as staff meetings.

- Collaborated with Pharmacy and Therapeutics committee to establish Antimicrobial Stewardship program that looks at antibiotic usage and provides facility specific antibiograms for physician use.
- Initiated campaign for reduction of instruments being improperly cleaned and disinfected in the outpatient setting. All instruments receive pre cleaning in outpatient setting, but are then sent to hospital-based central sterilization department for final cleaning / disinfection and sterilization.
- Coordinated increase in availability and proper use of personal protective equipment (PPE) in various units.
- Collaborated with team to update and improve isolation precaution signage and with employee health to improve process related to employee exposures to communicable diseases.
- Supported strategic imperatives to reduce HARM score related to VAP, CAUTI, CLABSI and SSI.

PROFESSIONAL EXPERIENCE

INFECTION PREVENTIONIST

ST. JOSEPH HOSPITAL • Nashua, NH December 2017–January 2020

A 208-bed acute care facility, including 21 outpatient provider offices. St. Joseph Hospital is DNV GL Healthcare Accredited and is a member of Covenant Health System.

- Participation in New Hampshire Jurisdictional Risk Assessment (JRA) 2019
- Assisted with Det Norske Veritas (DNV) readiness, leading to passage of DNV survey with no infection control non conformities identified. 2018

INFECTION PREVENTIONIST

ALICE PECK DAY MEMORIAL HOSPITAL (Dartmouth Hitchcock Medical Center affiliate) • Lebanon, NH July 2014–December 2017

A 25-bed hospital having served over the past year 8,635 ER visits and 936 admissions, and having performed 343 inpatient and 1687 outpatient surgeries.

- Assessed healthcare environment and identified vulnerabilities in institution's infection control program.
- Initiated Rapid Process Improvement (RPI) project pertaining to surgical and procedure instrumentation.
- Assisted with CMS readiness, leading to passage of CMS survey with no infection control deficiencies found.
- Presented to New Hampshire Infection Control and Epidemiology Professionals and was awarded scholarship to attend APIC Annual Conference.
- Actively involved in both Medical Surgical Unit Quality Team and Patient Fall Prevention Team.

INDEPENDENT INFECTION PREVENTION and PATIENT SAFETY CONSULTANT

February 2014–July 2014

- Served as consultant upon request of podiatry office, who was urged to secure a consultant by New Hampshire Board of Medicine. Findings were relayed to health care provider and Board of Medicine.

INFECTION PREVENTION OFFICER

ELLIOT HEALTH SYSTEM • Manchester, NH January 2013–February 2014

Largest provider of comprehensive healthcare services in southern New Hampshire established in 1890. Elliot Hospital is a 296-bed acute care facility that includes the primary trauma center for surrounding area and 32 off-site primary care physician offices.

- Boosted efficacy of cross-department infection prevention procedures through improved process streamlining; data collection, interpretation, and dissemination; and regulatory agency liaising, resulting in increased infection prevention for employees, physicians, volunteers, patients, families, and visitors.
- Led infection control program consistent with applicable evidence, standards, regulations (TJC, CDC, and OSHA), and evidenced-based practices from CDC, APIC, NHSN among others.
- Participated in committee work, including patient safety meetings, PICU, EOC, nursing operations, product assessment committee, construction and renovation committee, Readiness Committee, Quality Management committee, clinical operations committee, directors and managers meetings. Also assumed role as committee chair of influenza committee.
- Trained, managed, and developed an infection preventionist, who had no prior experience.
- Doubled communicable disease reporting during first year; regularly contributes to various newsletters: EPN/EPS, Inside Report, staff newsletters, internal hospital newsletters, and individual staff newsletters.
- Coordinated multidisciplinary team to address cleaning / disinfection in OR and other perioperative areas and provided recommendations related to improved central sterile process at satellite 1-day surgery and main hospital.
- Collaborated with:
  - team to update and improve precaution signage.
  - Director of Accreditation via consultation and joint rounding.
  - EOC via consultation and joint hazardous surveillance rounds.
  - employee health, Human Resources, Emergency Department, and inpatient / outpatient staff to increase awareness related to employee self-reporting communicable disease illness to hospital and required reporting to NH Department of Health and Human Services.
  - employee health and senior leadership to improve process related to when employees are exposed to communicable diseases.
  - Emergency Department related to evaluation of patient symptoms and patient placement on expanded precautions and communication with other departments.
- Updated policies and procedures to reflect evidenced-based best practices, for example the MRSA screening policy to reflect "one and done", leading to improved bed management and cost savings related to reduction of testing.
- Consulted regarding scabies exposures and follow up related to potential CJD exposures.

- Supported strategic imperatives to reduce HARM score related to VAP, CAUTI, CLABSI, and SSI.
- Completed National Patient Safety Training and provided related education to several Elliot departments.

INFECTION PREVENTION PRACTIONER
DARTMOUTH HITCHCOCK MEDICAL CENTER • Lebanon, NH
November 2011–January 2013

The anchor hospital (396-bed) for Dartmouth-Hitchcock, a nonprofit academic health system that serves a patient population of 1.9M throughout New England. The Medical Center includes a Level 1 trauma center, air ambulance service, and also serves top 5% case mix index in nation.

- Highly visible resource with effective interventions in hand hygiene observations throughout the DHMC in patient units; inclusion of lean Six Sigma streamlining of Infection Prevention Office, collaboration and responsiveness to PICU and ICN units; Joint Commission and CMS readiness tracer rounds to assess gaps and vulnerabilities; and improved infection prevention education component for new hires.
- Committee work included D-H Healthcare Associated Infections Committee (HIC), Blood Borne Pathogen Exposures (BBPE), SEARCHES, Standards and Evaluation Committee, Environment of Care Committee, Hand Hygiene Campaign, and Nosocomial Infection Stoppers.
- Subcommittee work included Readiness and Response to Epidemic Disease Threats Subcommittee, Barriers to Transmission Subcommittee, and Prevention of Device Associated Infections Subcommittee.

INFECTION PREVENTION COORDINATOR (2009–2011)
SPEAR MEMORIAL HOSPITAL • Plymouth, NH June 2007–November 2011

A 100+-year old, 100K-square foot, and 25-bed Critical Access hospital that serves central New Hampshire.

- Independently researched and updated hospital's outdated infection prevention / IC protocol by adjusting base infection prevention program, meeting national best practices and regulatory guidelines, performing environmental surveillance, orienting new staff, consulting with facilities management, and educating all staff and directors to new IP / IC standards, health laws, and reportable diseases.
- Initiated blood culture contamination improvement study, resulting blood culture contamination decrease.

MICROBIOLOGY SECTION HEAD (2007–2009)

- Prepared Standard Operating Procedures, pursued Sampling, Testing and Release Process activities, validated microbial testing procedures, and entered logbook and worksheet data.
- Compiled numerous records / reports, including routine lab / section documents; critical values to attending physicians, staff, and long-term care facilities in area; specifications, procedures, test methods, and SOPs.

- Supervised and trained new employees and resolved diverse and institutional problems daily, for example reducing microbiology testing charges by $100K.

MEDICAL TECHNOLOGIST (1991–2012)

CONCORD HOSPITAL • Concord, NH 1997–2012
SOUTHERN NEW HAMPSHIRE REGIONAL MEDICAL CENTER • Nashua, NH 1997
MANCHESTER MEMORIAL HOSPITAL • Manchester, CT 1993–1997
AFFILIATED HEALTH CARE SYSTEMS OF CONNECTICUT,
ST. FRANCIS HOSPITAL / MT. SINAI HOSPITAL • Hartford, CT 1991–1994

- Performed variety of routine / specialized medical laboratory diagnostic tests, procedures, experiments, and analyses on blood and body fluid specimens for purpose of generating diagnostic, treatment, and disease prevention data.
- Served as needed as Resource (or In-Charge) Technologist and also onboarded / trained new personnel.

TRAINING RECEIVED

- *Infection Prevention Best Practices in Dialysis-The Use of Simulation to Improve Practice and Patient Safety,* Massachusetts Department of Public Health partnered with CDC 2019
- *Advanced Education for the Infection Preventionist,* Provider: APIC 2017
- *Dartmouth-Hitchcock Teaching with Simulation Instructor* Course 2016
- *Barrier Precautions and Controls for Highly Infectious Disease,* Provider: Center for Domestic Preparedness, FEMA, Department of Homeland Security; Anniston, AL June 2016
- *Action Leader Fellowship*-Certification of Completion, Hospital Engagement Network 2.0 2015-2016
- *Integrated Capstone Event (HCL),* Provider: Center for Domestic Preparedness, FEMA, Department of Homeland Security; Anniston, AL November 20, 2015
- *Healthcare Leadership for Mass Casualty Incidents,* Provider: for Domestic Preparedness, FEMA, Department of Homeland Security; Anniston, AL November 19, 2015
- *Using NHSN to accurately report HAIs,* Provider: CDC; Atlanta, GA March 12, 2014
- *Sterile Processing Management Course,* Provider: Nancy Chobin, RN, CPSM (Program Coordinator); Atlantic City, NJ June 10–13, 2013
- *Molecular Diagnostic* by Dr. Fengxiang Gao, Provider: New Hampshire Public Laboratory May 24, 2011
- *Fundamentals of Infection Surveillance, Prevention and Control,* Provider: APIC National
  EPI 201 October 3, 2011
  EPI 101 September 27, 2010
- *Principals of Infection Prevention and Control,* Provider: NJ APIC April 12, 2010
- *Labs Are Vital Advocacy Program* September 4, 2009
- **College of American Pathologist Inspection Team Member Training** May 9, 2008

PUBLICATIONS

- Clinical Content Reviewer for Wolter's Kluwer *Lippincott Procedures* manual and phlebotomy teaching manuals.

- Harper, Andrea. ***How has the NH PHL helped your hospital prepare to respond to an emergency?*** Extracts from the Lab, New Hampshire Public Health Laboratories. NH Department of Health and Human Services. 2011
- Summary submission for NACMID newsletter (http://www.nacmid.org/SiteAssets/NACMID%20news%20Jan2012.pdf) January 2012
- Reviewed chapter for 5th edition of ***Phlebotomy Essentials*** by McCall R. and Tankersley C.

PRESENTATIONS

- Annual Hospital National Healthcare Safety Network workshop; Topic: **Case study.** March 7, 2016
- NHICEP; Topic: **Takeaways from APIC national meeting in Nashville, TN.** September 2015
  March 17, 2015
- Healthcare-Associated Infections Program, Hospital National Healthcare Safety Network (NHSN) workshop agenda, panel member, Topic: ***Analysis Options in NHSN*** January 2015
- NHICEP; Topic: ***Audits.***
- Interviewed live on WNTK talk show. Topic: **Importance of influenza vaccination and maintaining health while at work.**
- Interviewed on radio talk show. Topic: **Healthy behaviors during influenza season.** January 2015 and February 2013
- Presenter, Topic: ***NHSN Ambulatory Surgical Center training*** January 26, 2011
- Developed and presented ***Germ Tour*** for elementary students. 2011
- Plymouth State University; Plymouth, NH; Topic: ***Basics of Infection Prevention for Nursing Students.*** 2010
- NACMID (fully planned event) Topic: ***Clinically Relevant Nuts and Bolts Hospital Microbiology*** (http://www.nacmid.org/SiteAssets/NACMID%20news%20Oct2010.pdf) October 28 and 29, 2010
- Labs Are Vital speaker at Plymouth High School; Plymouth, NH and Inter Lakes High School; Meredith, NH. Topic: **Promoting laboratory careers.** 2009
- Career Partnership program meeting in Meredith, NH. Topic: **Laboratory Careers** (http://www.inter-lakes.k12.nh.us/guidance/63-career-partnerships.html) 2009
- Girl Scouts of America® (elementary, middle, and high school) Topic: **Infection Prevention** Frequently presented

PROFESSIONAL ASSOCIATIONS and BOARD MEMBERSHIPS

- Association for Professionals in Infection Control and Epidemiology (APIC) • **Member** 2009–Present
  - Listserv Bronze-level contributor.
  - Critical Access Listserv moderator (2015–2016).

- New England branch of Association for Professionals in Infection Control and Epidemiology (APIC NE) • **Member** (2009–Present) / **Board Member** (2012–2015)
  - Secretary for 4 years.
  - President (2018-present)
- Society of Healthcare Epidemiology of America (SHEA) • **Member** 2015–Present
- National Patient Safety Foundation® (NPSF) • **Current Member**
- American Society of Professionals in Patient Safety (ASPPS) • **Current Member**
- American Society for Clinical Pathology (ASCP) • **Current Member**
- New Hampshire Commission Hand Hygiene • **Committee subgroup Member**
- New Hampshire HAI committee• **Contributor to CJD workgroup**
- New Hampshire HAI committee • **Contributor to oral health infection prevention workgroup.**
- New Hampshire Infection Control and Epidemiology Professionals (NHICEP) • **Member** (2009–Present) / **Board Member** (2013–2014)
- Northeast Association for Clinical Microbiology and Infectious Diseases (NACMID) • **Board Member** 2010–2013
- H1N1 Influenza Epidemic Emergency Preparedness Committee at Speare Memorial Hospital; Plymouth, NH • **Active Member** 2009

AWARDS and RECOGNITION

- APIC Pine Tree Chapter, Maine scholarship recipient June 2016
- NHICEP scholarship recipient June 2015
- NH Institute for Local Public Health Practice Achievement Award for significant dedication to personal growth and professional development in public health 2011

E-mail jprickett@lrgh.org

John D. Prickett

Objective

Informational CV for LRGHealthcare State of NH COVID-19 testing grant application

Summary of qualifications

1981 - present LRGHealthcare Laconia, NH

Registered Nurse

- Emergency Department RN 1982 – present. Currently Emergency Preparedness and EMS Coordinator for LRGHealthcare
- LRGHealthcare Nurse of the Year, 2004.
- Emergency Preparedness Subcommittee Chair 2001 – present
- 2010 State of NH Homeland Security/Emergency Management annual Stove Pipe Award recipient.
- Developed and implemented HEICS plan at LRGHealthcare in 2004.
- Rewrite of entire LRGHealthcare Emergency Management Program and Emergency Operations Plan in 2009
- Instructor for Crisis Prevention and Intervention (CPI) for LRGHealthcare
- Instructor for Advanced Cardiac Life Support (ACLS) for LRGHealthcare
- Serves on the NH Hospital Association Emergency Management Group
- Member of NH -1 DMAT, 2012-2018

2005 – present California Emergency Medical Services Authority

HIECS IV and HICS-2014 Working Group

National working group member for the development of Hospital Incident Command, version IV.

National working group member for the development of HICS 2014

2006 – present NNE-MMRS

NNE MMRS, NH Medical Task Force 1

2001 – 2007 Chichester Fire-Rescue Chichester, NH

Fire Chief

- Held position of Firefighter, Lieutenant, Captain, and Deputy Chief in years prior to being appointed chief.
- Developed Firefighter Fireground Rehabilitation program now used in entire Capital Area Fire Compact.
- Developed Firefighter Fireground Accountability and the 20-Minute MARC program now used in the entire Capital Area Fire Compact.
- Instructor for EMT-B and EMT-I courses in the Capital Area Fire Compact for 21 years.

2007 – Present New England Healthcare Incident Command Services, LLC

NEHICS Co-founder/Co-owner

- In 2007, Nick Mercuri and John Prickett began teaching as NEHICS
- Taught Hospital Incident Command System (HICS) in NH, South Carolina, Pennsylvania, Mississippi, Utah, Vermont.
- First Receivers HazMat classes in NH. In 2014 awarded a NHHA contract to deliver 4 regional first receiver classes in NH.
- Developed a template for an Emergency Management Program/Emergency Operations Plan (EMP/EOP) for the NH Hospital Association.
- Developed complete EMP/EOP for several healthcare facilities in NH.
- Developed an Emergency Management Program for the Laconia Public Health Network (now the Winnipesaukee Public Health Network).
- In 2014 working with the Community Health Institute, facilitated 12 Public Health Network regional Low Flow Oxygen workshops and 12 Low Flow Oxygen exercise to examine the Public Health Networks ability to deliver low-flow oxygen in an Alternate Care Site (ACS).

Education

1979 - 1981 New Hampshire Technical Institute Concord, NH

Associates Degree, Nursing

- Awarded Associates Degree in Nursing

1991 – present National Fire Academy Emmitsburg, MD

National Fire Academy

- 2004 – Advanced Safety Operation and Management
- 2002 – Challenges for Local Training Officers
- 2000 – Planning Concepts for the 21st Century
- 1998 – Leadership and Administration
- 1995 – Command and Control of Incident Operations
- 1993 – Fire Cause Determination
- 1991 – Leadership – III

US Army Research Institute of Chemical Defense, Aberdeen Proving Grounds, MD

- 2011 – Hospital Management of Chemical, Biological, Radiological/Nuclear, and Explosive (HM-CBRNE) Incidents Course.

Center for Domestic Preparedness, Anniston Alabama

- 2014 – Healthcare Leadership and Administrative Decision Making (HCL)
- 2018 – POD Operations Train-the-Trainer

Other professional experience

1983 - 2007 Chichester EMS Chichester, NH

Emergency Medical Technician – Basic, Instructor

- Responsible for development and delivery of EMT courses for area fire – rescue departments

Professional memberships

Emergency Nurses Association

International Association of Fire Chiefs

National Fire Protection Association

National Fire Academy Alumni Association

MARY ABIGAIL C. DACUYCUY, MD

PROFESSIONAL EXPERIENCE

Physician, Internal Medicine, LRGHealthcare, NH, 2017 – Present
- Assess, diagnose, and treat patients in an outpatient primary care setting at the Franklin Regional Hospital, Franklin, NH
- Chief, Service of Internal Medicine

Physician, Infectious Disease, LRGHealthcare, NH, 2017 – Present
- Provide consultation in both inpatient and outpatient setting at both Franklin Regional Hospital, Franklin, NH and Lakes Region General Hospital, Laconia, NH
- Medical director for the Infection Control and Prevention Committee

EDUCATION

Doctor of Medicine, University of the Philippines Manila, Manila, Philippines, 1998
- **Graduated in the top 3% (ranked 6th)** among the 152 graduates of the University of the Philippines College of Medicine Class 1998

BS in Molecular Biology and Biotechnology, ***magna cum laude***, University of the Philippines Diliman, Quezon City, Philippines, 1993

POSTGRADUATE TRAINING

Fellowship in Infectious Diseases; St. Louis University, St. Louis, Missouri, 2005-2017

Residency in Internal Medicine, SUNY Upstate Medical University, Syracuse, New York, 2003-2005

Internship in Internal Medicine, SUNY Upstate Medical University, Syracuse, New York, 2002-2003

Residency in Internal Medicine, Philippine General Hospital, Manila, Philippines, 1999-2001

Rotating Medical Internship, Philippine General Hospital, Manila, Philippines, 1997-1998

MARY ABIGAIL C. DACUYCUY, MD

CERTIFICATION

Certified in Infectious Disease, American Board of Internal Medicine

Certified in Internal Medicine, American Board of Internal Medicine

Certified in Internal Medicine, Philippine College of Physicians

PROFESSIONAL MEMBERSHIPS

Infectious Diseases Society of America, 2005-present

RESEARCH EXPERIENCE

Resident Physician, SUNY Upstate Medical University, 2003

- Worked with Dr. Donald Blair, Professor of Medicine, Division of Infectious Diseases, on a Continuous Quality Improvement Study dealing with Barriers to Treatment of HCV in Patients with HIV-HCV Coinfection

Resident Physician, Department of Medicine, Philippine General Hospital, 1999

- Performed a meta-analysis evaluating the role of sucralfate versus histamine-2-blockers as prophylaxis against stress gastritis in the critically-ill patient

Medical Researcher, College of Medicine, University of the Philippines, 1994

- Performed research comparing the protective and healing effects of misoprostol and green banana on indomethacin-induced gastric ulcers in rats under the Department of Pharmacology

Undergraduate Researcher, College of Science, Department of Molecular Biology and Biotechnology, University of the Philippines, 1993

- Produced monoclonal antibodies against human type B erythrocytes in white mice as undergraduate thesis

PUBLICATIONS

Saeed MU, **Dacuycuy MA**, and Kennedy DJ. *Halo pin insertion-associated brain abscess: case report and review of literature.* **Spine (Phila PA 1976).** 2007 Apr 15;32(8):E271-4.

Saeed MU, **Dacuycuy MA**, and Kennedy DJ. *Posterior reversible encephalopathy syndrome in HIV patients: case report and review of literature.* **AIDS.** 2007 Mar 30;21(6):781-2.

CONTRACTOR NAME

Key Personnel

Name	Job Title	Salary	% Paid from this Contract	Amount Paid from this Contract
Kevin W. Donovan	President & CEO	$425,000	2%	$8,500
Fred Jones, MD	Chief Medical Officer	$361,760	2%	$7,000
Terri Champagne, RN	Chief Nursing Officer	$216,300	2%	$5,000
John Prickett	Emergency Preparedness Manager	$96,179	10%	$10,000
Josh Morrison, MD	Emergency Medicine Medical Director	$355,080	5%	$17,500
Abby DaCuycuy, MD	Infectious Disease Medical Director	$178,880	5%	$10,000
Andrea Harper, RN	Infection Control Manager	$87,500	5%	$5,000

Subject: Hospital-Based COVID-19 Community Testing (SS-2021-DPHS-04-HOSPI-09)

Notice: This agreement and all of its attachments shall become public upon submission to Governor and Executive Council for approval. Any information that is private, confidential or proprietary must be clearly identified to the agency and agreed to in writing prior to signing the contract.

AGREEMENT

The State of New Hampshire and the Contractor hereby mutually agree as follows:

GENERAL PROVISIONS

1. IDENTIFICATION.

1.1 State Agency Name New Hampshire Department of Health and Human Services		1.2 State Agency Address 129 Pleasant Street Concord, NH 03301-3857	
1.3 Contractor Name Huggins Hospital		1.4 Contractor Address 240 South Main Street Wolfeboro, NH 03894	
1.5 Contractor Phone Number (603) 569-7510	1.6 Account Number 05-095-090-903010-19010000	1.7 Completion Date December 1, 2020	1.8 Price Limitation $145,000
1.9 Contracting Officer for State Agency Nathan D. White, Director		1.10 State Agency Telephone Number (603) 271-9631	
1.11 Contractor Signature Date: 7/23/2020		1.12 Name and Title of Contractor Signatory Jeremy Rberge CEO	
1.13 State Agency Signature Date: 7/24/20		1.14 Name and Title of State Agency Signatory Lori Shibinette, Commissioner	
1.15 Approval by the N.H. Department of Administration, Division of Personnel *(if applicable)* By:		Director, On:	
1.16 Approval by the Attorney General (Form, Substance and Execution) *(if applicable)* By: Catherine Pinos		On: 07/30/20	
1.17 Approval by the Governor and Executive Council *(if applicable)* G&C Item number:		G&C Meeting Date:	

Contractor Initials
Date 7/23/2020

2. SERVICES TO BE PERFORMED. The State of New Hampshire, acting through the agency identified in block 1.1 ("State"), engages contractor identified in block 1.3 ("Contractor") to perform, and the Contractor shall perform, the work or sale of goods, or both, identified and more particularly described in the attached EXHIBIT B which is incorporated herein by reference ("Services").

3. EFFECTIVE DATE/COMPLETION OF SERVICES.

3.1 Notwithstanding any provision of this Agreement to the contrary, and subject to the approval of the Governor and Executive Council of the State of New Hampshire, if applicable, this Agreement, and all obligations of the parties hereunder, shall become effective on the date the Governor and Executive Council approve this Agreement as indicated in block 1.17, unless no such approval is required, in which case the Agreement shall become effective on the date the Agreement is signed by the State Agency as shown in block 1.13 ("Effective Date").

3.2 If the Contractor commences the Services prior to the Effective Date, all Services performed by the Contractor prior to the Effective Date shall be performed at the sole risk of the Contractor, and in the event that this Agreement does not become effective, the State shall have no liability to the Contractor, including without limitation, any obligation to pay the Contractor for any costs incurred or Services performed. Contractor must complete all Services by the Completion Date specified in block 1.7.

4. CONDITIONAL NATURE OF AGREEMENT.

Notwithstanding any provision of this Agreement to the contrary, all obligations of the State hereunder, including, without limitation, the continuance of payments hereunder, are contingent upon the availability and continued appropriation of funds affected by any state or federal legislative or executive action that reduces, eliminates or otherwise modifies the appropriation or availability of funding for this Agreement and the Scope for Services provided in EXHIBIT B, in whole or in part. In no event shall the State be liable for any payments hereunder in excess of such available appropriated funds. In the event of a reduction or termination of appropriated funds, the State shall have the right to withhold payment until such funds become available, if ever, and shall have the right to reduce or terminate the Services under this Agreement immediately upon giving the Contractor notice of such reduction or termination. The State shall not be required to transfer funds from any other account or source to the Account identified in block 1.6 in the event funds in that Account are reduced or unavailable.

5. CONTRACT PRICE/PRICE LIMITATION/ PAYMENT.

5.1 The contract price, method of payment, and terms of payment are identified and more particularly described in EXHIBIT C which is incorporated herein by reference.

5.2 The payment by the State of the contract price shall be the only and the complete reimbursement to the Contractor for all expenses, of whatever nature incurred by the Contractor in the performance hereof, and shall be the only and the complete compensation to the Contractor for the Services. The State shall have no liability to the Contractor other than the contract price.

5.3 The State reserves the right to offset from any amounts otherwise payable to the Contractor under this Agreement those liquidated amounts required or permitted by N.H. RSA 80:7 through RSA 80:7-c or any other provision of law.

5.4 Notwithstanding any provision in this Agreement to the contrary, and notwithstanding unexpected circumstances, in no event shall the total of all payments authorized, or actually made hereunder, exceed the Price Limitation set forth in block 1.8.

6. COMPLIANCE BY CONTRACTOR WITH LAWS AND REGULATIONS/ EQUAL EMPLOYMENT OPPORTUNITY.

6.1 In connection with the performance of the Services, the Contractor shall comply with all applicable statutes, laws, regulations, and orders of federal, state, county or municipal authorities which impose any obligation or duty upon the Contractor, including, but not limited to, civil rights and equal employment opportunity laws. In addition, if this Agreement is funded in any part by monies of the United States, the Contractor shall comply with all federal executive orders, rules, regulations and statutes, and with any rules, regulations and guidelines as the State or the United States issue to implement these regulations. The Contractor shall also comply with all applicable intellectual property laws.

6.2 During the term of this Agreement, the Contractor shall not discriminate against employees or applicants for employment because of race, color, religion, creed, age, sex, handicap, sexual orientation, or national origin and will take affirmative action to prevent such discrimination.

6.3. The Contractor agrees to permit the State or United States access to any of the Contractor's books, records and accounts for the purpose of ascertaining compliance with all rules, regulations and orders, and the covenants, terms and conditions of this Agreement.

7. PERSONNEL.

7.1 The Contractor shall at its own expense provide all personnel necessary to perform the Services. The Contractor warrants that all personnel engaged in the Services shall be qualified to perform the Services, and shall be properly licensed and otherwise authorized to do so under all applicable laws.

7.2 Unless otherwise authorized in writing, during the term of this Agreement, and for a period of six (6) months after the Completion Date in block 1.7, the Contractor shall not hire, and shall not permit any subcontractor or other person, firm or corporation with whom it is engaged in a combined effort to perform the Services to hire, any person who is a State employee or official, who is materially involved in the procurement, administration or performance of this Agreement. This provision shall survive termination of this Agreement.

7.3 The Contracting Officer specified in block 1.9, or his or her successor, shall be the State's representative. In the event of any dispute concerning the interpretation of this Agreement, the Contracting Officer's decision shall be final for the State.

Contractor Initials JK

Date 7/23/2020

8. EVENT OF DEFAULT/REMEDIES.

8.1 Any one or more of the following acts or omissions of the Contractor shall constitute an event of default hereunder ("Event of Default"):

8.1.1 failure to perform the Services satisfactorily or on schedule;

8.1.2 failure to submit any report required hereunder; and/or

8.1.3 failure to perform any other covenant, term or condition of this Agreement.

8.2 Upon the occurrence of any Event of Default, the State may take any one, or more, or all, of the following actions:

8.2.1 give the Contractor a written notice specifying the Event of Default and requiring it to be remedied within, in the absence of a greater or lesser specification of time, thirty (30) days from the date of the notice; and if the Event of Default is not timely cured, terminate this Agreement, effective two (2) days after giving the Contractor notice of termination;

8.2.2 give the Contractor a written notice specifying the Event of Default and suspending all payments to be made under this Agreement and ordering that the portion of the contract price which would otherwise accrue to the Contractor during the period from the date of such notice until such time as the State determines that the Contractor has cured the Event of Default shall never be paid to the Contractor;

8.2.3 give the Contractor a written notice specifying the Event of Default and set off against any other obligations the State may owe to the Contractor any damages the State suffers by reason of any Event of Default; and/or

8.2.4 give the Contractor a written notice specifying the Event of Default, treat the Agreement as breached, terminate the Agreement and pursue any of its remedies at law or in equity, or both.

8.3. No failure by the State to enforce any provisions hereof after any Event of Default shall be deemed a waiver of its rights with regard to that Event of Default, or any subsequent Event of Default. No express failure to enforce any Event of Default shall be deemed a waiver of the right of the State to enforce each and all of the provisions hereof upon any further or other Event of Default on the part of the Contractor.

9. TERMINATION.

9.1. Notwithstanding paragraph 8, the State may, at its sole discretion, terminate the Agreement for any reason, in whole or in part, by thirty (30) days written notice to the Contractor that the State is exercising its option to terminate the Agreement.

9.2 In the event of an early termination of this Agreement for any reason other than the completion of the Services, the Contractor shall, at the State's discretion, deliver to the Contracting Officer, not later than fifteen (15) days after the date of termination, a report ("Termination Report") describing in detail all Services performed, and the contract price earned, to and including the date of termination. The form, subject matter, content, and number of copies of the Termination Report shall be identical to those of any Final Report described in the attached EXHIBIT B. In addition, at the State's discretion, the Contractor shall, within 15 days of notice of early termination, develop and submit to the State a Transition Plan for services under the Agreement.

10. DATA/ACCESS/CONFIDENTIALITY/ PRESERVATION.

10.1 As used in this Agreement, the word "data" shall mean all information and things developed or obtained during the performance of, or acquired or developed by reason of, this Agreement, including, but not limited to, all studies, reports, files, formulae, surveys, maps, charts, sound recordings, video recordings, pictorial reproductions, drawings, analyses, graphic representations, computer programs, computer printouts, notes, letters, memoranda, papers, and documents, all whether finished or unfinished.

10.2 All data and any property which has been received from the State or purchased with funds provided for that purpose under this Agreement, shall be the property of the State, and shall be returned to the State upon demand or upon termination of this Agreement for any reason.

10.3 Confidentiality of data shall be governed by N.H. RSA chapter 91-A or other existing law. Disclosure of data requires prior written approval of the State.

11. CONTRACTOR'S RELATION TO THE STATE. In the performance of this Agreement the Contractor is in all respects an independent contractor, and is neither an agent nor an employee of the State. Neither the Contractor nor any of its officers, employees, agents or members shall have authority to bind the State or receive any benefits, workers' compensation or other emoluments provided by the State to its employees.

12. ASSIGNMENT/DELEGATION/SUBCONTRACTS.

12.1 The Contractor shall not assign, or otherwise transfer any interest in this Agreement without the prior written notice, which shall be provided to the State at least fifteen (15) days prior to the assignment, and a written consent of the State. For purposes of this paragraph, a Change of Control shall constitute assignment. "Change of Control" means (a) merger, consolidation, or a transaction or series of related transactions in which a third party, together with its affiliates, becomes the direct or indirect owner of fifty percent (50%) or more of the voting shares or similar equity interests, or combined voting power of the Contractor, or (b) the sale of all or substantially all of the assets of the Contractor.

12.2 None of the Services shall be subcontracted by the Contractor without prior written notice and consent of the State. The State is entitled to copies of all subcontracts and assignment agreements and shall not be bound by any provisions contained in a subcontract or an assignment agreement to which it is not a party.

13. INDEMNIFICATION. Unless otherwise exempted by law, the Contractor shall indemnify and hold harmless the State, its officers and employees, from and against any and all claims, liabilities and costs for any personal injury or property damages, patent or copyright infringement, or other claims asserted against the State, its officers or employees, which arise out of (or which may be claimed to arise out of) the acts or omission of the

Contractor Initials _____

Date 7/23/2020

Contractor, or subcontractors, including but not limited to the negligence, reckless or intentional conduct. The State shall not be liable for any costs incurred by the Contractor arising under this paragraph 13. Notwithstanding the foregoing, nothing herein contained shall be deemed to constitute a waiver of the sovereign immunity of the State, which immunity is hereby reserved to the State. This covenant in paragraph 13 shall survive the termination of this Agreement.

14. INSURANCE.

14.1 The Contractor shall, at its sole expense, obtain and continuously maintain in force, and shall require any subcontractor or assignee to obtain and maintain in force, the following insurance:

14.1.1 commercial general liability insurance against all claims of bodily injury, death or property damage, in amounts of not less than $1,000,000 per occurrence and $2,000,000 aggregate or excess; and

14.1.2 special cause of loss coverage form covering all property subject to subparagraph 10.2 herein, in an amount not less than 80% of the whole replacement value of the property.

14.2 The policies described in subparagraph 14.1 herein shall be on policy forms and endorsements approved for use in the State of New Hampshire by the N.H. Department of Insurance, and issued by insurers licensed in the State of New Hampshire.

14.3 The Contractor shall furnish to the Contracting Officer identified in block 1.9, or his or her successor, a certificate(s) of insurance for all insurance required under this Agreement. Contractor shall also furnish to the Contracting Officer identified in block 1.9, or his or her successor, certificate(s) of insurance for all renewal(s) of insurance required under this Agreement no later than ten (10) days prior to the expiration date of each insurance policy. The certificate(s) of insurance and any renewals thereof shall be attached and are incorporated herein by reference.

15. WORKERS' COMPENSATION.

15.1 By signing this agreement, the Contractor agrees, certifies and warrants that the Contractor is in compliance with or exempt from, the requirements of N.H. RSA chapter 281-A *("Workers' Compensation")*.

15.2 To the extent the Contractor is subject to the requirements of N.H. RSA chapter 281-A, Contractor shall maintain, and require any subcontractor or assignee to secure and maintain, payment of Workers' Compensation in connection with activities which the person proposes to undertake pursuant to this Agreement. The Contractor shall furnish the Contracting Officer identified in block 1.9, or his or her successor, proof of Workers' Compensation in the manner described in N.H. RSA chapter 281-A and any applicable renewal(s) thereof, which shall be attached and are incorporated herein by reference. The State shall not be responsible for payment of any Workers' Compensation premiums or for any other claim or benefit for Contractor, or any subcontractor or employee of Contractor, which might arise under applicable State of New Hampshire Workers' Compensation laws in connection with the performance of the Services under this Agreement.

16. NOTICE. Any notice by a party hereto to the other party shall be deemed to have been duly delivered or given at the time of mailing by certified mail, postage prepaid, in a United States Post Office addressed to the parties at the addresses given in blocks 1.2 and 1.4, herein.

17. AMENDMENT. This Agreement may be amended, waived or discharged only by an instrument in writing signed by the parties hereto and only after approval of such amendment, waiver or discharge by the Governor and Executive Council of the State of New Hampshire unless no such approval is required under the circumstances pursuant to State law, rule or policy.

18. CHOICE OF LAW AND FORUM. This Agreement shall be governed, interpreted and construed in accordance with the laws of the State of New Hampshire, and is binding upon and inures to the benefit of the parties and their respective successors and assigns. The wording used in this Agreement is the wording chosen by the parties to express their mutual intent, and no rule of construction shall be applied against or in favor of any party. Any actions arising out of this Agreement shall be brought and maintained in New Hampshire Superior Court which shall have exclusive jurisdiction thereof.

19. CONFLICTING TERMS. In the event of a conflict between the terms of this P-37 form (as modified in EXHIBIT A) and/or attachments and amendment thereof, the terms of the P-37 (as modified in EXHIBIT A) shall control.

20. THIRD PARTIES. The parties hereto do not intend to benefit any third parties and this Agreement shall not be construed to confer any such benefit.

21. HEADINGS. The headings throughout the Agreement are for reference purposes only, and the words contained therein shall in no way be held to explain, modify, amplify or aid in the interpretation, construction or meaning of the provisions of this Agreement.

22. SPECIAL PROVISIONS. Additional or modifying provisions set forth in the attached EXHIBIT A are incorporated herein by reference.

23. SEVERABILITY. In the event any of the provisions of this Agreement are held by a court of competent jurisdiction to be contrary to any state or federal law, the remaining provisions of this Agreement will remain in full force and effect.

24. ENTIRE AGREEMENT. This Agreement, which may be executed in a number of counterparts, each of which shall be deemed an original, constitutes the entire agreement and understanding between the parties, and supersedes all prior agreements and understandings with respect to the subject matter hereof.

Contractor Initials

Date 7/23/2020

REVISIONS TO STANDARD CONTRACT PROVISIONS

1. Revisions to Form P-37, General Provisions

1.1. Paragraph 3, Subparagraph 3.1, Effective Date/Completion of Services, is amended as follows:

3.1. Notwithstanding any provision of this Agreement to the contrary, and subject to the approval of the Governor of the State of New Hampshire, issued under the Executive Order 2020-04 and any extensions thereof, this Agreement, and all obligations of the parties hereunder, shall become effective on August 1, 2020. ("Effective Date").

1.2. Paragraph 3, Effective Date/Completion of Services, is amended by adding subparagraph 3.3 as follows:

3.3. The parties may extend the Agreement for up to one (1) additional year from the Completion Date, contingent upon satisfactory delivery of services, available funding, agreement of the parties, and required governmental approval.

1.3. Paragraph 12, Subparagraph 12.3, Assignment/Delegation/Subcontracts, is amended as follows:

12.3. Subcontractors are subject to the same contractual conditions as the Contractor and the Contractor is responsible to ensure subcontractor compliance with those conditions. The Contractor shall have written agreements with all subcontractors, specifying the work to be performed and how corrective action shall be managed if the subcontractor's performance is inadequate. The Contractor shall manage the subcontractor's performance on an ongoing basis and take corrective action as necessary. The Contractor shall annually provide the State with a list of all subcontractors provided for under this Agreement and notify the State of any inadequate subcontractor performance.

Scope of Services

1. **Statement of Work**

1.1. For the purposes of this agreement, any references to days shall mean calendar days.

1.2. The Contractor shall conduct specimen collection and testing for SARS-CoV-2 in an outpatient setting for individuals who reside within the hospital catchment area or local community, regardless of individuals' prior affiliations with the hospital.

1.3. The Contractor shall conduct specimen collection and testing for patients who have symptoms of COVID-19 or who are pre-symptomatic or asymptomatic at the request of:

1.3.1. The individual to be tested; or

1.3.2. The Department of Health and Human Services (Department) Division of Public Health Services (DPHS).

1.4. The Contractor shall not require an office or telemedicine visit for asymptomatic patients in order for patients to receive COVID-19 testing.

1.5. In the event of a significant increase in community transmission of COVID-19, the Contractor shall not be responsible for meeting significantly increased levels of testing and may request the Department to provide additional testing capacity.

1.6. The Contractor shall determine the appropriate venue and physical location for specimen collection, which may include, but is not limited to:

1.6.1. An existing physical location.

1.6.2. A temporary drive-through location.

1.6.3. A drive-up facility.

1.7. The Contractor shall request a waiver, if necessary, from the Department's Bureau of Health Facilities Administration for a temporary drive-through location or drive-up facility.

1.8. The Contractor shall determine the appropriate number of days per week and the duration of time per day to perform community specimen collection for COVID-19 testing to meet the needs of the hospital catchment area and local community and communicate the hours of operation to the Department.

1.9. The Contractor shall ensure the collection, handling, processing and testing of specimens comply with guidelines issued by the Centers for Disease Control and Prevention (CDC), available at https://www.cdc.gov/coronavirus/2019-nCoV/lab/guidelines-clinical-specimens.html and by the laboratory used for processing specimens.

1.10. The Contractor shall ensure patients sign an appropriate consent form, prior to collection of specimens, authorizing testing at the laboratory and reporting to the ordering medical provider, the Department, and any other individual or entity designated to receive the test results.

1.11. The Contractor shall identify of any communication access needs to ensure needed language assistance is provided, which may include, but is not limited to:

1.11.1. Over-the-phone interpretation of spoken languages.

1.11.2. Video remote interpretation to access American Sign Language.

1.12. The Contractor shall ensure communication and language assistance is provided to individuals, as appropriate and needed, to ensure the validity of any signed consent by utilizing translated consent forms and/or interpreters.

1.13. The Contractor shall ensure all personnel collecting, handling, processing and transporting specimens are trained to safeguard the confidentiality of the patient and protected health information (PHI), as defined in the Health Information Portability and Accountability Act (HIPAA).

1.14. The Contractor shall ensure the secure and confidential transporting of specimens to the laboratory.

1.15. The Contractor shall ensure the ordering provider for each COVID-19 test is a licensed medical provider.

1.16. The Contractor shall ensure the licensed medical provider ordering COVID-19 tests notifies patients of testing results received from the laboratory in a timely manner. The Contractor shall ensure:

1.16.1. Patients with positive results confirming the diagnosis of COVID-19 are informed:

1.16.1.1. By telephone or other electronic method.

1.16.1.2. By first-class U.S. mail, if telephone or other electronic method is unsuccessful

1.16.2. Patients with negative results are informed of test results in a method determined by the Contractor.

1.17. The Contractor shall utilize existing communication methods to inform the local community of the availability of outpatient COVID-19 testing, which may include, but are not limited to:

1.17.1. The hospital's website.

1.17.2. Hospital newsletters.

1.17.3. Social media platforms.

1.18. The Contractor shall ensure published information includes how and when

patients can access the services and the location of the specimen collection site.

1.19. The Contractor shall ensure any marketing materials abide by existing requirements for communication access, including but not limited to:

1.19.1. Vital and significant materials should be made available in additional languages, as appropriate, and must be translated by qualified, competent translation providers, as follows:

1.19.1.1. Statewide, only Spanish meets the criteria for translation.

1.19.1.2. Translation is required for languages depending on factors including the number and proportion of LEP persons served or likely to seek services in the Contractor's service areas, and the frequency with which LEP individuals come into contact with the Contractor's programs, activities and services. .

1.19.1.3. Notification on all materials of the availability of free communication access and language assistance for any individuals who may require it.

1.19.1.4. All materials have a phone number to call for further information, ensuring staff answering that phone number shall have access to over-the-phone interpretation to assist callers who need spoken language interpretation.

1.20. The Contractor shall provide communication and language assistance at all points of contact in accessing COVID-19 testing to individuals with communication access needs, including individuals with limited English proficiency, or individuals who are deaf or have hearing loss.

1.21. The Contractor shall conduct outreach to vulnerable populations and minority populations in the hospital catchment area or local community, including notifying partner organizations who work with these populations about the availability of COVID-19 testing.

1.22. The Contractor shall report both positive and negative test results to the Division of Public Health Services through the Electronic Laboratory Reporting (ELR) system, or ensure the laboratory used for processing specimens and conducting testing reports both positive and negative results to the Division of Public Health Services through the ELR system.

1.23. The Contractor shall report all positive cases of COVID-19 with complete case information by fax to (603) 271-0545 to the Division of Public Health Services using the New Hampshire Confidential COVID-19 Case Report Form available at: https://www.dhhs.nh.gov/dphs/cdcs/covid19/covid19-reporting-form.pdf.

1.24. The Contractor shall notify patients who are uninsured or do not have full coverage benefits for COVID-19 testing that New Hampshire Medicaid has established a COVID-19 Testing Benefit that may pay for testing and diagnosis of COVID-19 for persons who are not already a Medicaid beneficiary and do not have full coverage for COVID-19 testing and diagnosis. The Contractor shall assist patients in completing the application available at https://nheasy.nh.gov.

2. Exhibits Incorporated

2.1. The Contractor shall use and disclose Protected Health Information in compliance with the Standards for Privacy of Individually Identifiable Health Information (Privacy Rule) (45 CFR Parts 160 and 164) under the Health Insurance Portability and Accountability Act (HIPAA) of 1996, and in accordance with the attached Exhibit I, Business Associate Agreement, which has been executed by the parties.

2.2. The Contractor shall comply with all Exhibits D through K, which are attached hereto and incorporated by reference herein.

2.3. The Contractor's Use and Responsibilities for Confidential Information are as follows.

2.3.1. The Contractor agrees to use, disclose, maintain, or transmit Confidential Data from Providers as required, specifically authorized, or permitted under the Contract or this Agreement. Further, the Contractor, including but not limited to all its directors, officers, employees, and agents, agrees not to use, disclose, maintain, or transmit PHI in any manner that would constitute a violation of the Privacy and Security Rules. The Contractor shall provide Confidential Information as required by the Contract, RSA 141-C:7, 141-C:9, RSA 141-C:10, and in a form required by He-P 301.03 and the "New Hampshire Local Implementation Guide for Electronic Laboratory Reporting for Communicable Disease and Lead Test Results Using HL7 2.5.1," Version 4.0 (5/23/2016), found at: https://www.dhhs.nh.gov/dphs/bphsi/documents/elrguide.pdf.

2.3.2. The Contractor shall transmit Confidential Information to the Division of Public Health Services by means of a secure file transport protocol (sFTP) provided by the Department and agreed to by the parties and approved by the Department's Information Security Officer.

2.3.2.1. Any individual seeking credentials to access the sFTP site shall sign and return to the Department a "Data Use and Confidentiality Agreement" (Attachment A) when requesting sFTP account.

2.3.3. The Contractor shall transmit the Confidential Information to the Division of Public Health Services as required by statute and this Agreement, namely:

2.3.3.1. All test results, including but not limited to positive and negative results, shall be reported electronically via electronic laboratory reporting procedures, also referred to as "ELR," as noted above.

2.3.3.2. Test results shall be provided within 24 hours of the test being completed.

2.4. As necessary, the Contractor agrees to comply with any request to correct or complete the data once transmitted to the Division of Public Health Services.

2.5. The Contractor agrees that the data submitted shall be the "minimum necessary" to carry out the stated use of the data, as defined in the HIPAA Privacy Rule and in accordance with all applicable confidentiality laws.

2.6. The parties agree that this Agreement shall be construed in accordance the terms of Contract and governed by the laws of the State of New Hampshire.

2.7. The Contractor and the Department agree to negotiate an amendment to this Agreement as needed to address a Contract amendment, or any changes in policy issues, fiscal issues, information security, and other specific safeguards required for maintaining confidentiality of the data.

3. Reporting Requirements

3.1. The Contractor shall submit monthly reports to the Department showing that the public is able to access COVID-19 testing, including, but not limited to:

3.1.1. Number of persons who received COVID-19 testing.

3.1.2. Number of persons assisted with enrollment in the Medicaid COVID-19 Testing benefit or other assistance program who received COVID-19 testing.

3.1.3. Number of persons for whom race and/or ethnicity is documented.

3.2. The Contractor shall ensure race and/or ethnicity demographic identifiers for the persons who received COVID-19 testing are collected consistently and correctly, in accordance with best practice standards and processes as provided by the Office of Heath Equity, and entered either manually or electronically on the hospital or reference laboratory COVID-19 test requisition forms.

4. Additional Terms

4.1. Impacts Resulting from Court Orders or Legislative Changes

4.1.1. The Contractor agrees that, to the extent future state or federal legislation or court orders may have an impact on the Services described herein, the State has the right to modify service priorities and expenditure requirements under this Agreement so as to achieve compliance therewith.

4.2. **Federal Civil Rights Laws Compliance: Culturally and Linguistically Appropriate Programs and Services**

4.2.1. The Contractor shall submit within ten (10) days of the contract effective date, and comply with, a detailed description of the communication access and language assistance services they will provide to ensure meaningful access to their programs and/or services to persons with limited English proficiency, people who are deaf or have hearing loss, are blind or have low vision, or who have speech challenges.

4.3. **Credits and Copyright Ownership**

4.3.1. All documents, notices, press releases, research reports and other materials prepared during or resulting from the performance of the services of the Contract shall include the following statement, "The preparation of this (report, document etc.) was financed under a Contract with the State of New Hampshire, Department of Health and Human Services, with funds provided in part by the State of New Hampshire and/or such other funding sources as were available or required, e.g., the United States Department of Health and Human Services."

4.3.2. All materials produced or purchased under the contract shall have prior approval from the Department before printing, production, distribution or use.

4.3.3. The Department shall retain copyright ownership for any and all original materials produced, including, but not limited to: brochures, resource directories, protocols or guidelines, posters and reports.

4.3.4. The Contractor shall not reproduce any materials produced under the contract without prior written approval from the Department.

4.4. **Operation of Facilities: Compliance with Laws and Regulations**

4.4.1. In the operation of any facilities for providing services, the Contractor shall comply with all laws, orders and regulations of federal, state, county and municipal authorities and with any direction of any Public Officer or officers pursuant to laws which shall impose an order or duty upon the contractor with respect to the operation of the facility or the provision of the services at such facility. If any governmental license or permit shall be required for the operation of the said facility or the performance of the said services, the Contractor will procure said license or permit, and will at all times comply with the terms and conditions of each such license or permit. In connection with the foregoing requirements, the Contractor hereby covenants and agrees that, during the term of this Contract the facilities shall comply with all rules, orders, regulations, and requirements of the State Office of the

Fire Marshal and the local fire protection agency, and shall be in conformance with local building and zoning codes, by-laws and regulations.

5. Records

5.1. The Contractor shall keep records that include, but are not limited to:

5.1.1. Books, records, documents and other electronic or physical data evidencing and reflecting all costs and other expenses incurred by the Contractor in the performance of the Contract, and all income received or collected by the Contractor.

5.1.2. All records must be maintained in accordance with accounting procedures and practices, which sufficiently and properly reflect all such costs and expenses, and which are acceptable to the Department, and to include, without limitation, all ledgers, books, records, and original evidence of costs such as purchase requisitions and orders, vouchers, requisitions for materials, inventories, valuations of in-kind contributions, labor time cards, payrolls, and other records requested or required by the Department.

5.1.3. Statistical, enrollment, attendance or visit records for each recipient of services, which records shall include all records of application and eligibility (including all forms required to determine eligibility for each such recipient), records regarding the provision of services and all invoices submitted to the Department to obtain payment for such services.

5.1.4. Medical records on each patient/recipient of services.

5.2. During the term of this Contract and the period for retention hereunder, the Department, the United States Department of Health and Human Services, and any of their designated representatives shall have access to all reports and records maintained pursuant to the Contract for purposes of audit, examination, excerpts and transcripts. Upon the purchase by the Department of the maximum number of units provided for in the Contract and upon payment of the price limitation hereunder, the Contract and all the obligations of the parties hereunder (except such obligations as, by the terms of the Contract are to be performed after the end of the term of this Contract and/or survive the termination of the Contract) shall terminate, provided however, that if, upon review of the Final Expenditure Report the Department shall disallow any expenses claimed by the Contractor as costs hereunder the Department shall retain the right, at its discretion, to deduct the amount of such expenses as are disallowed or to recover such sums from the Contractor.

New Hampshire Department of Health and Human Services
HOSPITAL-BASED COVID-19 COMMUNITY TESTING

EXHIBIT B -1

Reporting Entity Data Use and Confidentiality Agreement

By requesting and receiving approval to use confidential data for Department purposes:

- I understand that I will have direct and indirect access to confidential information in the course of performing my work activities.
- I agree to protect the confidential nature of all information to which I have access.
- I understand that there are state and federal laws and regulations that ensure the confidentiality of an individual's information.
- I understand that there are Department policies and agency procedures with which I am required to comply related to the protection of individually identifiable information.
- I understand that the information extracted from the site shall not be shared outside this Scope of Work or related signed Memorandum of Understanding and/or Information Exchange Agreement/Data Sharing Agreement agreed upon.
- I understand that my SFTP or any information security credentials (user name and password) should not be shared with anyone. This applies to credentials used to access the site directly or indirectly through a third party application.
- I will not disclose or make use of the identity, financial or health information of any person or establishment discovered inadvertently. I will report such discoveries as soon as feasible to DHHSInformationSecurityOffice@dhhs.nh.gov and DHHSPrivacyOfficer@dhhs.nh.gov, but no more than 24 hours after the aforementioned has occurred and that Confidential Data may have been exposed or compromised. If a suspected or known information security event, Computer Security Incident, Incident or Breach involves Social Security Administration (SSA) provided data or Internal Revenue Services (IRS) provided Federal Tax Information (FTI).
- I will not imply or state, either in written or oral form, that interpretations based on the data are those of the original data sources or the State of NH unless the data user and the Department are formally collaborating.
- I will acknowledge, in all reports or presentations based on these data, the original source of the data.
- I understand how I am expected to ensure the protection of individually identifiable information. Should questions arise in the future about how to protect information to which I have access, I will immediately notify my supervisor.
- I understand that I am legally and ethically obligated to maintain the confidentiality of Department client, patient, and other sensitive information that is protected by information security, privacy or confidentiality rules and state and federal laws even after I leave the employment of the Department.
- I have been informed that this signed agreement will be retained on file for future reference.

Signature _____ Date 7/23/2020

Jeremy Roberge _____ CEO

Printed Name _____ Title

Huggins Hospital

Business Name

EXHIBIT C

Payment Terms

1. This Agreement is funded by the Epidemiology and Laboratory Capacity for Prevention and Control of Emerging Infectious Diseases (ELC) cooperative agreement from the Centers for Disease Control and Prevention Division of Prepardness and Emerging Infections, CFDA #93.323, FAIN #NU50CK000522.
2. For the purposes of this Agreement:
   - 2.1. The Department has identified the Contractor as a Subrecipient, in accordance with 2 CFR 200.330.
   - 2.2. The Department has identified this Contract as NON-R&D, in accordance with 2 CFR §200.87.
3. This Agreement is for COVID-19 testing and testing-related activities to be conducted between August 1, 2020 and December 1, 2020.
4. Payment:
   - 4.1. The Department will pay the Contractor the amount listed in box 1.8 Price Limitation included in the General Provisions Form Number P-37, for providing the services included in Exhibit B, Scope of Services, after the Effective Date of the Contract.
     - 4.1.1. The Contractor shall submit an expense report in a form satisfactory to the State every sixty (60) days, which identifies allowable expenses incurred during the duration of the contract.
     - 4.1.2. Any unspent start-up payment funds will be returned to the Department within sixty (60) calendar days of contract expiration date.
     - 4.1.3. In lieu of hard copies, all expense reports may be assigned an electronic signature and must be emailed to dphscontractbilling@dhhs.nh.gov.
5. The Contractor must provide the services in Exhibit B, Scope of Services, in compliance with funding requirements.
6. The Contractor agrees that funding under this Agreement may be recouped, in whole or in part in the event of non-compliance with the terms and conditions of Exhibit B, Scope of Services.
7. The Contractor shall keep detailed records of their activities related to Department-funded programs and services and have records available for Department review, as requested.
8. Notwithstanding anything to the contrary herein, the Contractor agrees that funding under this agreement may be recouped, in whole or in part, in the event

of non-compliance with any Federal or State law, rule or regulation applicable to the services provided, or if the said services or products have not been satisfactorily completed in accordance with the terms and conditions of this agreement.

9. Notwithstanding Paragraph 17 of the General Provisions Form P-37, changes limited to adjusting amounts within the price limitation and adjusting encumbrances between State Fiscal Years and budget class lines through the Budget Office may be made by written agreement of both parties, without obtaining approval of the Governor and Executive Council, if needed and justified.

10. Audits

10.1. The Contractor is required to submit an annual audit to the Department if any of the following conditions exist:

10.1.1. Condition A - The Contractor expended $750,000 or more in federal funds received as a subrecipient pursuant to 2 CFR Part 200, during the most recently completed fiscal year.

10.1.2. Condition B - The Contractor is subject to audit pursuant to the requirements of NH RSA 7:28, III-b, pertaining to charitable organizations receiving support of $1,000,000 or more.

10.1.3. Condition C - The Contractor is a public company and required by Security and Exchange Commission (SEC) regulations to submit an annual financial audit.

10.2. If Condition A exists, the Contractor shall submit an annual single audit performed by an independent Certified Public Accountant (CPA) to the Department within 120 days after the close of the Contractor's fiscal year, conducted in accordance with the requirements of 2 CFR Part 200, Subpart F of the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal awards.

10.3. If Condition B or Condition C exists, the Contractor shall submit an annual financial audit performed by an independent CPA within 120 days after the close of the Contractor's fiscal year.

10.4. In addition to, and not in any way in limitation of obligations of the Contract, it is understood and agreed by the Contractor that the Contractor shall be held liable for any state or federal audit exceptions and shall return to the Department all payments made under the Contract to which exception has been taken, or which have been disallowed because of such an exception.

CERTIFICATION REGARDING DRUG-FREE WORKPLACE REQUIREMENTS

The Vendor identified in Section 1.3 of the General Provisions agrees to comply with the provisions of Sections 5151-5160 of the Drug-Free Workplace Act of 1988 (Pub. L. 100-690, Title V, Subtitle D; 41 U.S.C. 701 et seq.), and further agrees to have the Contractor's representative, as identified in Sections 1.11 and 1.12 of the General Provisions execute the following Certification:

ALTERNATIVE I - FOR GRANTEES OTHER THAN INDIVIDUALS

US DEPARTMENT OF HEALTH AND HUMAN SERVICES - CONTRACTORS
US DEPARTMENT OF EDUCATION - CONTRACTORS
US DEPARTMENT OF AGRICULTURE - CONTRACTORS

This certification is required by the regulations implementing Sections 5151-5160 of the Drug-Free Workplace Act of 1988 (Pub. L. 100-690, Title V, Subtitle D; 41 U.S.C. 701 et seq.). The January 31, 1989 regulations were amended and published as Part II of the May 25, 1990 Federal Register (pages 21681-21691), and require certification by grantees (and by inference, sub-grantees and sub-contractors), prior to award, that they will maintain a drug-free workplace. Section 3017.630(c) of the regulation provides that a grantee (and by inference, sub-grantees and sub-contractors) that is a State may elect to make one certification to the Department in each federal fiscal year in lieu of certificates for each grant during the federal fiscal year covered by the certification. The certificate set out below is a material representation of fact upon which reliance is placed when the agency awards the grant. False certification or violation of the certification shall be grounds for suspension of payments, suspension or termination of grants, or government wide suspension or debarment. Contractors using this form should send it to:

Commissioner
NH Department of Health and Human Services
129 Pleasant Street,
Concord, NH 03301-6505

1. The grantee certifies that it will or will continue to provide a drug-free workplace by:
   - 1.1. Publishing a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession or use of a controlled substance is prohibited in the grantee's workplace and specifying the actions that will be taken against employees for violation of such prohibition;
   - 1.2. Establishing an ongoing drug-free awareness program to inform employees about
     - 1.2.1. The dangers of drug abuse in the workplace;
     - 1.2.2. The grantee's policy of maintaining a drug-free workplace;
     - 1.2.3. Any available drug counseling, rehabilitation, and employee assistance programs; and
     - 1.2.4. The penalties that may be imposed upon employees for drug abuse violations occurring in the workplace;
   - 1.3. Making it a requirement that each employee to be engaged in the performance of the grant be given a copy of the statement required by paragraph (a);
   - 1.4. Notifying the employee in the statement required by paragraph (a) that, as a condition of employment under the grant, the employee will
     - 1.4.1. Abide by the terms of the statement; and
     - 1.4.2. Notify the employer in writing of his or her conviction for a violation of a criminal drug statute occurring in the workplace no later than five calendar days after such conviction;
   - 1.5. Notifying the agency in writing, within ten calendar days after receiving notice under subparagraph 1.4.2 from an employee or otherwise receiving actual notice of such conviction. Employers of convicted employees must provide notice, including position title, to every grant officer on whose grant activity the convicted employee was working, unless the Federal agency

has designated a central point for the receipt of such notices. Notice shall include the identification number(s) of each affected grant;

1.6. Taking one of the following actions, within 30 calendar days of receiving notice under subparagraph 1.4.2, with respect to any employee who is so convicted
   1.6.1. Taking appropriate personnel action against such an employee, up to and including termination, consistent with the requirements of the Rehabilitation Act of 1973, as amended; or
   1.6.2. Requiring such employee to participate satisfactorily in a drug abuse assistance or rehabilitation program approved for such purposes by a Federal, State, or local health, law enforcement, or other appropriate agency;

1.7. Making a good faith effort to continue to maintain a drug-free workplace through implementation of paragraphs 1.1, 1.2, 1.3, 1.4, 1.5, and 1.6.

2. The grantee may insert in the space provided below the site(s) for the performance of work done in connection with the specific grant.

Place of Performance (street address, city, county, state, zip code) (list each location)

Huggins Hospital 240 South Main Street Wolfeboro NH 03894

Check ☐ if there are workplaces on file that are not identified here.

Vendor Name: Huggins Hospital

7/23/2013
Date

Name: Jeremy Roberge
Title: CEO

CERTIFICATION REGARDING LOBBYING

The Vendor identified in Section 1.3 of the General Provisions agrees to comply with the provisions of Section 319 of Public Law 101-121, Government wide Guidance for New Restrictions on Lobbying, and 31 U.S.C. 1352, and further agrees to have the Contractor's representative, as identified in Sections 1.11 and 1.12 of the General Provisions execute the following Certification:

US DEPARTMENT OF HEALTH AND HUMAN SERVICES - CONTRACTORS
US DEPARTMENT OF EDUCATION - CONTRACTORS
US DEPARTMENT OF AGRICULTURE - CONTRACTORS

Programs (indicate applicable program covered):
*Temporary Assistance to Needy Families under Title IV-A
*Child Support Enforcement Program under Title IV-D
*Social Services Block Grant Program under Title XX
*Medicaid Program under Title XIX
*Community Services Block Grant under Title VI
*Child Care Development Block Grant under Title IV

The undersigned certifies, to the best of his or her knowledge and belief, that:

1. No Federal appropriated funds have been paid or will be paid by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement (and by specific mention sub-grantee or sub-contractor).

2. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement (and by specific mention sub-grantee or sub-contractor), the undersigned shall complete and submit Standard Form LLL, (Disclosure Form to Report Lobbying, in accordance with its instructions, attached and identified as Standard Exhibit E-I.)

3. The undersigned shall require that the language of this certification be included in the award document for sub-awards at all tiers (including subcontracts, sub-grants, and contracts under grants, loans, and cooperative agreements) and that all sub-recipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by Section 1352, Title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than $10,000 and not more than $100,000 for each such failure.

Vendor Name: Hospital

7/23/2020
Date

Name: Jeremy Rberge
Title: CEO

CERTIFICATION REGARDING DEBARMENT, SUSPENSION AND OTHER RESPONSIBILITY MATTERS

The Vendor identified in Section 1.3 of the General Provisions agrees to comply with the provisions of Executive Office of the President, Executive Order 12549 and 45 CFR Part 76 regarding Debarment, Suspension, and Other Responsibility Matters, and further agrees to have the Contractor's representative, as identified in Sections 1.11 and 1.12 of the General Provisions execute the following Certification:

INSTRUCTIONS FOR CERTIFICATION

1. By signing and submitting this proposal (contract), the prospective primary participant is providing the certification set out below.

2. The inability of a person to provide the certification required below will not necessarily result in denial of participation in this covered transaction. If necessary, the prospective participant shall submit an explanation of why it cannot provide the certification. The certification or explanation will be considered in connection with the NH Department of Health and Human Services' (DHHS) determination whether to enter into this transaction. However, failure of the prospective primary participant to furnish a certification or an explanation shall disqualify such person from participation in this transaction.

3. The certification in this clause is a material representation of fact upon which reliance was placed when DHHS determined to enter into this transaction. If it is later determined that the prospective primary participant knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government, DHHS may terminate this transaction for cause or default.

4. The prospective primary participant shall provide immediate written notice to the DHHS agency to whom this proposal (contract) is submitted if at any time the prospective primary participant learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances.

5. The terms "covered transaction," "debarred," "suspended," "ineligible," "lower tier covered transaction," "participant," "person," "primary covered transaction," "principal," "proposal," and "voluntarily excluded," as used in this clause, have the meanings set out in the Definitions and Coverage sections of the rules implementing Executive Order 12549: 45 CFR Part 76. See the attached definitions.

6. The prospective primary participant agrees by submitting this proposal (contract) that, should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transaction with a person who is debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by DHHS.

7. The prospective primary participant further agrees by submitting this proposal that it will include the clause titled "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion - Lower Tier Covered Transactions," provided by DHHS, without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions.

8. A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that it is not debarred, suspended, ineligible, or involuntarily excluded from the covered transaction, unless it knows that the certification is erroneous. A participant may decide the method and frequency by which it determines the eligibility of its principals. Each participant may, but is not required to, check the Nonprocurement List (of excluded parties).

9. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and

Vendor Initials _____
Date 7/23/2020

information of a participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.

10. Except for transactions authorized under paragraph 6 of these instructions, if a participant in a covered transaction knowingly enters into a lower tier covered transaction with a person who is suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction, in addition to other remedies available to the Federal government, DHHS may terminate this transaction for cause or default.

PRIMARY COVERED TRANSACTIONS

11. The prospective primary participant certifies to the best of its knowledge and belief, that it and its principals:
    11.1. are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any Federal department or agency;
    11.2. have not within a three-year period preceding this proposal (contract) been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State or local) transaction or a contract under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;
    11.3. are not presently indicted for otherwise criminally or civilly charged by a governmental entity (Federal, State or local) with commission of any of the offenses enumerated in paragraph (I)(b) of this certification; and
    11.4. have not within a three-year period preceding this application/proposal had one or more public transactions (Federal, State or local) terminated for cause or default.

12. Where the prospective primary participant is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this proposal (contract).

LOWER TIER COVERED TRANSACTIONS

13. By signing and submitting this lower tier proposal (contract), the prospective lower tier participant, as defined in 45 CFR Part 76, certifies to the best of its knowledge and belief that it and its principals:
    13.1. are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any federal department or agency.
    13.2. where the prospective lower tier participant is unable to certify to any of the above, such prospective participant shall attach an explanation to this proposal (contract).

14. The prospective lower tier participant further agrees by submitting this proposal (contract) that it will include this clause entitled "Certification Regarding Debarment, Suspension, Ineligibility, and Voluntary Exclusion - Lower Tier Covered Transactions," without modification in all lower tier covered transactions and in all solicitations for lower tier covered transactions.

Vendor Name: Mosshs Hospital

7/23/2020
Date

Name: Jeremy Roberge
Title: CEO

CERTIFICATION OF COMPLIANCE WITH REQUIREMENTS PERTAINING TO FEDERAL NONDISCRIMINATION, EQUAL TREATMENT OF FAITH-BASED ORGANIZATIONS AND WHISTLEBLOWER PROTECTIONS

The Vendor identified in Section 1.3 of the General Provisions agrees by signature of the Contractor's representative as identified in Sections 1.11 and 1.12 of the General Provisions, to execute the following certification:

Vendor will comply, and will require any subgrantees or subcontractors to comply, with any applicable federal nondiscrimination requirements, which may include:

- the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. Section 3789d) which prohibits recipients of federal funding under this statute from discriminating, either in employment practices or in the delivery of services or benefits, on the basis of race, color, religion, national origin, and sex. The Act requires certain recipients to produce an Equal Employment Opportunity Plan;

- the Juvenile Justice Delinquency Prevention Act of 2002 (42 U.S.C. Section 5672(b)) which adopts by reference, the civil rights obligations of the Safe Streets Act. Recipients of federal funding under this statute are prohibited from discriminating, either in employment practices or in the delivery of services or benefits, on the basis of race, color, religion, national origin, and sex. The Act includes Equal Employment Opportunity Plan requirements;

- the Civil Rights Act of 1964 (42 U.S.C. Section 2000d, which prohibits recipients of federal financial assistance from discriminating on the basis of race, color, or national origin in any program or activity);

- the Rehabilitation Act of 1973 (29 U.S.C. Section 794), which prohibits recipients of Federal financial assistance from discriminating on the basis of disability, in regard to employment and the delivery of services or benefits, in any program or activity;

- the Americans with Disabilities Act of 1990 (42 U.S.C. Sections 12131-34), which prohibits discrimination and ensures equal opportunity for persons with disabilities in employment, State and local government services, public accommodations, commercial facilities, and transportation;

- the Education Amendments of 1972 (20 U.S.C. Sections 1681, 1683, 1685-86), which prohibits discrimination on the basis of sex in federally assisted education programs;

- the Age Discrimination Act of 1975 (42 U.S.C. Sections 6106-07), which prohibits discrimination on the basis of age in programs or activities receiving Federal financial assistance. It does not include employment discrimination;

- 28 C.F.R. pt. 31 (U.S. Department of Justice Regulations – OJJDP Grant Programs); 28 C.F.R. pt. 42 (U.S. Department of Justice Regulations – Nondiscrimination; Equal Employment Opportunity; Policies and Procedures); Executive Order No. 13279 (equal protection of the laws for faith-based and community organizations); Executive Order No. 13559, which provide fundamental principles and policy-making criteria for partnerships with faith-based and neighborhood organizations;

- 28 C.F.R. pt. 38 (U.S. Department of Justice Regulations – Equal Treatment for Faith-Based Organizations); and Whistleblower protections 41 U.S.C. §4712 and The National Defense Authorization Act (NDAA) for Fiscal Year 2013 (Pub. L. 112-239, enacted January 2, 2013) the Pilot Program for Enhancement of Contract Employee Whistleblower Protections, which protects employees against reprisal for certain whistle blowing activities in connection with federal grants and contracts.

The certificate set out below is a material representation of fact upon which reliance is placed when the agency awards the grant. False certification or violation of the certification shall be grounds for suspension of payments, suspension or termination of grants, or government wide suspension or debarment.

In the event a Federal or State court or Federal or State administrative agency makes a finding of discrimination after a due process hearing on the grounds of race, color, religion, national origin, or sex against a recipient of funds, the recipient will forward a copy of the finding to the Office for Civil Rights, to the applicable contracting agency or division within the Department of Health and Human Services, and to the Department of Health and Human Services Office of the Ombudsman.

The Vendor identified in Section 1.3 of the General Provisions agrees by signature of the Contractor's representative as identified in Sections 1.11 and 1.12 of the General Provisions, to execute the following certification:

1. By signing and submitting this proposal (contract) the Vendor agrees to comply with the provisions indicated above.

Vendor Name: Hcss Hospital

7/23/2024
Date

Name: Jonny Roberge
Title: CEO

Vendor Initials

Date 7/23/2024

CERTIFICATION REGARDING ENVIRONMENTAL TOBACCO SMOKE

Public Law 103-227, Part C - Environmental Tobacco Smoke, also known as the Pro-Children Act of 1994 (Act), requires that smoking not be permitted in any portion of any indoor facility owned or leased or contracted for by an entity and used routinely or regularly for the provision of health, day care, education, or library services to children under the age of 18, if the services are funded by Federal programs either directly or through State or local governments, by Federal grant, contract, loan, or loan guarantee. The law does not apply to children's services provided in private residences, facilities funded solely by Medicare or Medicaid funds, and portions of facilities used for inpatient drug or alcohol treatment. Failure to comply with the provisions of the law may result in the imposition of a civil monetary penalty of up to $1000 per day and/or the imposition of an administrative compliance order on the responsible entity.

The Vendor identified in Section 1.3 of the General Provisions agrees, by signature of the Contractor's representative as identified in Section 1.11 and 1.12 of the General Provisions, to execute the following certification:

1. By signing and submitting this contract, the Vendor agrees to make reasonable efforts to comply with all applicable provisions of Public Law 103-227, Part C, known as the Pro-Children Act of 1994.

Vendor Name: Nassau Hospital

7/23/2020
Date

Name: Jeremy Roberge
Title: CEO

Vendor Initials JR
Date 7/23/2020

HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY ACT BUSINESS ASSOCIATE AGREEMENT

The Contractor identified in Section 1.3 of the General Provisions of the Agreement agrees to comply with the Health Insurance Portability and Accountability Act, Public Law 104-191 and with the Standards for Privacy and Security of Individually Identifiable Health Information, 45 CFR Parts 160 and 164 applicable to business associates. As defined herein, "Business Associate" shall mean the Contractor and subcontractors and agents of the Contractor that receive, use or have access to protected health information under this Agreement and "Covered Entity" shall mean the State of New Hampshire, Department of Health and Human Services.

(1) **Definitions**.

a. "Breach" shall have the same meaning as the term "Breach" in section 164.402 of Title 45, Code of Federal Regulations.

b. "Business Associate" has the meaning given such term in section 160.103 of Title 45, Code of Federal Regulations.

c. "Covered Entity" has the meaning given such term in section 160.103 of Title 45, Code of Federal Regulations.

d. "Designated Record Set" shall have the same meaning as the term "designated record set" in 45 CFR Section 164.501.

e. "Data Aggregation" shall have the same meaning as the term "data aggregation" in 45 CFR Section 164.501.

f. "Health Care Operations" shall have the same meaning as the term "health care operations" in 45 CFR Section 164.501.

g. "HITECH Act" means the Health Information Technology for Economic and Clinical Health Act, TitleXIII, Subtitle D, Part 1 & 2 of the American Recovery and Reinvestment Act of 2009.

h. "HIPAA" means the Health Insurance Portability and Accountability Act of 1996, Public Law 104-191 and the Standards for Privacy and Security of Individually Identifiable Health Information, 45 CFR Parts 160, 162 and 164 and amendments thereto.

i. "Individual" shall have the same meaning as the term "individual" in 45 CFR Section 160.103 and shall include a person who qualifies as a personal representative in accordance with 45 CFR Section 164.501(g).

j. "Privacy Rule" shall mean the Standards for Privacy of Individually Identifiable Health Information at 45 CFR Parts 160 and 164, promulgated under HIPAA by the United States Department of Health and Human Services.

k. "Protected Health Information" shall have the same meaning as the term "protected health information" in 45 CFR Section 160.103, limited to the information created or received by Business Associate from or on behalf of Covered Entity.

l. "Required by Law" shall have the same meaning as the term "required by law" in 45 CFR Section 164.103.

m. "Secretary" shall mean the Secretary of the Department of Health and Human Services or his/her designee.

n. "Security Rule" shall mean the Security Standards for the Protection of Electronic Protected Health Information at 45 CFR Part 164, Subpart C, and amendments thereto.

o. "Unsecured Protected Health Information" means protected health information that is not secured by a technology standard that renders protected health information unusable, unreadable, or indecipherable to unauthorized individuals and is developed or endorsed by a standards developing organization that is accredited by the American National Standards Institute.

p. Other Definitions - All terms not otherwise defined herein shall have the meaning established under 45 C.F.R. Parts 160, 162 and 164, as amended from time to time, and the HITECH
Act.

(2) **Business Associate Use and Disclosure of Protected Health Information.**

a. Business Associate shall not use, disclose, maintain or transmit Protected Health Information (PHI) except as reasonably necessary to provide the services outlined under Exhibit A of the Agreement. Further, Business Associate, including but not limited to all its directors, officers, employees and agents, shall not use, disclose, maintain or transmit PHI in any manner that would constitute a violation of the Privacy and Security Rule.

b. Business Associate may use or disclose PHI:
   I. For the proper management and administration of the Business Associate;
   II. As required by law, pursuant to the terms set forth in paragraph d. below; or
   III. For data aggregation purposes for the health care operations of Covered Entity.

c. To the extent Business Associate is permitted under the Agreement to disclose PHI to a third party, Business Associate must obtain, prior to making any such disclosure, (i) reasonable assurances from the third party that such PHI will be held confidentially and used or further disclosed only as required by law or for the purpose for which it was disclosed to the third party; and (ii) an agreement from such third party to notify Business Associate, in accordance with the HIPAA Privacy, Security, and Breach Notification Rules of any breaches of the confidentiality of the PHI, to the extent it has obtained knowledge of such breach.

d. The Business Associate shall not, unless such disclosure is reasonably necessary to provide services under Exhibit A of the Agreement, disclose any PHI in response to a request for disclosure on the basis that it is required by law, without first notifying Covered Entity so that Covered Entity has an opportunity to object to the disclosure and to seek appropriate relief. If Covered Entity objects to such disclosure, the Business

Associate shall refrain from disclosing the PHI until Covered Entity has exhausted all remedies.

e. If the Covered Entity notifies the Business Associate that Covered Entity has agreed to be bound by additional restrictions over and above those uses or disclosures or security safeguards of PHI pursuant to the Privacy and Security Rule, the Business Associate shall be bound by such additional restrictions and shall not disclose PHI in violation of such additional restrictions and shall abide by any additional security safeguards.

(3) **Obligations and Activities of Business Associate.**

a. The Business Associate shall notify the Covered Entity's Privacy Officer immediately after the Business Associate becomes aware of any use or disclosure of protected health information not provided for by the Agreement including breaches of unsecured protected health information and/or any security incident that may have an impact on the protected health information of the Covered Entity.

b. The Business Associate shall immediately perform a risk assessment when it becomes aware of any of the above situations. The risk assessment shall include, but not be limited to:

- The nature and extent of the protected health information involved, including the types of identifiers and the likelihood of re-identification;
- The unauthorized person used the protected health information or to whom the disclosure was made;
- Whether the protected health information was actually acquired or viewed
- The extent to which the risk to the protected health information has been mitigated.

The Business Associate shall complete the risk assessment within 48 hours of the breach and immediately report the findings of the risk assessment in writing to the Covered Entity.

c. The Business Associate shall comply with all sections of the Privacy, Security, and Breach Notification Rule.

d. Business Associate shall make available all of its internal policies and procedures, books and records relating to the use and disclosure of PHI received from, or created or received by the Business Associate on behalf of Covered Entity to the Secretary for purposes of determining Covered Entity's compliance with HIPAA and the Privacy and Security Rule.

e. Business Associate shall require all of its business associates that receive, use or have access to PHI under the Agreement, to agree in writing to adhere to the same restrictions and conditions on the use and disclosure of PHI contained herein, including the duty to return or destroy the PHI as provided under Section 3 (l). The Covered Entity shall be considered a direct third party beneficiary of the Contractor's business associate agreements with Contractor's intended business associates, who will be receiving PHI

pursuant to this Agreement, with rights of enforcement and indemnification from such business associates who shall be governed by standard Paragraph #13 of the standard contract provisions (P-37) of this Agreement for the purpose of use and disclosure of protected health information.

f. Within five (5) business days of receipt of a written request from Covered Entity, Business Associate shall make available during normal business hours at its offices all records, books, agreements, policies and procedures relating to the use and disclosure of PHI to the Covered Entity, for purposes of enabling Covered Entity to determine Business Associate's compliance with the terms of the Agreement.

g. Within ten (10) business days of receiving a written request from Covered Entity, Business Associate shall provide access to PHI in a Designated Record Set to the Covered Entity, or as directed by Covered Entity, to an individual in order to meet the requirements under 45 CFR Section 164.524.

h. Within ten (10) business days of receiving a written request from Covered Entity for an amendment of PHI or a record about an individual contained in a Designated Record Set, the Business Associate shall make such PHI available to Covered Entity for amendment and incorporate any such amendment to enable Covered Entity to fulfill its obligations under 45 CFR Section 164.526.

i. Business Associate shall document such disclosures of PHI and information related to such disclosures as would be required for Covered Entity to respond to a request by an individual for an accounting of disclosures of PHI in accordance with 45 CFR Section 164.528.

j. Within ten (10) business days of receiving a written request from Covered Entity for a request for an accounting of disclosures of PHI, Business Associate shall make available to Covered Entity such information as Covered Entity may require to fulfill its obligations to provide an accounting of disclosures with respect to PHI in accordance with 45 CFR Section 164.528.

k. In the event any individual requests access to, amendment of, or accounting of PHI directly from the Business Associate, the Business Associate shall within two (2) business days forward such request to Covered Entity. Covered Entity shall have the responsibility of responding to forwarded requests. However, if forwarding the individual's request to Covered Entity would cause Covered Entity or the Business Associate to violate HIPAA and the Privacy and Security Rule, the Business Associate shall instead respond to the individual's request as required by such law and notify Covered Entity of such response as soon as practicable.

l. Within ten (10) business days of termination of the Agreement, for any reason, the Business Associate shall return or destroy, as specified by Covered Entity, all PHI received from, or created or received by the Business Associate in connection with the Agreement, and shall not retain any copies or back-up tapes of such PHI. If return or destruction is not feasible, or the disposition of the PHI has been otherwise agreed to in the Agreement, Business Associate shall continue to extend the protections of the Agreement, to such PHI and limit further uses and disclosures of such PHI to those purposes that make the return or destruction infeasible, for so long as Business

Associate maintains such PHI. If Covered Entity, in its sole discretion, requires that the Business Associate destroy any or all PHI, the Business Associate shall certify to Covered Entity that the PHI has been destroyed.

(4) Obligations of Covered Entity

a. Covered Entity shall notify Business Associate of any changes or limitation(s) in its Notice of Privacy Practices provided to individuals in accordance with 45 CFR Section 164.520, to the extent that such change or limitation may affect Business Associate's use or disclosure of PHI.

b. Covered Entity shall promptly notify Business Associate of any changes in, or revocation of permission provided to Covered Entity by individuals whose PHI may be used or disclosed by Business Associate under this Agreement, pursuant to 45 CFR Section 164.506 or 45 CFR Section 164.508.

c. Covered entity shall promptly notify Business Associate of any restrictions on the use or disclosure of PHI that Covered Entity has agreed to in accordance with 45 CFR 164.522, to the extent that such restriction may affect Business Associate's use or disclosure of PHI.

(5) Termination for Cause

In addition to Paragraph 10 of the standard terms and conditions (P-37) of this Agreement the Covered Entity may immediately terminate the Agreement upon Covered Entity's knowledge of a breach by Business Associate of the Business Associate Agreement set forth herein as Exhibit I. The Covered Entity may either immediately terminate the Agreement or provide an opportunity for Business Associate to cure the alleged breach within a timeframe specified by Covered Entity. If Covered Entity determines that neither termination nor cure is feasible, Covered Entity shall report the violation to the Secretary.

(6) Miscellaneous

a. Definitions and Regulatory References. All terms used, but not otherwise defined herein, shall have the same meaning as those terms in the Privacy and Security Rule, amended from time to time. A reference in the Agreement, as amended to include this Exhibit I, to a Section in the Privacy and Security Rule means the Section as in effect or as amended.

b. Amendment. Covered Entity and Business Associate agree to take such action as is necessary to amend the Agreement, from time to time as is necessary for Covered Entity to comply with the changes in the requirements of HIPAA, the Privacy and Security Rule, and applicable federal and state law.

c. Data Ownership. The Business Associate acknowledges that it has no ownership rights with respect to the PHI provided by or created on behalf of Covered Entity.

d. Interpretation. The parties agree that any ambiguity in the Agreement shall be resolved to permit Covered Entity to comply with HIPAA, the Privacy and Security Rule.

e. Segregation. If any term or condition of this Exhibit I or the application thereof to any person(s) or circumstance is held invalid, such invalidity shall not affect other terms or conditions which can be given effect without the invalid term or condition; to this end the terms and conditions of this Exhibit I are declared severable.

f. Survival. Provisions in this Exhibit I regarding the use and disclosure of PHI, return or destruction of PHI, extensions of the protections of the Agreement in section (3) I, the defense and indemnification provisions of section (3) e and Paragraph 13 of the standard terms and conditions (P-37), shall survive the termination of the Agreement.

IN WITNESS WHEREOF, the parties hereto have duly executed this Exhibit I.

Department of Health and Human Services	Nissing Hospital
The State	Name of the Contractor
Lori Shibinette	
Signature of Authorized Representative	Signature of Authorized Representative
Lori Shibinette	Jeremy Roberge
Name of Authorized Representative	Name of Authorized Representative
Commissioner	CEO
Title of Authorized Representative	Title of Authorized Representative
7/24/2020	7/23/2020
Date	Date

CERTIFICATION REGARDING THE FEDERAL FUNDING ACCOUNTABILITY AND TRANSPARENCY ACT (FFATA) COMPLIANCE

The Federal Funding Accountability and Transparency Act (FFATA) requires prime awardees of individual Federal grants equal to or greater than $25,000 and awarded on or after October 1, 2010, to report on data related to executive compensation and associated first-tier sub-grants of $25,000 or more. If the initial award is below $25,000 but subsequent grant modifications result in a total award equal to or over $25,000, the award is subject to the FFATA reporting requirements, as of the date of the award.
In accordance with 2 CFR Part 170 (Reporting Subaward and Executive Compensation Information), the Department of Health and Human Services (DHHS) must report the following information for any subaward or contract award subject to the FFATA reporting requirements:

1. Name of entity
2. Amount of award
3. Funding agency
4. NAICS code for contracts / CFDA program number for grants
5. Program source
6. Award title descriptive of the purpose of the funding action
7. Location of the entity
8. Principle place of performance
9. Unique identifier of the entity (DUNS #)
10. Total compensation and names of the top five executives if:
    - 10.1. More than 80% of annual gross revenues are from the Federal government, and those revenues are greater than $25M annually and
    - 10.2. Compensation information is not already available through reporting to the SEC.

Prime grant recipients must submit FFATA required data by the end of the month, plus 30 days, in which the award or award amendment is made.
The Contractor identified in Section 1.3 of the General Provisions agrees to comply with the provisions of The Federal Funding Accountability and Transparency Act, Public Law 109-282 and Public Law 110-252, and 2 CFR Part 170 (Reporting Subaward and Executive Compensation Information), and further agrees to have the Contractor's representative, as identified in Sections 1.11 and 1.12 of the General Provisions execute the following Certification:
The below named Contractor agrees to provide needed information as outlined above to the NH Department of Health and Human Services and to comply with all applicable provisions of the Federal Financial Accountability and Transparency Act.

Contractor Name: Mosaic Hospital

7/23/2020
Date

Name: Jerry Roberge
Title: CEO

FORM A

As the Contractor identified in Section 1.3 of the General Provisions, I certify that the responses to the below listed questions are true and accurate.

1. The DUNS number for your entity is: 07-396-2466

2. In your business or organization's preceding completed fiscal year, did your business or organization receive (1) 80 percent or more of your annual gross revenue in U.S. federal contracts, subcontracts, loans, grants, sub-grants, and/or cooperative agreements; and (2) $25,000,000 or more in annual gross revenues from U.S. federal contracts, subcontracts, loans, grants, subgrants, and/or cooperative agreements?

   X NO _____ YES

   If the answer to #2 above is NO, stop here

   If the answer to #2 above is YES, please answer the following:

3. Does the public have access to information about the compensation of the executives in your business or organization through periodic reports filed under section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C.78m(a), 78o(d)) or section 6104 of the Internal Revenue Code of 1986?

   _____ NO _____ YES

   If the answer to #3 above is YES, stop here

   If the answer to #3 above is NO, please answer the following:

4. The names and compensation of the five most highly compensated officers in your business or organization are as follows:

   Name: _____ Amount: _____

   Name: _____ Amount: _____

   Name: _____ Amount: _____

   Name: _____ Amount: _____

   Name: _____ Amount: _____

A. Definitions

The following terms may be reflected and have the described meaning in this document:

1. "Breach" means the loss of control, compromise, unauthorized disclosure, unauthorized acquisition, unauthorized access, or any similar term referring to situations where persons other than authorized users and for an other than authorized purpose have access or potential access to personally identifiable information, whether physical or electronic. With regard to Protected Health Information, " Breach" shall have the same meaning as the term "Breach" in section 164.402 of Title 45, Code of Federal Regulations.

2. "Computer Security Incident" shall have the same meaning "Computer Security Incident" in section two (2) of NIST Publication 800-61, Computer Security Incident Handling Guide, National Institute of Standards and Technology, U.S. Department of Commerce.

3. "Confidential Information" or "Confidential Data" means all confidential information disclosed by one party to the other such as all medical, health, financial, public assistance benefits and personal information including without limitation, Substance Abuse Treatment Records, Case Records, Protected Health Information and Personally Identifiable Information.

   Confidential Information also includes any and all information owned or managed by the State of NH - created, received from or on behalf of the Department of Health and Human Services (DHHS) or accessed in the course of performing contracted services - of which collection, disclosure, protection, and disposition is governed by state or federal law or regulation. This information includes, but is not limited to Protected Health Information (PHI), Personal Information (PI), Personal Financial Information (PFI), Federal Tax Information (FTI), Social Security Numbers (SSN), Payment Card Industry (PCI), and or other sensitive and confidential information.

4. "End User" means any person or entity (e.g., contractor, contractor's employee, business associate, subcontractor, other downstream user, etc.) that receives DHHS data or derivative data in accordance with the terms of this Contract.

5. "HIPAA" means the Health Insurance Portability and Accountability Act of 1996 and the regulations promulgated thereunder.

6. "Incident" means an act that potentially violates an explicit or implied security policy, which includes attempts (either failed or successful) to gain unauthorized access to a system or its data, unwanted disruption or denial of service, the unauthorized use of a system for the processing or storage of data; and changes to system hardware, firmware, or software characteristics without the owner's knowledge, instruction, or consent. Incidents include the loss of data through theft or device misplacement, loss or misplacement of hardcopy documents, and misrouting of physical or electronic

mail, all of which may have the potential to put the data at risk of unauthorized access, use, disclosure, modification or destruction.

7. "Open Wireless Network" means any network or segment of a network that is not designated by the State of New Hampshire's Department of Information Technology or delegate as a protected network (designed, tested, and approved, by means of the State, to transmit) will be considered an open network and not adequately secure for the transmission of unencrypted PI, PFI, PHI or confidential DHHS data.

8. "Personal Information" (or "PI") means information which can be used to distinguish or trace an individual's identity, such as their name, social security number, personal information as defined in New Hampshire RSA 359-C:19, biometric records, etc., alone, or when combined with other personal or identifying information which is linked or linkable to a specific individual, such as date and place of birth, mother's maiden name, etc.

9. "Privacy Rule" shall mean the Standards for Privacy of Individually Identifiable Health Information at 45 C.F.R. Parts 160 and 164, promulgated under HIPAA by the United States Department of Health and Human Services.

10. "Protected Health Information" (or "PHI") has the same meaning as provided in the definition of "Protected Health Information" in the HIPAA Privacy Rule at 45 C.F.R. § 160.103.

11. "Security Rule" shall mean the Security Standards for the Protection of Electronic Protected Health Information at 45 C.F.R. Part 164, Subpart C, and amendments thereto.

12. "Unsecured Protected Health Information" means Protected Health Information that is not secured by a technology standard that renders Protected Health Information unusable, unreadable, or indecipherable to unauthorized individuals and is developed or endorsed by a standards developing organization that is accredited by the American National Standards Institute.

I. RESPONSIBILITIES OF DHHS AND THE CONTRACTOR

A. Business Use and Disclosure of Confidential Information.

1. The Contractor must not use, disclose, maintain or transmit Confidential Information except as reasonably necessary as outlined under this Contract. Further, Contractor, including but not limited to all its directors, officers, employees and agents, must not use, disclose, maintain or transmit PHI in any manner that would constitute a violation of the Privacy and Security Rule.
2. The Contractor must not disclose any Confidential Information in response to a

request for disclosure on the basis that it is required by law, in response to a subpoena, etc., without first notifying DHHS so that DHHS has an opportunity to consent or object to the disclosure.

3. If DHHS notifies the Contractor that DHHS has agreed to be bound by additional restrictions over and above those uses or disclosures or security safeguards of PHI pursuant to the Privacy and Security Rule, the Contractor must be bound by such additional restrictions and must not disclose PHI in violation of such additional restrictions and must abide by any additional security safeguards.
4. The Contractor agrees that DHHS Data or derivative there from disclosed to an End User must only be used pursuant to the terms of this Contract.
5. The Contractor agrees DHHS Data obtained under this Contract may not be used for any other purposes that are not indicated in this Contract.
6. The Contractor agrees to grant access to the data to the authorized representatives of DHHS for the purpose of inspecting to confirm compliance with the terms of this Contract.

II. METHODS OF SECURE TRANSMISSION OF DATA

1. Application Encryption. If End User is transmitting DHHS data containing Confidential Data between applications, the Contractor attests the applications have been evaluated by an expert knowledgeable in cyber security and that said application's encryption capabilities ensure secure transmission via the internet.
2. Computer Disks and Portable Storage Devices. End User may not use computer disks or portable storage devices, such as a thumb drive, as a method of transmitting DHHS data.
3. Encrypted Email. End User may only employ email to transmit Confidential Data if email is encrypted and being sent to and being received by email addresses of persons authorized to receive such information.
4. Encrypted Web Site. If End User is employing the Web to transmit Confidential Data, the secure socket layers (SSL) must be used and the web site must be secure. SSL encrypts data transmitted via a Web site.
5. File Hosting Services, also known as File Sharing Sites. End User may not use file hosting services, such as Dropbox or Google Cloud Storage, to transmit Confidential Data.
6. Ground Mail Service. End User may only transmit Confidential Data via *certified* ground mail within the continental U.S. and when sent to a named individual.
7. Laptops and PDA. If End User is employing portable devices to transmit Confidential Data said devices must be encrypted and password-protected.
8. Open Wireless Networks. End User may not transmit Confidential Data via an open

wireless network. End User must employ a virtual private network (VPN) when remotely transmitting via an open wireless network.

9. Remote User Communication. If End User is employing remote communication to access or transmit Confidential Data, a virtual private network (VPN) must be installed on the End User's mobile device(s) or laptop from which information will be transmitted or accessed.
10. SSH File Transfer Protocol (SFTP), also known as Secure File Transfer Protocol. If End User is employing an SFTP to transmit Confidential Data, End User will structure the Folder and access privileges to prevent inappropriate disclosure of information. SFTP folders and sub-folders used for transmitting Confidential Data will be coded for 24-hour auto-deletion cycle (i.e. Confidential Data will be deleted every 24 hours).
11. Wireless Devices. If End User is transmitting Confidential Data via wireless devices, all data must be encrypted to prevent inappropriate disclosure of information.

III. RETENTION AND DISPOSITION OF IDENTIFIABLE RECORDS

The Contractor will only retain the data and any derivative of the data for the duration of this Contract. After such time, the Contractor will have 30 days to destroy the data and any derivative in whatever form it may exist, unless, otherwise required by law or permitted under this Contract. To this end, the parties must:

A. Retention

1. The Contractor agrees it will not store, transfer or process data collected in connection with the services rendered under this Contract outside of the United States. This physical location requirement shall also apply in the implementation of cloud computing, cloud service or cloud storage capabilities, and includes backup data and Disaster Recovery locations.
2. The Contractor agrees to ensure proper security monitoring capabilities are in place to detect potential security events that can impact State of NH systems and/or Department confidential information for contractor provided systems.
3. The Contractor agrees to provide security awareness and education for its End Users in support of protecting Department confidential information.
4. The Contractor agrees to retain all electronic and hard copies of Confidential Data in a secure location and identified in section IV. A.2
5. The Contractor agrees Confidential Data stored in a Cloud must be in a FedRAMP/HITECH compliant solution and comply with all applicable statutes and regulations regarding the privacy and security. All servers and devices must have currently-supported and hardened operating systems, the latest anti-viral, anti-hacker, anti-spam, anti-spyware, and anti-malware utilities. The environment, as a

whole, must have aggressive intrusion-detection and firewall protection.

6. The Contractor agrees to and ensures its complete cooperation with the State's Chief Information Officer in the detection of any security vulnerability of the hosting infrastructure.

B. Disposition

1. If the Contractor will maintain any Confidential Information on its systems (or its sub-contractor systems), the Contractor will maintain a documented process for securely disposing of such data upon request or contract termination; and will obtain written certification for any State of New Hampshire data destroyed by the Contractor or any subcontractors as a part of ongoing, emergency, and or disaster recovery operations. When no longer in use, electronic media containing State of New Hampshire data shall be rendered unrecoverable via a secure wipe program in accordance with industry-accepted standards for secure deletion and media sanitization, or otherwise physically destroying the media (for example, degaussing) as described in NIST Special Publication 800-88, Rev 1, Guidelines for Media Sanitization, National Institute of Standards and Technology, U. S. Department of Commerce. The Contractor will document and certify in writing at time of the data destruction, and will provide written certification to the Department upon request. The written certification will include all details necessary to demonstrate data has been properly destroyed and validated. Where applicable, regulatory and professional standards for retention requirements will be jointly evaluated by the State and Contractor prior to destruction.
2. Unless otherwise specified, within thirty (30) days of the termination of this Contract, Contractor agrees to destroy all hard copies of Confidential Data using a secure method such as shredding.
3. Unless otherwise specified, within thirty (30) days of the termination of this Contract, Contractor agrees to completely destroy all electronic Confidential Data by means of data erasure, also known as secure data wiping.

IV. PROCEDURES FOR SECURITY

A. Contractor agrees to safeguard the DHHS Data received under this Contract, and any derivative data or files, as follows:

1. The Contractor will maintain proper security controls to protect Department confidential information collected, processed, managed, and/or stored in the delivery of contracted services.
2. The Contractor will maintain policies and procedures to protect Department confidential information throughout the information lifecycle, where applicable, (from creation, transformation, use, storage and secure destruction) regardless of the media used to store the data (i.e., tape, disk, paper, etc.).

3. The Contractor will maintain appropriate authentication and access controls to contractor systems that collect, transmit, or store Department confidential information where applicable.

4. The Contractor will ensure proper security monitoring capabilities are in place to detect potential security events that can impact State of NH systems and/or Department confidential information for contractor provided systems.

5. The Contractor will provide regular security awareness and education for its End Users in support of protecting Department confidential information.

6. If the Contractor will be sub-contracting any core functions of the engagement supporting the services for State of New Hampshire, the Contractor will maintain a program of an internal process or processes that defines specific security expectations, and monitoring compliance to security requirements that at a minimum match those for the Contractor, including breach notification requirements.

7. The Contractor will work with the Department to sign and comply with all applicable State of New Hampshire and Department system access and authorization policies and procedures, systems access forms, and computer use agreements as part of obtaining and maintaining access to any Department system(s). Agreements will be completed and signed by the Contractor and any applicable sub-contractors prior to system access being authorized.

8. If the Department determines the Contractor is a Business Associate pursuant to 45 CFR 160.103, the Contractor will execute a HIPAA Business Associate Agreement (BAA) with the Department and is responsible for maintaining compliance with the agreement.

9. The Contractor will work with the Department at its request to complete a System Management Survey. The purpose of the survey is to enable the Department and Contractor to monitor for any changes in risks, threats, and vulnerabilities that may occur over the life of the Contractor engagement. The survey will be completed annually, or an alternate time frame at the Departments discretion with agreement by the Contractor, or the Department may request the survey be completed when the scope of the engagement between the Department and the Contractor changes.

10. The Contractor will not store, knowingly or unknowingly, any State of New Hampshire or Department data offshore or outside the boundaries of the United States unless prior express written consent is obtained from the Information Security Office leadership member within the Department.

11. Data Security Breach Liability. In the event of any security breach Contractor shall make efforts to investigate the causes of the breach, promptly take measures to prevent future breach and minimize any damage or loss resulting from the breach. The State shall recover from the Contractor all costs of response and recovery from

the breach, including but not limited to: credit monitoring services, mailing costs and costs associated with website and telephone call center services necessary due to the breach.

12. Contractor must, comply with all applicable statutes and regulations regarding the privacy and security of Confidential Information, and must in all other respects maintain the privacy and security of PI and PHI at a level and scope that is not less than the level and scope of requirements applicable to federal agencies, including, but not limited to, provisions of the Privacy Act of 1974 (5 U.S.C. § 552a), DHHS Privacy Act Regulations (45 C.F.R. §5b), HIPAA Privacy and Security Rules (45 C.F.R. Parts 160 and 164) that govern protections for individually identifiable health information and as applicable under State law.

13. Contractor agrees to establish and maintain appropriate administrative, technical, and physical safeguards to protect the confidentiality of the Confidential Data and to prevent unauthorized use or access to it. The safeguards must provide a level and scope of security that is not less than the level and scope of security requirements established by the State of New Hampshire, Department of Information Technology. Refer to Vendor Resources/Procurement at https://www.nh.gov/doit/vendor/index.htm for the Department of Information Technology policies, guidelines, standards, and procurement information relating to vendors.

14. Contractor agrees to maintain a documented breach notification and incident response process. The Contractor will notify the State's Privacy Officer and the State's Security Officer of any security breach immediately, at the email addresses provided in Section VI. This includes a confidential information breach, computer security incident, or suspected breach which affects or includes any State of New Hampshire systems that connect to the State of New Hampshire network.

15. Contractor must restrict access to the Confidential Data obtained under this Contract to only those authorized End Users who need such DHHS Data to perform their official duties in connection with purposes identified in this Contract.

16. The Contractor must ensure that all End Users:

    a. comply with such safeguards as referenced in Section IV A. above, implemented to protect Confidential Information that is furnished by DHHS under this Contract from loss, theft or inadvertent disclosure.

    b. safeguard this information at all times.

    c. ensure that laptops and other electronic devices/media containing PHI, PI, or PFI are encrypted and password-protected.

    d. send emails containing Confidential Information only if encrypted and being sent to and being received by email addresses of persons authorized to receive such information.

e. limit disclosure of the Confidential Information to the extent permitted by law.

f. Confidential Information received under this Contract and individually identifiable data derived from DHHS Data, must be stored in an area that is physically and technologically secure from access by unauthorized persons during duty hours as well as non-duty hours (e.g., door locks, card keys, biometric identifiers, etc.).

g. only authorized End Users may transmit the Confidential Data, including any derivative files containing personally identifiable information, and in all cases, such data must be encrypted at all times when in transit, at rest, or when stored on portable media as required in section IV above.

h. in all other instances Confidential Data must be maintained, used and disclosed using appropriate safeguards, as determined by a risk-based assessment of the circumstances involved.

i. understand that their user credentials (user name and password) must not be shared with anyone. End Users will keep their credential information secure. This applies to credentials used to access the site directly or indirectly through a third party application.

Contractor is responsible for oversight and compliance of their End Users. DHHS reserves the right to conduct onsite inspections to monitor compliance with this Contract, including the privacy and security requirements provided in herein, HIPAA, and other applicable laws and Federal regulations until such time the Confidential Data is disposed of in accordance with this Contract.

V. LOSS REPORTING

The Contractor must notify the State's Privacy Officer and Security Officer of any Security Incidents and Breaches immediately, at the email addresses provided in Section VI.

The Contractor must further handle and report Incidents and Breaches involving PHI in accordance with the agency's documented Incident Handling and Breach Notification procedures and in accordance with 42 C.F.R. §§ 431.300 - 306. In addition to, and notwithstanding, Contractor's compliance with all applicable obligations and procedures, Contractor's procedures must also address how the Contractor will:

1. Identify Incidents;
2. Determine if personally identifiable information is involved in Incidents;
3. Report suspected or confirmed Incidents as required in this Exhibit or P-37;
4. Identify and convene a core response group to determine the risk level of Incidents and determine risk-based responses to Incidents; and

5. Determine whether Breach notification is required, and, if so, identify appropriate Breach notification methods, timing, source, and contents from among different options, and bear costs associated with the Breach notice as well as any mitigation measures.

Incidents and/or Breaches that implicate PI must be addressed and reported, as applicable, in accordance with NH RSA 359-C:20.

VI. PERSONS TO CONTACT

A. DHHS Privacy Officer:

DHHSPrivacyOfficer@dhhs.nh.gov

B. DHHS Security Officer:

DHHSInformationSecurityOffice@dhhs.nh.gov

State of New Hampshire
Department of State

CERTIFICATE

I, William M. Gardner, Secretary of State of the State of New Hampshire, do hereby certify that HUGGINS HOSPITAL is a New Hampshire Nonprofit Corporation registered to transact business in New Hampshire on March 14, 1907. I further certify that all fees and documents required by the Secretary of State's office have been received and is in good standing as far as this office is concerned.

Business ID: **68540**
Certificate Number: **0004854933**

IN TESTIMONY WHEREOF,
I hereto set my hand and cause to be affixed
the Seal of the State of New Hampshire,
this 24th day of March A.D. 2020.

William M. Gardner
Secretary of State

CERTIFICATE OF AUTHORITY

I, Kathy Barnard, hereby certify that:

1. I am a duly elected Board Secretary of Huggins Hospital.

2. The following is a true copy of a vote taken via email by the Board of Trustees/shareholders, duly called and completed on July 21, 2020, with an affirmative vote by all Trustees of the Board as required by the Bylaws of Huggins Hospital.

VOTED: That Jeremy Roberge, President & CEO, is duly authorized on behalf of Huggins Hospital, to enter into contracts or agreements with the State of New Hampshire and any of its agencies or departments and further is authorized to execute any and all documents, agreements and other instruments, and any amendments, revisions, or modifications thereto, which may in his/her judgment be desirable or necessary to effect the purpose of this vote.

3. I hereby certify that said vote has not been amended or repealed and remains in full force and effect as of the date of the contract/contract amendment to which this certificate is attached. This authority **remains valid for thirty (30)** days from the date of this Certificate of Authority. I further certify that it is understood that the State of New Hampshire will rely on this certificate as evidence that the person(s) listed above currently occupy the position(s) indicated and that they have full authority to bind the corporation. To the extent that there are any limits on the authority of any listed individual to bind the corporation in contracts with the State of New Hampshire, all such limitations are expressly stated herein.

Dated: July 21, 2020

Kathy Barnard

Signature of Elected Officer
Name: Kathy Barnard
Title: Secretary of the Board

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY): 07/21/2020

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER	CONTACT NAME: Amethyste Spardel	
Cross Insurance-Portsmouth	PHONE (A/C, No, Ext): (603) 812-2600	FAX (A/C, No): (603) 570-1073
75 Portsmouth Blvd,	E-MAIL ADDRESS: aspardel@crossagency.com	
Suite 100	INSURER(S) AFFORDING COVERAGE	NAIC #
Portsmouth NH 03801	INSURER A: Frankenmuth Mutual Ins Co.	13986
INSURED	INSURER B: Excelsior Insurance Co.	11045
HUGGINS HOSPITAL	INSURER C: Medical Mutual Ins Company of Maine	
PO BOX 912	INSURER D: Granite State Health Ins. Trust	
	INSURER E:	
WOLFEBORO NH 03894-0912	INSURER F:	

COVERAGES **CERTIFICATE NUMBER:** 19-20 MASTER: **REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
A	[X] COMMERCIAL GENERAL LIABILITY [ ] CLAIMS-MADE [X] OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: [X] POLICY [ ] PRO-JECT [ ] LOC [ ] OTHER:			6651428	01/13/2020	01/13/2021	EACH OCCURRENCE DAMAGE TO RENTED PREMISES (Ea occurrence) MED EXP (Any one person) PERSONAL & ADV INJURY GENERAL AGGREGATE PRODUCTS - COMP/OP AGG	$ 1,000,000 $ 500,000 $ 5,000 $ 1,000,000 $ 2,000,000 $ 2,000,000
B	AUTOMOBILE LIABILITY [X] ANY AUTO [ ] OWNED AUTOS ONLY [ ] SCHEDULED AUTOS [ ] HIRED AUTOS ONLY [ ] NON-OWNED AUTOS ONLY			BA8071943	09/30/2019	09/30/2020	COMBINED SINGLE LIMIT (Ea accident) BODILY INJURY (Per person) BODILY INJURY (Per accident) PROPERTY DAMAGE (Per accident) Uninsured motorist	$ 1,000,000 $ $ $ $ 1,000,000
C	[X] UMBRELLA LIAB [ ] OCCUR EXCESS LIAB [ ] CLAIMS-MADE [ ] DED [X] RETENTION $ 10,000			NHUMB000388	10/01/2019	10/01/2020	EACH OCCURRENCE AGGREGATE	$ 10,000,000 $ 10,000,000
D	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) Y/N [N] If yes, describe under DESCRIPTION OF OPERATIONS below	N/A		HCHS20190000105 ~ 3A: NH	02/01/2020	02/01/2021	[X] PER STATUTE [ ] OTH-ER E.L. EACH ACCIDENT E.L. DISEASE - EA EMPLOYEE E.L. DISEASE - POLICY LIMIT	$ 1,000,000 $ 1,000,000 $ 1,000,000
C	PHYSICIAN PROF. LIABILITY HOSPITAL PROF. LIABILITY			NHGRP000390 / NHHPL000389	10/01/2019	10/01/2020	EACH CLAIM AGGREGATE	$1,000,000 $3,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

Evidence of Insurance - Refer to policy for exclusionary endorsements and special provisions. Please see attached for General Liability exclusion on Contractual Liability HCP-4NH Section VII. Exclusions Item A. Insurer will not defend nor indemnify the State of New Hampshire.

CERTIFICATE HOLDER

State of New Hampshire
Dept of Health & Human Service
129 Pleasant St
Concord NH 03301-3857

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

Paula Mattingly

B. We shall have the right to investigate and settle any CLAIM at our discretion.

C. We shall have the sole authority to select and retain legal counsel to defend you pursuant to our obligations under this Policy. We shall not reimburse any costs, charges, legal expenses or legal fees you incur without our consent.

D. We will have the right to appeal a judgment in any CLAIM we defend.

E. Our payment of DAMAGES will reduce the applicable Limits of Liability shown on the **DECLARATIONS PAGE.**

F. Our payment of DEFENSE COSTS and other Supplementary Payments listed below will not reduce the applicable Limits of Liability; however, our duty to defend covered CLAIMS and our obligation to pay DEFENSE COSTS and make Supplementary Payments will end when the applicable Limits of Liability have been exhausted by payment of DAMAGES. We will make the following Supplementary Payments:

1. up to $250 for the cost of bail bonds required because of accidents or traffic law violations arising out of the use of any vehicle to which the BODILY INJURY coverage applies. We do not have to furnish these bonds;

2. the cost of bonds to release attachments, but only for bond amounts within the applicable Limit of Liability. We do not have to furnish these bonds;

3. reasonable expenses you incur at our request to assist us in the investigation or defense of the CLAIM, including actual loss of earnings up to $250 per day because of time off from work;

4. all expenses which result directly from a judgment that we appeal. This includes any taxes, costs and post-judgment interest.

******** **VII. EXCLUSIONS**

A. EXCLUSIONS APPLICABLE TO THE BODILY INJURY AND PROPERTY DAMAGE COVERAGE

This insurance does not apply to any CLAIM based upon, arising out of, directly or indirectly resulting from, in consequence of or in any way involving:

1. BODILY INJURY or PROPERTY DAMAGE expected or intended by you. This exclusion does not apply to BODILY INJURY or PROPERTY DAMAGE resulting from the use of reasonable force to protect persons or property;

** 2. your obligation to pay DEFENSE COSTS or DAMAGES for BODILY INJURY or PROPERTY DAMAGE by reason of your assumption of liability in a contract or agreement. This Exclusion does not apply to liability for DAMAGES:

** (a) that you would have in the absence of the contract or agreement; or,

** (b) that you assumed under a COVERED CONTRACT, provided the BODILY INJURY or PROPERTY DAMAGE occurs subsequent to the execution of the COVERED CONTRACT. Solely for the purposes of liability assumed in a COVERED CONTRACT, reasonable attorney fees and necessary litigation expenses incurred by or for a party other than an INSURED are deemed to be DAMAGES because of BODILY INJURY or PROPERTY DAMAGE, provided:

** (i) liability to such party for, or for the cost of, that party's defense, has also been assumed in the same COVERED CONTRACT; and,

** (ii) such attorney fees and litigation expenses are for defense of that party in a civil or alternative dispute resolution proceeding alleging DAMAGES to which this insurance applies;

---

3. any BODILY INJURY or PROPERTY DAMAGE for which you may be held liable by reason of:

   (a) causing or contributing to the intoxication of any person;

   (b) the furnishing of alcoholic beverages to a person under the legal drinking age or under the influence of alcohol; or,

   (c) any statute, ordinance or regulation relating to the sale, gift, distribution or use of alcoholic beverages.

   This Exclusion applies only if you are in the business of manufacturing, distributing, selling, serving or furnishing alcoholic beverages;

4. any obligation you have under a workers' compensation law, disability benefits law, unemployment compensation law or any similar law;

5. BODILY INJURY to:

   (a) your EMPLOYEE arising out of and in the course of his or her:

      (i) employment by you; or,

      (ii) performing duties related to the conduct of your business; or,

   (b) the spouse, child, parent, brother or sister of that EMPLOYEE as a consequence of the BODILY INJURY described in subparagraph (a) above.

   This Exclusion applies:

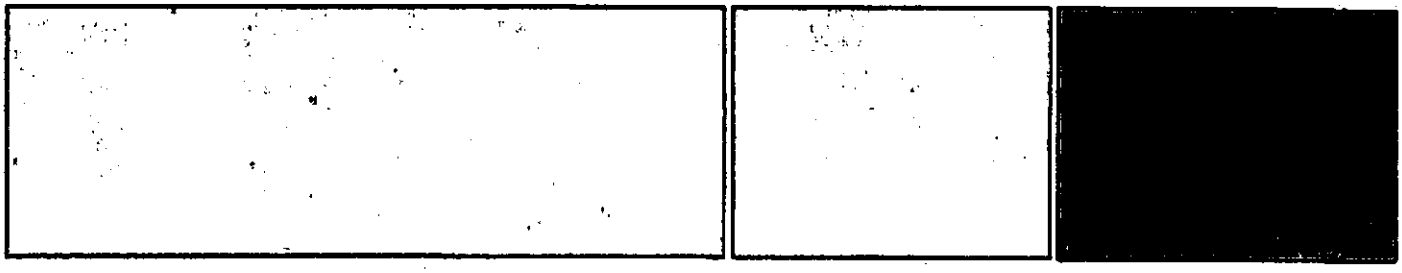
   (a) whether you may be liable as an employer or in any other capacity; and,

   (b) to any obligation to share DAMAGES with or repay someone else who must pay DAMAGES because of the injury.

Huggins Hospital Mission Statement 2020

To empower the fulfillment of life through better health.

BerryDunn



HUGGINS HOSPITAL AND SUBSIDIARY

CONSOLIDATED FINANCIAL STATEMENTS

and

SUPPLEMENTARY INFORMATION

September 30, 2019 and 2018

With Independent Auditor's Report

HUGGINS HOSPITAL AND SUBSIDIARY

Index to Consolidated Financial Statements and Supplementary Information

September 30, 2019 and 2018

BerryDunn

INDEPENDENT AUDITOR'S REPORT

Board of Trustees
Huggins Hospital and Subsidiary

We have audited the accompanying consolidated financial statements of Huggins Hospital and Subsidiary, which comprise the consolidated balance sheets as of September 30, 2019 and 2018, and the related consolidated statements of operations, changes in net assets, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Huggins Hospital and Subsidiary as of September 30, 2019 and 2018, and the results of their operations, changes in their net assets, and their cash flows for the years then ended, in accordance with U.S. generally accepted accounting principles.

Board of Trustees
Huggins Hospital and Subsidiary

Change in Accounting Principle

As discussed in Note 1 to the financial statements, in 2019 Huggins Hospital and Subsidiary adopted new accounting guidance, Financial Accounting Standards Board Accounting Standards Update No. 2016-14, Not-for-Profit Entities (Topic 958), *Presentation of Financial Statements of Not-for-Profit Entities*. Our opinion is not modified with respect to this matter.

Other Matter

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. Schedules 1 and 2 are presented for purposes of additional analysis of the consolidated financial statements rather than to present the financial position and results of operations of the individual organizations, and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audits of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with U.S. generally accepted auditing standards. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Berry Dunn McNeil & Parker, LLC

Portland, Maine
February 3, 2020

HUGGINS HOSPITAL AND SUBSIDIARY

Consolidated Balance Sheets

September 30, 2019 and 2018

ASSETS

	2019	2018
Current assets		
Cash and cash equivalents	$ 10,897,609	$ 8,994,916
Accounts receivable from patients, less allowances for uncollectible accounts and contractuals (2019 - $8,660,000; 2018 - $8,228,000)	8,802,983	7,436,595
Other accounts and notes receivable	1,500,892	3,446,185
Other current assets	1,547,798	812,190
Total current assets	22,749,282	20,689,886
Assets limited as to use, less current portion	43,525,942	42,742,434
Property and equipment, net	45,838,997	45,861,471
Long-term investments	12,031,012	12,425,093
Beneficial interest in perpetual trust	6,053,687	6,355,445
Cash surrender value of life insurance	1,248,266	1,248,266
Total assets	$ 131,447,186	$129,322,595

LIABILITIES AND NET ASSETS

Current liabilities		
Accounts payable and other current liabilities	$ 3,549,385	$ 3,097,973
Accrued salaries and related accounts	2,386,134	2,011,756
Current portion of long-term debt	618,470	600,064
Due to related parties	1,534,198	318,061
Current portion of estimated third-party payor settlements	2,700,729	1,834,624
Total current liabilities	10,788,916	7,862,478
Estimated third-party payor settlements, less current portion	21,155,391	21,212,078
Interest rate swap	3,193,584	1,838,679
Long-term debt, excluding current portion	19,514,215	20,052,442
Total liabilities	54,652,106	50,965,677
Net assets		
Without donor restrictions	58,131,841	59,006,407
With donor restrictions	18,663,239	19,350,511
Total net assets	76,795,080	78,356,918
Total liabilities and net assets	$ 131,447,186	$129,322,595

The accompanying notes are an integral part of these consoldiated financial statements.

HUGGINS HOSPITAL AND SUBSIDIARY

Consolidated Statements of Operations

Years Ended September 30, 2019 and 2018

	2019	2018
Revenues, gains and other support without donor restrictions		
Patient service revenue (net of discounts and contractual allowances)	$ 62,399,259	$ 60,572,938
Less provision for bad debts	3,120,778	3,376,783
Net patient service revenue	59,278,481	57,196,155
Other operating revenues	5,411,552	4,123,419
Investment income allotted for operations	564,000	564,000
Net assets released from restrictions for operating purposes	48,026	83,055
Total revenues and gains	65,302,059	61,966,629
Expenses		
Salaries, wages, and fringe benefits	36,548,707	35,025,019
Supplies	6,420,917	5,200,245
Physician fees	3,834,940	3,997,199
Other	10,091,589	7,982,361
Medicaid enhancement tax	2,453,191	2,251,983
Depreciation and amortization	4,753,881	4,694,000
Interest	984,914	658,801
Total expenses	65,088,139	59,809,608
Operating income	213,920	2,157,021
Nonoperating gains (losses)		
Contributions	278,454	334,967
Development costs	(173,627)	(208,300)
Nonoperating investment income	3,886,039	1,907,992
Change in value of interest rate swap	(1,354,905)	780,845
Pension curtailment loss	-	(4,652,215)
Affiliation costs	(595,187)	-
Nonoperating gains (losses), net	2,040,774	(1,836,711)
Excess of revenues and gains over expenses	2,254,694	320,310
Net assets released from restrictions for capital acquisitions	3,500	12,095
Net unrealized (losses) gains on investments	(3,132,760)	1,066,016
Pension liability adjustment	-	6,622,913
(Decrease) increase in net assets without donor restrictions	$ (874,566)	$ 8,021,334

The accompanying notes are an integral part of these consoldiated financial statements.

HUGGINS HOSPITAL AND SUBSIDIARY

Consolidated Statements of Changes in Net Assets

Years Ended September 30, 2019 and 2018

	Without Donor Restrictions	With Donor Restrictions	Total
Balances, October 1, 2017	$ 50,985,073	$ 18,010,983	$ 68,996,056
Excess of revenues and gains over expenses	320,310	-	320,310
Contributions	-	1,006,921	1,006,921
Investment income, net of fees	-	200,901	200,901
Net assets released from restrictions for operations	-	(83,055)	(83,055)
Net assets released from restrictions for capital acquisitions	12,095	(12,095)	-
Spending policy allotment	-	(564,000)	(564,000)
Realized gains on sales of investments	-	465,373	465,373
Net unrealized gains on investments	1,066,016	336,753	1,402,769
Pension liability adjustment	6,622,913	-	6,622,913
Change in beneficial interest in perpetual trust	-	(11,270)	(11,270)
Net increase in net assets	8,021,334	1,339,528	9,360,862
Balances, September 30, 2018	59,006,407	19,350,511	78,356,918
Excess of revenues and gains over expenses	**2,254,694**	**-**	**2,254,694**
Contributions	**-**	**60,093**	**60,093**
Investment income, net of fees	**-**	**224,054**	**224,054**
Net assets released from restrictions for operations	**-**	**(48,026)**	**(48,026)**
Net assets released from restrictions for capital acquisitions	**3,500**	**(3,500)**	**-**
Spending policy allotment	**-**	**(564,000)**	**(564,000)**
Realized gains on sales of investments	**-**	**1,527,796**	**1,527,796**
Net unrealized losses on investments	**(3,132,760)**	**(1,581,931)**	**(4,714,691)**
Change in beneficial interest in perpetual trust	**-**	**(301,758)**	**(301,758)**
Net decrease in net assets	(874,566)	(687,272)	(1,561,838)
Balances, September 30, 2019	$ 58,131,841	$ 18,663,239	$ 76,795,080

The accompanying notes are an integral part of these consoldiated financial statements.

HUGGINS HOSPITAL AND SUBSIDIARY

Consolidated Statements of Cash Flows

Years Ended September 30, 2019 and 2018

	2019	2018
Cash flows from operating activities		
Change in net assets	$ (1,561,838)	$ 9,360,862
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Change in beneficial interest in perpetual trust	301,758	11,270
Depreciation and amortization	4,834,124	4,774,243
Provision for bad debts	3,120,778	3,376,783
Net realized and unrealized losses (gains) on investments	41,081	(3,204,490)
Pension curtailment loss	-	4,652,215
Pension liability adjustment	-	(6,622,913)
Unrealized loss (gain) on interest rate swap	1,354,905	(780,845)
Decrease (increase) in		
Accounts receivable from patients	(4,487,166)	(3,780,941)
Other accounts and notes receivable	1,945,293	(2,367,409)
Other current assets	(735,608)	1,210
Increase (decrease) in		
Accounts payable and other current liabilities	451,412	1,065,474
Due to related parties	1,216,137	228,705
Accrued salaries and related accounts	374,378	275,686
Estimated third-party payor settlements	809,418	(60,007)
Accrued pension cost	-	(2,029,717)
Net cash provided by operating activities	7,664,672	4,900,126
Cash flows from investing activities		
Purchase of property and equipment	(4,731,407)	(4,435,095)
Purchase of investments	(40,489,920)	(13,076,654)
Proceeds from sale of investments	40,059,412	12,855,105
Net cash used by investing activities	(5,161,915)	(4,656,644)
Cash flows from financing activities		
Payments on long-term debt	(600,064)	(581,655)
Net cash used by financing activities	(600,064)	(581,655)
Net increase (decrease) in cash and cash equivalents	1,902,693	(338,173)
Cash and cash equivalents, beginning of year	8,994,916	9,333,089
Cash and cash equivalents, end of year	$ 10,897,609	$ 8,994,916
Supplemental disclosure of cash flow information		
Interest paid	$ 854,671	$ 802,604

The accompanying notes are an integral part of these consoldiated financial statements.

Organization

Huggins Hospital (the Hospital) is a not-for-profit Critical Access Hospital (CAH) in Wolfeboro, New Hampshire. The Hospital provides inpatient, outpatient, extended care, assisted living, primary care and emergency care services to residents of East-Central New Hampshire. Huggins Senior Housing, Inc. (HSH) is a wholly-owned subsidiary of the Hospital. HSH is the for-profit management company of a retirement community (Sugar Hill Retirement Community (SHRC)) in Wolfeboro, New Hampshire.

In January 2017, the Hospital became affiliated with Catholic Medical Center (CMC) of Manchester, New Hampshire and Monadnock Community Hospital (MCH) of Peterborough, New Hampshire, under a new organization and parent company, GraniteOne Health (GraniteOne). GraniteOne is a non-profit entity and, as a healthcare system, allows the three hospitals to enhance collaboration, strengthen clinical partnerships, and meet the health needs of the communities it serves through high-quality care and a seamless patient experience. The Hospital has two representatives on the thirteen-member Board of Trustees of GraniteOne.

On September 30, 2019, GraniteOne, CMC, CMC Healthcare System ("CMCHS"), certain subsidiaries of CMCHS, MCH and the Hospital entered into a Combination Agreement (the "Agreement") with Dartmouth-Hitchcock Health ("D-HH") to combine GraniteOne and D-HH and its members into a more fully integrated healthcare delivery system. Pursuant to the terms of the Agreement, the parties intend to revise D-HH's corporate name to Dartmouth-Hitchcock Health GraniteOne ("D-HH GO"), which will continue to serve as the sole corporate member of the existing D-HH System Members (Mary Hitchcock Memorial Health and Dartmouth-Hitchcock Clinic, New London Hospital, Cheshire Medical Center, Mt. Ascutney Hospital and Health Center, Alice Peck Day Memorial Hospital and Visiting Nurse and Hospice for Vermont and New Hampshire), and which will be substituted for GraniteOne as the sole corporate member of MCH and the Hospital and as co-member, of CMC and certain subsidiaries of CMCHS (the "Combination"). The overarching goal of the Combination is to create a New Hampshire-based, integrated and regionally distributed health care delivery system that better serves its patients and communities. While CMCHS will not be a component of the D-HH GO System, it will continue to serve as the corporate vehicle through which the Bishop of the Diocese of Manchester (the "Bishop") ensures CMC's adherence to the Ethical and Religious Directives for Catholic Health Care Services. Neither CMCHS nor the Bishop will have authority over any other D-HH GO System Member, including MCH and the Hospital. Subject to certain rights reserved to the Bishop and CMCHS with respect to CMC and the CMCHS Subsidiaries, D-HH GO will reserve to itself certain approval and initiation powers over the governance, financial, programmatic, administrative, and strategic decisions of D-HH GO System Members.

On December 30, 2019, GraniteOne, CMC, MCH and the Hospital submitted a Joint Notice of Change of Control to the New Hampshire Attorney General, Director of Charitable Trusts pursuant to New Hampshire RSA 7:19-b beginning the regulatory review and approval process of the Combination. If all necessary approvals are obtained and closing conditions satisfied, D-HH GO will consist of a major academic medical center offering tertiary and quaternary services, an acute care community hospital in an urban setting (CMC), an acute care community hospital in a rural setting (Cheshire), five rural CAH's (NLH, MAHHC, APD, MCH and the Hospital) a post-acute home health and hospice provider (VNH), and nearly 1,800 employed and affiliated primary and specialty care physicians. D-HH GO System Members will combine their resources to offer a broader array of inpatient, outpatient and ambulatory services.

1. Summary of Significant Accounting Policies

Principles of Consolidation

The consolidated financial statements represent the parent and subsidiary activities after the elimination of all material intercompany balances and activity.

Basis of Presentation

Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification Topic (ASC) 958, *Not-For-Profit Entities*. Under FASB ASC 958 and FASB ASC 954, *Health Care Entities*, all not-for-profit healthcare organizations are required to provide a balance sheet, a statement of operations, a statement of changes in net assets, and a statement of cash flows. FASB ASC 954 requires reporting amounts for an organization's total assets, liabilities, and net assets in a balance sheet; reporting the change in an organization's net assets in statements of operations and changes in net assets; and reporting the change in its cash and cash equivalents in a statement of cash flows, according to the following net asset classification:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Hospital. These net assets may be used at the discretion of the Hospital's management and the Board of Trustees (Board).

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Hospital or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statements of operations and changes in net assets.

Newly Adopted Accounting Pronouncement

In August 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities* (Topic 958), which makes targeted changes to the not-for-profit financial reporting model. The ASU marks the completion of the first phase of a larger project aimed at improving not-for-profit financial reporting. Under the ASU, net asset reporting will be streamlined and clarified. The previous three category classification of net assets is replaced with a simplified model that combines temporarily restricted and permanently restricted into a single category called "net assets with donor restrictions." The guidance for classifying deficiencies in endowment funds and on accounting for the lapsing of restrictions on gifts to acquire property and equipment has also been simplified and clarified. New disclosures will highlight restrictions on the use of resources that

make otherwise liquid assets unavailable for meeting near-term financial requirements. The ASU also imposes several new requirements related to reporting expenses. The ASU is effective for the Hospital for the year ended September 30, 2019. Required disclosures for 2018 are also included in these financial statements.

Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles (U.S. GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

Cash and cash equivalents include certain investments in highly liquid debt instruments with original maturities of three months or less.

Accounts Receivable from Patients

Patient accounts receivable are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a charge to operations and a credit to a valuation allowance based on its assessment of individual accounts and historical adjustments. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to patient accounts receivable.

In evaluating the collectibility of accounts receivable, the Hospital analyzes past results and identifies trends for each major payor source of revenue for the purpose of estimating the appropriate amounts for the allowance for doubtful accounts and the provision for bad debts. Data in each major payor source are regularly reviewed to evaluate the adequacy of the allowance for doubtful accounts. Specifically, for receivables relating to services provided to patients having third-party coverage, an allowance for doubtful accounts and a corresponding provision for bad debts are established at varying levels based on the age of the receivables and payor source. For receivables relating to self-pay patients, a provision for doubtful accounts and corresponding allowance for doubtful accounts is made in the period services are rendered based on experience indicating the inability or unwillingness of patients to pay amounts for which they are financially responsible. Actual write-offs are charged against the allowance for doubtful accounts.

The allowance for doubtful accounts was approximately $2,115,000 and $2,640,000 at September 30, 2019 and 2018, respectively, and relates entirely to self-pay accounts. Self-pay accounts receivable were approximately $2,975,000 and $3,626,000 at September 30, 2019 and 2018, respectively. The decrease in the allowance is attributed to the decrease in self-pay accounts receivable.

Investments

Investments in equity securities with readily determinable fair values, and all investments in debt securities, are recorded at fair value. Investment income from funded depreciation, Board-designated investments, and investments without donor restrictions are reported as nonoperating investment income. The amount allotted for operations per the Hospital's spending policy is included in operating revenues.

Realized gains or losses on the sale of investments are determined by use of the average cost method. Unrealized gains and losses on investments are excluded from the excess of revenues and gains over expenses, and are reported as an increase or decrease in net assets, except that declines in fair value that are judged to be other than temporary are reported as realized losses. No unrealized losses were deemed to be other than temporary in 2019 and 2018.

Investments in general are exposed to various risks, such as interest rate, credit, and overall market volatility. As such, it is at least reasonably possible that changes in the values of investments will occur in the near term and that such changes could materially affect the amounts reported in the consolidated balance sheets.

Donor-Restricted Gifts

Unconditional promises to give cash and other assets to the Hospital are reported at fair value at the date the promise is received. Conditional promises to give and indications of intentions to give are reported at fair value at the date the gift is received. The gifts are reported as support with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified as net assets without donor restrictions and reported in the statements of operations as net assets released from restrictions.

Assets Limited as to Use

Assets limited as to use include designated assets set aside by the Board of Trustees for future capital improvements and funds held by trustees under the revenue bond agreement. Board-designated funds are controlled by the Board and it may, at its discretion, subsequently use them for other purposes.

Interest Rate Swap

The Hospital uses an interest rate swap contract to eliminate the cash flow exposure of interest rate movements on variable-rate debt. The Hospital has adopted FASB ASC 815, *Derivatives and Hedging*, to account for its interest rate swap contract. The interest rate swap contract has not been designated as a cash flow hedge. Unrealized gains and losses on the fair value of derivative financial instruments not designated as cash flow hedges are required to be included in the performance indicator. As a result, the changes in fair value of the interest rate swap for 2019 and 2018 have been included in the excess of revenues and gains over expenses. The Hospital expects to hold the swap until its maturity, at which point unrealized gains or losses will be zero.

Property and Equipment

Property and equipment acquisitions are recorded at cost. Depreciation is provided over the estimated useful life of each class of depreciable asset and is computed using the straight-line method.

Gifts of long-lived assets such as land, buildings, or equipment are reported as support without donor restrictions, and are excluded from the excess of revenues and gains over expenses, unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how long those long-lived assets must be maintained, expirations of donor restrictions are reported when the donated or acquired long-lived assets are placed in service.

Deferred Financing Costs

The costs incurred to obtain long-term financing are being amortized by the straight-line method over the repayment period of the related debt. The costs are included in long-term debt in the balance sheet.

Charity Care

The Hospital provides care to patients who meet certain criteria under its charity care policy without charge or at amounts less than its established rates. Because the Hospital does not pursue collection of amounts determined to qualify as charity care, they are not reported as revenue.

Excess of Revenues and Gains Over Expenses

Changes in net assets without donor restrictions which are excluded from the excess of revenues and gains over expenses, consistent with industry practice, include unrealized gains and temporary unrealized losses on investments, pension liability adjustments and contributions of long-lived assets (including assets acquired using contributions which, by donor restriction, were to be used for the purposes of acquiring such assets).

Net Patient Service Revenue

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

Employee Fringe Benefits

The Hospital has an "earned time" plan under which each employee earns paid leave for each period worked. These hours of paid leave may be used for vacations, holidays, or illnesses. Hours earned, but not used, are vested with the employee. Employees can vest up to 368 hours. The Hospital accrues a liability for such paid leave as it is earned.

Income Taxes

The Internal Revenue Service currently recognizes the Hospital as an exempt organization under Internal Revenue Code Section 501(c)(3). HSH is a for-profit corporation and, as such, is subject to federal and state taxes. Taxes were not material in 2019 or 2018.

Reclassifications

Certain amounts in the 2018 consolidated financial statements have been reclassified to conform to the 2019 presentation. Estimated third-party payor settlements related to disproportionate share hospital (DSH) and certain Medicare settlements have been reclassified as long-term due to the unresolved issues at the federal level.

Subsequent Events

For purposes of the preparation of these financial statements in conformity with U.S. GAAP, the Hospital has considered transactions or events occurring through February 3, 2020, which was the date the financial statements were available to be issued.

2. Net Patient Service Revenue

The Hospital has agreements with third-party payors that provide for payments to the Hospital at amounts different from its established rates. A summary of the payment arrangements with major third-party payors follows:

Medicare

Effective June 1, 2005, the Hospital was granted CAH status. With CAH designation, the Hospital is reimbursed at 101% of allowable costs for its inpatient and outpatient services provided to Medicare patients. The 101% is currently reduced by a federal sequestration of 2%. The Hospital is reimbursed at tentative rates with final settlement determined after submission of annual cost reports by the Hospital and audits thereof by the Medicare fiscal intermediary. The Hospital's Medicare cost reports have been settled by the Medicare fiscal intermediary through September 30, 2013.

Medicaid

Inpatient services rendered to Medicaid program beneficiaries are reimbursed at prospectively determined rates per day of hospitalization. The prospectively determined per-diem rates are not subject to retroactive adjustment. Outpatient services rendered to Medicaid program beneficiaries are reimbursed under a cost reimbursement methodology. The Hospital is reimbursed at a tentative rate with final settlement determined after submission of annual cost reports by the Hospital and audits thereof by the fiscal intermediary. The Hospital's Medicaid cost reports have been settled by the fiscal intermediary through September 30, 2013.

Medicaid disproportionate share hospital (DSH) payments provide financial assistance to hospitals that serve a large number of low-income patients. The federal government distributes federal DSH funds to each state based on a statutory formula. The states, in turn, distribute their portion of the DSH funding among qualifying hospitals. The states are to use their federal DSH allotments to help cover costs of hospitals that provide care to low-income patients when those costs are not covered by other payors. The State of New Hampshire's distribution of DSH monies to the hospitals is subject to audit by the Centers for Medicare & Medicaid Services. Amounts recorded by the Hospital are therefore subject to change. The disproportionate share payment revenue was estimated to be $2,774,000 and $2,821,000 for 2019 and 2018, respectively, and was recorded as an increase in net patient service revenue. Because the methodologies used to determine disproportionate share payments remain unsettled, the Hospital has established partial reserves on the amounts received.

Revenues from the Medicare and Medicaid programs accounted for approximately 50% and 10%, respectively, of the Hospital's patient revenue for the year ended September 30, 2019, and approximately 50% and 9%, respectively, for the year ended September 30, 2018. Laws and regulations governing the Medicare and Medicaid programs are extremely complex and subject to interpretation. As a result, there is at least a reasonable possibility that recorded estimates will change by a material amount in the near term. Net patient service revenue increased approximately $2,405,000 and $1,716,000 in 2019 and 2018, respectively, due to adjustments to settled amounts for which there was uncertainty of interpretation of the applicable regulations.

Anthem Blue Cross

Inpatient and outpatient services rendered to Anthem Blue Cross subscribers are reimbursed at submitted charges less a negotiated discount. The amounts paid to the Hospital are not subject to any retroactive adjustments.

Patient service revenue and contractual and other allowances consisted of the following for the years ended September 30:

	2019	2018
Patient services		
Inpatient	$ 19,867,633	$ 20,142,507
Outpatient	102,673,377	95,998,277
	122,541,010	116,140,784
Less Medicare allowances	29,027,178	29,118,869
Less other payor allowances	29,858,347	25,214,022
Less free care and charity allowances	1,256,226	1,234,955
Patient service revenue (net of discounts and contractual allowances)	62,399,259	60,572,938
Less provision for bad debts	3,120,778	3,376,783
Net patient service revenue	$ 59,278,481	$ 57,196,155

Revenue related to self-pay patients was approximately $2,714,000 and $2,855,000 for the years ended September 30, 2019 and 2018, respectively.

3. Charity Care

The Hospital maintains records to identify and monitor the level of charity care it provides. These records include the amount of charges foregone for services and supplies furnished under its charity care policy, as well as the estimated cost of those services and supplies and equivalent service statistics. The following information measures the level of charity care provided during the years ended September 30:

	2019	2018
Charges forgone, based on established rates	$ 1,256,226	$ 1,234,955
Estimated costs and expenses incurred to provide charity care	$ 664,000	$ 634,000
Equivalent percentage of charity care charges to all Hospital patient charges	1.03 %	1.06 %

Costs of providing charity care services have been estimated based on the relationship of charges for these services to total expenses.

4. Availability and Liquidity of Financial Assets

As of September 30, 2019 and 2018, the Hospital has working capital of $10,897,609 and $8,994,916, respectively, and average days (based on normal expenditures) cash and cash equivalents on hand of 66 and 60, respectively.

The Hospital's debt covenants require the Hospital to maintain financial assets to 100 days of operating expenses. The Hospital budgets to maintain 345 days of operating expenses. As part of the Hospital's liquidity plan, cash in excess of daily requirements is invested in short-term investments.

Financial assets and liquidity resources available within one year for general expenditure, such as operating expenses, scheduled principle payments on debt, and capital construction costs not financed with debt, were as follows as of September 30:

	2019	2018
Cash and cash equivalents	$ 10,897,609	$ 8,994,916
Patient accounts receivable, net	8,802,983	7,436,595
Other accounts and notes receivable	1,500,892	3,446,185
Financial assets available to meet cash needs for general expenditures within one year	$ 21,201,484	$ 19,877,696

The Hospital has $43,525,942 and $42,742,434 at September 20, 2019 and 2018, respectively, that are designated assets set aside by the Board for future capital improvements. These assets limited as to use are not available for general expenditure within the next year; however, the internally designated amounts could be made available, if necessary.

5. Investments

Assets Limited as to Use

The composition of assets limited as to use as of September 30, 2019 and 2018 is set forth in the following table. Investments are stated at fair value.

	2019	2018
Cash and cash equivalents	$ 3,230,179	$ 3,446,076
Mutual funds	25,983,970	18,877,690
Equity securities	-	8,055,498
Government securities	6,318,782	4,970,681
Corporate notes and bonds	7,386,908	6,746,506
Alternative investments	606,103	645,983
	$ 43,525,942	$ 42,742,434

Other Investments

Other investments stated at fair value as of September 30 include:

	2019	2018
Cash and cash equivalents	$ 362,794	$ 69,431
Mutual funds	7,164,424	4,074,009
Equity securities	284,510	4,199,987
Government securities	1,956,030	1,832,229
Corporate notes and bonds	1,847,657	1,811,404
Alternative investments	340,997	363,433
Other investments	74,600	74,600
Total long-term investments	12,031,012	12,425,093
Beneficial interest in perpetual trust	6,053,687	6,355,445
	$ 18,084,699	$ 18,780,538

Investment income (losses) consist of the following for the years ended September 30:

	2019	2018
Income		
Investment income	$ 1,599,620	$ 1,355,990
Net realized gains on sales of securities	4,673,915	1,801,721
	$ 6,273,535	$ 3,157,711
Investment income is reported as follows:		
Nonoperating investment income	$ 3,886,039	$ 1,907,992
Investment income allotted for operations	564,000	564,000
Included in other operating revenues	71,646	19,445
Restricted investment income	224,054	200,901
Restricted realized gains	1,527,796	465,373
	$ 6,273,535	$ 3,157,711
Other changes in net assets		
Net unrealized (losses) gains		
- without donor restrictions	$ (3,132,760)	$ 1,066,016
- with donor restrictions	(1,581,931)	336,753
	$ (4,714,691)	$ 1,402,769

Total gross unrealized losses sustained for less than twelve months were approximately $190,000 on investments held at September 30, 2019. In the opinion of management, no individual unrealized loss represents an other-than-temporary impairment. The Hospital has both the intent and the ability to hold these securities for the time necessary to recover their cost.

6. Endowment

The Hospital's endowment primarily consists of donor-restricted endowment funds. As required by U.S. GAAP, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

The Organization has interpreted the State of New Hampshire Uniform Prudent Management of Institutional Funds Act (UPMIFA) such that the Board of Trustees is allowed to appropriate for expenditure for the uses and purposes for which the endowment fund is established, unless otherwise specified by the donor, so much of the net appreciation, realized and unrealized, in the fair value of the assets of the endowment fund over the historic dollar value of the fund as is prudent. In so doing, the Board must consider the long- and short-term needs of the Hospital in carrying out its purpose, its present and anticipated financial requirements, expected total return on its investments, price level trends, and general economic conditions. Appreciation over the amounts expended is retained in net assets with donor restrictions.

Changes in endowment funds for the years ended September 30, 2019 and 2018 are as follows:

Endowment funds, October 1, 2017	$ 11,550,011
Interest and dividends, net of fees	200,901
Realized gains on investments	465,373
Unrealized gains on investments	336,753
Total investment gain	1,003,027
Spending policy allotment	(564,000)
Endowment funds, September 30, 2018	11,989,038
Interest and dividends, net of fees	**224,054**
Realized gains on investments	**1,527,796**
Unrealized losses on investments	**(1,581,931)**
Total investment gain	**169,919**
Spending policy allotment	**(564,000)**
Endowment funds, September 30, 2019	**$ 11,594,957**

Investment Policy and Strategies Employed for Achieving Investment Objectives

The Hospital's investment strategy is for long-term growth and tolerance for a fair amount of volatility to achieve this growth. The investment time horizon is five years or more. The overall objective is to provide a strategic mix of asset classes that produce the highest expected return while controlling risk. The Hospital's target investment allocation is 55% global equities, 35% fixed income, and 10% alternatives. Investment advisors are prohibited from purchasing hedge fund and private equity investments, without prior approval of the Hospital.

Spending Policy

Effective October 1, 2009, each year a calculation is made to determine the maximum amount of money that can be withdrawn from the long-term portfolio to be used for each donor-restricted and Board-designated purpose. The annual amount available for spending is not to exceed 7% of the fair market value calculated on the basis of market values determined at least quarterly and averaged over a period of not less than three years immediately preceding the year in which the appropriation for the expenditure is made. The amount distributed under the spending policy was $564,000 for 2019 and 2018. Investment income, within the spending policy guidelines, is reported in revenues and gains in the accompanying financial statements.

Funds with Deficiencies

From time to time, the fair value of assets associated with individual donor restricted endowment funds may fall below the level that the donor or UPMIFA requires the Hospital to retain as a fund of perpetual duration. The Hospital has interpreted UPMIFA to permit spending from funds with deficiencies in accordance with the prudent measures required under the UPMIFA. There were no such deficiencies as of September 30, 2019 and 2018.

7. Fair Value Measurements

U.S. GAAP established a fair value hierarchy that distinguishes between market participant assumptions based on market data obtained from sources independent of the reporting entity (observable inputs classified within Levels 1 and 2 of the hierarchy) and the reporting entity's own assumptions about market participant assumptions (unobservable inputs classified within Level 3 of the hierarchy):

Level 1: Quoted prices (unadjusted) for identical assets or liabilities in active markets that the entity has the ability to access as of the measurement date.

Level 2: Significant other observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active, and other inputs that are observable or can be corroborated by observable market data.

Level 3: Significant unobservable inputs that reflect an entity's own assumptions about the assumptions that market participants would use in pricing an asset or liability.

Assets and liabilities measured at fair value on a recurring basis are summarized below.

	Fair Value Measurements at September 30, 2019			
	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets:				
Assets limited as to use				
Cash and cash equivalents	$ 3,230,179	$ 3,230,179	$ -	$ -
Fixed income				
U.S. Government bonds	6,318,782	6,318,782	-	-
Corporate notes and bonds	7,386,908	-	7,386,908	-
Total fixed income	13,705,690	6,318,782	7,386,908	-
Mutual funds	25,983,970	25,983,970	-	-
	42,919,839	$ 35,532,931	$ 7,386,908	$ -
Investments measured at net asset value (NAV)	606,103			
Total assets limited as to use	$ 43,525,942			
Other investments				
Cash and cash equivalents	$ 362,794	$ 362,794	$ -	$ -
Fixed income				
Government securities	1,956,030	1,956,030	-	-
Corporate notes and bonds	1,847,657	-	1,847,657	-
Total fixed income	3,803,687	1,956,030	1,847,657	-
Equity securities	284,510	284,510	-	-
Mutual funds	7,164,424	7,164,424	-	-
Other investments	74,600	-	-	74,600
	11,690,015	$ 9,767,758	$ 1,847,657	$ 74,600
Investments measured at NAV	340,997			
Total long-term investments	$ 12,031,012			
Beneficial interest in perpetual trust	$ 6,053,687	$ -	$ -	$ 6,053,687
Liabilities:				
Interest rate swap	$ 3,193,584	$ -	$ 3,193,584	$ -

	Fair Value Measurements at September 30, 2018			
	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets:				
Assets limited as to use				
Cash and cash equivalents	$ 3,446,076	$ 3,446,076	$ -	$ -
Fixed income				
U.S. Government bonds	4,970,681	4,970,681	-	-
Corporate notes and bonds	6,746,506	-	6,746,506	-
Total fixed income	11,717,187	4,970,681	6,746,506	-
Equity securities	8,055,498	8,055,498	-	-
Mutual funds	18,877,690	18,877,690	-	-
	42,096,451	$ 35,349,945	$ 6,746,506	$ -
Investments measured at NAV	645,983			
Total assets limited as to use	$ 42,742,434			
Other investments				
Cash and cash equivalents	$ 69,431	$ 69,431	$ -	$ -
Fixed income				
Government securities	1,832,229	1,832,229	-	-
Corporate notes and bonds	1,811,404	-	1,811,404	-
Total fixed income	3,643,633	1,832,229	1,811,404	-
Equity securities	4,199,987	4,199,987	-	-
Mutual funds	4,074,009	4,074,009	-	-
Other investments	74,600	-	-	74,600
	12,061,660	$ 10,175,656	$ 1,811,404	$ 74,600
Investments measured at NAV	363,433			
Total long-term investments	$ 12,425,093			
Beneficial interest in perpetual trust *	$ 6,355,445	$ -	$ -	$ 6,355,445
Liabilities:				
Interest rate swap	$ 1,838,679	$ -	$ 1,838,679	$ -
Investments - held by defined benefit pension plan (Note 13):				
Cash and cash equivalents	$ 187,097	$ 187,097	$ -	$ -
Total	$ 187,097	$ 187,097	$ -	$ -

The fair value of Level 2 assets and liabilities is primarily based on market prices of comparable securities, interest rates, and credit ratings. These techniques are significantly affected by the assumptions used, including the discount rate and estimates of future cash flows. Accordingly, the fair value estimates may not be realized in an immediate settlement of the instrument.

As the beneficial interest in perpetual trust is not readily available to the Hospital, the interest is classified as Level 3 and recorded based upon the fair value of the underlying assets.

Changes in fair value of assets classified as Level 3 are comprised of the following for the years ended September 30:

	Beneficial Interest
Balance, October 1, 2017	$ 6,366,715
Change in value	(11,270)
Balance, September 30, 2018	6,355,445
Change in value	(301,758)
Balance, September 30, 2019	$ 6,053,687

The following table sets forth a summary of the Hospital's investments' valued using a reported NAV at September 30, 2019:

Investment	Fair Value Estimated Using NAV Per Share at September 30: 2019	2018	Redemption Frequency	Other Redemption Restrictions	Redemption Notice Period
The Optima Discretionary Macro Fund Ltd Offshore Multi-Manager	$ 947,100	$ 1,009,416	Quarterly	Purchased or redeemed at the NAV on the first business day of each month	Subject to 65 days' prior written notice
	$ 947,100	$ 1,009,416			

8. Property and Equipment

The major categories of property and equipment are as follows as of September 30:

	2019	2018
Land	$ 1,828,322	$ 1,828,322
Land improvements	6,731,373	6,251,093
Buildings	54,452,210	54,139,920
Building services equipment	13,288,422	10,534,541
Major moveable equipment	13,009,470	12,857,972
Construction in progress	3,737,546	2,704,087
	93,047,343	88,315,935
Less accumulated depreciation	47,208,346	42,454,464
	$ 45,838,997	$ 45,861,471

During 2018, the Hospital began the installation and implementation of new enterprise resource planning and electronic health record systems. At September 30, 2019, the Hospital had approximately $2,180,000 of costs in construction in progress related to this project. Total estimated costs for completion are $3.5 million and this project is expected to be completed in Spring 2020. The Hospital also began a renovation project of its Medical Arts Center for approximately $3 million, which is expected to be completed during 2020.

9. Long-Term Debt

Long-term debt consists of the following at September 30:

	2019	2018
New Hampshire Health and Education Facilities Authority (NHHEFA) (Huggins Hospital Issue) Series 2017A 2.59% fixed rate direct placement bonds payable in annual installments ranging from $342,439 in 2020 to $671,000 in 2046; collateralized by gross revenues and substantially all assets of the Hospital	**$ 13,721,623**	$ 14,055,318
NHHEFA (Huggins Hospital Issue) Series 2017B variable rate (3.593% at September 30, 2019) direct placement bonds payable in annual installments ranging from $276,031 in 2020 to $776,358 in 2046; collateralized by gross revenues and substantially all assets of the Hospital	8,637,813	8,904,182
Total long-term debt before unamortized debt issuance costs	**22,359,436**	22,959,500
Unamortized deferred financing costs	(2,226,751)	(2,306,994)
Total long-term debt	**20,132,685**	20,652,506
Less current portion	618,470	600,064
Long-term debt, excluding current portion	**$ 19,514,215**	$ 20,052,442

Principal maturities are as follows:

2020	$ 618,470
2021	639,445
2022	659,252
2023	680,380
2024	701,665
Thereafter	19,060,224
	$ 22,359,436

Under its bond agreements with NHHEFA, the Hospital must meet certain restrictive loan covenants. At September 30, 2019, the Hospital was in compliance with its financial covenants related to the bond agreements.

Interest Rate Swap

In connection with the issuance of the 2007 bonds, the Hospital entered into an interest rate swap agreement. The swap agreement's notional amount was $8,955,000 and $9,105,000 at September 30, 2019 and 2018, respectively. The swap terminates on October 1, 2042. The Hospital pays a fixed rate of 3.6175% and receives a variable rate of 68% of USD-LIBOR-BBA. The Hospital records the interest rate swap at fair value, and has recorded a liability of $3,193,584 and $1,838,679 as of September 30, 2019 and 2018, respectively.

10. Related Parties

As a member of GraniteOne Health, the Hospital shares in various services with the other member hospitals and the parent. For the years ended September 30, 2019 and 2018, the Hospital billed Catholic Medical Center $43,310 and $49,879, respectively, and was billed $1,868,892 and $846,662, respectively, in shared services. The Hospital also was charged a management fee of $106,725 and $92,585 which is included in amounts due to related parties at September 30, 2019 and 2018, respectively.

The Hospital owns the land on which SHRC is built and leases it to SHRC. The rental fee increased from $2,469 per month in 2018 to $2,516 per month in 2019. SHRC paid HSH management fees of $70,325 and $92,361 for the years ended 2019 and 2018, respectively.

11. Commitments and Contingencies

The Hospital carries malpractice insurance coverage under a claims-made policy. Should the claims-made policy not be renewed or replaced with equivalent insurance, claims based on occurrences during its term, but reported subsequently, will be uninsured. The Hospital intends to renew its coverable on a claims-made basis and has no reason to believe that it may be prevented from renewing such coverage. The Hospital is subject to complaints, claims and litigation due to potential claims which arise in the normal course of business. U.S. GAAP requires the Hospital to accrue the ultimate cost of malpractice claims when the incident that gives rise to the claim occurs, without consideration of insurance recoveries. Expected recoveries are presented as a separate asset. The Hospital has evaluated its exposure to losses arising from potential claims and has properly accounted for them in the consolidated financial statements as of September 30, 2019 and 2018.

The Hospital leases various equipment and facilities under operating leases expiring at various dates through December 2023. Total rental expense in 2019 and 2018 for all operating leases was approximately $260,000 and $248,000, respectively.

The following is a schedule by year of future minimum lease payments under operating leases as of September 30, 2019 that have initial or remaining lease terms in excess of one year.

Year Ending September 30	Amount
2020	$ 172,000
2021	40,000
2022	28,000
2023	28,000
	$ 268,000

12. Net Assets with Donor Restrictions

Net assets with donor restrictions are available for the following purposes or periods:

	2019	2018
Funds subject to use or time restriction:		
Capital acquisitions	$ 992,704	$ 968,939
Adult daycare	8,708	4,098
Health education	420	20,223
Indigent care	12,763	12,768
Net appreciation of funds of perpetual duration:		
Healthcare services	7,426,848	7,788,826
Indigent care	658,097	690,200
	9,099,540	9,485,054
Funds of perpetual duration:		
Endowment funds	3,510,012	3,510,012
Beneficial interest in perpetual trust	6,053,687	6,355,445
	9,563,699	9,865,457
	$ 18,663,239	$ 19,350,511

The Hospital is an income beneficiary of a perpetual trust controlled by an unrelated third-party trustee. The beneficial interest in the assets of the trust is included in the Hospital's consolidated financial statements as net assets with donor restrictions. Income is distributed in accordance with the trust documents and is included in investment return. Trust income distributed to the Hospital for the years ended September 30, 2019 and 2018 was $256,825 and $266,502, respectively, and is not restricted.

13. Retirement Plans

Beginning July 2005, the Hospital sponsors a contributory defined contribution plan available to substantially all employees. The Hospital's policy under the defined contribution plan is to fund its portion of amounts due under the plan on a current basis and to recognize expense as incurred. Expense related to this plan for the years ended September 30, 2019 and 2018 approximated $799,900 and $731,900, respectively.

The Hospital sponsored a defined benefit pension plan that covered substantially all employees. In June 2011, the Board of Trustees voted to curtail benefits under the defined benefit plan effective October 1, 2011. All benefits for active employees became fully vested at that time. In November 2017, the Hospital voted to terminate the defined benefit pension plan. The plan was fully funded and settled in August 2018.

The following table sets forth the funded status of the defined benefit plan and amounts recognized in the Hospital's consolidated financial statements as of and for the year ended September 30, 2018:

Change in projected benefit obligation:	
Benefit obligation, beginning of year	$ 17,517,632
Interest cost	583,966
Actuarial gain	(777,070)
Benefits paid	(505,327)
Gain on settlement	(736,461)
Plan settlement	(16,082,740)
Benefit obligation, end of year	$ -
Change in plan assets	
Fair value of plan assets, beginning of year	$ 13,517,217
Actual return on plan assets	27,947
Employer contributions	3,230,000
Benefits paid	(505,327)
Plan settlement	(16,082,740)
Fair value of plan assets, end of year	$ 187,097
Funded status - accrued asset	$ 187,097

The incremental increase in the amounts recognized in other changes in net assets without donor restrictions was $6,622,913 in 2018. This amount has been reflected outside the excess of revenues and gains over expenses in the consolidated statements of operations.

Net pension cost for the Plan included the following components for the year ended September 30, 2018:

Interest cost on projected benefit obligation	$ 583,966
Expected return on Plan assets	(148,427)
Amortization of net loss	577,647
Settlement expense	4,652,215
Net periodic pension benefit cost	$ 5,665,401

14. Concentrations of Credit Risk

The Hospital has cash balances in financial institutions that exceed federal depository insurance limits. However, management believes that credit risk related to these investments is minimal. The Hospital has not experienced any losses in such accounts.

The Hospital grants credit without collateral to its patients, most of whom are local residents and are insured under third-party payor agreements. The mix of receivables from patients and third-party payors was as follows as of September 30:

	2019	2018
Medicare	38 %	42 %
Medicaid	7	6
Anthem Blue Cross	12	8
Other third-party payors	26	21
Patients	17	23
	100 %	100 %

15. Functional Expenses

The statements of operations report certain expense categories that are attributable to both healthcare services and support functions. Therefore, these expenses require an allocation on a reasonable basis that is consistently applied. Fringe benefits are allocated based on salaries and wages, and depreciation, interest, utilities, and equipment are allocated based on square footage and location. Expenses related to providing healthcare and support services are as follows for the year ended September 30, 2019:

	Program Services	General and Administrative	Fundraising	Total
Salaries, wages, and fringe benefits	$ 26,431,136	$ 9,980,397	$ 137,174	$ 36,548,707
Supplies	5,383,356	1,037,561	-	6,420,917
Physician fees	3,834,940	-	-	3,834,940
Medicaid enhancement tax	2,453,191	-	-	2,453,191
Depreciation and amortization	2,757,252	1,996,629	-	4,753,881
Interest	571,250	413,664	-	984,914
Contracted services	3,127,510	-	-	3,127,510
Other professional services	1,199,259	900,196	83,806	2,183,261
Utilities	1,098,703	795,613	-	1,894,316
Insurance	390,427	417,622	-	808,049
Minor equipment costs	480,977	348,294	-	829,271
Other	636,432	611,230	1,520	1,249,182
	$ 48,364,433	$ 16,501,206	$ 222,500	$ 65,088,139

SUPPLEMENTARY INFORMATION

Schedule 1

HUGGINS HOSPITAL AND SUBSIDIARY

Consolidating Balance Sheet

September 30, 2019

ASSETS

	Huggins Hospital	Huggins Senior Housing	Eliminations	Consolidated
Current assets				
Cash and cash equivalents	$ 10,615,033	$ 282,576	$ -	$ 10,897,609
Accounts receivable from patients, net	8,802,983	-	-	8,802,983
Due from related party	700,000	-	(700,000)	-
Other accounts and notes receivable	1,489,082	11,810	-	1,500,892
Other current assets	1,087,758	460,040	-	1,547,798
Total current assets	22,694,856	754,426	(700,000)	22,749,282
Assets limited as to use	43,525,942	-	-	43,525,942
Property and equipment, net	45,582,298	256,699	-	45,838,997
Long-term investments	12,031,012	-	-	12,031,012
Beneficial interest in perpetual trust	6,053,687	-	-	6,053,687
Cash surrender value of life insurance	1,248,266	-	-	1,248,266
Due from subsidiary	-	-	-	-
Total assets	$ 131,136,061	$ 1,011,125	$ (700,000)	$ 131,447,186

LIABILITIES AND NET ASSETS (DEFICIT)

Current liabilities				
Accounts payable and other current liabilities	$ 3,107,653	$ 441,732	$ -	$ 3,549,385
Accrued salaries and related accounts	2,386,134	-	-	2,386,134
Current portion of long-term debt	618,470	-	-	618,470
Due to related parties	1,534,198	-	-	1,534,198
Current portion Estimated third-party payor settlements	2,700,729	-	-	2,700,729
Total current liabilities	10,347,184	441,732	-	10,788,916
Current portion of estimated third-party payor settlements	21,155,391	-	-	21,155,391
Interest rate swap	3,193,584	-	-	3,193,584
Long-term debt, excluding current portion	19,514,215	-	-	19,514,215
Due to subsidiary	-	700,000	(700,000)	-
Total liabilities	54,210,374	1,141,732	(700,000)	54,652,106
Net assets (deficit)				
Without donor restrictions	58,262,448	(130,607)	-	58,131,841
With donor restrictions	18,663,239	-	-	18,663,239
Total net assets (deficit)	76,925,687	(130,607)	-	76,795,080
Total liabilities and net assets (deficit)	$ 131,136,061	$ 1,011,125	$ (700,000)	$ 131,447,186

Schedule 2

HUGGINS HOSPITAL AND SUBSIDIARY

Consolidating Statement of Operations

Year Ended September 30, 2019

	Huggins Hospital	Huggins Senior Housing	Eliminations	Consolidated
Revenues, gains, and other support without donor restrictions				
Patient service revenue (net of discounts and contractual allowances)	$ 62,399,259	$ -	$ -	$ 62,399,259
Less provision for bad debts	3,120,778	-	-	3,120,778
Net patient service revenue	59,278,481	-	-	59,278,481
Other operating revenues	5,066,494	355,058	(10,000)	5,411,552
Investment income allotted for operations	564,000	-	-	564,000
Net assets released from restrictions for operating purposes	48,026	-	-	48,026
Total revenues and gains	64,957,001	355,058	(10,000)	65,302,059
Expenses				
Salaries, wages and fringe benefits	36,548,707	-	-	36,548,707
Supplies	6,420,917	-	-	6,420,917
Physician fees	3,834,940	-	-	3,834,940
Other	9,929,137	172,452	(10,000)	10,091,589
Medicaid enhancement tax	2,453,191	-	-	2,453,191
Depreciation and amortization	4,732,129	21,752	-	4,753,881
Interest	984,914	-	-	984,914
Total expenses	64,903,935	194,204	(10,000)	65,088,139
Operating income	53,066	160,854	-	213,920
Nonoperating gains (losses)				
Contributions	278,454	-	-	278,454
Development costs	(173,627)	-	-	(173,627)
Nonoperating investment income	3,886,039	-	-	3,886,039
Change in value of interest rate swap	(1,354,905)	-	-	(1,354,905)
Affiliation costs	(595,187)	-	-	(595,187)
Nonoperating gains, net	2,040,774	-	-	2,040,774
Excess of revenues and gains over expenses	2,093,840	160,854	-	2,254,694
Net assets released from restrictions for capital acquisitions	3,500	-	-	3,500
Net unrealized losses on investments	(3,132,760)	-	-	(3,132,760)
(Decrease) increase in net assets without donor restrictions	$ (1,035,420)	$ 160,854	$ -	$ (874,566)

Huggins Hospital
a member of GraniteOne Health

2020 BOARD OF TRUSTEES

OFFICERS

Chairman of the Board – Howie Knight
Vice Chairman – Stephen Wainwright
Secretary – Kathy Barnard
Treasurer – John Daigneault, CPA
Assistant Treasurer – James Cubeddu, PA-C
President & CEO – Jeremy Roberge, CPA

TRUSTEES

Marcia Arsnow, MD
David Booth
Judith Cole, APRN
Michael Gallup
Michael L'Ecuyer
Les MacLeod
William Marsh, MD
Joseph Pepe, MD
Corrine Smith, RN
Alex Walker, Esquire

1/30/2020

Amilia Theberge

Experience

AUGUST 2015 – CURRENT

Pharmacy Data Analyst / Huggins Hospital

- Oversee and maintain the hospital's 340B drug program for compliance and financial impact.
- Support Pharmacy Director with business development & quality improvement initiatives.
- Support Pharmacists and other Technicians with clinical duties.

JULY 2014 – OCTOBER 2015

Data Analyst & Executive Assistant / Huggins Hospital

- Supported the departments that report to and including the VP of Nursing.
- Analyzed departmental data and help Directors implement quality improvement projects and prepare annual portfolios.
- Reported Federally mandated quality metrics; including Core Measures to QualityNet.

SEPTEMBER 2013 – MAY 2014

MAGNET Program Data Analyst / Catholic Medical Center

- Completely timing Nursing Administration data entry, including NDNQI quarterly.
- Formatted new nursing Professional Recognition Program.
- Collaborated on continuous improvements projects for Magnet accreditation.

JANUARY 2014 – AUGUST 2014

ED Registrar / Catholic Medical Center

- Registered all ED patients into CMC's EMR system in a timely manner.
- Validated, identified and updated demographics & insurance information.
- Worked interdisciplinary with all employees in ED.

MAY 2013 – AUGUST 2013

Undergraduate Internship / Catholic Medical Center

- Worked under Lu Mulla RN, VP of Operations/Emergency Services.
- Participated in the Transfer Center Committee and was responsible for the project's algorithms and helped build database for Go-Live.
- Created various reports for the ED, senior leadership, and the Joint Commission by pulling data from Picis ED PulseCheck.

Education

EXPECTED SPRING 2018

Masters of Business Administration
Southern New Hampshire University

SUMMER 2014

Analytics Institute
University of New Hampshire

- Masters level 5-week intensive course in data analytics

MAY 2014

Bachelors of Science in Health Management & Policy
University of New Hampshire

- Concentration: Economics

Certifications

MAY 2017 - CURRENT

CPHQ (Certified Professional in Health Quality)

DECEMBER 2015 – CURRENT

CPhT (Certified Pharmacy Technician)

Brandi Smith

Professional Summary

Medical Assistant/ Front Office/ C-Arm Tech at a fast paced medical office. I have experience in many areas of the office such as registering and scheduling patient appointments, basic knowledge of insurance and billing information, and strong ability to multi-task and communicate clearly and effectively to patients and staff. Medical Assistant skills with technical, clerical, and patient support. I'm dedicated to maintaining strict patient confidentially.

Education and Training

Diploma: Medical Assistant, 2012

Hesser College- Portsmouth, NH

First Aid and CPR certified

Early Childhood Education (12 credits), 2006

Granite State College- Rochester, NH

Skill Highlights

- Medical terminology knowledge
- Electric Medical Records (EMR) software
- Strong work ethic
- Strong attention to detail
- Willingness to learn
- Schedule/cancel appointments
- Answer phones promptly and politely
- Greet and register patients upon arrival
- Prepare records for appointments
- Work with insurance companies to obtain prior-Authorizations.
- Apply payments, adjustments and denials into EMR.

Professional Experience

Medical Assistant/ Front Office/ C-Arm Tech| PainCare Wolfeboro -May 2012- Current

- Record patients' medical history, vital s, and test results.
- Resolve and clarify issues with patient medications and collaborate with local pharmacies.
- Educate patients about their treatments.
- Help physicians examine and treat patients by assisting with instruments and injections.
- Taking vitals
- Staff training and development

Preschool Teacher| Rochester Childcare Center, Rochester NH February 2007-June 2011

- Supervised up to 20 children, ages three and four years old
- Maintained a clean and safe classroom
- Provided parents with progress reports and behavioral write-ups
- Maintained a positive relationship with coworkers and management

Carrie MacDonald

Education:

University of Southern Maine-Family Nurse Practioner Graduate Student-September 2019-Present

University of Southern Maine-Bachelor of Science in Nursing- December 2002-Cum Laude

Massachusetts College of Pharmacy and Allied Health Sciences

Licenses:

New Hampshire Board of Nursing-2011-Present

Maine Board of Nursing-2003-2011

Nursing Experience:

JULY 1, 2011 – PRESENT
DIRECTOR OF STUDENT HEALTH SERVICES, BREWSTER ACADEMY, WOLFEBORO, NH
Oversee the operation and budget of a school health center. Provide holistic nursing care ot 360 students from all over the globe.

August 2012-August 2016
REGISTERED NURSE, YMCA CAMP BELKNAP
TUFTONBORO, NH
Provide healthcare to male campers age 8-18.

OCTOBER 2010 -JUNE 2011
REGISTERED NURSE, MAINE MEDICAL PARTNERS DEVELOPMENTAL & BEHAVIORAL PEDIATRICS, PORTLAND, ME
Collaborate as a healthcare team to support and educate patients and their families with learning disabilities and mental illness to optimize learning potential and supports.

APRIL 2008 – OCTOBER 2010
REGISTERED NURSE, THE BIRTHPLACE LDRP UNIT AT MERCY HOSPITAL, PORTLAND, ME
Supported women during and after childbirth, provided pre and post-operative care, and skilled nursing care for newborns.

JANUARY 2007 – MARCH 2008
REGISTERED NURSE, PARKVIEW ADVENTIST MEDICAL CENTER LDRP UNIT, BRUNSWICK, ME
Supported women during and after childbirth, provided pre and post-operative care, and skilled nursing care for newborns.

REGISTERED NURSE, MATERNAL CHILD HEALTH, HOME HEALTH VISITING NURSES OF SOUTHERN MAINE, PORTLAND, ME
MARCH 2005-AUGUST 2006

RN, PEDIATRICS, MAINE MEDICAL CENTER -BARBARA BUSH CHILDREN'S HOSPITAL, PORTLAND, ME
JANUARY 2003-OCTOBER 2005

Professional Associations:

New Hampshire Nurse Practitioner Association-2020-Present

National Association of School Nurses-2011-PRESENT

New Hampshire Association of School Nurses-2011-PRESENT

Independent School Association of Northern New England-2011-PRESENT

Community Involvement:

Berwick Academy Parent Community Representative 2018-Present

New England Private School Athletic Counsel (NEPSAC) Sports Medicine Advisory Counsel-Registered Nurse-2016-Present

MaineHealth Ah! Asthma Camp: 2004, 2005

Christine S. Noble, RN, BSN

Education:

University of Massachusetts, Boston, Massachusetts
Bachelor of Science, Nursing, December 1990

Professional Development:

Nursing Preceptor, 1991, 1992, 1994, 1996, 1997, 2018, 2019
Basic Arrhythmia Interpretation, 1991
International AIDS Conference, Amsterdam, 1992
Clinical Care Options for HIV, 1993
International AIDS Conference, Berlin, 1993
International AIDS Conference, Yokohama, 1994
Association of Nurses in AIDS Care Annual Conference, 1995
International AIDS Conference, Vancouver, 1996
New Developments and Concepts in IV Therapy, 1996
Clinical Care Options for HIV, Fort Lauderdale, 1996
HIV and Hepatitis C, Wyoming, September 2009
Basic Life Support, Huggins Hospital, May 2015
Independent Study Refresher Course for Registered Nurses, South Dakota University, August 2015
12-lead EKG Interpretation, Huggins Hospital, October 2015
Intravenous Therapy Course, Huggins Hospital, October 2015
Critical Care Boot Camp, PESCI, Manchester October 2017
ACLS, Huggins Hospital, October 2017
TNCC, Huggins Hospital, November 2018
PALS, Huggins Hospital, November 2018
NRP, Catholic Medical Center, October 2018

Awards:

Staff Nurse Achievement Award, 1992

Experience:

Huggins Hospital — February 28, 2016-present
Emergency Department
Wolfeboro, NH
Staff Nurse

Huggins Hospital — September 2, 2015-February 2016
Medical-Surgical Unit, PACU, Emergency Department
Wolfeboro, NH

Staff Nurse, Per Diem

NH Infection Control 2000-present
Wolfeboro, NH
Legal Nurse Consultant
Review and expert analysis of nursing care in the context of litigation. Familiarity with diverse methods of nursing documentation, knowledge and application of nursing standards of practice. Organization and production of reports to physician reviewers and attorneys.

New England Medical Center
Infectious Disease and Travel Center 1992-1999
Boston, MA
Clinic and Nursing Coordinator
Coordinate and manage daily operation of fast paced infusion center and ambulatory clinic. Supervise nursing and support staff. Act as case manager for large population of patients with HIV/AIDS. Provide direct care to a variety of patients with infectious disease and travel related illness. Provide nursing care to patients in clinical study outpatient area performing research protocols, as well as organizing new protocols. Perform telephone triage. Provide pre-travel advice and immunizations and post-travel follow-up to international travelers. Precept new staff nurses. Attend frequently offered conferences and lectures pertinent to practice. Develop and implement standards of care unique to Infectious Disease and traveler's health practice.

New England Medical Center 1990-1992
Boston, MA
Staff Nurse
Provide nursing care to a diverse population of patients on a 26-bed adult multiservice medical unit encompassing patients with gastrointestinal, pulmonary, cardiac, and infectious ailments. Trained new staff nurses. Frequently acted as charge nurse of unit.

Committees:

1991-1997	AIDS Collaborative Group Practice
1993	Staff Nurse Achievement Review Committee

Certifications:

1995	AIDS Certified Registered Nurse

Professional Organizations:

1990-2009	Massachusetts Nurses Association
1990-2000	American Nurses Association
1993-2000	Association of Nurses in AIDS Care
2015-present	Emergency Nurses Association

Licensure:

1990-2009 Massachusetts RN Licensure
2015-present New Hampshire RN Licensure

ETHNEE GARNER MHA BSN RN

Influential Nursing Executive focused on Quality & Safety.

SUMMARY

Healthcare Executive who has led patient care areas with a focus on evidence-based practice and collegiate team approach to individualized, patient-centered care. Successful at advancing patient care quality and safety well beyond regulatory requirements. Expert in leading process improvement initiatives with attention to community needs, fiscal responsibility and employee engagement. Responsive to the constantly changing healthcare arena providing insight and support. Experienced in community and critical access hospital setting.

CAREER HIGHLIGHTS

- Served as a key member of the strategic planning team, transforming vision to action, focused on quality, easy, efficient access and budget.
- Member of senior leadership team that successfully orchestrated an organizational reformation from a one site provider to a healthcare system.
- Chaired career program and Co-foundered Career Scene Investigation summer camp for 7th, 8th and 9th graders to promote healthcare professions. 17th annual camp held July 2019.
- Established interdisciplinary teams that created standardized pathways using evidence-based practice.
- Utilized aggressive benchmarking resulting in maximum impact on delivery of care and outcomes.
- Focused on balanced budget, initiating revenue opportunities while controlling costs.
- Reduced patient falls with multidisciplinary approach.
- Achieved zero pressure ulcers from 2016 to first Quarter 2019.
- Represented Memorial Hospital to demonstrate CAUTI reduction strategies at National Rural Health symposium.
- Negotiated agreement for laboratory services. Maintaining all current staff and savings >$500 000.
- Achieved deficiency free CMS survey.
- Recognized by QIO for high accuracy of data abstraction for core measures.

PROFESSIONAL HISTORY

Consultant 2020 -present
Cranmore Health Partners, start up for pain management, urgent care and primary care providers.

Memorial Hospital/MaineHealth North Conway, New Hampshire 1997-2019
Critical Care Hospital providing comprehensive inpatient and outpatient care to rural community.

VP Patient Care Services/CNO. 2009-2019
Reported to CEO with oversight responsibilities for nursing: Emergency Department, Medical/Surgical inpatient unit, Birthing Center, ICU, Surgical Services and Walk in. Additional responsibilities for ancillary services; Imaging, Rehab services, Pharmacy, Cardiopulmonary, Cardiac/Pulmonary Rehab and Laboratory. 10 direct reports, 145 FTEs and expense budget $26M. Maintained roles as Director Education and Quality.

LEADERSHIP AND OPERATIONS

- Played a key role in transitioning an independent Critical Access Hospital to membership in the MaineHealth healthcare system.
- Oversaw the successful implementation from multiple EHR systems to EPIC, supervising 10 clinical departments.
- Represented the organization at a regional, state and community level to address the impact of

behavioral health issues on acute care hospitals. Instituted policies to deliver care in a safe environment for patients and staff, including the creation of a safe room within ED.
- Transformational leadership, utilizing charisma, inspiration, individualized stimulation to encourage employees to reach their potential. Mentoring employees from novice to expert.
- Participated in rounding with CEO. Met with patients and families to address and resolve concerns.

QUALITY
- Key member of Clinical Leadership Committee, a joint CMO and CNO committee charged with quality monitoring throughout the system and establishing new initiatives and benchmarks.
- Service line promotion; psychiatric and surgical to keep care local.
- Member of CNO Council, workforce development, strategic planning and peer support committees.
- Utilized Leapfrog, QHIPS, Hospital Engagement Network 2.0 and local Key Performance Improvement Quality Strategies. Reduced CAUTI rates to 0% and catheter utilization days by 30% and patient falls by 10%. Sustained extremely low medication error rate <0.015 per 1000 patient doses. AHRQ Safety Survey improved by 2 percentage points.
- Increased pediatric immunization participation rates and decreased ED utilization.

EDUCATION
- Educational Outreach Committee initiatives; identified and offered topics of interest for nursing across the system. Provided nursing education on substance abuse, behavioral health and cultural diversity.
- Working with colleges to tailor nursing programs to current needs within healthcare. Provide clinical opportunities for students within Maine Health member hospitals. Securing RN to BSN opportunities with colleges.
- Identified core competencies per discipline. Instituted Clinical Ladder recognition program to include community volunteering.

SAFETY/RISK
- Chaired Safety Committee and held role of Patient Safety Officer. Collaborated on risk management initiatives with Medical Quality Review Committee and met regularly with hospital's liability representative to review policies and procedures.
- Reduced hospital surgical site infections from 50% in 2015 to 0% from 2017 through first 2 Qtrs 2019, by changes in instrument processing, decreasing flash sterilization and reducing OR suite access.

Director Nursing Services, Education and Quality 2005-2009
Reported to CNO, oversaw Patient Care Services, Education and Quality Departments. 5 Direct reports.

Clinical Experience

Clinical Coordinator Memorial Hospital, North Conway NH.
Staff Nurse Medical Surgical ICU, (CCRN) Lawrence Memorial, Medford, MA (Community hospital).
Critical Care Float, Lahey Clinic, Burlington, MA. (Tertiary hospital).
Staff Nurse, Medical Surgical ICU, Addington Hospital, Durban, South Africa.

EDUCATION

Bachelor of Social Science General Nurse and Midwife
University of Natal, Durban, South Africa

Master of Science, Healthcare Administration
New England College, Henniker, New Hampshire.

LICENSURE

Registered Nurse, State of New Hampshire (compact).
Registered Nurse, State of Massachusetts.

PROFESSIONAL AFFILIATIONS

American Nurses Association (ANA/AONL/AONE) American College Healthcare Executives (ACHE)
American Society Healthcare Risk Management (ASHRM) National Association of Healthcare Quality (NAHQ)

Heidi L. Hamel, RN

OBJECTIVE:

Seeking a challenging position as an RN where I may expand my skills and work closely with the clinical team to provide safe and effective patient care.

EXPERIENCE:

Mt. Ascutney Hospital, Windsor, VT **June 2018- Present**
RN- Inpatient Rehab
Utilize the nursing process to provide for the patient's physical and psychosocial needs, and to assist in planning and evaluation of the care provided.
Collaborate with clinical support staff, physicians and other health care professionals as part of a team-based, patient centered care approach.
Follow specific nursing orders to achieve the stated goals of the interdisciplinary plan. Delegate nursing care to the LNAs and provide supervision.
Deliver medications in a safe and appropriate manner as outlined for RNs in hospital policy/procedure.
Administer nursing care with consideration of the patients' right to privacy, dignity, respect, and self-determination.

Mt. Ascutney Hospital, Windsor, VT **August 2016- June 2018**
LPN- Inpatient Rehab
Utilize the nursing process to provide for the patient's physical and psychosocial needs, and to assist in planning and evaluation of the care provided.
Collaborate with clinical support staff, physicians and other health care professionals as part of a team-based, patient centered care approach.
Follow specific nursing orders to achieve the stated goals of the interdisciplinary plan. Delegate nursing care to the LNAs and provide supervision.
Deliver medications in a safe and appropriate manner as outlined for LPNs in hospital policy/procedure.
Administer nursing care with consideration of the patients' right to privacy, dignity, respect, and self-determination.

Mt. Ascutney Hospital, Windsor, VT **May 2015-August 2016**
LNA- Acute & Inpatient Rehab
Provide supportive care to patients.
Help assist patients as needed with ADL's.
Ensure that nursing assistant tasks are complete and documented.
Support the RN/LPN and help complete appropriate delegated tasks.
Understand and follow HIPPA rules and regulations.
Chart all care performed in a timely manner.

Mt. Ascutney Hospital, Windsor, VT **December 2012- May 2015**
Clinical Secretary/LNA
Schedule and assist patients to schedule follow up appointments for the Surgical Specialties Department.
Ensure that referrals are taken care of in a timely manner.
Understand and follow HIPPA rules and regulations.
Obtain pre-certification from patient's insurance for specific tests ordered by Physician.
Review task lists, future appointment requests, ensure each patient is scheduled for all ordered tests.
Help with the duties of the primary nurse as needed.

Mt. Ascutney Hospital, Windsor, VT **August 2012-December 2012**
Registration Clerk
Responsible for calling patients to Pre-Register them for upcoming appointments.
Greet and register patients upon arrival for scheduled appointments and laboratory encounters.
Understand and follow HIPPA rules and regulations.

Verify insurance information electronically or by phone or website tool.
Review various work lists for accuracy and correction if necessary.

EDUCATION:
Vermont Technical College
2017-2018 ADN program.
2015-2016 LPN program.
Class President of the Springfield LPN program
Community College of Vermont
2012-2014
No degree- took pre-requisites for nursing school.
River Valley Technical Center
2013
LNA Certificate
Hesser College, Manchester, NH
2007-2008
Certificate in massage therapy and bodywork.
Windsor High School, Windsor, VT
2003-2007
High School Diploma

CERTIFICATES/AWARDS/ACCOMPLISHMENTS:
BLS for Healthcare Providers from the American Heart Association.
Employee of The Month for Mt. Ascutney Hospital- May 2014.
Recently participated in a service learning trip in April 2018. This involved setting up mobile health clinics in the impoverished villages of Peru.

SKILLS:
Strong patient advocate.
Excellent communication skills.
Strong computer skills.
Work well in a team setting, as well as independently.
Ability to adjust quickly and work in fast paced environments.

LICENCES:
VT RN Permanent License
License # 026.0135638
Issued: 06/11/2018
Expires: 03/31/2019

Currently in the process of obtaining NH RN License. Completed the fingerprinting process and have mailed in all necessary paperwork.

REFERENCES:
Available upon request.

KELLY S. QUINN-HALL

EXPERIENCE

SOUTHERN NEW HAMPSHIRE MEDICAL CENTER, Nashua, New Hampshire
Chemistry Manager – Oct 2000 to Dec 2014

- Technical supervision including quality control, quality assurance, proficiency testing and inspection preparation for the Chemistry, Special Chemistry, Toxicology, Immunology, Serology, Molecular Diagnostics and Reference Send-out Laboratories, encompassing 150 in-house assays
- Administrative management of 15 direct report technologists and technicians including hiring/firing, salary recommendations, performance evaluations, staff development and scheduling
- Prepared capital budget and acquisition documents; prepared and managed department operational budgets of approximately $2 million
- Collaborated on the Lean design, construction and implementation of a new laboratory and associated workflows
- Compiled data and ensured compliance for billing practices within the Chemistry, Special Chemistry, Toxicology, Immunology, Serology, Molecular Diagnostics and Reference Send-out Laboratories
- Acquired and implemented instruments including but not limited to the BioRad Evolis, Dynex DSX, Nanosphere Verigene system, Qiagen EZ1 BioRobot, Siemens Dimension Vista, Advia Centaur, BN100, BioTek ELISA microtiter plate system, BioRad Variant II Turbo, Artel PCS, Dimension RxL Max, fFN System, and Biosite Triage Meter Plus.
- Proficiency with SCC SoftLab/Soft QC including test building with calculations, implementation of numerous result interfaces and rule based auto-verification.
- Point of Care Technical supervision including selection, implementation and maintenance of Roche Accu-Chek Inform II, COBAS IT 1000, Telcor QML, LifeScan DataLink, and all associated SCC interfaces.
- Adjunct faculty University of Mass, Lowell and University of NH, Durham for the CLS Clinical Chemistry internships
- Training and experience with Lean principles
- Served on various hospital committees developing policies such as Drug Free Work Place, Blood-Born Pathogen Exposure, Sepsis Protocol, CCQVA products and Management Competencies

DARTMOUTH HITCHCOCK MEDICAL CENTER, Lebanon, New Hampshire
Chemistry Technical Specialist – Jan 1998 to Sep 2000

- Managed the day-to-day operations including quality control, quality assurance and proficiency testing of the Clinical Chemistry/Endocrinology Laboratory as a member of the chemistry management team
- Collaborated on the selection and implementation of new instrumentation: Roche Elecsys 2010, Sebia Hydrasys LC & Hyrys, HP 6890 GC Autosampler, Tosoh A1C 2.2 Plus, Bayer 654 Li^+ Analyzer
- Faculty for the University of NH MLS Advanced Clinical Chemistry internship
- Performed primary research in the area of Cardiac Makers leading to a number of publications

CONCORD HOSPITAL, Concord, New Hampshire
Medical Technologist – Oct 1983 to Dec 1997

MAINE MEDICAL CENTER, Portland, Maine
Laboratory Technician – Sep 1982 to June 1983

EDUCATION

NEW HAMPSHIRE COLLEGE, Manchester, New Hampshire – 1985 to 1989
Master of Business Administration

MAINE MEDICAL CENTER, Portland, Maine – 1982 to 1983
MT(ASCP) & CLS(NCA) Certification/Registration

UNIVERSITY OF MAINE, Orono, Maine – 1979 to 1982
Bachelor of Arts in Medical Technology

AFFILIATIONS

American Society of Clinical Pathologists: *Medical Technologist*

National Certification Agency for Medical Laboratory Personnel: *Clinical Laboratory Scientist*

College of American Pathologists: *Inspector*

American Association of Clinical Chemistry: *Member*

PUBLICATIONS

Yeo KTJ, Quinn-Hall KS, Bateman SW, Fischer GA, Wieczorek S, Wu AHB. Functional sensitivity of cardiac troponin assays and its implications for risk stratification for patients with acute coronary syndromes. *American Heart Association monograph series* 2001:23–30.

Ledoux P, Quinn-Hall K, Bateman SW, Yeo KT. Evaluation on DPC Immulite Turbo cardiac troponin I assay. *Clinical Chemistry* 2000: 46(6)S:A75 (Abstract).

Quinn-Hall K, Bateman SW, Wu AHB, Wieczorek S, Fischer GA, Yeo KT. Functional sensitivity of cardiac troponin assays and implications for risk stratification. *Clinical Chemistry* 2000: 46(6)S: A78 (Abstract).

Yeo KTJ, Storm C, Li Y, Jayne J, Brough T, Quinn-Hall K, Fitzmaurice T. Performance of the enhanced Abbott AxSYM cardiac troponin I reagent in patients with heterophile antibodies. *Clinica Chimica Acta* 2000: 292:13-23.

Melissa Newcomb

Objective: After receiving my Medical Assisting Degree from McIntosh College I began working primarily in Phlebotomy. I have worked in medical and non-medical environments and I am currently seeking a full-time or Part-time position.

Education

New England College: I continued my education with a critical thinking and psychology courses.

McIntosh College: I received an Associates Degree in Medical Assisting and Business Science. I graduated with a GPA of 3.43. At McIntosh I successfully completed the following courses: All core requirements, Medical Terminology, Anatomy and Physiology I, Anatomy and Physiology II, Clinical Procedure and Theory, Clinical I, II and III, and a number of Clerical and Computer Courses

UNH EMT Certification: I received this certification in 1995 and practiced on a volunteer squad for the following 18 months.

Work Experience

Labcorp.April 2004-Current. I returned to Pathlab/Labcorp in need of employment as a mobile phlebotomist. My duties include Phlebotomy, accessioning, and specimen handling.

The American Red Cross December 2003-May 2004. I worked as a collection specialist for the AMC. I did mini-physicals as well as Phlebotomy and enjoyed my worked in the beginning however, the organization became rapidly unhealthy and I felt I had to leave.

Garrison Women's Health Center March 2003- December 2003. After being employed as a phlebotomist through Pathlab at GWHC, I was offered a permanent position as a Medical Assistant. My duties are assisting in surgical office procedures, phlebotomy and direct patient care.

Path Lab July 2001-March 2003. I worked for Path Lab at Garrison Women's Health Center. My duties include Phlebotomy, transport and accessioning of the office specimens. I also work on Saturdays as a Phlebotomist at the Parade Mall Portsmouth and Central commons Dover.

Grand View Camping Area, April 99-October 2001: This is a seasonal position that worked part time during the summer months. My duties are registration using a PC, customer service via telephone and in person.

New Hampshire Medical Laboratories, Sept 1999-Oct 2000: At NHML I was a satellite phlebotomist as well as, a mobile phlebotomist. I utilized the GUI program in both the lab itself and the satellites. I experienced patient care contact with all age groups from infants to the elderly.

Path Lab, June 1999-October 1999: While at Path Lab I acquired my phlebotomy skills and handled direct patient care on the hospital floors and the drawing station.

First Savings of New Hampshire, April 1997-December 1999: At First Savings I utilized my business /Accounting courses. I held the Account Representative position that included new account management, loan application and administrating and many promotional programs.

Milton Fire and Rescue: I served on this volunteer squad as an EMT from September 1996-November 1997

References

PAMELA DUDEK, MS, RN, CNOR

SUMMARY OF QUALIFICATIONS

Registered Nurse license State of N.H. AHA BLS certified. Management experience. Computer skills including MS Office, QuickBooks. Experienced in budgeting and financial planning. Proficient at providing educational offerings for health care professionals. Strong leadership, interpersonal, and communication skills.

EXPERIENCE

2013-Present Genesis, Pleasant View Center Concord, N.H.

Nurse Practice Educator

- Nursing Education
- Infection Prevention

2012 Gilford School District Gilford, N.H.

Per Diem School Nurse

- Care of children with ambulatory complaints and medically fragile children

2005-2012 Elliot Hospital Manchester, N.H.

Clinical Nurse Specialist Perioperative Services

- Education and clinical support for OR, PACU, Surgical Day Care, Elliot One Day Surgery Center, Oral Maxillofacial Surgery, Endo/Uro, & SDC
- Facilitate compliance with The Joint Commission and CMS Standards
- Coordinated implementation of HealthStream on-line education
- High and low fidelity simulation

Patient Care Manager

- Care coordination and quality compliance on a med-surg nursing unit

2003–2005 New Hampshire Technical Institute Concord, N.H.

Adjunct Faculty Nursing Department/Academic Tutor Learning Center

- Taught Fundamental Nursing Skills course
- Clinical Instructor, med-surg
- Simulation Lab Instructor

2000-2003 ONTRACK Laser Vision Correction Bedford, N.H.

Administrator

- Clinical care of patients undergoing refractive surgery
- Management of staff and daily operations of the center
- Maintain budget and financial records
- Development of marketing strategies

1986-2000 Lakes Region General Hospital Laconia, N.H.

OR Clinical Coordinator / Perioperative Nurse

- Scheduled staff, managed patient flow, oversight of surgical scheduling
- Developed CQI indicators, standards of practice, staff education
- Laser Safety Officer, Infection Control Committee, Ophthalmic Resource

1999-2000 Bedford Ambulatory Surgical Center Bedford, N.H.

Perioperative Nurse per diem

- Circulate ambulatory procedures with strong orthopedic focus
- Designed QI and Infection Prevention practices

1980-1986 The Miriam Hospital Providence, R.I.

Charge Nurse Surgical Nursing Unit / Perioperative Nurse

- Assisted in development of the Ambulatory Surgery Unit
- Assistant Resource for ophthalmology service

EDUCATION

1980 Rhode Island College Providence, R.I.

- B.S. Nursing / B.A Liberal Arts, Cum Laude

2001 Georgetown University Washington, D.C.

- Graduate Certificate in Surgical Services Management

2005 University of New Hampshire Durham, N.H.

- M.S. Nursing

PROFESSIONAL MEMBERSHIPS AND ACHIEVEMENTS

- NH Infection Control and Epidemiology Professionals
- Sigma Theta Tau International Epsilon Tau Chapter
- New Hampshire Nurses Association
- American Nurses Association
- Past President and Treasurer of AORN Chapter 3003
- Oral presentation of original research "The Relationship Between Perceived Work Environment and Intent to Leave of Operating Room Nurses"
  Mary Louise Fernald Research Symposium 2005
  Eastern Nursing Research Society Annual Conference 2006

COMMUNITY ACTIVITIES

1992 – 1995 elected to municipal office as Clerk then Treasurer for Gunstock Acres Village Water District, Town of Gilford, NH.

REFERENCES

CONTRACTOR NAME
Huggins Hospital

Key Personnel

Job Title	Name	Annual Salary	% of Annual Salary Paid from this Contract	Amount Paid from this Contract for 8/1/20 – 12/1/20
Registered Nurse, Drive Up Testing Coordinator	Heidi Hamel	$ 52,137	25%	$ 13,034
Registered Nurse, Program Lead	Ethnee Garner	$ 83,200	25%	$ 20,800
Registered Nurse	Carrie MacDonald	$ 68,640	25%	$ 17,160
Infection Prevention Nurse	Pam Dudeck	$ 87,514	20%	$ 17,503
Registered Nurse	Christine Noble	$ 76,902	10%	$ 7,690
Clinical Business Manager, Analytics	Amilia Theberge	$ 63,728	10%	$ 6,373
Patient Access Specialist, COVID-19 Hotline	Brandy Smith	$ 42,848	30%	$ 12,854
Laboratory Manager	Kelly Quinn-Hall	$ 116,828	20%	$ 23,366
Laboratory Aide	Melissa Carlson	$ 43,738	25%	$ 10,935

Salary total = $129,715 for August 1 – December 1

Subject: Hospital-Based COVID-19 Community Testing (SS-2021-DPHS-04-HOSPI-14)

Notice: This agreement and all of its attachments shall become public upon submission to Governor and Executive Council for approval. Any information that is private, confidential or proprietary must be clearly identified to the agency and agreed to in writing prior to signing the contract.

AGREEMENT

The State of New Hampshire and the Contractor hereby mutually agree as follows:

GENERAL PROVISIONS

1. IDENTIFICATION.

1.1 State Agency Name New Hampshire Department of Health and Human Services		1.2 State Agency Address 129 Pleasant Street Concord, NH 03301-3857	
1.3 Contractor Name Southern New Hampshire Health System, Inc.		1.4 Contractor Address 8 Prospect Street P.O. Box 2014 Nashua, NH 03060	
1.5 Contractor Phone Number (603) 281-9378	1.6 Account Number 05-095-090-903010-19010000-102-500731	1.7 Completion Date December 1, 2020	1.8 Price Limitation $290,000
1.9 Contracting Officer for State Agency Nathan D. White, Director		1.10 State Agency Telephone Number (603) 271-9631	
1.11 Contractor Signature Date: 7-28-20		1.12 Name and Title of Contractor Signatory Colm McHugh Interim President	
1.13 State Agency Signature Date: 7/29/2020		1.14 Name and Title of State Agency Signatory Lisa Morris, Director - DHHS/DPHS	
1.15 Approval by the N.H. Department of Administration, Division of Personnel *(if applicable)* By:		Director, On:	
1.16 Approval by the Attorney General (Form, Substance and Execution) *(if applicable)* By: Catherine Pinos		On: 07/30/20	
1.17 Approval by the Governor and Executive Council *(if applicable)* G&C Item number:		G&C Meeting Date:	

Contractor Initials CTM
Date 7-28-20

2. SERVICES TO BE PERFORMED. The State of New Hampshire, acting through the agency identified in block 1.1 ("State"), engages contractor identified in block 1.3 ("Contractor") to perform, and the Contractor shall perform, the work or sale of goods, or both, identified and more particularly described in the attached EXHIBIT B which is incorporated herein by reference ("Services").

3. EFFECTIVE DATE/COMPLETION OF SERVICES.

3.1 Notwithstanding any provision of this Agreement to the contrary, and subject to the approval of the Governor and Executive Council of the State of New Hampshire, if applicable, this Agreement, and all obligations of the parties hereunder, shall become effective on the date the Governor and Executive Council approve this Agreement as indicated in block 1.17, unless no such approval is required, in which case the Agreement shall become effective on the date the Agreement is signed by the State Agency as shown in block 1.13 ("Effective Date").

3.2 If the Contractor commences the Services prior to the Effective Date, all Services performed by the Contractor prior to the Effective Date shall be performed at the sole risk of the Contractor, and in the event that this Agreement does not become effective, the State shall have no liability to the Contractor, including without limitation, any obligation to pay the Contractor for any costs incurred or Services performed. Contractor must complete all Services by the Completion Date specified in block 1.7.

4. CONDITIONAL NATURE OF AGREEMENT.

Notwithstanding any provision of this Agreement to the contrary, all obligations of the State hereunder, including, without limitation, the continuance of payments hereunder, are contingent upon the availability and continued appropriation of funds affected by any state or federal legislative or executive action that reduces, eliminates or otherwise modifies the appropriation or availability of funding for this Agreement and the Scope for Services provided in EXHIBIT B, in whole or in part. In no event shall the State be liable for any payments hereunder in excess of such available appropriated funds. In the event of a reduction or termination of appropriated funds, the State shall have the right to withhold payment until such funds become available, if ever, and shall have the right to reduce or terminate the Services under this Agreement immediately upon giving the Contractor notice of such reduction or termination. The State shall not be required to transfer funds from any other account or source to the Account identified in block 1.6 in the event funds in that Account are reduced or unavailable.

5. CONTRACT PRICE/PRICE LIMITATION/ PAYMENT.

5.1 The contract price, method of payment, and terms of payment are identified and more particularly described in EXHIBIT C which is incorporated herein by reference.

5.2 The payment by the State of the contract price shall be the only and the complete reimbursement to the Contractor for all expenses, of whatever nature incurred by the Contractor in the performance hereof, and shall be the only and the complete compensation to the Contractor for the Services. The State shall have no liability to the Contractor other than the contract price.

5.3 The State reserves the right to offset from any amounts otherwise payable to the Contractor under this Agreement those liquidated amounts required or permitted by N.H. RSA 80:7 through RSA 80:7-c or any other provision of law.

5.4 Notwithstanding any provision in this Agreement to the contrary, and notwithstanding unexpected circumstances, in no event shall the total of all payments authorized, or actually made hereunder, exceed the Price Limitation set forth in block 1.8.

6. COMPLIANCE BY CONTRACTOR WITH LAWS AND REGULATIONS/ EQUAL EMPLOYMENT OPPORTUNITY.

6.1 In connection with the performance of the Services, the Contractor shall comply with all applicable statutes, laws, regulations, and orders of federal, state, county or municipal authorities which impose any obligation or duty upon the Contractor, including, but not limited to, civil rights and equal employment opportunity laws. In addition, if this Agreement is funded in any part by monies of the United States, the Contractor shall comply with all federal executive orders, rules, regulations and statutes, and with any rules, regulations and guidelines as the State or the United States issue to implement these regulations. The Contractor shall also comply with all applicable intellectual property laws.

6.2 During the term of this Agreement, the Contractor shall not discriminate against employees or applicants for employment because of race, color, religion, creed, age, sex, handicap, sexual orientation, or national origin and will take affirmative action to prevent such discrimination.

6.3. The Contractor agrees to permit the State or United States access to any of the Contractor's books, records and accounts for the purpose of ascertaining compliance with all rules, regulations and orders, and the covenants, terms and conditions of this Agreement.

7. PERSONNEL.

7.1 The Contractor shall at its own expense provide all personnel necessary to perform the Services. The Contractor warrants that all personnel engaged in the Services shall be qualified to perform the Services, and shall be properly licensed and otherwise authorized to do so under all applicable laws.

7.2 Unless otherwise authorized in writing, during the term of this Agreement, and for a period of six (6) months after the Completion Date in block 1.7, the Contractor shall not hire, and shall not permit any subcontractor or other person, firm or corporation with whom it is engaged in a combined effort to perform the Services to hire, any person who is a State employee or official, who is materially involved in the procurement, administration or performance of this Agreement. This provision shall survive termination of this Agreement.

7.3 The Contracting Officer specified in block 1.9, or his or her successor, shall be the State's representative. In the event of any dispute concerning the interpretation of this Agreement, the Contracting Officer's decision shall be final for the State.

Contractor Initials CTM
Date 7-28-20

8. EVENT OF DEFAULT/REMEDIES.

8.1 Any one or more of the following acts or omissions of the Contractor shall constitute an event of default hereunder ("Event of Default"):

8.1.1 failure to perform the Services satisfactorily or on schedule;

8.1.2 failure to submit any report required hereunder; and/or

8.1.3 failure to perform any other covenant, term or condition of this Agreement.

8.2 Upon the occurrence of any Event of Default, the State may take any one, or more, or all, of the following actions:

8.2.1 give the Contractor a written notice specifying the Event of Default and requiring it to be remedied within, in the absence of a greater or lesser specification of time, thirty (30) days from the date of the notice; and if the Event of Default is not timely cured, terminate this Agreement, effective two (2) days after giving the Contractor notice of termination;

8.2.2 give the Contractor a written notice specifying the Event of Default and suspending all payments to be made under this Agreement and ordering that the portion of the contract price which would otherwise accrue to the Contractor during the period from the date of such notice until such time as the State determines that the Contractor has cured the Event of Default shall never be paid to the Contractor;

8.2.3 give the Contractor a written notice specifying the Event of Default and set off against any other obligations the State may owe to the Contractor any damages the State suffers by reason of any Event of Default; and/or

8.2.4 give the Contractor a written notice specifying the Event of Default, treat the Agreement as breached, terminate the Agreement and pursue any of its remedies at law or in equity, or both.

8.3. No failure by the State to enforce any provisions hereof after any Event of Default shall be deemed a waiver of its rights with regard to that Event of Default, or any subsequent Event of Default. No express failure to enforce any Event of Default shall be deemed a waiver of the right of the State to enforce each and all of the provisions hereof upon any further or other Event of Default on the part of the Contractor.

9. TERMINATION.

9.1 Notwithstanding paragraph 8, the State may, at its sole discretion, terminate the Agreement for any reason, in whole or in part, by thirty (30) days written notice to the Contractor that the State is exercising its option to terminate the Agreement.

9.2 In the event of an early termination of this Agreement for any reason other than the completion of the Services, the Contractor shall, at the State's discretion, deliver to the Contracting Officer, not later than fifteen (15) days after the date of termination, a report ("Termination Report") describing in detail all Services performed, and the contract price earned, to and including the date of termination. The form, subject matter, content, and number of copies of the Termination Report shall be identical to those of any Final Report described in the attached EXHIBIT B. In addition, at the State's discretion, the Contractor shall, within 15 days of notice of early termination, develop and submit to the State a Transition Plan for services under the Agreement.

10. DATA/ACCESS/CONFIDENTIALITY/ PRESERVATION.

10.1 As used in this Agreement, the word "data" shall mean all information and things developed or obtained during the performance of, or acquired or developed by reason of, this Agreement, including, but not limited to, all studies, reports, files, formulae, surveys, maps, charts, sound recordings, video recordings, pictorial reproductions, drawings, analyses, graphic representations, computer programs, computer printouts, notes, letters, memoranda, papers, and documents, all whether finished or unfinished.

10.2 All data and any property which has been received from the State or purchased with funds provided for that purpose under this Agreement, shall be the property of the State, and shall be returned to the State upon demand or upon termination of this Agreement for any reason.

10.3 Confidentiality of data shall be governed by N.H. RSA chapter 91-A or other existing law. Disclosure of data requires prior written approval of the State.

11. CONTRACTOR'S RELATION TO THE STATE. In the performance of this Agreement the Contractor is in all respects an independent contractor, and is neither an agent nor an employee of the State. Neither the Contractor nor any of its officers, employees, agents or members shall have authority to bind the State or receive any benefits, workers' compensation or other emoluments provided by the State to its employees.

12. ASSIGNMENT/DELEGATION/SUBCONTRACTS.

12.1 The Contractor shall not assign, or otherwise transfer any interest in this Agreement without the prior written notice, which shall be provided to the State at least fifteen (15) days prior to the assignment, and a written consent of the State. For purposes of this paragraph, a Change of Control shall constitute assignment. "Change of Control" means (a) merger, consolidation, or a transaction or series of related transactions in which a third party, together with its affiliates, becomes the direct or indirect owner of fifty percent (50%) or more of the voting shares or similar equity interests, or combined voting power of the Contractor, or (b) the sale of all or substantially all of the assets of the Contractor.

12.2 None of the Services shall be subcontracted by the Contractor without prior written notice and consent of the State. The State is entitled to copies of all subcontracts and assignment agreements and shall not be bound by any provisions contained in a subcontract or an assignment agreement to which it is not a party.

13. INDEMNIFICATION. Unless otherwise exempted by law, the Contractor shall indemnify and hold harmless the State, its officers and employees, from and against any and all claims, liabilities and costs for any personal injury or property damages, patent or copyright infringement, or other claims asserted against the State, its officers or employees, which arise out of (or which may be claimed to arise out of) the acts or omission of the

Contractor Initials CTM

Date 7-28-20

Contractor, or subcontractors, including but not limited to the negligence, reckless or intentional conduct. The State shall not be liable for any costs incurred by the Contractor arising under this paragraph 13. Notwithstanding the foregoing, nothing herein contained shall be deemed to constitute a waiver of the sovereign immunity of the State, which immunity is hereby reserved to the State. This covenant in paragraph 13 shall survive the termination of this Agreement.

14. INSURANCE.

14.1 The Contractor shall, at its sole expense, obtain and continuously maintain in force, and shall require any subcontractor or assignee to obtain and maintain in force, the following insurance:

14.1.1 commercial general liability insurance against all claims of bodily injury, death or property damage, in amounts of not less than $1,000,000 per occurrence and $2,000,000 aggregate or excess; and

14.1.2 special cause of loss coverage form covering all property subject to subparagraph 10.2 herein, in an amount not less than 80% of the whole replacement value of the property.

14.2 The policies described in subparagraph 14.1 herein shall be on policy forms and endorsements approved for use in the State of New Hampshire by the N.H. Department of Insurance, and issued by insurers licensed in the State of New Hampshire.

14.3 The Contractor shall furnish to the Contracting Officer identified in block 1.9, or his or her successor, a certificate(s) of insurance for all insurance required under this Agreement. Contractor shall also furnish to the Contracting Officer identified in block 1.9, or his or her successor, certificate(s) of insurance for all renewal(s) of insurance required under this Agreement no later than ten (10) days prior to the expiration date of each insurance policy. The certificate(s) of insurance and any renewals thereof shall be attached and are incorporated herein by reference.

15. WORKERS' COMPENSATION.

15.1 By signing this agreement, the Contractor agrees, certifies and warrants that the Contractor is in compliance with or exempt from, the requirements of N.H. RSA chapter 281-A *("Workers' Compensation")*.

15.2 To the extent the Contractor is subject to the requirements of N.H. RSA chapter 281-A, Contractor shall maintain, and require any subcontractor or assignee to secure and maintain, payment of Workers' Compensation in connection with activities which the person proposes to undertake pursuant to this Agreement. The Contractor shall furnish the Contracting Officer identified in block 1.9, or his or her successor, proof of Workers' Compensation in the manner described in N.H. RSA chapter 281-A and any applicable renewal(s) thereof, which shall be attached and are incorporated herein by reference. The State shall not be responsible for payment of any Workers' Compensation premiums or for any other claim or benefit for Contractor, or any subcontractor or employee of Contractor, which might arise under applicable State of New Hampshire Workers' Compensation laws in connection with the performance of the Services under this Agreement.

16. NOTICE. Any notice by a party hereto to the other party shall be deemed to have been duly delivered or given at the time of mailing by certified mail, postage prepaid, in a United States Post Office addressed to the parties at the addresses given in blocks 1.2 and 1.4, herein.

17. AMENDMENT. This Agreement may be amended, waived or discharged only by an instrument in writing signed by the parties hereto and only after approval of such amendment, waiver or discharge by the Governor and Executive Council of the State of New Hampshire unless no such approval is required under the circumstances pursuant to State law, rule or policy.

18. CHOICE OF LAW AND FORUM. This Agreement shall be governed, interpreted and construed in accordance with the laws of the State of New Hampshire, and is binding upon and inures to the benefit of the parties and their respective successors and assigns. The wording used in this Agreement is the wording chosen by the parties to express their mutual intent, and no rule of construction shall be applied against or in favor of any party. Any actions arising out of this Agreement shall be brought and maintained in New Hampshire Superior Court which shall have exclusive jurisdiction thereof.

19. CONFLICTING TERMS. In the event of a conflict between the terms of this P-37 form (as modified in EXHIBIT A) and/or attachments and amendment thereof, the terms of the P-37 (as modified in EXHIBIT A) shall control.

20. THIRD PARTIES. The parties hereto do not intend to benefit any third parties and this Agreement shall not be construed to confer any such benefit.

21. HEADINGS. The headings throughout the Agreement are for reference purposes only, and the words contained therein shall in no way be held to explain, modify, amplify or aid in the interpretation, construction or meaning of the provisions of this Agreement.

22. SPECIAL PROVISIONS. Additional or modifying provisions set forth in the attached EXHIBIT A are incorporated herein by reference.

23. SEVERABILITY. In the event any of the provisions of this Agreement are held by a court of competent jurisdiction to be contrary to any state or federal law, the remaining provisions of this Agreement will remain in full force and effect.

24. ENTIRE AGREEMENT. This Agreement, which may be executed in a number of counterparts, each of which shall be deemed an original, constitutes the entire agreement and understanding between the parties, and supersedes all prior agreements and understandings with respect to the subject matter hereof.

Contractor Initials CTM
Date 7-28-20

REVISIONS TO STANDARD CONTRACT PROVISIONS

1. Revisions to Form P-37, General Provisions

1.1. Paragraph 3, Subparagraph 3.1, Effective Date/Completion of Services, is amended as follows:

3.1. Notwithstanding any provision of this Agreement to the contrary, and subject to the approval of the Governor of the State of New Hampshire, issued under the Executive Order 2020-04 and any extensions thereof, this Agreement, and all obligations of the parties hereunder, shall become effective on August 1, 2020. ("Effective Date").

1.2. Paragraph 3, Effective Date/Completion of Services, is amended by adding subparagraph 3.3 as follows:

3.3. The parties may extend the Agreement for up to one (1) additional year from the Completion Date, contingent upon satisfactory delivery of services, available funding, agreement of the parties, and required governmental approval.

1.3. Paragraph 5, Subparagraph 5.2, Contract Price/Price Limitation/Payment, is amended as follows:

5.2 Consistent with Exhibit C, the payment by the State of the contract price shall be the only and the complete reimbursement to the Contractor for all expenses, of whatever nature incurred by the Contractor in the performance hereof, and shall be the only and the complete compensation to the Contractor for the Services. The State shall have no liability to the Contractor other than the contract price.

1.4 Paragraph 7, Subparagraph 7.1, Personnel, is amended as follows:

7.1 The Contractor shall provide all personnel necessary to perform the Services. The Contractor warrants that all personnel engaged in the Services shall be qualified to perform the Services, and shall be properly licensed and otherwise authorized to do so under all applicable laws.

1.5 Paragraph 12, Subparagraph 12.3, Assignment/Delegation/Subcontracts, is amended as follows:

12.3. Subcontractors are subject to the same contractual conditions as the Contractor and the Contractor is responsible to ensure subcontractor compliance with those conditions. The Contractor shall have written agreements with all subcontractors, specifying the work to be performed and how corrective action shall be managed if the subcontractor's performance is inadequate. The Contractor shall manage the subcontractor's performance on an ongoing basis and take corrective action as necessary. The Contractor shall annually provide the State with

a list of all subcontractors provided for under this Agreement and notify the State of any inadequate subcontractor performance.

Scope of Services

1. Statement of Work

1.1. For the purposes of this agreement, any references to days shall mean calendar days.

1.2. The Contractor shall conduct specimen collection and testing for SARS-CoV-2 in an outpatient setting for individuals who reside within the hospital catchment area or local community, regardless of individuals' prior affiliations with the hospital.

1.3. The Contractor shall conduct specimen collection and testing for patients who have symptoms of COVID-19 or who are pre-symptomatic or asymptomatic at the request of:

1.3.1. The individual to be tested; or

1.3.2. The Department of Health and Human Services (Department) Division of Public Health Services (DPHS).

1.4. The Contractor shall not require an office or telemedicine visit for asymptomatic patients in order for patients to receive COVID-19 testing.

1.5. In the event of a significant increase in community transmission of COVID-19, the Contractor shall not be responsible for meeting significantly increased levels of testing and may request the Department to provide additional testing capacity.

1.6. The Contractor shall determine the appropriate venue and physical location for specimen collection, which may include, but is not limited to:

1.6.1. An existing physical location.

1.6.2. A temporary drive-through location.

1.6.3. A drive-up facility.

1.7. The Contractor shall request a waiver, if necessary, from the Department's Bureau of Health Facilities Administration for a temporary drive-through location or drive-up facility.

1.8. The Contractor shall determine the appropriate number of days per week and the duration of time per day to perform community specimen collection for COVID-19 testing to meet the needs of the hospital catchment area and local community and communicate the hours of operation to the Department.

1.9. The Contractor shall ensure the collection, handling, processing and testing of specimens comply with guidelines issued by the Centers for Disease Control and Prevention (CDC), available at https://www.cdc.gov/coronavirus/2019-nCoV/lab/guidelines-clinical-specimens.html and by the laboratory used for processing specimens.

1.10. The Contractor shall ensure patients sign an appropriate consent form, prior to collection of specimens, authorizing testing at the laboratory and reporting to the ordering medical provider, the Department, and any other individual or entity designated to receive the test results.

1.11. The Contractor shall identify of any communication access needs to ensure needed language assistance is provided, which may include, but is not limited to:

1.11.1. Over-the-phone interpretation of spoken languages.

1.11.2. Video remote interpretation to access American Sign Language.

1.12. The Contractor shall ensure communication and language assistance is provided to individuals, as appropriate and needed, to ensure the validity of any signed consent by utilizing translated consent forms and/or interpreters.

1.13. The Contractor shall ensure all personnel collecting, handling, processing and transporting specimens are trained to safeguard the confidentiality of the patient and protected health information (PHI), as defined in the Health Information Portability and Accountability Act (HIPAA).

1.14. The Contractor shall ensure the secure and confidential transporting of specimens to the laboratory.

1.15. The Contractor shall ensure the ordering provider for each COVID-19 test is a licensed medical provider.

1.16. The Contractor shall ensure the licensed medical provider ordering COVID-19 tests notifies patients of testing results received from the laboratory in a timely manner. The Contractor shall ensure:

1.16.1. Patients with positive results confirming the diagnosis of COVID-19 are informed:

1.16.1.1. By telephone or other electronic method.

1.16.1.2. By first-class U.S. mail, if telephone or other electronic method is unsuccessful

1.16.2. Patients with negative results are informed of test results in a method determined by the Contractor.

1.17. The Contractor shall utilize existing communication methods to inform the local community of the availability of outpatient COVID-19 testing, which may include, but are not limited to:

1.17.1. The hospital's website.

1.17.2. Hospital newsletters.

1.17.3. Social media platforms.

1.18. The Contractor shall ensure published information includes how and when

patients can access the services and the location of the specimen collection site.

1.19. The Contractor shall ensure any marketing materials abide by existing requirements for communication access, including but not limited to:

1.19.1. Vital and significant materials should be made available in additional languages, as appropriate, and must be translated by qualified, competent translation providers, as follows:

1.19.1.1. Statewide, only Spanish meets the criteria for translation.

1.19.1.2. Translation is required for languages depending on factors including the number and proportion of LEP persons served or likely to seek services in the Contractor's service areas, and the frequency with which LEP individuals come into contact with the Contractor's programs, activities and services. .

1.19.1.3. Notification on all materials of the availability of free communication access and language assistance for any individuals who may require it.

1.19.1.4. All materials have a phone number to call for further information, ensuring staff answering that phone number shall have access to over-the-phone interpretation to assist callers who need spoken language interpretation.

1.20. The Contractor shall provide communication and language assistance at all points of contact in accessing COVID-19 testing to individuals with communication access needs, including individuals with limited English proficiency, or individuals who are deaf or have hearing loss.

1.21. The Contractor shall conduct outreach to vulnerable populations and minority populations in the hospital catchment area or local community, including notifying partner organizations who work with these populations about the availability of COVID-19 testing.

1.22. The Contractor shall report both positive and negative test results to the Division of Public Health Services and ensure the laboratory used for processing specimens and conducting testing reports both positive and negative results to the Division of Public Health Services through the ELR system.

1.23. The Contractor shall report all positive cases of COVID-19 with complete case information by fax to (603) 271-0545 to the Division of Public Health Services using the New Hampshire Confidential COVID-19 Case Report Form available at: https://www.dhhs.nh.gov/dphs/cdcs/covid19/covid19-reporting-form.pdf.

1.24. The Contractor shall notify patients who are uninsured or do not have full coverage benefits for COVID-19 testing that New Hampshire Medicaid has established a COVID-19 Testing Benefit that may pay for testing and diagnosis of COVID-19 for persons who are not already a Medicaid beneficiary and do not have full coverage for COVID-19 testing and diagnosis.

2. Exhibits Incorporated

2.1. The Contractor shall comply with all Exhibits D through H and Exhibit J, which are attached hereto and incorporated by reference herein.

2.2. To the extent the State shares Confidential Data, the Contractor shall comply with Exhibit K, which is attached hereto and incorporated by reference herein.

2.3. The Contractor's Use and Responsibilities for Confidential Information are as follows.

2.3.1. The Contractor agrees to use, disclose, maintain, or transmit Confidential Data from Providers as required, specifically authorized, or permitted under the Contract or this Agreement. Further, the Contractor, including but not limited to all its directors, officers, employees, and agents, agrees not to use, disclose, maintain, or transmit PHI in any manner that would constitute a violation of the Privacy and Security Rules. The Contractor shall provide Confidential Information as required by the Contract, RSA 141-C:7, 141-C:9, RSA 141-C:10, and in a form required by He-P 301.03 and the "New Hampshire Local Implementation Guide for Electronic Laboratory Reporting for Communicable Disease and Lead Test Results Using HL7 2.5.1," Version 4.0 (5/23/2016), found at: https://www.dhhs.nh.gov/dphs/bphsi/documents/elrguide.pdf.

2.3.2. The Contractor shall transmit Confidential Information to the Division of Public Health Services by means of a secure file transport protocol (sFTP) provided by the Department and agreed to by the parties and approved by the Department's Information Security Officer.

2.3.3. The Contractor shall transmit the Confidential Information to the Division of Public Health Services as required by statute and this Agreement, namely:

2.3.3.1. All test results, including but not limited to positive and negative results, shall be reported electronically via electronic laboratory reporting procedures, also referred to as "ELR," as noted above.

2.3.3.2. Test results shall be provided within 24 hours of the test being completed.

2.4. As necessary, the Contractor agrees to comply with any request to correct or complete the data once transmitted to the Division of Public Health Services.

2.5. The Contractor agrees that the data submitted shall be the "minimum necessary" to carry out the stated use of the data, as defined in the HIPAA Privacy Rule and in accordance with all applicable confidentiality laws.

2.6. The parties agree that this Agreement shall be construed in accordance with the terms of Contract and governed by the laws of the State of New Hampshire.

2.7. The Contractor and the Department agree to negotiate an amendment to this Agreement as needed to address a Contract amendment, or any changes in policy issues, fiscal issues, information security, and other specific safeguards required for maintaining confidentiality of the data.

3. Reporting Requirements

3.1. The Contractor shall submit data to the Department for COVID-19 testing, including, but not limited to:

3.1.1. Number of persons who received COVID-19 testing.

3.1.2. Number of persons for whom race and/or ethnicity is documented.

3.2. The Contractor shall ensure race and/or ethnicity demographic identifiers for the persons who received COVID-19 testing are collected consistently and correctly, in accordance with best practice standards and processes as provided by the Office of Heath Equity, and entered either manually or electronically on the hospital or reference laboratory COVID-19 test requisition forms.

4. Additional Terms

4.1. Impacts Resulting from Court Orders or Legislative Changes

4.1.1. The Contractor agrees that, to the extent future state or federal legislation or court orders may have an impact on the Services described herein, the State has the right to modify service priorities and expenditure requirements under this Agreement so as to achieve compliance therewith.

4.2. Federal Civil Rights Laws Compliance: Culturally and Linguistically Appropriate Programs and Services

4.2.1. The Contractor shall submit within ten (10) days of the contract effective date, and comply with, a detailed description of the communication access and language assistance services they will provide to ensure meaningful access to their programs and/or services to persons with limited English proficiency, people who are deaf or have hearing loss, are blind or have low vision, or who have speech challenges.

4.3. Credits and Copyright Ownership

4.3.1. All documents, notices, press releases, research reports and other materials prepared during or resulting from the performance of the services of the Contract shall include the following statement, "The preparation of this (report, document etc.) was financed under a Contract with the State of New Hampshire, Department of Health and Human Services, with funds provided in part by the State of New Hampshire and/or such other funding sources as were available or required, e.g., the United States Department of Health and Human Services."

4.3.2. All materials produced or purchased under the contract shall have prior approval from the Department before printing, production, distribution or use.

4.3.3. The Department shall retain copyright ownership for any and all original materials produced with funds provided under this Agreement, including, but not limited to: brochures, resource directories, protocols or guidelines, posters and reports.

4.3.4. The Contractor shall not reproduce any materials produced under the contract without prior written approval from the Department.

4.4. Operation of Facilities: Compliance with Laws and Regulations

4.4.1. In the operation of any facilities for providing services, the Contractor shall comply with all laws, orders and regulations of federal, state, county and municipal authorities and with any direction of any Public Officer or officers pursuant to laws which shall impose an order or duty upon the contractor with respect to the operation of the facility or the provision of the services at such facility. If any governmental license or permit shall be required for the operation of the said facility or the performance of the said services, the Contractor will procure said license or permit, and will at all times comply with the terms and conditions of each such license or permit. In connection with the foregoing requirements, the Contractor hereby covenants and agrees that, during the term of this Contract the facilities shall comply with all rules, orders, regulations, and requirements of the State Office of the Fire Marshal and the local fire protection agency, and shall be in conformance with local building and zoning codes, by-laws and regulations.

5. Records

5.1. The Contractor shall keep records that include, but are not limited to:

5.1.1. Books, records, documents and other electronic or physical data evidencing and reflecting all costs and other expenses incurred by the

Contractor in the performance of the Contract, and all income received or collected by the Contractor.

5.1.2. All records must be maintained in accordance with accounting procedures and practices, which sufficiently and properly reflect all such costs and expenses, and which are acceptable to the Department, and to include, without limitation, all ledgers, books, records, and original evidence of costs such as purchase requisitions and orders, vouchers, requisitions for materials, inventories, valuations of in-kind contributions, labor time cards, payrolls, and other records requested or required by the Department.

5.1.3. Statistical, enrollment, attendance or visit records for each recipient of services, which records shall include all records of application and eligibility (including all forms required to determine eligibility for each such recipient), records regarding the provision of services and all invoices submitted to the Department to obtain payment for such services.

5.1.4. Medical records on each patient/recipient of services.

5.2. During the term of this Contract and the period for retention hereunder, the Department, the United States Department of Health and Human Services, and any of their designated representatives shall have access to all reports and records maintained pursuant to the Contract for purposes of audit, examination, excerpts and transcripts. Upon the purchase by the Department of the maximum number of units provided for in the Contract and upon payment of the price limitation hereunder, the Contract and all the obligations of the parties hereunder (except such obligations as, by the terms of the Contract are to be performed after the end of the term of this Contract and/or survive the termination of the Contract) shall terminate, provided however, that if, upon review of the Final Expenditure Report the Department shall disallow any expenses claimed by the Contractor as costs hereunder the Department shall retain the right, at its discretion, to deduct the amount of such expenses as are disallowed or to recover such sums from the Contractor.

Payment Terms

1. This Agreement is funded by the Epidemiology and Laboratory Capacity for Prevention and Control of Emerging Infectious Diseases (ELC) cooperative agreement from the Centers for Disease Control and Prevention Division of Prepardness and Emerging Infections, CFDA #93.323, FAIN #NU50CK000522.
2. For the purposes of this Agreement:
   - 2.1. The Department has identified the Contractor as a Subrecipient, in accordance with 2 CFR 200.330.
   - 2.2. The Department has identified this Contract as NON-R&D, in accordance with 2 CFR §200.87.
3. This Agreement is for COVID-19 testing-related activities to be conducted between August 1, 2020 and December 1, 2020.
4. Payment:
   - 4.1. The Department will pay the Contractor the amount listed in box 1.8 Price Limitation included in the General Provisions Form Number P-37, for providing the services included in Exhibit B, Scope of Services, after the Effective Date of the Contract.
     - 4.1.1. The Contractor shall submit an expense report in a form satisfactory to the State every sixty (60) days, which identifies allowable expenses incurred during the duration of the contract.
     - 4.1.2. Any unspent funds will be returned to the Department within sixty (60) calendar days of contract expiration date.
     - 4.1.3. In lieu of hard copies, all expense reports may be assigned an electronic signature and must be emailed to dphscontractbilling@dhhs.nh.gov.
5. The Contractor must provide the services in Exhibit B, Scope of Services, in compliance with funding requirements.
6. The Contractor agrees that funding under this Agreement may be recouped, in whole or in part in the event of non-compliance with the terms and conditions of Exhibit B, Scope of Services.
7. The Contractor shall be responsible for billing patients for the COVID-19 testing. The payment received by Contractor from the State under this Agreement shall cover additional administrative over-head or startup costs that are not otherwise reimbursable by patients or third party payors.

8. The Contractor shall keep detailed records of their activities related to Department-funded programs and services and have records available for Department review, as requested.

9. Notwithstanding anything to the contrary herein, the Contractor agrees that funding under this agreement may be recouped, in whole or in part, in the event of non-compliance with any Federal or State law, rule or regulation applicable to the services provided, or if the said services or products have not been satisfactorily completed in accordance with the terms and conditions of this agreement.

10. Notwithstanding Paragraph 17 of the General Provisions Form P-37, changes limited to adjusting amounts within the price limitation and adjusting encumbrances between State Fiscal Years and budget class lines through the Budget Office may be made by written agreement of both parties, without obtaining approval of the Governor and Executive Council, if needed and justified.

11. Audits

    11.1. The Contractor is required to submit an annual audit to the Department if **any** of the following conditions exist:

        11.1.1. Condition A - The Contractor expended $750,000 or more in federal funds received as a subrecipient pursuant to 2 CFR Part 200, during the most recently completed fiscal year.

        11.1.2. Condition B - The Contractor is subject to audit pursuant to the requirements of NH RSA 7:28, III-b, pertaining to charitable organizations receiving support of $1,000,000 or more.

        11.1.3. Condition C - The Contractor is a public company and required by Security and Exchange Commission (SEC) regulations to submit an annual financial audit.

    11.2. If Condition A exists, the Contractor shall submit an annual single audit performed by an independent Certified Public Accountant (CPA) to the Department within 120 days after the close of the Contractor's fiscal year, conducted in accordance with the requirements of 2 CFR Part 200, Subpart F of the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal awards.

    11.3. If Condition B or Condition C exists, the Contractor shall submit an annual financial audit performed by an independent CPA within 120 days after the close of the Contractor's fiscal year.

    11.4. In addition to, and not in any way in limitation of obligations of the Contract, it is understood and agreed by the Contractor that the Contractor shall be held liable for any state or federal audit exceptions

and shall return to the Department all payments made under the Contract to which exception has been taken, or which have been disallowed because of such an exception.

CERTIFICATION REGARDING DRUG-FREE WORKPLACE REQUIREMENTS

The Vendor identified in Section 1.3 of the General Provisions agrees to comply with the provisions of Sections 5151-5160 of the Drug-Free Workplace Act of 1988 (Pub. L. 100-690, Title V, Subtitle D; 41 U.S.C. 701 et seq.), and further agrees to have the Contractor's representative, as identified in Sections 1.11 and 1.12 of the General Provisions execute the following Certification:

ALTERNATIVE I - FOR GRANTEES OTHER THAN INDIVIDUALS

US DEPARTMENT OF HEALTH AND HUMAN SERVICES - CONTRACTORS
US DEPARTMENT OF EDUCATION - CONTRACTORS
US DEPARTMENT OF AGRICULTURE - CONTRACTORS

This certification is required by the regulations implementing Sections 5151-5160 of the Drug-Free Workplace Act of 1988 (Pub. L. 100-690, Title V, Subtitle D; 41 U.S.C. 701 et seq.). The January 31, 1989 regulations were amended and published as Part II of the May 25, 1990 Federal Register (pages 21681-21691), and require certification by grantees (and by inference, sub-grantees and sub-contractors), prior to award, that they will maintain a drug-free workplace. Section 3017.630(c) of the regulation provides that a grantee (and by inference, sub-grantees and sub-contractors) that is a State may elect to make one certification to the Department in each federal fiscal year in lieu of certificates for each grant during the federal fiscal year covered by the certification. The certificate set out below is a material representation of fact upon which reliance is placed when the agency awards the grant. False certification or violation of the certification shall be grounds for suspension of payments, suspension or termination of grants, or government wide suspension or debarment. Contractors using this form should send it to:

Commissioner
NH Department of Health and Human Services
129 Pleasant Street,
Concord, NH 03301-6505

1. The grantee certifies that it will or will continue to provide a drug-free workplace by:
   1.1. Publishing a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession or use of a controlled substance is prohibited in the grantee's workplace and specifying the actions that will be taken against employees for violation of such prohibition;
   1.2. Establishing an ongoing drug-free awareness program to inform employees about
      1.2.1. The dangers of drug abuse in the workplace;
      1.2.2. The grantee's policy of maintaining a drug-free workplace;
      1.2.3. Any available drug counseling, rehabilitation, and employee assistance programs; and
      1.2.4. The penalties that may be imposed upon employees for drug abuse violations occurring in the workplace;
   1.3. Making it a requirement that each employee to be engaged in the performance of the grant be given a copy of the statement required by paragraph (a);
   1.4. Notifying the employee in the statement required by paragraph (a) that, as a condition of employment under the grant, the employee will
      1.4.1. Abide by the terms of the statement; and
      1.4.2. Notify the employer in writing of his or her conviction for a violation of a criminal drug statute occurring in the workplace no later than five calendar days after such conviction;
   1.5. Notifying the agency in writing, within ten calendar days after receiving notice under subparagraph 1.4.2 from an employee or otherwise receiving actual notice of such conviction. Employers of convicted employees must provide notice, including position title, to every grant officer on whose grant activity the convicted employee was working, unless the Federal agency

has designated a central point for the receipt of such notices. Notice shall include the identification number(s) of each affected grant;

1.6. Taking one of the following actions, within 30 calendar days of receiving notice under subparagraph 1.4.2, with respect to any employee who is so convicted

1.6.1. Taking appropriate personnel action against such an employee, up to and including termination, consistent with the requirements of the Rehabilitation Act of 1973, as amended; or

1.6.2. Requiring such employee to participate satisfactorily in a drug abuse assistance or rehabilitation program approved for such purposes by a Federal, State, or local health, law enforcement, or other appropriate agency;

1.7. Making a good faith effort to continue to maintain a drug-free workplace through implementation of paragraphs 1.1, 1.2, 1.3, 1.4, 1.5, and 1.6.

2. The grantee may insert in the space provided below the site(s) for the performance of work done in connection with the specific grant.

Place of Performance (street address, city, county, state, zip code) (list each location)

Check ☐ if there are workplaces on file that are not identified here.

Vendor Name:

7-28-20
Date

Colin T McHugh
Name: Colin McHugh
Title: Interim President

CERTIFICATION REGARDING LOBBYING

The Vendor identified in Section 1.3 of the General Provisions agrees to comply with the provisions of Section 319 of Public Law 101-121, Government wide Guidance for New Restrictions on Lobbying, and 31 U.S.C. 1352, and further agrees to have the Contractor's representative, as identified in Sections 1.11 and 1.12 of the General Provisions execute the following Certification:

US DEPARTMENT OF HEALTH AND HUMAN SERVICES - CONTRACTORS
US DEPARTMENT OF EDUCATION - CONTRACTORS
US DEPARTMENT OF AGRICULTURE - CONTRACTORS

Programs (indicate applicable program covered):
*Temporary Assistance to Needy Families under Title IV-A
*Child Support Enforcement Program under Title IV-D
*Social Services Block Grant Program under Title XX
*Medicaid Program under Title XIX
*Community Services Block Grant under Title VI
*Child Care Development Block Grant under Title IV

The undersigned certifies, to the best of his or her knowledge and belief, that:

1. No Federal appropriated funds have been paid or will be paid by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement (and by specific mention sub-grantee or sub-contractor).

2. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement (and by specific mention sub-grantee or sub-contractor), the undersigned shall complete and submit Standard Form LLL, (Disclosure Form to Report Lobbying, in accordance with its instructions, attached and identified as Standard Exhibit E-I.)

3. The undersigned shall require that the language of this certification be included in the award document for sub-awards at all tiers (including subcontracts, sub-grants, and contracts under grants, loans, and cooperative agreements) and that all sub-recipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by Section 1352, Title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than $10,000 and not more than $100,000 for each such failure.

Vendor Name:

7-28-20
Date

Colm T McHugh
Name: Colm McHugh
Title: Interim President

CERTIFICATION REGARDING DEBARMENT, SUSPENSION AND OTHER RESPONSIBILITY MATTERS

The Vendor identified in Section 1.3 of the General Provisions agrees to comply with the provisions of Executive Office of the President, Executive Order 12549 and 45 CFR Part 76 regarding Debarment, Suspension, and Other Responsibility Matters, and further agrees to have the Contractor's representative, as identified in Sections 1.11 and 1.12 of the General Provisions execute the following Certification:

INSTRUCTIONS FOR CERTIFICATION

1. By signing and submitting this proposal (contract), the prospective primary participant is providing the certification set out below.

2. The inability of a person to provide the certification required below will not necessarily result in denial of participation in this covered transaction. If necessary, the prospective participant shall submit an explanation of why it cannot provide the certification. The certification or explanation will be considered in connection with the NH Department of Health and Human Services' (DHHS) determination whether to enter into this transaction. However, failure of the prospective primary participant to furnish a certification or an explanation shall disqualify such person from participation in this transaction.

3. The certification in this clause is a material representation of fact upon which reliance was placed when DHHS determined to enter into this transaction. If it is later determined that the prospective primary participant knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government, DHHS may terminate this transaction for cause or default.

4. The prospective primary participant shall provide immediate written notice to the DHHS agency to whom this proposal (contract) is submitted if at any time the prospective primary participant learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances.

5. The terms "covered transaction," "debarred," "suspended," "ineligible," "lower tier covered transaction," "participant," "person," "primary covered transaction," "principal," "proposal," and "voluntarily excluded," as used in this clause, have the meanings set out in the Definitions and Coverage sections of the rules implementing Executive Order 12549: 45 CFR Part 76. See the attached definitions.

6. The prospective primary participant agrees by submitting this proposal (contract) that, should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transaction with a person who is debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by DHHS.

7. The prospective primary participant further agrees by submitting this proposal that it will include the clause titled "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion - Lower Tier Covered Transactions," provided by DHHS, without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions.

8. A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that it is not debarred, suspended, ineligible, or involuntarily excluded from the covered transaction, unless it knows that the certification is erroneous. A participant may decide the method and frequency by which it determines the eligibility of its principals. Each participant may, but is not required to, check the Nonprocurement List (of excluded parties).

9. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and

information of a participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.

10. Except for transactions authorized under paragraph 6 of these instructions, if a participant in a covered transaction knowingly enters into a lower tier covered transaction with a person who is suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction, in addition to other remedies available to the Federal government, DHHS may terminate this transaction for cause or default.

PRIMARY COVERED TRANSACTIONS

11. The prospective primary participant certifies to the best of its knowledge and belief, that it and its principals:
    - 11.1. are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any Federal department or agency;
    - 11.2. have not within a three-year period preceding this proposal (contract) been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State or local) transaction or a contract under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;
    - 11.3. are not presently indicted for otherwise criminally or civilly charged by a governmental entity (Federal, State or local) with commission of any of the offenses enumerated in paragraph (l)(b) of this certification; and
    - 11.4. have not within a three-year period preceding this application/proposal had one or more public transactions (Federal, State or local) terminated for cause or default.

12. Where the prospective primary participant is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this proposal (contract).

LOWER TIER COVERED TRANSACTIONS

13. By signing and submitting this lower tier proposal (contract), the prospective lower tier participant, as defined in 45 CFR Part 76, certifies to the best of its knowledge and belief that it and its principals:
    - 13.1. are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any federal department or agency.
    - 13.2. where the prospective lower tier participant is unable to certify to any of the above, such prospective participant shall attach an explanation to this proposal (contract).

14. The prospective lower tier participant further agrees by submitting this proposal (contract) that it will include this clause entitled "Certification Regarding Debarment, Suspension, Ineligibility, and Voluntary Exclusion - Lower Tier Covered Transactions," without modification in all lower tier covered transactions and in all solicitations for lower tier covered transactions.

Vendor Name:

7-28-20
Date

Colm T McHugh
Name: Colm McHugh
Title: Interim President

CERTIFICATION OF COMPLIANCE WITH REQUIREMENTS PERTAINING TO FEDERAL NONDISCRIMINATION, EQUAL TREATMENT OF FAITH-BASED ORGANIZATIONS AND WHISTLEBLOWER PROTECTIONS

The Vendor identified in Section 1.3 of the General Provisions agrees by signature of the Contractor's representative as identified in Sections 1.11 and 1.12 of the General Provisions, to execute the following certification:

Vendor will comply, and will require any subgrantees or subcontractors to comply, with any applicable federal nondiscrimination requirements, which may include:

- the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. Section 3789d) which prohibits recipients of federal funding under this statute from discriminating, either in employment practices or in the delivery of services or benefits, on the basis of race, color, religion, national origin, and sex. The Act requires certain recipients to produce an Equal Employment Opportunity Plan;

- the Juvenile Justice Delinquency Prevention Act of 2002 (42 U.S.C. Section 5672(b)) which adopts by reference, the civil rights obligations of the Safe Streets Act. Recipients of federal funding under this statute are prohibited from discriminating, either in employment practices or in the delivery of services or benefits, on the basis of race, color, religion, national origin, and sex. The Act includes Equal Employment Opportunity Plan requirements;

- the Civil Rights Act of 1964 (42 U.S.C. Section 2000d, which prohibits recipients of federal financial assistance from discriminating on the basis of race, color, or national origin in any program or activity);

- the Rehabilitation Act of 1973 (29 U.S.C. Section 794), which prohibits recipients of Federal financial assistance from discriminating on the basis of disability, in regard to employment and the delivery of services or benefits, in any program or activity;

- the Americans with Disabilities Act of 1990 (42 U.S.C. Sections 12131-34), which prohibits discrimination and ensures equal opportunity for persons with disabilities in employment, State and local government services, public accommodations, commercial facilities, and transportation;

- the Education Amendments of 1972 (20 U.S.C. Sections 1681, 1683, 1685-86), which prohibits discrimination on the basis of sex in federally assisted education programs;

- the Age Discrimination Act of 1975 (42 U.S.C. Sections 6106-07), which prohibits discrimination on the basis of age in programs or activities receiving Federal financial assistance. It does not include employment discrimination;

- 28 C.F.R. pt. 31 (U.S. Department of Justice Regulations – OJJDP Grant Programs); 28 C.F.R. pt. 42 (U.S. Department of Justice Regulations – Nondiscrimination; Equal Employment Opportunity; Policies and Procedures); Executive Order No. 13279 (equal protection of the laws for faith-based and community organizations); Executive Order No. 13559, which provide fundamental principles and policy-making criteria for partnerships with faith-based and neighborhood organizations;

- 28 C.F.R. pt. 38 (U.S. Department of Justice Regulations – Equal Treatment for Faith-Based Organizations); and Whistleblower protections 41 U.S.C. §4712 and The National Defense Authorization Act (NDAA) for Fiscal Year 2013 (Pub. L. 112-239, enacted January 2, 2013) the Pilot Program for Enhancement of Contract Employee Whistleblower Protections, which protects employees against reprisal for certain whistle blowing activities in connection with federal grants and contracts.

The certificate set out below is a material representation of fact upon which reliance is placed when the agency awards the grant. False certification or violation of the certification shall be grounds for suspension of payments, suspension or termination of grants, or government wide suspension or debarment.

In the event a Federal or State court or Federal or State administrative agency makes a finding of discrimination after a due process hearing on the grounds of race, color, religion, national origin, or sex against a recipient of funds, the recipient will forward a copy of the finding to the Office for Civil Rights, to the applicable contracting agency or division within the Department of Health and Human Services, and to the Department of Health and Human Services Office of the Ombudsman.

The Vendor identified in Section 1.3 of the General Provisions agrees by signature of the Contractor's representative as identified in Sections 1.11 and 1.12 of the General Provisions, to execute the following certification:

1. By signing and submitting this proposal (contract) the Vendor agrees to comply with the provisions indicated above.

Vendor Name:

7-28-20
Date

Name: Colm McHugh
Title: Interim President

CERTIFICATION REGARDING ENVIRONMENTAL TOBACCO SMOKE

Public Law 103-227, Part C - Environmental Tobacco Smoke, also known as the Pro-Children Act of 1994 (Act), requires that smoking not be permitted in any portion of any indoor facility owned or leased or contracted for by an entity and used routinely or regularly for the provision of health, day care, education, or library services to children under the age of 18, if the services are funded by Federal programs either directly or through State or local governments, by Federal grant, contract, loan, or loan guarantee. The law does not apply to children's services provided in private residences, facilities funded solely by Medicare or Medicaid funds, and portions of facilities used for inpatient drug or alcohol treatment. Failure to comply with the provisions of the law may result in the imposition of a civil monetary penalty of up to $1000 per day and/or the imposition of an administrative compliance order on the responsible entity.

The Vendor identified in Section 1.3 of the General Provisions agrees, by signature of the Contractor's representative as identified in Section 1.11 and 1.12 of the General Provisions, to execute the following certification:

1. By signing and submitting this contract, the Vendor agrees to make reasonable efforts to comply with all applicable provisions of Public Law 103-227, Part C, known as the Pro-Children Act of 1994.

Vendor Name:

7-28-20
Date

Name: Colm McHugh
Title: Interim President

HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY ACT (HIPAA) BUSINESS ASSOCIATE AGREEMENT

Exhibit I is not applicable to this Agreement.

Remainder of page intentionally left blank.

CERTIFICATION REGARDING THE FEDERAL FUNDING ACCOUNTABILITY AND TRANSPARENCY ACT (FFATA) COMPLIANCE

The Federal Funding Accountability and Transparency Act (FFATA) requires prime awardees of individual Federal grants equal to or greater than $25,000 and awarded on or after October 1, 2010, to report on data related to executive compensation and associated first-tier sub-grants of $25,000 or more. If the initial award is below $25,000 but subsequent grant modifications result in a total award equal to or over $25,000, the award is subject to the FFATA reporting requirements, as of the date of the award.
In accordance with 2 CFR Part 170 (Reporting Subaward and Executive Compensation Information), the Department of Health and Human Services (DHHS) must report the following information for any subaward or contract award subject to the FFATA reporting requirements:

1. Name of entity
2. Amount of award
3. Funding agency
4. NAICS code for contracts / CFDA program number for grants
5. Program source
6. Award title descriptive of the purpose of the funding action
7. Location of the entity
8. Principle place of performance
9. Unique identifier of the entity (DUNS#)
10. Total compensation and names of the top five executives if:
    - 10.1. More than 80% of annual gross revenues are from the Federal government, and those revenues are greater than $25M annually and
    - 10.2. Compensation information is not already available through reporting to the SEC.

Prime grant recipients must submit FFATA required data by the end of the month, plus 30 days, in which the award or award amendment is made.
The Contractor identified in Section 1.3 of the General Provisions agrees to comply with the provisions of The Federal Funding Accountability and Transparency Act, Public Law 109-282 and Public Law 110-252, and 2 CFR Part 170 (Reporting Subaward and Executive Compensation Information), and further agrees to have the Contractor's representative, as identified in Sections 1.11 and 1.12 of the General Provisions execute the following Certification:
The below named Contractor agrees to provide needed information as outlined above to the NH Department of Health and Human Services and to comply with all applicable provisions of the Federal Financial Accountability and Transparency Act.

Contractor Name:

7-28-20
Date

Name: Colin McHugh
Title: Interim President

FORM A

As the Contractor identified in Section 1.3 of the General Provisions, I certify that the responses to the below listed questions are true and accurate.

1. The DUNS number for your entity is: 080226915

2. In your business or organization's preceding completed fiscal year, did your business or organization receive (1) 80 percent or more of your annual gross revenue in U.S. federal contracts, subcontracts, loans, grants, sub-grants, and/or cooperative agreements; and (2) $25,000,000 or more in annual gross revenues from U.S. federal contracts, subcontracts, loans, grants, subgrants, and/or cooperative agreements?

   X NO _____ YES

   If the answer to #2 above is NO, stop here

   If the answer to #2 above is YES , please answer the following:

3. Does the public have access to information about the compensation of the executives in your business or organization through periodic reports filed under section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C.78m(a), 78o(d)) or section 6104 of the Internal Revenue Code of 1986?

   _____ NO _____ YES

   If the answer to #3 above is YES, stop here

   If the answer to #3 above is NO, please answer the following:

4. The names and compensation of the five most highly compensated officers in your business or organization are as follows:

   Name:_____ Amount:_____

   Name:_____ Amount:_____

   Name:_____ Amount:_____

   Name:_____ Amount:_____

   Name:_____ Amount:_____

I. Definitions

The following terms may be reflected and have the described meaning in this document:

1. "Breach" means the loss of control, compromise, unauthorized disclosure, unauthorized acquisition, unauthorized access, or any similar term referring to situations where persons other than authorized users and for an other than authorized purpose have access or potential access to personally identifiable information, whether physical or electronic. With regard to Protected Health Information, "Breach" shall have the same meaning as the term "Breach" in section 164.402 of Title 45, Code of Federal Regulations.

2. "Computer Security Incident" shall have the same meaning as "Computer Security Incident" in Section 2.1 of NIST Publication 800-61 Rev. 2, Computer Security Incident Handling Guide.

3. "Confidential Information" or "Confidential Data" means all information owned, managed, created, received from, or on behalf of, the Department of Health and Human Services (DHHS) that is protected by information security, privacy or confidentiality rules and state and federal laws. This information includes but is not limited to Derivative Data, Protected Health Information (PHI), Personally Identifiable Information (PII), Federal Tax Information (FTI), Social Security Administration, and Criminal Justice Information Services (CJIS) data.

4. "Derivative Data" means data or information based on or created from Confidential Data.

5. "End User" means any person or entity (e.g. contractor's employee, business associate, subcontractor, other downstream user, etc.) that receives DHHS data or derivative data in accordance with the terms of this Contract.

6. "HIPAA" means the Health Insurance Portability and Accountability Act of 1996 and the regulations promulgated thereunder.

7. "Incident" means an act that potentially violates an explicit or implied security policy, which includes successful attempts to gain unauthorized access to a system or its data, unwanted disruption or denial of service, the unauthorized use of a system for the processing or storage of data; and changes to system hardware, firmware, or software characteristics without the owner's knowledge, instruction, or consent. Incidents include the loss of data through theft or device misplacement, loss or misplacement of hardcopy documents, and misrouting of physical or electronic documents or mail.

8. "Open Wireless Network" means any network or segment of a network that is not designated by the State of New Hampshire's Department of Information

Technology or delegate as a protected network (designed, tested, and approved, by means of the State, to transmit) will be considered an open network and not adequately secure for the transmission of unencrypted or Confidential Data.

9. "Privacy Rule" shall mean the Standards for Privacy of Individually Identifiable Health Information at 45 C.F.R. Parts 160 and 164, promulgated under HIPAA by the United States Department of Health and Human Services.

10. "Security Rule" shall mean the Security Standards for the Protection of Electronic Protected Health Information at 45 C.F.R. Part 164, Subpart C, and amendments thereto.

11. "Virtual Private Network" (VPN) shall mean network technology that creates a secure private connection between the device and endpoint; hiding IP address and encrypting all data in motion.

II. RESPONSIBILITIES OF DHHS AND THE CONTRACTOR

A. Business Use and Disclosure of Confidential Information.

1. The Contractor must not use, disclose, maintain or transmit DHHS Confidential Information except as required or permitted as outlined under this Contract and to carry out its obligations hereunder or as required by law.
2. The Contractor must not disclose any DHHS Confidential Information in connection with this Agreement in response to a request for disclosure on the basis that it is required by law, in response to a subpoena, etc., without first notifying DHHS so that DHHS has an opportunity to consent or object to the disclosure unless a subpoena requires such disclosure.
3. The Contractor agrees that DHHS Confidential Data or derivative therefrom disclosed to an End User must only be used pursuant to the terms of this Contract.
4. The Contractor agrees to provide to the authorized representative of the State of New Hampshire minimal necessary physical and logical process procedures, systems documents, and logs, specifically related to DHHS Confidential data, where possible, for the purpose of validating HIPAA/HITRUST/NIST controls to confirm compliance with the terms of this Contract.

III. METHODS OF SECURE TRANSMISSION OF DATA

1. Application Encryption. If Contractor is transmitting DHHS data containing Confidential Data between applications, the Contractor attests the applications have been evaluated by an expert knowledgeable in cybersecurity and that said application's encryption capabilities ensure secure transmission via the internet. Contractor will encrypt DHHS confidential data, when practical, throughout the data lifecycle while within EHS's network when using, storing, transmitting, and sharing DHHS confidential data within the terms of

this agreement with any applicable End User.

2. Encrypted Email. Contractor may only employ email to transmit Confidential Data if email is protected using encryption protection and being sent to and being received by email addresses of persons authorized to receive such information.
3. Encrypted Website. If Contractor is employing the Web to transmit DHHS Confidential Data, the secure socket layers (SSL) must be used and the website must be secure (SSL encrypts data transmitted via a website).
4. File Hosting Services, also known as File Sharing Sites. Contractor may not use personal, unmanaged, and unprotected file hosting services, such as Dropbox or Google Cloud Storage, to transmit DHHS Confidential Data, without written exception from DHHS Information Security.
5. Ground Mail Service. Contractor may only transmit DHHS Confidential Data via *certified* ground mail within the continental U.S. and when sent to a named individual.
6. Open Wireless Networks. Contractor may not transmit DHHS Confidential Data via an open wireless network unless employing a secure method of transmission or remote access, which complies with the terms and conditions of Exhibit K, such as a virtual private network (VPN).
7. Contractor will employ data protections and secure data management policies, processes, and technologies when handling, storing and transmitting DHHS Confidential Data, including during remote user communication, secure file transfer protocol, using wireless devices, and other file transfer mechanisms. Transport layer security protocol (TLS), as a standalone solution, may not be used to transmit Confidential Data without written exception from DHHS Information Security.

IV. RETENTION AND DISPOSITION OF IDENTIFIABLE RECORDS

The Contractor will only retain DHHS Confidential Data and any derivative of DHHS Confidential Data for the duration of this Contract. After such time, the Contractor will have thirty (30) days to destroy DHHS Confidential Data and any derivative in whatever form it may exist, unless, otherwise required by law or permitted under this Contract. If it is infeasible to return or destroy the Confidential Data, protections pursuant to Exhibit K survive this contract. To this end, the parties must:

A. Retention

1. The Contractor agrees it will not store, transfer or process DHHS Confidential Data or State of New Hampshire intellectual property collected or accessed in connection with the services rendered under this Contract outside of the United States without written exception from DHHS Information Security. This physical location requirement shall also apply in the implementation of cloud computing, cloud service or cloud storage capabilities, and includes backup data and Disaster Recovery locations.

2. The Contractor agrees NH DHHS Confidential Data will not be stored on personal devices.
3. The Contractor agrees to ensure security monitoring capabilities are in place to detect potential security events that can impact State of NH systems and/or DHHS Confidential Information for contractor provided systems accessed or utilized for purposes of carrying out this contract.
4. The Contractor agrees to provide or require security awareness and education for/of its End Users in support of protecting DHHS Confidential Information.
5. The Contractor agrees to retain all electronic and hard copies of Confidential Data in a secure location and identified herein.
6. The Contractor agrees Federal Confidential Data, identified as such to the contractor, stored in a Cloud must be in a FedRAMP/HITECH compliant solution and comply with all applicable statutes and regulations regarding privacy and security. The Contractor agrees DHHS Confidential must follow the HIPAA Security Rule, Privacy Rule, and HIPAA Cloud Computing Guidance (https://www.hhs.gov/hipaa/for-professionals/special-topics/cloud-computing/index.html). All servers and devices must follow the hardening standards as outline in NIST 800-123 (https://nvlpubs.nist.gov/nistpubs/legacy/sp/nistspecialpublication800-123.pdf) . As well as current, updated, and maintained anti-malware utilities (e.g. anti-viral, anti-hacker, anti-spam, anti-spyware). The environment, as a whole, must have intrusion-detection services and intrusion protection services, as well as, firewall protection.
7. The Contractor agrees to work collaboratively with the State's Chief Information Security Officer (CISO) in the detection of any security vulnerability of the hosting infrastructure.

B. Disposition

1. If the Contractor maintains DHHS Confidential Information on its systems in connection with this agreement (or its sub-contractor systems), the Contractor will maintain a documented process for securely disposing of such data upon request or contract termination; and will obtain written certification for any State of New Hampshire data destroyed by the Contractor or any subcontractors as a part of ongoing, emergency, and or disaster recovery operations. When no longer in use, electronic media containing State of New Hampshire Confidential Data shall be rendered unrecoverable via a secure wipe program in accordance with industry-accepted standards for secure deletion and media sanitization, or otherwise physically destroying the media (for example, degaussing) as described in NIST Special Publication 800-88, Rev 1, Guidelines for Media Sanitization, National Institute of Standards and Technology, U. S. Department of Commerce. The Contractor will document and certify in writing at time of the data destruction, and will provide written certification to the Department upon request. The written certification

will include all details necessary to demonstrate DHHS Confidential Data has been properly destroyed and validated. Where applicable, regulatory and professional standards for retention requirements will be jointly evaluated by the State and Contractor prior to destruction. In the event where the Contractor has comingled data and the destruction is not feasible the State and Contractor will jointly evaluate regulatory and professional standards for retention requirements prior to destruction.

2. Unless otherwise specified or otherwise deemed impracticable by Contractor within thirty (30) days of the termination of this Contract, Contractor agrees to destroy all hard copies of State of NH Confidential Data using a secure method such as shredding. Contractor must notify DHHS Information Security immediately upon determining destruction of DHHS hard copy Confidential Data, in connection with this agreement, is impracticable within said timeframe. The Contractor and DHHS Information Security will agree upon an acceptable timeframe for hard copy destruction. If it is agreed it is infeasible to return or destroy the Confidential Data within the agreed upon time period or at all, protections are extended to such information, in accordance with this Agreement.
3. Unless otherwise specified or otherwise deemed impracticable by Contractor within thirty (30) days of the termination of this Contract, Contractor agrees to completely destroy all electronic State of NH Confidential Data, in connection with this agreement, by means of data erasure, also known as secure data wiping. Contractor must notify DHHS Information Security immediately upon determining destruction of DHHS electronic Confidential Data is impracticable within said timeframe. The Contractor and DHHS Information Security will agree upon an acceptable timeframe for hard copy destruction. If it is agreed it is infeasible to return or destroy the Confidential Data within the agreed upon time period or at all, protections are extended to such information, in accordance with this Agreement.

V. PROCEDURES FOR SECURITY

A. Contractor agrees to safeguard the DHHS Confidential Data received under this Contract, and any derivative data or files, as follows:

1. The Contractor will maintain security controls to protect DHHS Confidential Information collected, processed, managed, and/or stored in the delivery of contracted services. If the Contractor has access to Confidential Information/Data, the Contractor agrees to follow the terms of the most recently executed Information Exchange Agreement (s) between DHHS and the federal agency regulating said data.

2. The Contractor will maintain policies and procedures to protect DHHS Confidential Information throughout the information lifecycle, where applicable, (from creation, transformation, use, storage and secure destruction) regardless of the media used to store the data (i.e. tape, disk, paper, etc.).

3. The Contractor will maintain authentication and access controls to contractor systems that collect, transmit, or store DHHS Confidential Information where applicable.

4. If the Contractor will be sub-contracting any core functions of the engagement supporting the services for State of New Hampshire, the Contractor will ensure End User(s) will maintain an internal process or processes that defines specific security expectations, and monitoring compliance to security requirements that at a minimum match those for the Contractor, including breach notification requirements.

5. The Contractor will collaborate with DHHS to review, sign and comply with all applicable State of New Hampshire and Department system access and authorization policies and procedures, systems access forms, and computer use agreements as part of obtaining and maintaining access to any Department system(s). Agreements will be completed and signed by the Contractor and any applicable sub-contractors prior to system access being authorized.

6. If the Department determines the Contractor is a Business Associate pursuant to 45 CFR 160.103, the Contractor will execute a HIPAA Business Associate Agreement (BAA) with the Department and is responsible for maintaining compliance with the agreement.

7. Data Security Breach Liability. In the event of any incident, computer security incident, or breach, Contractor shall make efforts to investigate the causes of the breach, promptly take measures to prevent future incident, computer security incident or breach and minimize any damage or loss resulting from the incident, security incident, or breach. Should an incident, computer security incident, or breach be determined to have been caused by the Contractor and/or End User's negligent or willful failure to safeguard State of New Hampshire networks, systems or DHHS Confidential Data, then the State shall recover from the Contractor and/or End User all costs of response and recovery from the Incident, Computer Security Incident, or Breach.

8. Contractor must comply with all applicable state and federal regulations regulating to the privacy and security of DHHS Confidential Information, and safeguard DHHS Confidential Information at level consistent with the requirements applicable to state and federal agencies. Contractor agrees to establish and maintain administrative, technical, and physical safeguards to protect the confidentiality of DHHS Confidential Data and to prevent unauthorized use or access to it. The safeguards, in connection with DHHS data under this agreement, must provide a level and scope of security that is not less than the level and scope of security requirements established by the State of New Hampshire, Department of Information Technology consistent with the scope of the contract Other than HIPAA/HIRTUST standards and regulations, NH DHHS will advise contractor and list standards that apply to the data defined in the subsequent data sharing language and/or document(s)

9. Contractor agrees to maintain a documented breach notification and incident response process.

10. Contractor agrees to use the minimum necessary Confidential Data in performance of this Contract.

11. The Contractor will not store, knowingly or unknowingly, any State of New Hampshire or Department data offshore or outside the boundaries of the United States unless prior express written consent is obtained from the Information Security Office leadership member within the Department.

12. The Contractor is responsible for ensuring that laptops and other electronic devices/media containing Confidential Information/Data are encrypted and password-protected.

13. The Contractor is responsible for End User oversight and compliance with the terms and conditions of the contract and this Security Requirements Exhibit.

14. The Contractor will collaborate with the DHHS to demonstrate compliance with the privacy and security requirements provided in herein, HIPAA, and other applicable laws and Federal regulations until such time as the Confidential Information/Data is disposed of in accordance with this Contract.

VII LOSS REPORTING

The Contractor must notify the DHHS Security Office, and the Program Contact via the email address provided in Section VIII of this Exhibit, immediately upon the Contractor determining that a breach or security incident has occurred and that DHHS confidential Information/data may have been exposed or compromised.

The Contractor must comply with all applicable state and federal regulations regulating to the privacy and security of State of NH and DHHS Confidential information, and safeguard DHHS Confidential Information at level consistent with the requirements applicable to state and federal agencies. In addition to, and notwithstanding, Contractor's compliance with all applicable obligations and procedures, Contractor's procedures must also address how the Contractor will:

1. Identify Incidents;
2. Determine if personally identifiable information is involved in Incidents;
3. Report suspected or confirmed Incidents as required in this Exhibit or P-37;
4. Identify and convene a core response group to determine the risk level of Incidents and determine risk-based responses to Incidents;
5. Determine whether Breach notification is required, and, if so, identify appropriate Breach notification methods, timing, source, and contents from among different options, and
6. Address and report Incidents, Computer Security Incidents, and/or Breaches that implicate Personal Information in accordance with NH RSA 359-C:20.

VIII PERSONS TO CONTACT

1. DHHS contact for Information Security, Privacy and Data Management Issues::
   DHHSInformationSecurityOffice@dhhs.nh.gov

2. DHHS contact program and policy:
   DHHS-Contracts@dhhs.nh.gov
   (In subject line insert RFP/Contract Name and Number)

State of New Hampshire
Department of State

CERTIFICATE

I, William M. Gardner, Secretary of State of the State of New Hampshire, do hereby certify that SOUTHERN NEW HAMPSHIRE HEALTH SYSTEM, INC. is a New Hampshire Nonprofit Corporation registered to transact business in New Hampshire on April 08, 1998. I further certify that all fees and documents required by the Secretary of State's office have been received and is in good standing as far as this office is concerned.

Business ID: **291619**

Certificate Number: **0004967822**

IN TESTIMONY WHEREOF,

I hereto set my hand and cause to be affixed the Seal of the State of New Hampshire, this 29th day of July A.D. 2020.

William M. Gardner

Secretary of State

CERTIFICATE OF AUTHORITY

I, Timothy Whitaker, hereby certify that:

1. I am a duly elected Officer of Southern New Hampshire Health System, Inc.

2. The following is a true copy of a vote taken at a meeting of the Board of Trustees, duly called and held on July 27, 2020, at which a quorum of the Trustees were present and voting.

   VOTED: That Colin McHugh, Interim President and Paul Trainor, Chief Financial Officer are duly authorized on behalf of Southern New Hampshire Health System, Inc to enter into contracts or agreements with the State of New Hampshire and any of its agencies or departments and further is authorized to execute any and all documents, agreements and other instruments, and any amendments, revisions, or modifications thereto, which may in his/her judgment be desirable or necessary to effect the purpose of this vote.

3. I hereby certify that said vote has not been amended or repealed and remains in full force and effect as of the date of the contract/contract amendment to which this certificate is attached. This authority **remains valid for thirty (30)** days from the date of this Certificate of Authority. I further certify that it is understood that the State of New Hampshire will rely on this certificate as evidence that the person(s) listed above currently occupy the position(s) indicated and that they have full authority to bind the corporation. To the extent that there are any limits on the authority of any listed individual to bind the corporation in contracts with the State of New Hampshire, all such limitations are expressly stated herein.

Dated: 7/28/2020

Signature of Elected Officer
Name: Timothy Whitaker
Title: Chair, Board of Trustees

ACORD®

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY): 07/29/2020

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER
Willis Towers Watson Northeast, Inc.
c/o 26 Century Blvd
P.O. Box 305191
Nashville, TN 372305191 USA

CONTACT NAME: Willis Towers Watson Certificate Center
PHONE (A/C, No, Ext): 1-877-945-7378 FAX (A/C, No): 1-888-467-2378
E-MAIL ADDRESS: certificates@willis.com

INSURER(S) AFFORDING COVERAGE	NAIC #
INSURER A: ProMutual Group	B9486
INSURER B: Sentry Insurance a Mutual Company	24988
INSURER C:	
INSURER D:	
INSURER E:	
INSURER F:	

INSURED
Southern New Hampshire Health System, Inc.
Attn: Kathryn E. Skouteris, Esq.
8 Prospect Street
P.O. Box 2014
Nashua, NH 03060

COVERAGES **CERTIFICATE NUMBER:** W17369088 **REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
A	X COMMERCIAL GENERAL LIABILITY CLAIMS-MADE X OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: X POLICY PRO-JECT LOC OTHER:			002NH000015848	07/01/2020	07/01/2021	EACH OCCURRENCE DAMAGE TO RENTED PREMISES (Ea occurrence) MED EXP (Any one person) PERSONAL & ADV INJURY GENERAL AGGREGATE PRODUCTS - COMP/OP AGG	$ 1,000,000 $ 50,000 $ 5,000 $ 1,000,000 $ 3,000,000 $ 3,000,000
B	AUTOMOBILE LIABILITY X ANY AUTO OWNED AUTOS ONLY HIRED AUTOS ONLY SCHEDULED AUTOS NON-OWNED AUTOS ONLY			90-15563-02	01/01/2020	01/01/2021	COMBINED SINGLE LIMIT (Ea accident) BODILY INJURY (Per person) BODILY INJURY (Per accident) PROPERTY DAMAGE (Per accident)	$ 1,000,000 $ $ $
A	UMBRELLA LIAB OCCUR X EXCESS LIAB X CLAIMS-MADE DED X RETENTION $ 0			002NH000015848	07/01/2020	07/01/2021	EACH OCCURRENCE AGGREGATE	$ 10,000,000 $ 10,000,000
B	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY Y/N ANYPROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	N/A		90-15563-01	01/01/2020	01/01/2021	X PER STATUTE OTH-ER E.L. EACH ACCIDENT E.L. DISEASE - EA EMPLOYEE E.L. DISEASE - POLICY LIMIT	$ 1,000,000 $ 1,000,000 $ 1,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

CERTIFICATE HOLDER

State of NH
NH DHHS
129 Pleasant Street
Concord, NH 03301

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

Julia M Powers

Mission:

Southern New Hampshire Health is dedicated to providing exceptional care that improves the health and well-being of individuals and the communities we serve.

Vision:

Southern New Hampshire Health, a member of SolutionHealth, is a premier integrated health care delivery system focused on value innovation and providing superior patient experience through highly engaged dedicated care teams leveraging the latest technology.

BAKER NEWMAN NOYES

Southern New Hampshire Health System, Inc.

Consolidated Financial Statements and Other Financial Information

Nine Month Period Ended June 30, 2019
and Year Ended September 30, 2018
With Independent Auditors' Report

Baker Newman & Noyes LLC
MAINE | MASSACHUSETTS | NEW HAMPSHIRE
800.244.7444 | www.bnncpa.com

SOUTHERN NEW HAMPSHIRE HEALTH SYSTEM, INC.

CONSOLIDATED FINANCIAL STATEMENTS
AND OTHER FINANCIAL INFORMATION

Nine Month Period Ended June 30, 2019
and Year Ended September 30, 2018

TABLE OF CONTENTS

BAKER NEWMAN NOYES

Baker Newman & Noyes LLC
MAINE | MASSACHUSETTS | NEW HAMPSHIRE
800.244.7444 | www.bnncpa.com

INDEPENDENT AUDITORS' REPORT

Board of Trustees
Southern New Hampshire Health System, Inc.

We have audited the accompanying consolidated financial statements of Southern New Hampshire Health System, Inc. (the System), which comprise the consolidated balance sheets as of June 30, 2019 and September 30, 2018, and the related consolidated statements of operations and changes in net assets, and cash flows for the nine month period ended June 30, 2019 and year ended September 30, 2018, and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements

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

Auditors' Responsibility

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

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

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

Board of Trustees
Southern New Hampshire Health System, Inc..

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the System as of June 30, 2019 and September 30, 2018, and the results of its operations and changes in its net assets, and its cash flows for the nine month period ended June 30, 2019 and year ended September 30, 2018 in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 2 to the consolidated financial statements, in 2019, the System adopted the provisions of Accounting Standards Update (ASU) No. 2016-14, *Not-for-Profit Entities (Topic 958) – Presentation of Financial Statements of Not-for-Profit Entities*. Our opinion is not modified with respect to this matter.

Baker Newman & Noyes LLC

Manchester, New Hampshire
September 6, 2019

SOUTHERN NEW HAMPSHIRE HEALTH SYSTEM, INC.

CONSOLIDATED BALANCE SHEETS

June 30, 2019 and September 30, 2018

ASSETS

	June 30, 2019	September 30, 2018
Current assets:		
Cash and cash equivalents	$ 32,002,213	$ 39,242,039
Accounts receivable, less allowances for doubtful accounts of $13,204,880 in 2019 and $11,670,284 in 2018 (notes 2 and 4)	37,568,047	36,334,705
Inventories	4,725,407	4,475,956
Prepaid expenses and other current assets	3,885,810	8,285,556
Funds held by trustee for current payment of bond principal and interest (notes 5, 8 and 13)	2,193,014	3,277,264
Total current assets	80,374,491	91,615,520
Investments (notes 5 and 13)	107,419,194	95,287,661
Assets whose use is limited (notes 5 and 13):		
Employee benefit plans and other (note 2)	32,934,869	31,383,403
Board designated and donor-restricted	103,449,322	101,098,156
	136,384,191	132,481,559
Property, plant and equipment, net (notes 7, 8 and 11)	127,093,513	126,672,190
Other assets (note 2)	10,803,946	11,896,523
Total assets	$462,075,335	$457,953,453

LIABILITIES AND NET ASSETS

	June 30, 2019	September 30, 2018
Current liabilities:		
Accounts payable and other accrued expenses	$ 21,262,554	$ 24,268,863
Accrued compensation and related taxes	28,088,110	29,348,758
Accrued interest payable	593,310	1,217,091
Amounts payable to third-party payors (note 3)	16,377,450	14,759,243
Current portion of long-term debt	3,599,502	3,585,083
Total current liabilities	69,920,926	73,179,038
Other liabilities (notes 2 and 9)	53,350,863	45,613,906
Long-term debt, less current portion and net of unamortized financing costs (note 8)	63,373,251	66,780,672
Net assets:		
Without donor restrictions	272,838,540	269,847,011
With donor restrictions (note 6)	2,591,755	2,532,826
	275,430,295	272,379,837
Total liabilities and net assets	$462,075,335	$457,953,453

See accompanying notes.

SOUTHERN NEW HAMPSHIRE HEALTH SYSTEM, INC.

CONSOLIDATED STATEMENTS OF OPERATIONS AND CHANGES IN NET ASSETS

Nine Month Period Ended June 30, 2019 and Year Ended September 30, 2018

	Nine Month Period Ended June 30, 2019	Year Ended September 30, 2018
Revenue:		
Net patient service revenue (net of contractual allowances and discounts) (note 3)	$277,159,887	$348,873,308
Provision for bad debts	(12,392,930)	(16,425,825)
Net patient service revenue less provision for bad debts	264,766,957	332,447,483
Disproportionate share hospital revenue (note 14)	7,014,331	9,139,274
Interest and dividends (note 5)	2,602,093	2,530,082
Other revenue (note 3)	9,135,321	11,502,866
Total revenue	283,518,702	355,619,705
Operating expenses (note 10):		
Salaries and wages	158,266,225	197,990,824
Employee benefits (notes 2 and 9)	23,375,385	28,806,820
Supplies and other expenses (note 11)	71,484,311	86,857,007
Depreciation	10,624,142	13,727,756
New Hampshire Medicaid enhancement tax (note 14)	9,545,778	12,322,604
Interest (note 8)	1,611,401	2,216,246
Total operating expenses	274,907,242	341,921,257
Income from operations	8,611,460	13,698,448
Nonoperating gains (losses):		
Investment return (note 5)	4,239,894	10,858,987
Loss on bond refunding (note 8)	–	(125,134)
Contributions, nonoperating revenues and other (losses)	(525,090)	(376,848)
Total nonoperating gains, net	3,714,804	10,357,005
Excess of revenues and nonoperating gains over expenses	12,326,264	24,055,453
Transfer to SolutionHealth, Inc.	(706,222)	–
Pension adjustment (note 9)	(8,628,513)	4,241,004
Net assets released from restriction for capital purchases	–	80,000
Increase in net assets without donor restrictions	2,991,529	28,376,457
Contributions of net assets with donor restrictions	172,486	234,554
Net assets released from restriction for capital purchases	–	(80,000)
Net assets released from restriction for operations	(113,557)	(216,504)
Increase (decrease) in net assets with donor restrictions	58,929	(61,950)
Increase in net assets	3,050,458	28,314,507
Net assets at beginning of period	272,379,837	244,065,330
Net assets at end of period	$275,430,295	$272,379,837

See accompanying notes.

SOUTHERN NEW HAMPSHIRE HEALTH SYSTEM, INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS

Nine Month Period Ended June 30, 2019 and Year Ended September 30, 2018

	Nine Month Period Ended June 30, 2019	Year Ended September 30, 2018
Operating activities and net gains and losses:		
Increase in net assets	$ 3,050,458	$ 28,314,507
Adjustments to reconcile increase in net assets to net cash provided by operating activities and net gains:		
Net gains on investments	(1,528,070)	(8,701,505)
Depreciation	10,624,142	13,727,756
Restricted gifts and bequests	(172,486)	(234,554)
Pension adjustment	8,628,513	(4,241,004)
Loss on bond refunding	–	125,134
Bond premium and issuance cost amortization	(240,984)	(329,339)
Changes in cash from certain working capital and other items:		
Accounts receivable, net	(1,233,342)	(1,808,931)
Inventories, prepaid expense and other assets	5,242,872	(3,097,037)
Accounts payable, other accrued expenses and other liabilities	(6,073,112)	6,484,799
Accrued compensation and related taxes	(1,260,648)	1,008,621
Amounts payable to third-party payors	1,618,207	479,416
Net cash provided by operating activities and net gains	18,655,550	31,727,863
Investing activities:		
Purchases of property, plant and equipment, net	(11,045,465)	(14,974,999)
Decrease in funds held by trustee under equipment financing and revenue bond agreements	1,084,250	19,458,288
Net purchase of investments	(12,954,629)	(15,696,412)
Net cash used by investing activities	(22,915,844)	(11,213,123)
Financing activities:		
Payment of long-term debt	(3,152,018)	(22,101,074)
Restricted gifts and bequests	172,486	234,554
Net cash used by financing activities	(2,979,532)	(21,866,520)
Decrease in cash and cash equivalents	(7,239,826)	(1,351,780)
Cash and cash equivalents at beginning of period	39,242,039	40,593,819
Cash and cash equivalents at end of period	$ 32,002,213	$ 39,242,039

See accompanying notes.

1. Organization

Southern New Hampshire Health System, Inc. is a not-for-profit entity organized under New Hampshire law to support Southern New Hampshire Medical Center (the Medical Center) and Foundation Medical Partners, Inc. (the Foundation), collectively referred to as "the System". Both the Medical Center and the Foundation are not-for-profit entities, established to provide medical services to the people of the greater Nashua area.

In the year ended September 30, 2018, the board of the System, accompanied by the board of Elliot Health System, approved an affiliation agreement between the organizations. The sole corporate member of the System became SolutionHealth, Inc.

On January 8, 2019, the System elected to change its fiscal year end from September 30 to June 30. There were nine months in the fiscal period ended June 30, 2019 and twelve months in the fiscal year ended September 30, 2018.

2. Significant Accounting Policies

Principles of Consolidation

These consolidated financial statements include the accounts of the System, which has no separate assets, liabilities, or operations other than its interests in the Medical Center and Foundation which fully eliminate in consolidation. All other significant intercompany accounts and transactions have been eliminated in consolidation.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities, at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Estimates are used when accounting for the allowance for doubtful accounts, impairment and depreciable lives of long-lived assets, insurance costs, employee benefit plans, contractual allowances, third-party payor settlements and contingencies. It is reasonably possible that actual results could differ from those estimates.

Net Assets With Donor Restrictions

Gifts are reported as restricted support if they are received with donor stipulations that limit the use of donated assets. When a donor restriction expires (when a stipulated time restriction ends or purpose restriction is accomplished), restricted net assets are reclassified as net assets without donor restriction and reported in the statement of operations as either net assets released from restrictions (for noncapital related items) or as net assets released from restrictions used for capital purchases (capital related items). Some restricted net assets have been restricted by donors to be maintained by the System in perpetuity.

Except for contributions related to capital purchases, donor-restricted contributions whose restrictions are met within the same year as received are reported as unrestricted contributions in the accompanying consolidated financial statements.

2. Significant Accounting Policies (Continued)

Performance Indicator

For purposes of display, transactions deemed by management to be ongoing, major or central to the provision of health care services are reported as operating revenue and expenses. Peripheral transactions are reported as nonoperating gains or losses.

The consolidated statements of operations and changes in net assets includes excess of revenues and nonoperating gains over expenses. Changes in net assets without donor restrictions which are excluded from excess of revenues and nonoperating gains over expenses, consistent with industry practice, include pension adjustments, net assets released from restrictions for capital purchases, and transfers to affiliates.

Income Taxes

The System, Medical Center and Foundation are not-for-profit corporations as described in Section 501(c)(3) of the Internal Revenue Code, and are exempt from federal income taxes on related income pursuant to Section 501(a) of the Code. Management evaluated the System's tax positions and concluded the System has maintained its tax-exempt status, does not have any significant unrelated business income and has taken no uncertain tax positions that require adjustment to the consolidated financial statements.

Net Patient Service Revenue

The System has agreements with third-party payors that provide for payments to the System at amounts different from its established rates. Payment arrangements include prospectively determined rates per discharge, reimbursed costs, discounted charges and per diem payments. Net patient service revenue is reported at the estimated net realizable amounts from patients, third-party payors, and others for services rendered, including estimated retroactive adjustments under reimbursement agreements with third-party payors. Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods as final settlements are determined. Changes in those estimates are reflected in the financial statements in the year in which they occur (see note 3).

The System recognizes patient service revenue associated with services provided to patients who have third-party payor coverage on the basis of contractual rates for the services rendered. For uninsured patients, the System provides a discount equal to that of its largest private insurance payors and Medicare. On the basis of historical experience, a significant portion of the System's uninsured patients will be unable or unwilling to pay for the services provided. Thus, the System records a significant provision for bad debts related to uninsured patients in the period the services are provided.

Charity Care

The System has a formal charity care policy under which patient care is provided without charge or at amounts less than its established rates to patients who meet certain criteria. The System does not pursue collection of amounts determined to qualify as charity care and, therefore, they are not reported as revenue. The System determines the costs associated with providing charity care by calculating a ratio of cost to gross charges, and then multiplying that ratio by the gross uncompensated charges associated with providing care to patients eligible for free care.

2. **Significant Accounting Policies (Continued)**

Cash and Cash Equivalents

Cash and cash equivalents include short-term investments and secured repurchase agreements which have an original maturity of three months or less when purchased.

The System maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits. The System has not experienced any losses on such accounts.

Accounts Receivable and the Allowance for Doubtful Accounts

Accounts receivable are reduced by an allowance for doubtful accounts. In evaluating the collectibility of accounts receivable, the System analyzes its past history and identifies trends for each of its major payor sources of revenue to estimate the appropriate allowance for doubtful accounts and provision for bad debts. Management regularly reviews data about these major payor sources of revenue in evaluating the sufficiency of the allowance for doubtful accounts. For receivables associated with services provided to patients who have third-party coverage, the System analyzes contractually due amounts and provides an allowance for doubtful accounts and a provision for bad debts, if necessary (for example, for expected uncollectible deductibles and copayments on accounts for which the third-party payor has not yet paid, or for payors who are known to be having financial difficulties that make the realization of amounts due unlikely). For receivables associated with self-pay patients (which includes both patients without insurance and patients with deductible and copayment balances due for which third-party coverage exists for part of the bill), the System records a significant provision for bad debts in the period of service on the basis of its past experience, which indicates that many patients are unable or unwilling to pay the portion of their bill for which they are financially responsible. The difference between the standard rates (or the discounted rates if negotiated) and the amounts actually collected after all reasonable collection efforts have been exhausted is charged off against the allowance for doubtful accounts.

The System's allowance for doubtful accounts was approximately 13% and 12% of gross accounts receivable as of June 30, 2019 and September 30, 2018, respectively. The System's self-pay bad debt writeoffs were $11.1 million for the nine month period ended June 30, 2019 and $15.4 million for the year ended September 30, 2018. The System experienced consistent collection trends during 2019 and 2018.

Inventories

Inventories of supplies and pharmaceuticals are carried at the lower of cost (determined by a weighted average method) or net realizable value.

Funds Held by Trustee Under Financing and Revenue Bond Agreements

Funds held by trustee under financing and revenue bond agreements are recorded at fair value and are comprised of short-term investments and United States government obligations.

2. Significant Accounting Policies (Continued)

Investments and Investment Income

Investments are measured at fair value in the balance sheet. Interest and dividend income on unlimited use investments and operating cash is reported within operating revenues. Investment income or loss on assets whose use is limited (including gains and losses on investments, and interest and dividends) is included in the excess of revenues and nonoperating gains over expenses as the System has elected to reflect changes in the fair value of investments and assets whose use is limited, including both increases and decreases in value in nonoperating gains or losses unless the income or loss is restricted by donor or law, in which case it is reported as an increase or decrease in net assets with donor restrictions.

Endowment, Investment and Spending Policies

In accordance with the *Uniform Prudent Management of Institutional Funds Act* (UPMIFA), the System considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (a) the duration and preservation of the fund; (b) the purpose of the organization and the donor-restricted endowment fund; (c) general economic conditions; (d) the possible effect of inflation and deflation; (e) the expected total return from income and the appreciation of investments; (f) other resources of the organization; and (g) the investment policies of the organization.

The goal of the board designated funds is to support the System's future capital expenditures and other major program needs, and to generally increase the financial strength of the corporation. In addition to occasional capital expenditures, board designated funds are invested in a prudent manner with regard to preserving principal while providing reasonable returns.

The goal of the endowment funds is to provide a source of financial support to the System's patient care activities. The System appropriates all earnings from the endowment funds to offset the costs of patient care activities according to the intent of the donor. The endowment funds are invested in a prudent manner with regard to preserving principal while providing reasonable returns.

To satisfy its long-term rate-of-return objectives, the System relies on a total return strategy in which investment returns are achieved through both capital appreciation and current yield. The System targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term objective within prudent risk constraints.

Property and Equipment

The investments in plant assets are stated at cost less accumulated depreciation. The System's policy is to capitalize expenditures for major improvements and charge maintenance and repairs currently for expenditures which do not extend the lives of the related assets. The provision for depreciation has been computed using the straight-line method at rates intended to amortize the cost of related assets over their estimated useful lives, which have generally been determined by reference to the recommendations of the American Hospital Association.

2. **Significant Accounting Policies (Continued)**

Unamortized Financing Costs

Expenses incurred in obtaining long-term financing are being amortized to interest expense using the straight-line method, which approximates the effective interest method, over the repayment period of the related debt obligation. Unamortized financing costs are presented as a reduction of long-term debt on the accompanying consolidated balance sheets.

Retirement and Deferred Compensation Plans

The Medical Center has a noncontributory defined benefit pension plan that prior to October 8, 2011 covered all qualified employees. The benefits were based on years of service and the employee's average monthly earnings during the period of employment. The Medical Center's policy is to contribute to the plan an amount which meets the funding standards required under the *Employee Retirement Income Security Act of 1974* (ERISA).

The System also sponsors retirement savings plans (a 401(a) plan and a 403(b) plan) available to employees depending upon certain service requirements. Eligible employees can contribute up to 100% of their total salary to the plans, subject to Internal Revenue Service limitations. The System provides a tiered matching contribution up to the first 6% of the employee contribution. In 2012, the System approved a discretionary employer core contribution with the level to be reviewed annually. Contributions to these plans made by the System and recorded as expense for the nine month period ended June 30, 2019 and year ended September 30, 2018 were $5,429,239 and $6,304,860, respectively.

The System sponsors deferred compensation plans for certain qualifying employees. The amounts ultimately due to the employees are to be paid upon the employees attaining certain criteria, including age. At June 30, 2019 and September 30, 2018, approximately $32,696,000 and $31,145,000, respectively, is reflected in both assets whose use is limited and in other long-term liabilities related to such agreements.

Employee Fringe Benefits

The System has an "earned time" plan. Under this plan, each employee "earns" paid leave for each period worked. These hours of paid leave may be used for vacations, holidays or illnesses. Hours earned but not used are vested with the employee and are paid to the employee upon termination. The System accrues a liability for such paid leave as it is earned.

Malpractice Loss Contingencies

The System has been and is insured against malpractice loss contingencies under claims-made insurance policies. A claims-made policy provides specific coverage for claims made during the policy period. The System has established a reserve to cover professional liability exposure that may not be covered by prior or current insurance policies. The possibility exists, as a normal risk of doing business, that malpractice claims in excess of insurance coverage may be asserted against the System.

2. **Significant Accounting Policies (Continued)**

At June 30, 2019 and September 30, 2018, the System recorded a liability of approximately $6,175,000 and $7,378,500, respectively, related to estimated professional liability losses. At June 30, 2019 and September 30, 2018, the System also recorded a receivable of $4,101,000 and $5,400,500, respectively, related to estimated recoveries under insurance coverage for recoveries of the potential losses. These amounts are included in other liabilities and other assets, respectively, on the consolidated balance sheets.

Fair Value of Financial Instruments

The fair value of financial instruments is determined by reference to various market data and other valuation techniques as appropriate. Financial instruments consist of cash and cash equivalents, investments, accounts receivable, assets whose use is limited or restricted, accounts payable, estimated third-party payor settlements and long-term debt.

The fair value of all financial instruments other than long-term debt approximates their relative book value as these financial instruments have short-term maturities or are recorded at fair value, Note 13. The fair value of the System's long-term debt is estimated using discounted cash flow analyses, based on the System's current incremental borrowing rates for similar types of borrowing arrangements, and is disclosed in Note 8 to the financial statements.

Advertising Expense

Advertising costs are expensed as incurred and totaled approximately $682,000 and $1,033,000 for the nine month period ended June 30, 2019 and year ended September 30, 2018, respectively.

Reclassifications

Certain 2018 amounts have been reclassified to permit comparison with the 2019 consolidated financial statements presentation format.

Subsequent Events

Events occurring after the consolidated balance sheet date are evaluated by management to determine whether such events should be recognized or disclosed in the consolidated financial statements. Management has evaluated subsequent events through September 6, 2019, which is the date the consolidated financial statements were available to be issued.

Recent Accounting Pronouncements

In August 2016, FASB issued ASU 2016-14, *Not-for-Profit Entities (Topic 958)* (ASU 2016-14) – *Presentation of Financial Statements of Not-for-Profit Entities*. The update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return. ASU 2016-14 is effective for the System for the nine month period ended June 30, 2019. The System has adjusted the presentation of these consolidated financial statements and related footnotes accordingly. The ASU has been applied retrospectively to all periods presented.

2. **Significant Accounting Policies (Continued)**

In May 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2014-09, *Revenue from Contracts with Customers* (ASU 2014-09), which requires revenue to be recognized when promised goods or services are transferred to customers in amounts that reflect the consideration to which the System expects to be entitled in exchange for those goods and services. ASU 2014-09 will replace most existing revenue recognition guidance in U.S. GAAP when it becomes effective. ASU 2014-09 is effective for the System on July 1, 2019. ASU 2014-09 permits the use of either the retrospective or cumulative effect transition method. The System is evaluating the impact that ASU 2014-09 will have on its consolidated financial statements and related disclosures.

In February 2016, the FASB issued ASU No. 2016-02, *Leases (Topic 842),* which requires that lease arrangements longer than twelve months result in an entity recognizing an asset and liability. The pronouncement is effective for the System beginning July 1, 2020 but likely to be deferred one year, with early adoption permitted. The guidance may be adopted retrospectively. Management is currently evaluating the impact this guidance will have on the System's consolidated financial statements.

In March 2017, the FASB issued ASU No. 2017-07, *Compensation — Retirement Benefits (Topic 715): Improving the Presentation of Net Periodic Pension Cost and Net Periodic Postretirement Benefit Cost* (ASU 2017-07). ASU 2017-07 will require that an employer report the service cost component of net periodic pension cost in the same line item as other compensation costs arising from services rendered by employees during the period. The other components of net periodic pension cost are required to be presented in the income statement separately from the service cost component and outside a subtotal of income from operations, if one is presented. ASU 2017-07 is effective for the System on July 1, 2019 with early adoption permitted. The System would have presented net periodic pension revenue, net of service cost of approximately $834,000 and $925,000 for the nine month period ended June 30, 2019 and year ended September 30, 2018, respectively, as a separate line item in the consolidated statement of operations, outside a subtotal of income from operations had ASU 2017-07 been adopted.

In June 2018, the FASB issued ASU No. 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made* (ASU 2018-08). Due to diversity in practice, ASU 2018-08 clarifies the definition of an exchange transaction as well as the criteria for evaluating whether contributions are unconditional or conditional. ASU 2018-08 is effective for the System on July 1, 2019, with early adoption permitted. The System is currently evaluating the impact that ASU 2018-08 will have on its consolidated financial statements.

In August 2018, the FASB issued ASU 2018-13, *Fair Value Measurement (Topic 820): Disclosure Framework – Changes to the Disclosure Requirements for Fair Value Measurement.* The amendments in this ASU modify the disclosure requirements for fair value measurements for Level 3 assets and liabilities, and eliminate the requirement to disclose transfers between Levels 1 and 2 of the fair value hierarchy, among other modifications. ASU 2018-13 is effective for the System on July 1, 2020, with early adoption permitted. The System is currently evaluating the impact that ASU 2018-13 will have on the consolidated financial statements.

3. Net Patient Service Revenues

An estimated breakdown of patient service revenue, net of contractual allowances, discounts and provision for bad debts recognized from these major payor sources, is as follows for the nine month period ended June 30, 2019 and year ended September 30, 2018:

	Gross Patient Service Revenues	Contractual Allowances and Discounts	Provision for Bad Debts	Net Patient Services Revenues Less Provision for Bad Debts
2019 (9 Months)				
Private payors (includes coinsurance and deductibles)	$286,288,667	$(105,459,187)	$ (7,088,681)	$173,740,799
Medicaid	74,062,253	(62,458,274)	(382,769)	11,221,210
Medicare	269,010,179	(188,892,834)	(1,595,516)	78,521,829
Self-pay	13,196,647	(8,587,564)	(3,325,964)	1,283,119
	$642,557,746	$(365,397,859)	$(12,392,930)	$264,766,957
2018 (12 Months)				
Private payors (includes coinsurance and deductibles)	$355,533,176	$(133,237,001)	$ (9,154,540)	$213,141,635
Medicaid	100,919,488	(79,902,181)	(662,399)	20,354,908
Medicare	323,150,060	(223,518,375)	(2,224,765)	97,406,920
Self-pay	17,469,416	(11,541,275)	(4,384,121)	1,544,020
	$797,072,140	$(448,198,832)	$(16,425,825)	$332,447,483

The System maintains contracts with the Social Security Administration (Medicare) and the State of New Hampshire Department of Health and Human Services (Medicaid). The System is paid a prospectively determined fixed price for each Medicare and Medicaid inpatient acute care service depending on the type of illness or the patient diagnostic related group classification. Medicare's payment methodology for outpatient services is based upon a prospective standard rate for procedures performed or services rendered. Capital costs and certain Medicaid outpatient services are also reimbursed on a prospectively determined fixed price. The System receives payment for other Medicare and Medicaid inpatient and outpatient services on a reasonable cost basis which are settled with retroactive adjustments upon completion and audit of related cost finding reports. The percentage of net patient service revenue earned from the Medicare and Medicaid programs prior to the provision for bad debts was 29% and 4%, respectively, for the nine month period ended June 30, 2019 and 29% and 6%, respectively, for the year ended September 30, 2018.

3. Net Patient Service Revenues (Continued)

Laws and regulations governing the Medicare and Medicaid programs are complex and subject to interpretation. The System believes that it is in compliance with all applicable laws and regulations and is not aware of any pending or threatened investigations involving allegations of potential wrongdoings. While no such regulatory inquiries have been made, compliance with such laws and regulations can be subject to future government review and interpretation as well as significant regulatory action including fines, penalties, and exclusion from the Medicare and Medicaid programs. There is at least a reasonable possibility that recorded amounts could change by a material amount in the near term. Differences between amounts previously estimated and amounts subsequently determined to be recoverable or payable are included in net patient service revenue in the year that such amounts become known. Such differences decreased net patient service revenue by approximately $184,000 for the nine month period ended June 30, 2019 and increased net patient service revenue by approximately $825,000 for the year ended September 30, 2018.

The System also maintains contracts with Anthem Health Plans of New Hampshire, managed care providers and various other payors which reimburse the System for services based on charges with varying discount levels.

The System does not pursue collection of amounts determined to qualify as charity care, therefore, they are not reported as revenues.

4. Concentration of Credit Risk

The System grants credit without collateral to its patients, most of whom are local area residents and are insured under third-party payor agreements. The mix of receivables from patients and third-party payors was as follows:

	June 30, 2019	September 30, 2018
Medicare	32%	33%
Medicaid	10	10
Private payors	42	43
Self-pay	16	14
	100%	100%

5. Investments and Assets Whose Use is Limited

Investments and assets whose use is limited, which are recorded at fair value are reported in the accompanying consolidated balance sheets as follows:

	June 30, 2019	September 30, 2018
Funds held by trustee – current	$ 2,193,014	$ 3,277,264
Investments	107,419,194	95,287,661
Employee benefit plans and other	32,934,869	31,383,403
Board designated and donor-restricted	103,449,322	101,098,156
	$245,996,399	$231,046,484

The composition of the fair value of investments and assets whose use is limited is set forth in the following table:

	June 30, 2019	September 30, 2018
Cash and cash equivalents	$ 2,508,930	$ 3,503,757
Fixed income securities	82,960,300	76,254,243
Marketable equity securities	124,859,354	117,290,679
Real estate investment trust	1,418,770	1,305,581
Other	1,314,176	1,308,821
Employee benefit plans	32,934,869	31,383,403
	$245,996,399	$231,046,484

See Note 13 for additional information with respect to fair values.

Investments, board designated and donor-restricted investments are comprised of the following:

	June 30, 2019	September 30, 2018
Investments	$107,419,194	$ 95,287,661
Board designated for capital, working capital and community service	100,857,567	98,565,330
Donor-restricted	2,591,755	2,532,826
	$210,868,516	$196,385,817

5. Investments and Assets Whose Use is Limited (Continued)

Unrestricted investment income and gains on investments are summarized as follows:

	Nine Months Ended June 30, 2019	Year Ended September 30, 2018
Operating interest and dividend income	$2,602,093	$ 2,530,082
Other interest and dividend income	2,711,824	2,157,482
Net gains on investments	1,528,070	8,701,505
Nonoperating investment return	4,239,894	10,858,987
Total investment return	$6,841,987	$13,389,069

All board designated and donor-restricted investment income and gains including unrealized gains are included as part of nonoperating gains, net in the accompanying consolidated statements of operations and changes in net assets.

6. Net Assets With Donor Restrictions

Net assets with donor restrictions are available for the following purposes at June 30, 2019 and September 30, 2018:

	June 30, 2019	September 30, 2018
Purpose restriction:		
Equipment and capital improvements	$ 55,000	$ –
Education and scholarships	130,978	112,598
Designated for certain communities	40,264	54,715
	226,242	167,313
Perpetual in nature:		
Investments, gains and income from which is donor restricted	2,365,513	2,365,513
Total net assets with donor restrictions	$2,591,755	$2,532,826

Net assets with donor restrictions are managed in accordance with donor intent and are invested in various portfolios.

7. Property and Equipment

A summary of property and equipment follows:

	June 30, 2019	September 30, 2018
Land and land improvements	$ 19,995,548	$ 19,629,160
Buildings and fixed equipment	185,034,852	182,850,298
Major movable equipment	113,207,305	107,157,195
Construction in progress	6,377,925	3,933,510
	324,615,630	313,570,163
Less accumulated depreciation	(197,522,117)	(186,897,973)
	$ 127,093,513	$ 126,672,190

8. Long-Term Debt

Long-term debt consists of the following:

	June 30, 2019	September 30, 2018
New Hampshire Health and Education Facilities Authority (the Authority):		
Series 2016 Revenue Bonds with interest ranging from 3.0% to 5.0% per year. Principal and sinking fund installments are required in amounts ranging from $2,040,000 to $4,270,000 through October 1, 2037	$57,305,000	$59,345,000
Tax-exempt equipment lease financing with a fixed interest rate of 1.29% with required monthly payments of $130,791 through June 7, 2023	6,115,671	7,227,689
Unamortized original issue premium	3,988,596	4,262,370
	67,409,267	70,835,059
Less unamortized financing costs	(436,514)	(469,304)
Less current portion	(3,599,502)	(3,585,083)
	$63,373,251	$66,780,672

The Obligated Group for the Series 2016 bonds is comprised of the System and the Medical Center. However, the System has no revenues, expenses or net assets independent of the Medical Center or the Foundation.

8. **Long-Term Debt (Continued)**

No debt service reserve funds are required under the Series 2016 bonds so long as the Medical Center meets certain debt covenants. The funds held by the trustee under the revenue bond and equipment financing agreements are comprised of the following:

	June 30, 2019	September 30, 2018
Debt service principal fund – Series 2016	$1,589,098	$2,053,081
Debt service interest fund – Series 2016	603,916	1,224,183
Total funds held by trustees	$2,193,014	$3,277,264

The Medical Center's revenue bond agreements with the Authority grant the Authority a security interest in the Medical Center's gross receipts. In addition, under the terms of the master indentures, the Medical Center is required to meet certain covenant requirements. At June 30, 2019, the Medical Center was in compliance with these requirements.

Aggregate annual principal payments required under the bonds and equipment financing agreement for each of the five years ending June 30, 2024 are approximately $3,599,000, $3,679,000, $3,759,000, $3,854,000 and $2,390,000, respectively.

In June 2016, the Medical Center entered into a seven year $10,500,000 tax-exempt equipment lease financing with the Authority and Bank of America. The proceeds of the financing are held by a trustee, under the terms of an escrow agreement which allow for withdrawals only for approved purchases of capital equipment. The agreement grants Bank of America security interest in the equipment financed with the proceeds for the duration of the lease.

Interest paid on long-term debt totaled $2,476,167 for the nine month period ended June 30, 2019 and $3,070,821 for the year ended September 30, 2018. There was no interest capitalized during the nine month period ended June 30, 2019 and year ended September 30, 2018.

The fair value of long-term debt is estimated to be approximately $69,025,000 at June 30, 2019 and $68,946,000 at September 30, 2018.

Subsequent to June 30, 2019, the System entered into a ten year $24,500,000 equipment lease financing with Bank of America to update an electronic medical record system and acquire various other medical equipment. The financing agreement is due in monthly principal and interest payments at an interest rate of 1.92%

9. Pension Plan

The following table presents a reconciliation of the beginning and ending balances of the Medical Center's defined benefit pension plan projected benefit obligation and the fair value of plan assets, and funded status of the plan.

	Nine Months Ended June 30, 2019	Year Ended September 30, 2018
Changes in benefit obligations:		
Projected benefit obligation, beginning of period	$(77,530,841)	$(80,168,143)
Interest cost	(2,512,797)	(3,201,688)
Benefits paid	1,957,958	2,457,685
Actuarial gain	(7,716,665)	3,381,305
Projected benefit obligations, end of period	$(85,802,345)	$(77,530,841)
Changes in plan assets:		
Fair value of plan assets, beginning of period	$ 71,839,114	$ 69,310,178
Actual return on plan assets	2,435,392	4,986,621
Benefits paid	(1,957,958)	(2,457,685)
Fair value of plan assets, end of period	$ 72,316,548	$ 71,839,114
Funded status of the plan	$(13,485,797)	$ (5,691,727)
Net accrued liability	$(13,485,797)	$ (5,691,727)

Amounts recognized as pension adjustments in net assets without donor restrictions consist of:

	June 30, 2019	September 30, 2018
Net actuarial loss	$35,341,214	$26,712,701

The accumulated benefit obligation as of the plan's measurement date of June 30, 2019 and September 30, 2018, was $85,802,345 and $77,530,841, respectively.

The weighted-average assumptions used to determine the pension benefit obligation are as follows:

	June 30, 2019	September 30, 2018
Discount rate	3.75%	4.35%

9. Pension Plan (Continued)

Pension Plan Asset Fair Value Measurements

The fair values of the System's pension plan assets as of June 30, 2019 and September 30, 2018, by asset category, are as follows (see note 13 for level definitions):

	Level 1	Level 2	Level 3	Total
June 30, 2019:				
Pooled separate accounts:				
Money market	$ –	$ 2,001,348	$ –	$ 2,001,348
International equity	–	4,663,271	–	4,663,271
Large cap equity	–	23,112,760	–	23,112,760
Mid cap equity	–	5,094,575	–	5,094,575
Small cap equity	–	3,624,599	–	3,624,599
Bond funds	–	33,819,995	–	33,819,995
	$ –	$72,316,548	$ –	$72,316,548
September 30, 2018:				
Pooled separate accounts:				
Money market	$ –	$ 1,419,670	$ –	$ 1,419,670
International equity	–	5,254,881	–	5,254,881
Large cap equity	–	23,633,494	–	23,633,494
Mid cap equity	–	5,242,565	–	5,242,565
Small cap equity	–	4,087,486	–	4,087,486
Bond funds	–	32,201,018	–	32,201,018
	$ –	$71,839,114	$ –	$71,839,114

Net periodic pension gain includes the following components:

	Nine Months Ended June 30, 2019	Year Ended September 30, 2018
Interest cost on projected benefit obligation	$ 2,512,797	$ 3,201,688
Expected return on plan assets	(3,853,020)	(4,935,897)
Recognized loss	505,780	808,975
Total gain	$ (834,443)	$ (925,234)

9. Pension Plan (Continued)

The weighted-average assumptions used to determine net periodic benefit cost are as follows:

	Nine Months Ended June 30, 2019	Year Ended September 30, 2018
Discount rate	4.35%	4.00%
Expected long-term rate of return on plan assets	7.25%	7.25%

Other changes in plan assets and benefit obligations recognized in adjustments to net assets without donor restrictions are as follows:

	Nine Months Ended June 30, 2019	Year Ended September 30, 2018
Net loss (gain)	$8,628,513	$(4,241,004)
Total recognized in net periodic pension benefit cost and adjustment to net assets without donor restrictions,	$8,628,513	$(4,241,004)

The estimated net loss for the defined benefit pension plan that will be amortized from net assets without donor restrictions into net periodic benefit cost over the next fiscal year is $931,141.

Plan Amendments

On August 15, 2011, the Board of Directors of the System resolved to freeze the defined benefit pension plan effective October 8, 2011. Any employee who was a participant of the plan on that date will continue as a participant. No other person will become a participant after that date. Benefits to participants also stopped accruing on October 8, 2011. This amendment impacted the present value of accumulated plan benefits by eliminating the increase due to annual benefit accruals. Also effective October 8, 2011, the System provides qualifying employees with an additional 2% contribution under its existing defined contribution plan to supplement their retirement benefits.

Plan Assets

The primary investment objective of the Medical Center's retirement plan is to provide pension benefits for its members and their beneficiaries by ensuring a sufficient pool of assets to meet the plan's current and future benefit obligations. These funds are managed as permanent funds with disciplined longer-term investment objectives and strategies designed to meet cash flow requirements of the plan. Funds are managed in accordance with ERISA and all other regulatory requirements.

Management of the assets is designed to maximize total return while preserving the capital values of the fund, protecting the fund from inflation, and providing liquidity as needed for plan benefits. The objective is to provide a rate of return that meets inflation, plus 5.5%, over a long-term horizon.

9. Pension Plan (Continued)

The Plan aims to diversify its holdings among sectors, industries and companies. No more than 10% of the plan's portfolio, excluding U.S. Government obligations and cash, may be held in an individual company's stock or bonds.

A periodic review is performed of the pension plan's investment in various asset classes. The current asset allocation target is 50% to 70% equities, 30% to 50% fixed income, and 0% to 5% cash and other.

The Medical Center's pension plan weighted-average asset allocation by asset category is as follows:

	June 30, 2019	September 30, 2018
Marketable equity securities	50%	53%
U.S. Government obligations and corporate bonds	50	47
	100%	100%

Contributions

The Medical Center does not have a minimum required contribution for 2020 and does not expect to voluntarily contribute to its pension plan in 2020.

Estimated Future Benefit Payments

The following benefit payments are expected to be paid as follows for the years ended June 30:

2020	$ 3,167,392
2021	3,390,541
2022	3,635,442
2023	3,868,094
2024	4,110,787
Years 2025 – 2029	23,324,753

10. Functional Expenses

The Medical Center and the Foundation provide general health care services to residents within their geographic location. Expenses related to providing these services are as follows for the nine month period ended June 30, 2019:

	Health Services	General and Administrative	Total
Salaries and wages	$135,266,038	$ 23,000,187	$158,266,225
Employee benefits	20,086,372	3,289,013	23,375,385
Supplies and other	57,513,764	13,970,547	71,484,311
Interest	1,370,042	241,359	1,611,401
Provider tax	9,545,778	–	9,545,778
Depreciation	7,899,050	2,725,092	10,624,142
	$231,681,044	$ 43,226,198	$274,907,242

The financial statements report certain expense categories that are attributable to more than one healthcare service or support function. Therefore, these expenses require an allocation on a reasonable basis that is consistently applied. Costs not directly attributable to a function, such as, depreciation and interest, are allocated to a function based on square footage. Supporting activities that are not directly identifiable with one or more healthcare programs are classified as general and administrative. If it is impossible or impractical to make a direct identification, allocation of the expenses were made according to management's estimates. Employee benefits were allocated in accordance with the ratio of salaries and wages of the functional classes. Specifically identifiable costs are assigned to the function which they are identified to.

11. Leases

The System leases equipment as well as office and storage space for operations under various noncancelable lease agreements. These leases are treated as operating leases and expire at various dates through 2029. Rental expense on all operating leases for the nine month period ended June 30, 2019 and year ended September 30, 2018 was $1,327,783 and $1,768,188, respectively.

Future minimum lease payments required under operating leases as of June 30, 2019 are as follows:

Year ending June 30:	
2020	$1,291,433
2021	1,112,701
2022	934,552
2023	892,792
2024	847,342
Thereafter	3,073,767
Total future minimum lease payments	$8,152,587

12. Community Benefits (Unaudited)

In accordance with its mission, the System provides substantial benefits to the southern New Hampshire region. The following community benefits were provided by the System for the nine month period ended June 30, 2019 and year ended September 30, 2018:

	Community Benefit Costs	Offsetting Revenues	Net Community Benefit Expense
2019 (9 Months)			
Charity care (see note 3)	$ 3,024,317	$ –	$ 3,024,317
Uncompensated care	3,051,980	–	3,051,980
Subsidized care	141,717,507	98,899,076	42,818,431
Cash and in-kind contributions	5,506,911	237,153	5,269,758
Total	$153,300,715	$ 99,136,229	$54,164,486
2018 (12 Months)			
Charity care (see note 3)	$ 3,867,066	$ –	$ 3,867,066
Uncompensated care	3,998,506	–	3,998,506
Subsidized care	177,915,896	127,730,197	50,185,699
Cash and in-kind contributions	5,990,006	148,578	5,841,428
Total	$191,771,474	$127,878,775	$63,892,699

Charity care: The System provides care to patients who meet certain criteria under its board established charity care policy without charge or at amounts less than its established rates. The System does not pursue collection of amounts determined to qualify as charity care, therefore, they are not reported as revenues. The estimated costs of caring for charity care patients for the nine month period ended June 30, 2019 and year ended September 30, 2018 were approximately $3.0 million and $3.9 million, respectively.

Uncompensated care: The System provides care to patients without insurance, regardless of their ability to pay. Though the System attempts to assist all patients enrolling in available public assistance programs or qualification under its charity care policy, many patients either fail to comply with administrative requirements, or do not qualify. In these instances, the System attempts to collect for these services. However, the overwhelming majority of these accounts are ultimately uncollectible.

Subsidized care: The System provides services to patients enrolled in public service programs, i.e., Medicare and Medicaid, at rates substantially below cost.

Cash and in-kind contributions: The System supports various community initiatives including healthcare outreach, research and education. Other cash and in-kind contributions can be found in the community benefits report posted on the System's website.

13. Fair Value Measurements

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In determining fair value, the System uses various methods including market, income and cost approaches. Based on these approaches, the System often utilizes certain assumptions that market participants would use in pricing the asset or liability, including assumptions about risk and/or the risks inherent in the inputs to the valuation technique. These inputs can be readily observable, market corroborated, or generally unobservable inputs. The System utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs. Based on the observability of the inputs used in the valuation techniques, the System is required to provide the following information according to the fair value hierarchy. The fair value hierarchy ranks the quality and reliability of the information used to determine fair values. Financial assets and liabilities carried at fair value will be classified and disclosed in one of the following three categories:

Level 1 – Valuations for assets and liabilities traded in active exchange markets, such as the New York Stock Exchange. Level 1 also includes U.S. Treasury and federal agency securities and federal agency mortgage-backed securities, which are traded by dealers or brokers in active markets. Valuations are obtained from readily available pricing sources for market transactions involving identical assets or liabilities.

Level 2 – Valuations for assets and liabilities traded in less active dealer or broker markets. Valuations are obtained from third party pricing services for identical or similar assets or liabilities.

Level 3 – Valuations for assets and liabilities that are derived from other valuation methodologies, including option pricing models, discounted cash flow models and similar techniques, and not based on market exchange, dealer or broker traded transactions. Level 3 valuations incorporate certain assumptions and projections in determining the fair value assigned to such assets or liabilities.

In determining the appropriate levels, the System performs a detailed analysis of the assets and liabilities. At each reporting period, all assets and liabilities for which the fair value measurement is based on significant unobservable inputs are classified as Level 3.

For the nine month period ended June 30, 2019 and year ended September 30, 2018, the application of valuation techniques applied to similar assets and liabilities has been consistent. The following is a description of the valuation methodologies used:

Marketable Equity Securities

Marketable equity securities are valued based on stated market prices and at the net asset value of shares held by the System at year end, which results in classification as Level 1 or Level 2 within the fair value hierarchy.

Fixed Income Securities

The fair value for debt instruments is determined by using broker or dealer quotations, external pricing providers, or alternative pricing sources with reasonable levels of price transparency. The System holds U.S. governmental and federal agency debt instruments, municipal bonds, corporate bonds, and foreign bonds which are classified as Level 1 or Level 2 within the fair value hierarchy.

13. Fair Value Measurements (Continued)

Employee Benefit Plans

Underlying plan investments within these funds are stated at quoted market prices. These investments are generally classified as Level 1 within the fair value hierarchy.

Fair Value on a Recurring Basis

The following presents the balances of assets (funds held by trustee, investments and assets whose use is limited) measured at fair value on a recurring basis at June 30, 2019 and September 30, 2018:

	Total	Level 1	Level 2	Level 3
June 30, 2019				
Cash and cash equivalents	$ 2,508,930	$ 2,508,930	$ –	$ –
Marketable equity securities:				
Large cap	96,364,728	64,395,808	31,968,920	–
Mid cap	7,733,694	–	7,733,694	–
Small cap	7,521,376	3,301,270	4,220,106	–
International	13,239,556	9,354,972	3,884,584	–
Fixed income securities:				
U.S. Government obligations	14,504,602	14,504,602	–	–
Corporate bonds	64,496,392	64,496,392	–	–
Foreign bonds	3,959,306	3,959,306	–	–
Other investments	2,732,946	1,762,559	970,387	–
Employee benefit plans	32,934,869	32,934,869	–	–
	$245,996,399	$197,218,708	$48,777,691	$ –
September 30, 2018				
Cash and cash equivalents	$ 3,503,757	$ 3,503,757	$ –	$ –
Marketable equity securities:				
Large cap	86,183,243	47,883,059	38,300,184	–
Mid cap	10,291,183	–	10,291,183	–
Small cap	7,905,146	3,383,320	4,521,826	–
International	12,911,107	9,051,901	3,859,206	–
Fixed income securities:				
U.S. Government obligations	17,732,529	13,011,616	4,720,913	–
Corporate bonds	54,923,228	54,923,228	–	–
Foreign bonds	3,598,486	3,598,486	–	–
Other investments	2,614,402	1,596,615	1,017,787	–
Employee benefit plans	31,383,403	31,383,403	–	–
	$231,046,484	$168,335,385	$62,711,099	$ –

Investments, in general, are exposed to various risks, such as interest rate, credit and overall market volatility. As such, it is reasonably possible that changes in the fair value of investments will occur in the near term and that such changes could materially affect the amounts reported in the consolidated balance sheets and statements of operations.

13. Fair Value Measurements (Continued)

Investment Strategies

Marketable Equity Securities

The primary purpose of equity investments is to provide appreciation of principal and growth of income with the recognition that this requires the assumption of greater market volatility and risk of loss. The total equity portion of the portfolio will be broadly diversified according to economic sector, industry, number of holdings and other characteristics including style and capitalization. The System may employ multiple equity investment managers, each of whom may have distinct investment styles. Accordingly, while each manager's portfolio may not be fully diversified, it is expected that the combined equity portfolio will be broadly diversified.

Fixed Income Securities (Debt Instruments)

The primary purpose of fixed income investments is to provide a highly predictable and dependable source of income, preserve capital, and reduce the volatility of the total portfolio and hedge against the risk of deflation or protracted economic contraction.

Fair Value of Other Financial Instruments

The following methods and assumptions were used by the System in estimating the "fair value" of other financial instruments in the accompanying consolidated financial statements and notes thereto:

Cash and cash equivalents: The carrying amounts reported in the accompanying consolidated balance sheets for these financial instruments approximate their fair values.

Accounts receivable and accounts payable: The carrying amounts reported in the accompanying consolidated balance sheets approximate their respective fair values due to the short maturities of these instruments.

Long-term debt: The fair value of the notes payable and long-term debt, as disclosed in Note 8, was calculated based upon discounted cash flows through maturity based on market rates currently available for borrowing with similar maturities.

14. Medicaid Enhancement Tax and Medicaid Disproportionate Share

Under the State of New Hampshire's (the State) tax code, the State imposes a Medicaid Enhancement Tax (MET) equal to 5.4% of the Medical Center's net patient service revenues in State fiscal years 2019 and 2018, with certain exclusions. The amount of the tax incurred by the Medical Center for the nine month period ended June 30, 2019 and year ended September 30, 2018 was $9,545,778 and $12,322,604, respectively.

14. Medicaid Enhancement Tax and Medicaid Disproportionate Share (Continued)

The State provides disproportionate share payments (DSH) to hospitals based on a set percentage of uncompensated care provided. The Medical Center received DSH interim funding of $10,284,949 and $10,245,347 during the nine month period ended June 30, 2019 and year ended September 30, 2018, respectively. Reserves on these receipts were established for $1,542,742 and $1,536,802 at June 30, 2019 and September 30, 2018, respectively, as these payments are subject to the State DSH annual audit and potential redistributions.

15. Financial Assets and Liquidity Resources

Financial assets and liquidity resources available within one year for general expenditure, such as operating expenses, scheduled principal payments on debt, and capital construction costs not financed with debt, consisted of the following as of June 30, 2019:

Cash and cash equivalents	$32,002,213
Accounts receivable	37,568,047
Funds held by trustee for current payment of bond principal and interest	2,193,014
	$71,763,274

To manage liquidity, the System maintains sufficient cash and cash equivalent balances to support daily operations throughout the year. Cash and cash equivalents include bank deposits, money market funds, and other similar vehicles that generate a return on cash and provide daily liquidity to the System. In addition, the System has board-designated and long-term investments without donor restrictions that can be utilized to help fund both operational needs and/or capital projects. As of June 30, 2019, the balance in board-designated and long-term investments were $100,857,567 and $107,419,194, respectively.

Baker Newman & Noyes LLC
MAINE | MASSACHUSETTS | NEW HAMPSHIRE
800.244.7444 | www.bnncpa.com

INDEPENDENT AUDITORS' REPORT ON OTHER FINANCIAL INFORMATION

Board of Trustees
Southern New Hampshire Health System, Inc.

We have audited the consolidated financial statements of Southern New Hampshire Health System, Inc. (the System) as of and for the nine month period ended June 30, 2019 and year ended September 30, 2018, and have issued our report thereon, which contains an unmodified opinion on those consolidated financial statements. See page 1. Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating information is presented for purposes of additional analysis rather than to present the financial position, results of operations and cash flows of the individual entities and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The consolidating information has been subjected to the auditing procedures applied in the audits of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Baker Newman & Noyes LLC

Manchester, New Hampshire
September 6, 2019

SOUTHERN NEW HAMPSHIRE HEALTH SYSTEM, INC.

CONSOLIDATING BALANCE SHEETS

June 30, 2019 and September 30, 2018

ASSETS

	June 30, 2019				September 30, 2018			
	Consolidated	Elimination Entries	Southern New Hampshire Medical Center	Foundation Medical Partners, Inc.	Consolidated	Elimination Entries	Southern New Hampshire Medical Center	Foundation Medical Partners, Inc.
Current assets:								
Cash and cash equivalents	$ 32,002,213	$ –	$ 32,599,728	$ (597,515)	$ 39,242,039	$ –	$ 39,935,647	$ (693,608)
Accounts receivable, less allowances for doubtful accounts	37,568,047	–	26,414,725	11,153,322	36,334,705	–	26,087,823	10,246,882
Inventories	4,725,407	–	3,936,587	788,820	4,475,956	–	3,413,584	1,062,372
Prepaid expenses and other current assets	3,885,810	(289,636)	3,035,939	1,139,507	8,285,556	(271,186)	6,282,930	2,273,812
Funds held by trustee for current payment of bond principal and interest	2,193,014	–	2,193,014	–	3,277,264	–	3,277,264	–
Total current assets	80,374,491	(289,636)	68,179,993	12,484,134	91,615,520	(271,186)	78,997,248	12,889,458
Investments	107,419,194	–	107,419,194	–	95,287,661	–	95,287,661	–
Assets whose use is limited:								
Employee benefit plans and other	32,934,869	–	4,743,771	28,191,098	31,383,403	–	4,592,183	26,791,220
Board designated and donor-restricted	103,449,322	–	103,449,322	–	101,098,156	–	101,098,156	–
	136,384,191	–	108,193,093	28,191,098	132,481,559	–	105,690,339	26,791,220
Property, plant and equipment, net	127,093,513	(97,513)	118,558,576	8,632,450	126,672,190	(106,378)	117,792,415	8,986,153
Other assets	10,803,946	(4,301,404)	15,044,274	61,076	11,896,523	(4,523,244)	16,300,128	119,639
Total assets	$462,075,335	$(4,688,553)	$417,395,130	$49,368,758	$457,953,453	$(4,900,808)	$414,067,791	$48,786,470

LIABILITIES AND NET ASSETS

	June 30, 2019				September 30, 2018			
	Consolidated	Elimination Entries	Southern New Hampshire Medical Center	Foundation Medical Partners, Inc.	Consolidated	Elimination Entries	Southern New Hampshire Medical Center	Foundation Medical Partners, Inc.
Current liabilities:								
Accounts payable and other accrued expenses	$ 21,262,554	$ –	$ 17,155,513	$ 4,107,041	$ 24,268,863	$ –	$ 19,730,992	$ 4,537,871
Accrued compensation and related taxes	28,088,110	–	16,087,573	12,000,537	29,348,758	–	17,430,983	11,917,775
Accrued interest payable	593,310	–	593,310	–	1,217,091	–	1,217,091	–
Amounts payable to third-party payors	16,377,450	–	16,377,450	–	14,759,243	–	14,759,243	–
Current portion of long-term debt	3,599,502	–	3,599,502	–	3,585,083	–	3,585,083	–
Total current liabilities	69,920,926	–	53,813,348	16,107,578	73,179,038	–	56,723,392	16,455,646
Other liabilities	53,350,863	(4,688,553)	24,035,163	34,004,253	45,613,906	(4,900,808)	17,813,232	32,701,482
Long-term debt, less current portion and net of unamortized financing costs	63,373,251	–	63,373,251	–	66,780,672	–	66,780,672	–
Net assets:								
Without donor restrictions	272,838,540	–	273,581,613	(743,073)	269,847,011	–	270,217,669	(370,658)
With donor restrictions	2,591,755	–	2,591,755	–	2,532,826	–	2,532,826	–
	275,430,295	–	276,173,368	(743,073)	272,379,837	–	272,750,495	(370,658)
Total liabilities and net assets	$462,075,335	$(4,688,553)	$417,395,130	$49,368,758	$457,953,453	$(4,900,808)	$414,067,791	$48,786,470

SOUTHERN NEW HAMPSHIRE HEALTH SYSTEM, INC.

CONSOLIDATING STATEMENTS OF OPERATIONS AND CHANGES IN NET ASSETS

Nine Month Period Ended June 30, 2019 and Year Ended September 30, 2018

	Nine Month Period Ended June 30, 2019				Year Ended September 30, 2018			
	Consolidated	Elimination Entries	Southern New Hampshire Medical Center	Foundation Medical Partners, Inc.	Consolidated	Elimination Entries	Southern New Hampshire Medical Center	Foundation Medical Partners, Inc.
Net patient service revenue (net of contractual allowances and discounts)	$277,159,887	$ (3,233,918)	$192,874,444	$ 87,519,361	$348,873,308	$ (4,333,572)	$246,694,563	$106,512,317
Provision for bad debts	(12,392,930)	–	(8,693,827)	(3,699,103)	(16,425,825)	–	(11,282,535)	(5,143,290)
Net patient service revenue less provision for bad debts	264,766,957	(3,233,918)	184,180,617	83,820,258	332,447,483	(4,333,572)	235,412,028	101,369,027
Disproportionate share hospital revenue	7,014,331	–	7,014,331	–	9,139,274	–	9,139,274	–
Interest and dividends	2,602,093	–	2,602,093	–	2,530,082	–	2,530,082	–
Other revenue	9,135,321	(8,682,812)	7,858,071	9,960,062	11,502,866	(10,692,105)	9,403,230	12,791,741
Total revenue	283,518,702	(11,916,730)	201,655,112	93,780,320	355,619,705	(15,025,677)	256,484,614	114,160,768
Operating expenses:								
Salaries and wages	158,266,225	(71,940)	79,293,089	79,045,076	197,990,824	(90,026)	101,061,641	97,019,209
Employee benefits	23,375,385	(3,233,918)	12,908,384	13,700,919	28,806,820	(4,333,572)	16,720,715	16,419,677
Supplies and other expenses	71,484,311	(8,379,581)	52,220,669	27,643,223	86,857,007	(10,276,419)	65,069,973	32,063,453
Depreciation	10,624,142	–	9,450,781	1,173,361	13,727,756	–	12,189,882	1,537,874
New Hampshire Medicaid enhancement tax	9,545,778	–	9,545,778	–	12,322,604	–	12,322,604	–
Interest	1,611,401	(231,291)	1,611,401	231,291	2,216,246	(325,660)	2,216,246	325,660
Total operating expenses	274,907,242	(11,916,730)	165,030,102	121,793,870	341,921,257	(15,025,677)	209,581,061	147,365,873
Income (loss) from operations	8,611,460	–	36,625,010	(28,013,550)	13,698,448	–	46,903,553	(33,205,105)

	Nine Month Period Ended June 30, 2019				Year Ended September 30, 2018			
	Consolidated	Elimination Entries	Southern New Hampshire Medical Center	Foundation Medical Partners, Inc.	Consolidated	Elimination Entries	Southern New Hampshire Medical Center	Foundation Medical Partners, Inc.
Nonoperating gains (losses):								
Investment return	$ 4,239,894	$ –	$ 4,239,894	$ –	$ 10,858,987	$ –	$ 10,858,987	$ –
Loss on bond refunding	–	–	–	–	(125,134)	–	(125,134)	–
Contributions and nonoperating revenues	(525,090)	–	(525,090)	–	(376,848)	–	(376,848)	–
Nonoperating gains, net	3,714,804	–	3,714,804	–	10,357,005	–	10,357,005	–
Excess (deficiency) of revenues and non-operating gains (losses) over expenses	12,326,264	–	40,339,814	(28,013,550)	24,055,453	–	57,260,558	(33,205,105)
Transfers from (to) affiliates	–	–	(27,641,135)	27,641,135	–	–	(34,426,855)	34,426,855
Transfer to SolutionHealth, Inc.	(706,222)	–	(706,222)	–	–	–	–	–
Pension adjustment	(8,628,513)	–	(8,628,513)	–	4,241,004	–	4,241,004	–
Net assets released from restriction for capital purchases	–	–	–	–	80,000	–	80,000	–
Increase (decrease) in net assets without donor restrictions	2,991,529	–	3,363,944	(372,415)	28,376,457	–	27,154,707	1,221,750
Contributions of net assets with donor restrictions	172,486	–	172,486	–	234,554	–	234,554	–
Net assets released from restriction for capital purchases	–	–	–	–	(80,000)	–	(80,000)	–
Net assets released from restriction for operations	(113,557)	–	(113,557)	–	(216,504)	–	(216,504)	–
Increase (decrease) in net assets with donor restrictions	58,929	–	58,929	–	(61,950)	–	(61,950)	–
Increase (decrease) in net assets	3,050,458	–	3,422,873	(372,415)	28,314,507	–	27,092,757	1,221,750
Net assets at beginning of period	272,379,837	–	272,750,495	(370,658)	244,065,330	–	245,657,738	(1,592,408)
Net assets at end of period	$275,430,295	$ –	$276,173,368	$ (743,073)	$272,379,837	$ –	$272,750,495	$ (370,658)

Southern New Hampshire Health System

Board of Trustees Membership

2020 Term

SNHHS Board Members

Melliyal Annamalai, PhD
Sherry Hausmann
Mary Jordan
The Honorable Joseph N. Laplante
Colin McHugh
Mary Prindle
Thomas A. Pursch
Rachel Rowe
Marc Sadowsky, MD
Marlene Santiago, MD
Charla B. Stevens, Esq.
John J. Sullivan
Timothy C. Sullivan, Esq.
Timothy J. Whitaker

SNHHS Board Officers:

Board Chair:	Timothy J. Whitaker
Board Vice-Chair:	Thomas A. Pursch
Interim President:	Colin McHugh
Treasurer:	Paul L. Trainor
Secretary:	Colin McHugh

Members may be contacted at the following address:

Southern New Hampshire Medical Center
Administration Office
8 Prospect Street
PO Box 2014
Nashua, NH 03061

Curriculum Vitae
John P. Bissonnette, M.D.

Address Pathology Specialists of New England
1 Elliot Way
Manchester, NH 03103
Ph: 603-663-2583

Current Position

2005-present	Pathology Specialists of New England
2/2015-present	Laboratory Medical Director, Elliot Hospital
2007-2/2015	Laboratory Medical Director, Parkland Medical Center
2006-2007	Laboratory Medical Director, Monadnock Community Hospital

Hospital/Laboratory Affiliations

Elliot Hospital, Manchester, NH (2005-present)
Catholic Medical Center, Manchester, NH (2005-present)
Parkland Hospital, Derry, NH (2005-present)
Monadnock Community Hospital, Peterborough, NH (2005-present)
Southern NH Medical Center, Nashua, NH (2012-present)

Education

1995	B.S. Biology, Magna Cum Laude	Boston College
1999	M.D.	Loyola University Chicago

Postdoctoral Training

1999-2003	AP/CP Resident	Massachusetts General Hospital
2003-2004	AP Chief Resident	Massachusetts General Hospital
2003-2005	Robert E. Scully Fellow in Gynecologic Pathology and Fellow in Cytopathology, Massachusetts General Hospital	

Licensure and Certification

2003	Massachusetts Full Medical License
2005	Board Certified in AP/CP and Cytopathology
2005	New Hampshire Full Medical License

Professional Activities

AP Resident

- Surgical specimens: 5,180
- Cytology specimens: 1,750
- Autopsies: 57
- Intradepartmental and interdepartmental presentations of surgical pathology and cytopathology cases including gynecologic oncology tumor board.
- Frozen section lab sign-out (on-call) during last year of training (1/03-6/03)

CP Resident

- Covered each lab medicine service, 1800 consults total (blood transfusion, coagulation, chemistry, microbiology, hematopathology and hematology) in 2 month blocks (24-hour on-call page availability when covering each service)
- Intradepartmental and interdepartmental presentations of laboratory medicine topics
- Functioned as blood transfusion service fellow (2 months)
- Involved in 200 pheresis procedures

Clinical Fellow (completed to date)

- 5 weeks of co-signed surgical pathology sign-out
- 22 weeks of independent surgical pathology sign-out (double scoping with resident)
- 28 weeks of cytopathology (ACGME accredited)
- 61 fine needle aspiration biopsies
- Frozen section lab sign-out (on-call) 7/03-6/04
- Present pathology at gynecologic oncology tumor board

Administrative Activities

AP Chief Resident (11/1/03-2/29/04)
Responsibilities included:

- Presented pathology at weekly internal medicine conference
- Participated in AP Steering Committee and Residency Training Committee
- Restructured resident schedule

Publications

Bissonnette JP and Fekete DM. Standard atlas of the gross anatomy of the developing inner ear of the chicken, J Comp Neurol 368:620-630, 1996.

Abstracts

Fasullo, M, Samarkoon, R, Bissonnette, J and Bennett T. *Saccharomyces cerevisiae* RAD51 is required for DNA damage stimulation of gene conversion and sister chromatid recombination. "DNA Repair: Bacteria to Humans", The Genetics Society of America, Warrenton, VA, April 16-19, 1998.

Oliva, E, Bissonnette, JP, Duska, LR, Debernardo, RL, Sonoda, Y, Saunders, N, Wilton, A, Venkatraman, E and Soslow RA. Clinicopathologic analysis of 157 high-grade endometrial carcinomas: a heterogeneous group of aggressive tumors. USCAP, Vancouver, BC, Canada, March 6-12, 2004.

Bissonnette, JP and Wilbur, DC. Low Grade Dysplasia Pap Smears and Negative Cervical Biopsies: Are They Really Non-Correlating Specimens? USCAP, San Antonio, TX, USA, February 2005.

Teaching

2001 Harvard Medical School Pathology Course:
- Case based small group session on diseases affecting the tubules and interstitium of the kidney

2002 AP Teaching Resident, July-September

Research Experience

1996 Radiation Oncology Summer Research Student
"The effect of RAD51 genetic recombination on DNA damage in *Saccharomyces cerevisiae*" with Michael Fasullo, Ph.D., Dept. of Radiotherapy, Loyola University Chicago

1998-1999 Neuropathology Research
1) "The effect of arteriosclerosis on the brain pathology of Alzheimer's Disease" and 2) "Reverse transcriptase PCR analysis of Loyola brain bank to elucidate the presence of mRNA" with John M. Lee, M.D., Ph.D., Dept. of Neuropathology, Loyola University Chicago

Employment Experience

1992-1995 Evergreen School for Mentally Handicapped Children, Assistant Teacher
Responsible for helping students with their ADL's and school assignments

Volunteer Experience

1996 Tri-Village P.A.D.S. homeless shelter
1996-1997 S.T.E.P.S. in-patient pediatric tutor

Professional Organizations

United States and Canadian Academy of Pathology
College of American Pathologists

State of New Hampshire
BOARD OF MEDICINE

JOHN P BISSONNETTE, MD

License #: 12617

Issued: 03/02/2005

has been duly registered to practice medicine in this state through 06/30/2021

President Emily R Baker

CURRICULUM VITAE

Anil K Dewan M.D.

WORK ADDRESS:

Seacoast Pathology
1 Hampton Road
Exeter
New Hampshire 03833
Phone: 603-778-8522

HOME ADDRESS:

21 Sherry Circle
Brentwood
New Hampshire 03833
Phone: 603-580-2851
Cell Phone: 603-686-1092

EDUCATION:	INSTITUTION	DEGREE	YEARS
	University of St Andrews St. Andrews, Fife, Scotland	BSc	1995 – 1998
	University of Manchester, Manchester, England	MBChB	1998 – 2001

PROFFESIONAL TRAINING

INSTITUTION	POSITION	YEARS
Central Manchester and Manchester Childrens University Hospitals, Manchester, (National Health Service), United Kingdom.	House Officer	2001 - 2002
Penn State, Milton S Hershey Medical Center, Hershey, Pennsylvania.	AP/CP Resident	2002 - 2006
Penn State, Milton S Hershey Medical Center, Hershey, Pennsylvania.	Chief Resident	2005 - 2006
University of Virginia, Charlottesville, Virginia.	Gynecologic Pathology Fellow	2006 – 2007

EMPLOYMENT HISTORY

Owner and Managing Director of J-1 Ltd July 2007 – April 2011

7th July 2007 – 28th December 2007
Scarborough General Hospital, (National Health Service),
Department of Pathology,
Woodlands Drive,
Scarborough, YO12 6QL
United Kingdom.

1st January 2008 – 23rd October 2009
Calderdale Royal Hospital, (National Health Service),
Salterhebble,
Halifax, HX3 0PW,
United Kingdom.

1st November 2009 – 17 August 2012
Seacoast Pathology,
(Encompassing Exeter Hospital, Anna Jaques Hospital, and York Hospital),
Exeter,
New Hampshire,
03833,
USA.

20 August 2012 – present.
Pathology Specialists of New England.

PROFESSIONAL CERTIFICATION

United States Medical Licensing Examination	
Step 1	11/30/1999
Step 2	8/23/2000
Clinical Skills Assessment	7/9/2001
ECFMG Certification – valid indefinately	11/12/2001
Step 3	4/28/2004
Diplomate of the American Board of Pathology	8/22/2006

LICENSURE

State of Pennsylvania Graduate Medical Trainee License	2001 – 2006
General Medical Council, (United Kingdom)	2002 – 2010 (Inactive).
Commonwealth of Virginia	2006 – Present.
Commonwealth of Massachusetts	2009 – Present.
State of New Hampshire	2009 – Present.

MEMBERSHIP IN PROFESSONAL SOCIETIES

American Society for Clinical Pathology.
College of American Pathologists.
United States and Canadian Academy of Pathology.

COMMITTEES

Medical Executive Committee SNHMC	2012 – Present
Infection Prevention Committee SNHMC	2012 – Present
Breast Program Leadership Team SNHMC	2012 – Present
Cancer Committee SNHMC	2012 – Present
Credentials Committee SNHMC	2012 - Present
Cancer Committee Exeter Hospital	2011 – Present.
IRB Committee Exeter Hospital	2011 – Present.
Pennsylvania State University – Hershey Medical Center	
-Anatomic and Clinical pathology issues of concern, (monthly).	7/2004 – 6/2005
-Hospital Blood Usage committee, (quarterly).	7/2003 - 6/2004
ASCP Resident Network Liason Member	7/2004 – 6/2006.

APPOINTMENTS

Medical Director SNHMC	8/20/2012 – Present
Medical Director Seacoast Pathology	8/1/2010 – 8/2012
Medical Director University of New Hampshire	4/30/2011 – 8/2012

TEACHING

Tumor Board weekly – SNHMC

Gynecologic Oncology Tumor Board - SNHMC

Tumor Board, weekly – Exeter Hospital.

Breast Conference, weekly – Exeter Hospital.

Cytology round scope teaching, monthly – Seacoast Pathology.

Breast Tumor Board, weekly – Huddersfield Royal Infirmary.

Breast Tumor Board, weekly – Scarborough General Hospital.

Gynecologic Oncology Tumor Board, weekly – University of Virginia Health Systems.

Breast Tumor Board, weekly – University of Virginia Health Systems.

University of Virginia.
-Second year medical school curriculum laboratory assistant, obstetric and gynecology course.

Head and Neck Tumor Board, bi–monthly - Hershey Medical Center.

Gastrointestinal Tumor Board at Penn State University – Hershey Medical Center.

Pennsylvania State University College of Medicine – Hershey Medical Center
-Second year medical school curriculum laboratory assistant, gastrointestinal course.
-Second year medical school curriculum laboratory assistant, reproductive course.
-Second year medical school curriculum laboratory assistant, renal course.
-Second year medical school curriculum laboratory assistant, cardiovascular course.
-First year medical school Autopsy/Gross pathology lab.
-Assistant, surgical pathology medical school rotation, 3rd and 4th year elective.
-Junior resident instructor, Blood Banking/Apheresis.

PRESENTATIONS

Pre-invasive Endometrial Lesions, at the University of Virginia – University of Virginia Health Systems 8/2006.

The Cytology of Mesenchymal Lesions of the Head and Neck, at Penn State University – Hershey Medical Center, 6/2004

Mesenchymal Lesions of the Head and Neck at Penn State University – Hershey Medical Center, 6/2004

The Cytology of the Thyroid Gland at Penn State University – Hershey Medical Center, 4/2004

Pathology of the Thyroid Gland at Penn State University – Hershey Medical Center, 4/2004

The Cytology of Lesions of the Nasopharynx, Hypopharynx and Trachea at Penn State University – Hershey Medical Center, 2/2004

Pathology of the Nasopharynx, Hypopharynx and Trachea at Penn State University – Hershey Medical Center, 2/2004.

Pathology of the Head and Neck Jeopardy Competition at Penn State University – Hershey Medical Center, 12/2003.

The Thromboelastogram Made Easy at Penn State University – Hershey Medical Center, 12/2003.

The Cytology of Salivary Gland Neoplasms at Penn State University – Hershey Medical Center, 9/2003.
Pathology of the Salivary Gland II at Penn State University – Hershey Medical Center, 9/2003.

Pathology of the Salivary Gland I at Penn State University – Hershey Medical Center, 8/2003.

Gastrointestinal Stromal Tumors Autopsy Grand Rounds Penn State University – Hershey Medical Center 3/2003.

Nodular Heterotopias Neuropathology Grand Rounds, Penn State University – Hershey Medical Center 10/2002.

PUBLICATIONS

Anil K Dewan, Silloo B Kapadia, Brendan C Stack, Is Routine Frozen Section Necessary for Parathyroid Surgery? Otolaryngology - Head and Neck Surgery, Volume 133, Issue 6, December 2005, Pages 857-862

Anil K Dewan. Pathology in the Land of Chocolate. acp News 2005.

Anil K Dewan. The Life of the Obstetric and Gynecologic Pathology Fellow. acp News 2006.

TEXT BOOK CHAPTERS

CJ Darus, AK Dewan, WP Irvin. Non-Epithelial Ovarian Cancer. *Gynecologic Oncology.* Alvarez-Secord A and Gehrig P eds. Landes Publishing 2007 (in press).

Ruggiero FP, Dewan A, Stack BC Jr: Lymphoscintigraphy and sentinel node dissection, in D'cruz AK et al eds. Otolaryngology, Head and Neck Surgery. Mumbai, India: Orient Longman Ltd. 2005 (in press).

Beus KS, Stack Jr., BC. Parathyroid Carcinoma. Otolaryngologic Clinics of North America 2004 (in press).

Beus KS, Stack Jr., BC. Calciphylaxis. Otolaryngologic Clinics of North America 2004 (in press).

ABSTRACTS

Marina Y. Dolina, Michael G. Benninghoff, Anil K. Dewan, and Rebecca Bascom. Persistent Hemoptysis from Cavitating Pseudomonas Pneumonia in a Patient with Severe Bronchiectasis as a Complication of Allergic Bronchopulmonary Aspergillosis. Chest Meeting Abstracts 2006 130: 288S-a.

Anil K Dewan, Silloo B Kapadia, Brendan C Stack. Is Routine Frozen Section Necessary for Parathyroid Surgery? Poster, Sixth International Conference on Head and Neck Cancer, Washington, D.C., Aug. 7-11, 2004

Anil K. Dewan, Eric J. Burks, Thomas P. Nifong, Michael Bayerl. T-Large Granular Lymphocyte Leukemia and Concurrent Hairy Cell Leukemia: A physiologic clonal T-cell response or a secondary malignancy? Poster, American Society of Clinical Pathology, New Orleans, LA, September 18-21, 2003.

SUBMITTED ARTICLES

Ayesha N. Khalid MD, Anil Dewan MD, Cunfeng Pu MD, Jon E. Isaacson MD. Pathology Quiz: Intratemporal Presentation of a Geniculate Ganglion Meningioma. Archives of Otolaryngology- Head and Neck Surgery.

Marina Y. Dolina, Michael G. Benninghoff, Anil K. Dewan, and Rebecca Bascom. Persistent Hemoptysis from Cavitating Pseudomonas Pneumonia in a Patient with Severe Bronchiectasis as a Complication of Allergic Bronchopulmonary Aspergillosis. Chest.

Ayesha N Khalid MD, Johnathan L Chadwick MD, Anil K Dewan MD, Brendan C Stack MD, FACS, FACE. Diagnosis and Management of Familial Non-Medullary Thyroid Carcinoma. The Laryngoscope.

ALEXANDRA T. MOREAU

29 Shepherd Road
Manchester, NH 03104
Cell Phone: 603-494-4688
Email: sandym0829@aol.com or smoreau@elliot-hs.ora

Career Objective

To obtain a laboratory director position that provides strategic development, planning and management of all aspects of the clinical and anatomical pathology laboratory. Additionally, a position that allows for leadership in improving laboratory utilization for overall cost containment, maintaining strong revenue integrity, securing and increasing operational productivity, improving staff satisfaction and providing the utmost in quality patient care through the guidance of established corporate strategic goals.

Professional Summary

A passionate, enthusiastic and creative laboratory operations manager with a thirty-five year career focused in numerous technical and administrative laboratory operations of a large full service community health system. Experience includes multi-site facility operations, a robust outreach program, overall laboratory budgeting and financial planning, blood transfusion medicine, safety, compliance, along with varied accreditation management. Proficient in project management with a lab and healthcare system focus, as well as lab consolidation, demergers and laboratory renovations experience. A patient and employee-centric manager who has fostered camaraderie among staff and built strong relationships throughout the health system that have had positive quality outcomes.

Experience

Elliot Hospital, Manchester, NH

Regional Directory of Laboratory Services — for SolutioNHealth — December 2018 - present

Laboratory Director — Jan 2016 - December 2018

Laboratory Control Manager — 2000-present

- Operations manager who oversees the activities of 160+ employees in 23 departments of a 300-bed hospital (including Level II trauma center and NICU) with an outreach program comprising more than 300 clients.
- Works in partnership with Revenue Integrity department to achieve operational laboratory efficiencies related to pricing, compliance, coding, & optimal reimbursements for all lab billables.
- Member of a hospital utilization team tasked to ensure hospital viability transitioning from a fee for service to a risk contract environment. Team contributions are crucial not only for ensuring corporate financial savings, but also for patient and physician satisfaction as we move into the future.
- Part of a team developing a program to monitor leakage in laboratory volume due to upcoming Quest interface for hospital owned users (EPN/S). This program, in conjunction with patient communication and a new policy to retain all office collected specimens moving forward, will allow the hospital to maintain their lab revenue base.

- Laboratory facilitator tasked to assist all lab sub-departments in the development, maintenance and action plans involved with employee surveys. Ultimate goal is to improve staff engagement, achieve a high level of staff satisfaction, and increase retention.
- In conjunction with director, responsible for leading a group of lab supervisors to benchmark and maintain productivity that is aligned with the Top 100Truven hospitals and Elliot's Strategic Sustainability Pillar.
- A liaison between the outreach clients and the laboratory to promote increased customer satisfaction, with a high success rate of maintaining and increasing current customer base.
- Monitors quality assurance to assure high quality and improved patient & provider satisfaction.
- Maintains adherence to hospital inpatient, emergency department, and all outpatient entities and assists the director in flexing to adjust services and/or problems to meet the clinical needs or market dynamics.
- Öevelops and maintains positive working relationships with employees, technical supervisors, management, physicians, and internal/external hospital clients.
- In conjunction with the director, plans, budgets and maintains both salary and non-salary expense, capital equipment purchases and contract negotiations of vendors and non-owned clients.
- Oversight for all inspection checklists within the laboratory to include hospital, off-site STAT labs and all patient service centers.
- Works closely with supervisors to manage conflict resolution, disciplinary action.
- Active member of Granite Health Network Directors workgroup reviewing potential consolidation, test sharing, reference lab contracts, equipment and reagent cost savings initiatives.

Selected Professional Achievements:

- Assisted the laboratory director in the strategic planning and growth of laboratory outreach business from 300,000 billable tests per year to 1.3 million tests.
- A key member of a de-merger team that rebuilt a successful full-service laboratory that is now 2nd in volume in the state of NH.
- Maintained the highest quality of work in an undersized laboratory through focus on site renovations, space repurposing and optimization, and lean process improvements.
- Key driver in developing and implementing the successful expansion of 6 patient service centers throughout southern NH.
- Prepared business proposal for the acquisition of the STAT Laboratory at NH Oncology Hematology LRC. Developed, implemented, and executed the creation of a 6.0 FTE Stat laboratory & phlebotomy collection station.
- Prepared business proposal for the STAT Laboratory at Londonderry. Project managed the STAT lab from inception through to current facility operation state. This required development, planning, and workflow evaluation as well as thorough planning for computer integration with the Dana Farber Cancer Institute.
- Project management of numerous logistical moves involving vendors, facilities, IT, and other departments, to include successful opening of River's Edge laboratory with membership on multidisciplinary facility team.
- Expanded laboratory service line to include 30 nursing home and associated phlebotomy traveling team to support that new service line.
- Laboratory representative to both EPIC ambulatory and CPOE work teams tasked to implement evaluate best practice laboratory workflows and train both technical and non-technical lab staff.

- Directed the implementation for the LifePoint connectivity solution for non-Elliot owned clients.
- Project managed and/or assisted in a number of collaborative projects in the lab and throughout the organization, such as Sunquest Collection Manager for positive patient identification at the bedside, ICD-10, lab/nursing forums to improve communication, identify problems and creatively identify solutions to many interdepartmental problems.

Blood Bank Supervisor 1985-2000

- Responsible for all technical, administrative, financial and scientific oversight of the blood bank.
- Planned and implemented a new hospital specialty department with neonatology provider staff — researched blood bank best practices, developed products designed for small volume neonatal transfusions, created policies and procedures for the neonatal intensive care unit.
- Part of RFP team who identified new computer system, built all aspects of the blood bank system applications, tested and trained all technical staff, developed all new policies & procedures to support the new Sunquest Laboratory Information Computer System (LIS).
- Negotiated and implemented a blood product overstock at the Elliot to support the State of NH and level II trauma center.
- Project managed a number of collaborative projects throughout the hospital organization, such as American Red Cross blood drives, Acute Care Committee member for the CMC & Elliot merger, assisted with general laboratory LIS build.

~~Blood Bank Supervisor for NH Medical Laboratories (NHML)~~ XXXXXXXXXXXXXXXXX 1996-2000

- Managed and directed the technical and administrative areas of the Blood Banks at Elliot Hospital & CMC with administrative and financial reporting responsibilities to NHML—part of Optima merger. • Successfully planned and implemented the merger of two hospital blood banks that included policies, procedures, build of a new computer system, and hiring of staff into appropriate positions.
- Key member in the strategic planning for the conversion to the for-profit arm known as NHML, which was jointly owned by Elliot & CMC.

Staff Medical Technologist (generalist) 1980, 1983-1985

Eastman Kodak, Rochester, NY

Customer Service Application Specialist 1981-1983

- Assisted PhD's in the development, execution, formal reporting and presentation of experiments to resolve customer equipment technical problems for the Ektachem analyzer.
- Maintained and supported competitor analyzers as part of routine evaluations. • Assisted in making formal recommendations to clients for problem resolutions.
- Analyzed data analytics using large main frame computer applications.
- Focus on achieving high level of technical customer satisfaction.
- Performed onsite hospital training and participated in national technical trade show demonstrations.

B.S. Medical Technology, University of New Hampshire, Durham, NH	1976-1980
One Year Medical Technology Internship, Mary Hitchcock Hospital, Lebanon, NH	1979-1980
American Society of Clinical Pathologists, Board of Registry, Chicago, Illinois	Feb 1981
Education/Certification	

Affiliations/Awards

clinical Laboratory Management Association, Board Member, Treasurer	2014-present
UNH Medical Technology Advisory Committee Member	2012-present
Dean's List	2003
Community Service	

Manchester Central High School Pride Foundation Founding Board Member 2004-2014

St. George Cathedral Girls Basketball Coach 2004-2008 American Red Cross Committees & State Advisory Committee Member 1985-2000

Multiple booster clubs and PTA committees with board member appointments over many years

XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX

CONTRACTOR NAME

Key Personnel

Southern New Hampshire Health System

Name	Job Title	Salary	% Paid from this Contract	Amount Paid from this Contract
Dr. JP Bissonnette	Lab Medical Director Elliot Hospital	N/A	N/A	N/A
Dr. Anil Dewan	Lab Medical Director Southern NH Medical Center	N/A	N/A	N/A
Alexandra T Moreau	Regional Laboratory Director	N/A	N/A	N/A

Subject: Hospital-Based COVID-19 Community Testing (SS-2021-DPHS-04-HOSPI-15)

Notice: This agreement and all of its attachments shall become public upon submission to Governor and Executive Council for approval. Any information that is private, confidential or proprietary must be clearly identified to the agency and agreed to in writing prior to signing the contract.

AGREEMENT

The State of New Hampshire and the Contractor hereby mutually agree as follows:

GENERAL PROVISIONS

1. IDENTIFICATION.

1.1 State Agency Name New Hampshire Department of Health and Human Services		1.2 State Agency Address 129 Pleasant Street Concord, NH 03301-3857	
1.3 Contractor Name Speare Memorial Hospital		1.4 Contractor Address 16 Hospital Road Plymouth, NH 03264	
1.5 Contractor Phone Number (603) 536-1120	1.6 Account Number 05-095-090-903010-19010000	1.7 Completion Date December 1, 2020	1.8 Price Limitation $145,000
1.9 Contracting Officer for State Agency Nathan D. White, Director		1.10 State Agency Telephone Number (603) 271-9631	
1.11 Contractor Signature Date: 7/27/20		1.12 Name and Title of Contractor Signatory Travis Boucher, CFO	
1.13 State Agency Signature Date: 7/29/20		1.14 Name and Title of State Agency Signatory Ann H. Landry, Assoc. Commissioner	
1.15 Approval by the N.H. Department of Administration, Division of Personnel *(if applicable)* By:		Director, On:	
1.16 Approval by the Attorney General (Form, Substance and Execution) *(if applicable)* By: Catherine Pinos		On: 07/30/20	
1.17 Approval by the Governor and Executive Council *(if applicable)* G&C Item number:		G&C Meeting Date:	

Contractor Initials
Date 7/27/20

2. SERVICES TO BE PERFORMED. The State of New Hampshire, acting through the agency identified in block 1.1 ("State"), engages contractor identified in block 1.3 ("Contractor") to perform, and the Contractor shall perform, the work or sale of goods, or both, identified and more particularly described in the attached EXHIBIT B which is incorporated herein by reference ("Services").

3. EFFECTIVE DATE/COMPLETION OF SERVICES.

3.1 Notwithstanding any provision of this Agreement to the contrary, and subject to the approval of the Governor and Executive Council of the State of New Hampshire, if applicable, this Agreement, and all obligations of the parties hereunder, shall become effective on the date the Governor and Executive Council approve this Agreement as indicated in block 1.17, unless no such approval is required, in which case the Agreement shall become effective on the date the Agreement is signed by the State Agency as shown in block 1.13 ("Effective Date").

3.2 If the Contractor commences the Services prior to the Effective Date, all Services performed by the Contractor prior to the Effective Date shall be performed at the sole risk of the Contractor, and in the event that this Agreement does not become effective, the State shall have no liability to the Contractor, including without limitation, any obligation to pay the Contractor for any costs incurred or Services performed. Contractor must complete all Services by the Completion Date specified in block 1.7.

4. CONDITIONAL NATURE OF AGREEMENT.

Notwithstanding any provision of this Agreement to the contrary, all obligations of the State hereunder, including, without limitation, the continuance of payments hereunder, are contingent upon the availability and continued appropriation of funds affected by any state or federal legislative or executive action that reduces, eliminates or otherwise modifies the appropriation or availability of funding for this Agreement and the Scope for Services provided in EXHIBIT B, in whole or in part. In no event shall the State be liable for any payments hereunder in excess of such available appropriated funds. In the event of a reduction or termination of appropriated funds, the State shall have the right to withhold payment until such funds become available, if ever, and shall have the right to reduce or terminate the Services under this Agreement immediately upon giving the Contractor notice of such reduction or termination. The State shall not be required to transfer funds from any other account or source to the Account identified in block 1.6 in the event funds in that Account are reduced or unavailable.

5. CONTRACT PRICE/PRICE LIMITATION/ PAYMENT.

5.1 The contract price, method of payment, and terms of payment are identified and more particularly described in EXHIBIT C which is incorporated herein by reference.

5.2 The payment by the State of the contract price shall be the only and the complete reimbursement to the Contractor for all expenses, of whatever nature incurred by the Contractor in the performance hereof, and shall be the only and the complete compensation to the Contractor for the Services. The State shall have no liability to the Contractor other than the contract price.

5.3 The State reserves the right to offset from any amounts otherwise payable to the Contractor under this Agreement those liquidated amounts required or permitted by N.H. RSA 80:7 through RSA 80:7-c or any other provision of law.

5.4 Notwithstanding any provision in this Agreement to the contrary, and notwithstanding unexpected circumstances, in no event shall the total of all payments authorized, or actually made hereunder, exceed the Price Limitation set forth in block 1.8.

6. COMPLIANCE BY CONTRACTOR WITH LAWS AND REGULATIONS/ EQUAL EMPLOYMENT OPPORTUNITY.

6.1 In connection with the performance of the Services, the Contractor shall comply with all applicable statutes, laws, regulations, and orders of federal, state, county or municipal authorities which impose any obligation or duty upon the Contractor, including, but not limited to, civil rights and equal employment opportunity laws. In addition, if this Agreement is funded in any part by monies of the United States, the Contractor shall comply with all federal executive orders, rules, regulations and statutes, and with any rules, regulations and guidelines as the State or the United States issue to implement these regulations. The Contractor shall also comply with all applicable intellectual property laws.

6.2 During the term of this Agreement, the Contractor shall not discriminate against employees or applicants for employment because of race, color, religion, creed, age, sex, handicap, sexual orientation, or national origin and will take affirmative action to prevent such discrimination.

6.3. The Contractor agrees to permit the State or United States access to any of the Contractor's books, records and accounts for the purpose of ascertaining compliance with all rules, regulations and orders, and the covenants, terms and conditions of this Agreement.

7. PERSONNEL.

7.1 The Contractor shall at its own expense provide all personnel necessary to perform the Services. The Contractor warrants that all personnel engaged in the Services shall be qualified to perform the Services, and shall be properly licensed and otherwise authorized to do so under all applicable laws.

7.2 Unless otherwise authorized in writing, during the term of this Agreement, and for a period of six (6) months after the Completion Date in block 1.7, the Contractor shall not hire, and shall not permit any subcontractor or other person, firm or corporation with whom it is engaged in a combined effort to perform the Services to hire, any person who is a State employee or official, who is materially involved in the procurement, administration or performance of this Agreement. This provision shall survive termination of this Agreement.

7.3 The Contracting Officer specified in block 1.9, or his or her successor, shall be the State's representative. In the event of any dispute concerning the interpretation of this Agreement, the Contracting Officer's decision shall be final for the State.

Contractor Initials
Date 7/22/20

8. EVENT OF DEFAULT/REMEDIES.

8.1 Any one or more of the following acts or omissions of the Contractor shall constitute an event of default hereunder ("Event of Default"):

8.1.1 failure to perform the Services satisfactorily or on schedule;

8.1.2 failure to submit any report required hereunder; and/or

8.1.3 failure to perform any other covenant, term or condition of this Agreement.

8.2 Upon the occurrence of any Event of Default, the State may take any one, or more, or all, of the following actions:

8.2.1 give the Contractor a written notice specifying the Event of Default and requiring it to be remedied within, in the absence of a greater or lesser specification of time, thirty (30) days from the date of the notice; and if the Event of Default is not timely cured, terminate this Agreement, effective two (2) days after giving the Contractor notice of termination;

8.2.2 give the Contractor a written notice specifying the Event of Default and suspending all payments to be made under this Agreement and ordering that the portion of the contract price which would otherwise accrue to the Contractor during the period from the date of such notice until such time as the State determines that the Contractor has cured the Event of Default shall never be paid to the Contractor;

8.2.3 give the Contractor a written notice specifying the Event of Default and set off against any other obligations the State may owe to the Contractor any damages the State suffers by reason of any Event of Default; and/or

8.2.4 give the Contractor a written notice specifying the Event of Default, treat the Agreement as breached, terminate the Agreement and pursue any of its remedies at law or in equity, or both.

8.3. No failure by the State to enforce any provisions hereof after any Event of Default shall be deemed a waiver of its rights with regard to that Event of Default, or any subsequent Event of Default. No express failure to enforce any Event of Default shall be deemed a waiver of the right of the State to enforce each and all of the provisions hereof upon any further or other Event of Default on the part of the Contractor.

9. TERMINATION.

9.1 Notwithstanding paragraph 8, the State may, at its sole discretion, terminate the Agreement for any reason, in whole or in part, by thirty (30) days written notice to the Contractor that the State is exercising its option to terminate the Agreement.

9.2 In the event of an early termination of this Agreement for any reason other than the completion of the Services, the Contractor shall, at the State's discretion, deliver to the Contracting Officer, not later than fifteen (15) days after the date of termination, a report ("Termination Report") describing in detail all Services performed, and the contract price earned, to and including the date of termination. The form, subject matter, content, and number of copies of the Termination Report shall be identical to those of any Final Report described in the attached EXHIBIT B. In addition, at the State's discretion, the Contractor shall, within 15 days of notice of early termination, develop and submit to the State a Transition Plan for services under the Agreement.

10. DATA/ACCESS/CONFIDENTIALITY/ PRESERVATION.

10.1 As used in this Agreement, the word "data" shall mean all information and things developed or obtained during the performance of, or acquired or developed by reason of, this Agreement, including, but not limited to, all studies, reports, files, formulae, surveys, maps, charts, sound recordings, video recordings, pictorial reproductions, drawings, analyses, graphic representations, computer programs, computer printouts, notes, letters, memoranda, papers, and documents, all whether finished or unfinished.

10.2 All data and any property which has been received from the State or purchased with funds provided for that purpose under this Agreement, shall be the property of the State, and shall be returned to the State upon demand or upon termination of this Agreement for any reason.

10.3 Confidentiality of data shall be governed by N.H. RSA chapter 91-A or other existing law. Disclosure of data requires prior written approval of the State.

11. CONTRACTOR'S RELATION TO THE STATE. In the performance of this Agreement the Contractor is in all respects an independent contractor, and is neither an agent nor an employee of the State. Neither the Contractor nor any of its officers, employees, agents or members shall have authority to bind the State or receive any benefits, workers' compensation or other emoluments provided by the State to its employees.

12. ASSIGNMENT/DELEGATION/SUBCONTRACTS.

12.1 The Contractor shall not assign, or otherwise transfer any interest in this Agreement without the prior written notice, which shall be provided to the State at least fifteen (15) days prior to the assignment, and a written consent of the State. For purposes of this paragraph, a Change of Control shall constitute assignment. "Change of Control" means (a) merger, consolidation, or a transaction or series of related transactions in which a third party, together with its affiliates, becomes the direct or indirect owner of fifty percent (50%) or more of the voting shares or similar equity interests, or combined voting power of the Contractor, or (b) the sale of all or substantially all of the assets of the Contractor.

12.2 None of the Services shall be subcontracted by the Contractor without prior written notice and consent of the State. The State is entitled to copies of all subcontracts and assignment agreements and shall not be bound by any provisions contained in a subcontract or an assignment agreement to which it is not a party.

13. INDEMNIFICATION. Unless otherwise exempted by law, the Contractor shall indemnify and hold harmless the State, its officers and employees, from and against any and all claims, liabilities and costs for any personal injury or property damages, patent or copyright infringement, or other claims asserted against the State, its officers or employees, which arise out of (or which may be claimed to arise out of) the acts or omission of the

Contractor Initials (S)
Date 7/22/2

Contractor, or subcontractors, including but not limited to the negligence, reckless or intentional conduct. The State shall not be liable for any costs incurred by the Contractor arising under this paragraph 13. Notwithstanding the foregoing, nothing herein contained shall be deemed to constitute a waiver of the sovereign immunity of the State, which immunity is hereby reserved to the State. This covenant in paragraph 13 shall survive the termination of this Agreement.

14. INSURANCE.

14.1 The Contractor shall, at its sole expense, obtain and continuously maintain in force, and shall require any subcontractor or assignee to obtain and maintain in force, the following insurance:

14.1.1 commercial general liability insurance against all claims of bodily injury, death or property damage, in amounts of not less than $1,000,000 per occurrence and $2,000,000 aggregate or excess; and

14.1.2 special cause of loss coverage form covering all property subject to subparagraph 10.2 herein, in an amount not less than 80% of the whole replacement value of the property.

14.2 The policies described in subparagraph 14.1 herein shall be on policy forms and endorsements approved for use in the State of New Hampshire by the N.H. Department of Insurance, and issued by insurers licensed in the State of New Hampshire.

14.3 The Contractor shall furnish to the Contracting Officer identified in block 1.9, or his or her successor, a certificate(s) of insurance for all insurance required under this Agreement. Contractor shall also furnish to the Contracting Officer identified in block 1.9, or his or her successor, certificate(s) of insurance for all renewal(s) of insurance required under this Agreement no later than ten (10) days prior to the expiration date of each insurance policy. The certificate(s) of insurance and any renewals thereof shall be attached and are incorporated herein by reference.

15. WORKERS' COMPENSATION.

15.1 By signing this agreement, the Contractor agrees, certifies and warrants that the Contractor is in compliance with or exempt from, the requirements of N.H. RSA chapter 281-A *("Workers' Compensation").*

15.2 To the extent the Contractor is subject to the requirements of N.H. RSA chapter 281-A, Contractor shall maintain, and require any subcontractor or assignee to secure and maintain, payment of Workers' Compensation in connection with activities which the person proposes to undertake pursuant to this Agreement. The Contractor shall furnish the Contracting Officer identified in block 1.9, or his or her successor, proof of Workers' Compensation in the manner described in N.H. RSA chapter 281-A and any applicable renewal(s) thereof, which shall be attached and are incorporated herein by reference. The State shall not be responsible for payment of any Workers' Compensation premiums or for any other claim or benefit for Contractor, or any subcontractor or employee of Contractor, which might arise under applicable State of New Hampshire Workers' Compensation laws in connection with the performance of the Services under this Agreement.

16. NOTICE. Any notice by a party hereto to the other party shall be deemed to have been duly delivered or given at the time of mailing by certified mail, postage prepaid, in a United States Post Office addressed to the parties at the addresses given in blocks 1.2 and 1.4, herein.

17. AMENDMENT. This Agreement may be amended, waived or discharged only by an instrument in writing signed by the parties hereto and only after approval of such amendment, waiver or discharge by the Governor and Executive Council of the State of New Hampshire unless no such approval is required under the circumstances pursuant to State law, rule or policy.

18. CHOICE OF LAW AND FORUM. This Agreement shall be governed, interpreted and construed in accordance with the laws of the State of New Hampshire, and is binding upon and inures to the benefit of the parties and their respective successors and assigns. The wording used in this Agreement is the wording chosen by the parties to express their mutual intent, and no rule of construction shall be applied against or in favor of any party. Any actions arising out of this Agreement shall be brought and maintained in New Hampshire Superior Court which shall have exclusive jurisdiction thereof.

19. CONFLICTING TERMS. In the event of a conflict between the terms of this P-37 form (as modified in EXHIBIT A) and/or attachments and amendment thereof, the terms of the P-37 (as modified in EXHIBIT A) shall control.

20. THIRD PARTIES. The parties hereto do not intend to benefit any third parties and this Agreement shall not be construed to confer any such benefit.

21. HEADINGS. The headings throughout the Agreement are for reference purposes only, and the words contained therein shall in no way be held to explain, modify, amplify or aid in the interpretation, construction or meaning of the provisions of this Agreement.

22. SPECIAL PROVISIONS. Additional or modifying provisions set forth in the attached EXHIBIT A are incorporated herein by reference.

23. SEVERABILITY. In the event any of the provisions of this Agreement are held by a court of competent jurisdiction to be contrary to any state or federal law, the remaining provisions of this Agreement will remain in full force and effect.

24. ENTIRE AGREEMENT. This Agreement, which may be executed in a number of counterparts, each of which shall be deemed an original, constitutes the entire agreement and understanding between the parties, and supersedes all prior agreements and understandings with respect to the subject matter hereof.

Contractor Initials _____

Date 7/23/20

REVISIONS TO STANDARD CONTRACT PROVISIONS

1. Revisions to Form P-37, General Provisions

1.1. Paragraph 3, Subparagraph 3.1, Effective Date/Completion of Services, is amended as follows:

3.1. Notwithstanding any provision of this Agreement to the contrary, and subject to the approval of the Governor of the State of New Hampshire, issued under the Executive Order 2020-04 and any extensions thereof, this Agreement, and all obligations of the parties hereunder, shall become effective on August 1, 2020. ("Effective Date").

1.2. Paragraph 3, Effective Date/Completion of Services, is amended by adding subparagraph 3.3 as follows:

3.3. The parties may extend the Agreement for up to one (1) additional year from the Completion Date, contingent upon satisfactory delivery of services, available funding, agreement of the parties, and required governmental approval.

1.3. Paragraph 12, Subparagraph 12.3, Assignment/Delegation/Subcontracts, is amended as follows:

12.3. Subcontractors are subject to the same contractual conditions as the Contractor and the Contractor is responsible to ensure subcontractor compliance with those conditions. The Contractor shall have written agreements with all subcontractors, specifying the work to be performed and how corrective action shall be managed if the subcontractor's performance is inadequate. The Contractor shall manage the subcontractor's performance on an ongoing basis and take corrective action as necessary. The Contractor shall annually provide the State with a list of all subcontractors provided for under this Agreement and notify the State of any inadequate subcontractor performance.

Scope of Services

1. **Statement of Work**

1.1. For the purposes of this Agreement, any references to days shall mean calendar days.

1.2. The Contractor shall begin conducting specimen collection and testing for SARS-CoV-2 for symptomatic patients within the Contractor's hospital and emergency department no later than August 1, 2020.

1.3. The Contractor shall begin full specimen collection and testing services as outlined in this Agreement no later than August 3, 2020, including, but not limited to, the following:

1.3.1. Conducting specimen collection and testing for SARS-CoV-2 in an outpatient setting for individuals who reside within the hospital catchment area or local community, regardless of individuals' prior affiliations with the hospital.

1.3.2. Conducting specimen collection and testing for patients who have symptoms of COVID-19 or who are pre-symptomatic or asymptomatic at the request of:

1.3.2.1. The individual to be tested; or

1.3.2.2. The Department of Health and Human Services (Department) Division of Public Health Services (DPHS).

1.4. The Contractor shall not require an office or telemedicine visit for asymptomatic patients in order for patients to receive COVID-19 testing.

1.5. In the event of a significant increase in community transmission of COVID-19, the Contractor shall not be responsible for meeting significantly increased levels of testing and may request the Department to provide additional testing capacity.

1.6. The Contractor shall determine the appropriate venue and physical location for specimen collection, which may include, but is not limited to:

1.6.1. An existing physical location.

1.6.2. A temporary drive-through location.

1.6.3. A drive-up facility.

1.7. The Contractor shall request a waiver, if necessary, from the Department's Bureau of Health Facilities Administration for a temporary drive-through location or drive-up facility.

1.8. The Contractor shall determine the appropriate number of days per week and the duration of time per day to perform community specimen collection for COVID-19 testing to meet the needs of the hospital catchment area and local community and communicate the hours of operation to the Department.

1.9. The Contractor shall ensure the collection, handling, processing and testing of specimens comply with guidelines issued by the Centers for Disease Control and Prevention (CDC), available at https://www.cdc.gov/coronavirus/2019-nCoV/lab/guidelines-clinical-specimens.html and by the laboratory used for processing specimens.

1.10. The Contractor shall ensure patients sign an appropriate consent form, prior to collection of specimens, authorizing testing at the laboratory and reporting to the ordering medical provider, the Department, and any other individual or entity designated to receive the test results.

1.11. The Contractor shall identify of any communication access needs to ensure needed language assistance is provided, which may include, but is not limited to:

1.11.1. Over-the-phone interpretation of spoken languages.

1.11.2. Video remote interpretation to access American Sign Language.

1.12. The Contractor shall ensure communication and language assistance is provided to individuals, as appropriate and needed, to ensure the validity of any signed consent by utilizing translated consent forms and/or interpreters.

1.13. The Contractor shall ensure all personnel collecting, handling, processing and transporting specimens are trained to safeguard the confidentiality of the patient and protected health information (PHI), as defined in the Health Information Portability and Accountability Act (HIPAA).

1.14. The Contractor shall ensure the secure and confidential transporting of specimens to the laboratory.

1.15. The Contractor shall ensure the ordering provider for each COVID-19 test is a licensed medical provider.

1.16. The Contractor shall ensure the licensed medical provider ordering COVID-19 tests notifies patients of testing results received from the laboratory in a timely manner. The Contractor shall ensure:

1.16.1. Patients with positive results confirming the diagnosis of COVID-19 are informed:

1.16.1.1. By telephone or other electronic method.

1.16.1.2. By first-class U.S. mail, if telephone or other electronic method is unsuccessful

1.16.2. Patients with negative results are informed of test results in a method determined by the Contractor.

1.17. The Contractor shall utilize existing communication methods to inform the local community of the availability of outpatient COVID-19 testing, which may include, but are not limited to:

1.17.1. The hospital's website.

1.17.2. Hospital newsletters.

1.17.3. Social media platforms.

1.18. The Contractor shall ensure published information includes how and when patients can access the services and the location of the specimen collection site.

1.19. The Contractor shall ensure any marketing materials abide by existing requirements for communication access, including but not limited to:

1.19.1. Vital and significant materials should be made available in additional languages, as appropriate, and must be translated by qualified, competent translation providers, as follows:

1.19.1.1. Statewide, only Spanish meets the criteria for translation.

1.19.1.2. Translation is required for languages depending on factors including the number and proportion of LEP persons served or likely to seek services in the Contractor's service areas, and the frequency with which LEP individuals come into contact with the Contractor's programs, activities and services. .

1.19.1.3. Notification on all materials of the availability of free communication access and language assistance for any individuals who may require it.

1.19.1.4. All materials have a phone number to call for further information, ensuring staff answering that phone number shall have access to over-the-phone interpretation to assist callers who need spoken language interpretation.

1.20. The Contractor shall provide communication and language assistance at all points of contact in accessing COVID-19 testing to individuals with communication access needs, including individuals with limited English proficiency, or individuals who are deaf or have hearing loss.

1.21. The Contractor shall conduct outreach to vulnerable populations and minority populations in the hospital catchment area or local community, including notifying partner organizations who work with these populations about the availability of COVID-19 testing.

1.22. The Contractor shall report both positive and negative test results to the Division of Public Health Services through the Electronic Laboratory Reporting (ELR) system, or ensure the laboratory used for processing specimens and conducting testing reports both positive and negative results to the Division of Public Health Services through the ELR system.

1.23. The Contractor shall report all positive cases of COVID-19 with complete case information by fax to (603) 271-0545 to the Division of Public Health Services using the New Hampshire Confidential COVID-19 Case Report Form available at: https://www.dhhs.nh.gov/dphs/cdcs/covid19/covid19-reporting-form.pdf.

1.24. The Contractor shall notify patients who are uninsured or do not have full coverage benefits for COVID-19 testing that New Hampshire Medicaid has established a COVID-19 Testing Benefit that may pay for testing and diagnosis of COVID-19 for persons who are not already a Medicaid beneficiary and do not have full coverage for COVID-19 testing and diagnosis. The Contractor shall assist patients in completing the application available at https://nheasy.nh.gov.

2. Exhibits Incorporated

2.1. The Contractor shall use and disclose Protected Health Information in compliance with the Standards for Privacy of Individually Identifiable Health Information (Privacy Rule) (45 CFR Parts 160 and 164) under the Health Insurance Portability and Accountability Act (HIPAA) of 1996, and in accordance with the attached Exhibit I, Business Associate Agreement, which has been executed by the parties.

2.2. The Contractor shall comply with all Exhibits D through K, which are attached hereto and incorporated by reference herein.

2.3. The Contractor's Use and Responsibilities for Confidential Information are as follows.

2.3.1. The Contractor agrees to use, disclose, maintain, or transmit Confidential Data from Providers as required, specifically authorized, or permitted under the Contract or this Agreement. Further, the Contractor, including but not limited to all its directors, officers, employees, and agents, agrees not to use, disclose, maintain, or transmit PHI in any manner that would constitute a violation of the Privacy and Security Rules. The Contractor shall provide Confidential Information as required by the Contract, RSA 141-C:7, 141-C:9, RSA 141-C:10, and in a form required by He-P 301.03 and the "New Hampshire Local Implementation Guide for Electronic Laboratory Reporting for Communicable Disease and Lead Test Results Using HL7 2.5.1," Version 4.0 (5/23/2016), found at: https://www.dhhs.nh.gov/dphs/bphsi/documents/elrguide.pdf.

2.3.2. The Contractor shall transmit Confidential Information to the Division of Public Health Services by means of a secure file transport protocol (sFTP) provided by the Department and agreed to by the parties and approved by the Department's Information Security Officer.

2.3.2.1. Any individual seeking credentials to access the sFTP site shall sign and return to the Department a "Data Use and Confidentiality Agreement" (Attachment A) when requesting sFTP account.

2.3.3. The Contractor shall transmit the Confidential Information to the Division of Public Health Services as required by statute and this Agreement, namely:

2.3.3.1. All test results, including but not limited to positive and negative results, shall be reported electronically via electronic laboratory reporting procedures, also referred to as "ELR," as noted above.

2.3.3.2. Test results shall be provided within 24 hours of the test being completed.

2.4. As necessary, the Contractor agrees to comply with any request to correct or complete the data once transmitted to the Division of Public Health Services.

2.5. The Contractor agrees that the data submitted shall be the "minimum necessary" to carry out the stated use of the data, as defined in the HIPAA Privacy Rule and in accordance with all applicable confidentiality laws.

2.6. The parties agree that this Agreement shall be construed in accordance the terms of Contract and governed by the laws of the State of New Hampshire.

2.7. The Contractor and the Department agree to negotiate an amendment to this Agreement as needed to address a Contract amendment, or any changes in policy issues, fiscal issues, information security, and other specific safeguards required for maintaining confidentiality of the data.

3. Reporting Requirements

3.1. The Contractor shall submit monthly reports to the Department showing that the public is able to access COVID-19 testing, including, but not limited to:

3.1.1. Number of persons who received COVID-19 testing.

3.1.2. Number of persons assisted with enrollment in the Medicaid COVID-19 Testing benefit or other assistance program who received COVID-19 testing.

3.1.3. Number of persons for whom race and/or ethnicity is documented.

3.2. The Contractor shall ensure race and/or ethnicity demographic identifiers for the persons who received COVID-19 testing are collected consistently and correctly, in accordance with best practice standards and processes as provided by the Office of Heath Equity, and entered either manually or electronically on the hospital or reference laboratory COVID-19 test requisition forms.

4. Additional Terms

4.1. Impacts Resulting from Court Orders or Legislative Changes

4.1.1. The Contractor agrees that, to the extent future state or federal legislation or court orders may have an impact on the Services described herein, the State has the right to modify service priorities and expenditure requirements under this Agreement so as to achieve compliance therewith.

4.2. Federal Civil Rights Laws Compliance: Culturally and Linguistically

Appropriate Programs and Services

4.2.1. The Contractor shall submit within ten (10) days of the contract effective date, and comply with, a detailed description of the communication access and language assistance services they will provide to ensure meaningful access to their programs and/or services to persons with limited English proficiency, people who are deaf or have hearing loss, are blind or have low vision, or who have speech challenges.

4.3. **Credits and Copyright Ownership**

4.3.1. All documents, notices, press releases, research reports and other materials prepared during or resulting from the performance of the services of the Contract shall include the following statement, "The preparation of this (report, document etc.) was financed under a Contract with the State of New Hampshire, Department of Health and Human Services, with funds provided in part by the State of New Hampshire and/or such other funding sources as were available or required, e.g., the United States Department of Health and Human Services."

4.3.2. All materials produced or purchased under the contract shall have prior approval from the Department before printing, production, distribution or use.

4.3.3. The Department shall retain copyright ownership for any and all original materials produced, including, but not limited to: brochures, resource directories, protocols or guidelines, posters and reports.

4.3.4. The Contractor shall not reproduce any materials produced under the contract without prior written approval from the Department.

4.4. **Operation of Facilities: Compliance with Laws and Regulations**

4.4.1. In the operation of any facilities for providing services, the Contractor shall comply with all laws, orders and regulations of federal, state, county and municipal authorities and with any direction of any Public Officer or officers pursuant to laws which shall impose an order or duty upon the contractor with respect to the operation of the facility or the provision of the services at such facility. If any governmental license or permit shall be required for the operation of the said facility or the performance of the said services, the Contractor will procure said license or permit, and will at all times comply with the terms and conditions of each such license or permit. In connection with the foregoing requirements, the Contractor hereby covenants and agrees that, during the term of this Contract the facilities shall comply with all rules, orders, regulations, and requirements of the State Office of the Fire Marshal and the local fire protection agency, and shall be in conformance with local building and zoning codes, by-laws and

regulations.

5. Records

5.1. The Contractor shall keep records that include, but are not limited to:

5.1.1. Books, records, documents and other electronic or physical data evidencing and reflecting all costs and other expenses incurred by the Contractor in the performance of the Contract, and all income received or collected by the Contractor.

5.1.2. All records must be maintained in accordance with accounting procedures and practices, which sufficiently and properly reflect all such costs and expenses, and which are acceptable to the Department, and to include, without limitation, all ledgers, books, records, and original evidence of costs such as purchase requisitions and orders, vouchers, requisitions for materials, inventories, valuations of in-kind contributions, labor time cards, payrolls, and other records requested or required by the Department.

5.1.3. Statistical, enrollment, attendance or visit records for each recipient of services, which records shall include all records of application and eligibility (including all forms required to determine eligibility for each such recipient), records regarding the provision of services and all invoices submitted to the Department to obtain payment for such services.

5.1.4. Medical records on each patient/recipient of services.

5.2. During the term of this Contract and the period for retention hereunder, the Department, the United States Department of Health and Human Services, and any of their designated representatives shall have access to all reports and records maintained pursuant to the Contract for purposes of audit, examination, excerpts and transcripts. Upon the purchase by the Department of the maximum number of units provided for in the Contract and upon payment of the price limitation hereunder, the Contract and all the obligations of the parties hereunder (except such obligations as, by the terms of the Contract are to be performed after the end of the term of this Contract and/or survive the termination of the Contract) shall terminate, provided however, that if, upon review of the Final Expenditure Report the Department shall disallow any expenses claimed by the Contractor as costs hereunder the Department shall retain the right, at its discretion, to deduct the amount of such expenses as are disallowed or to recover such sums from the Contractor.

New Hampshire Department of Health and Human Services
HOSPITAL-BASED COVID-19 COMMUNITY TESTING

EXHIBIT B -1

Reporting Entity Data Use and Confidentiality Agreement

By requesting and receiving approval to use confidential data for Department purposes:

- I understand that I will have direct and indirect access to confidential information in the course of performing my work activities.
- I agree to protect the confidential nature of all information to which I have access.
- I understand that there are state and federal laws and regulations that ensure the confidentiality of an individual's information.
- I understand that there are Department policies and agency procedures with which I am required to comply related to the protection of individually identifiable information.
- I understand that the information extracted from the site shall not be shared outside this Scope of Work or related signed Memorandum of Understanding and/or Information Exchange Agreement/Data Sharing Agreement agreed upon.
- I understand that my SFTP or any information security credentials (user name and password) should not be shared with anyone. This applies to credentials used to access the site directly or indirectly through a third party application.
- I will not disclose or make use of the identity, financial or health information of any person or establishment discovered inadvertently. I will report such discoveries as soon as feasible to DHHSInformationSecurityOffice@dhhs.nh.gov and DHHSPrivacyOfficer@dhhs.nh.gov, but no more than 24 hours after the aforementioned has occurred and that Confidential Data may have been exposed or compromised. If a suspected or known information security event, Computer Security Incident, Incident or Breach involves Social Security Administration (SSA) provided data or Internal Revenue Services (IRS) provided Federal Tax Information (FTI).
- I will not imply or state, either in written or oral form, that interpretations based on the data are those of the original data sources or the State of NH unless the data user and the Department are formally collaborating.
- I will acknowledge, in all reports or presentations based on these data, the original source of the data.
- I understand how I am expected to ensure the protection of individually identifiable information. Should questions arise in the future about how to protect information to which I have access, I will immediately notify my supervisor.
- I understand that I am legally and ethically obligated to maintain the confidentiality of Department client, patient, and other sensitive information that is protected by information security, privacy or confidentiality rules and state and federal laws even after I leave the employment of the Department.
- I have been informed that this signed agreement will be retained on file for future reference.

Signature	Date: 7/24/20
Travis Boucher	CFO
Printed Name	Title
Speare Memorial Hospital	
Business Name	

Payment Terms

1. This Agreement is funded by the Epidemiology and Laboratory Capacity for Prevention and Control of Emerging Infectious Diseases (ELC) cooperative agreement from the Centers for Disease Control and Prevention Division of Preparedness and Emerging Infections, CFDA #93.323, FAIN #NU50CK000522.
2. For the purposes of this Agreement:
   2.1. The Department has identified the Contractor as a Subrecipient, in accordance with 2 CFR 200.330.
   2.2. The Department has identified this Contract as NON-R&D, in accordance with 2 CFR §200.87.
3. This Agreement is for COVID-19 testing and testing-related activities to be conducted between August 1, 2020 and December 1, 2020.
4. Payment:
   4.1. The Department will pay the Contractor the amount listed in box 1.8 Price Limitation included in the General Provisions Form Number P-37, for providing the services included in Exhibit B, Scope of Services, after the Effective Date of the Contract.
      4.1.1. The Contractor shall submit an expense report in a form satisfactory to the State every sixty (60) days, which identifies allowable expenses incurred during the duration of the contract.
      4.1.2. Any unspent start-up payment funds will be returned to the Department within sixty (60) calendar days of contract expiration date.
      4.1.3. In lieu of hard copies, all expense reports may be assigned an electronic signature and must be emailed to dphscontractbilling@dhhs.nh.gov.
5. The Contractor shall be responsible for billing patients for the COVID-19 testing. The payment received by Contractor from the State under this Agreement shall cover additional administrative over-head or startup costs that are not otherwise reimbursable by patients or third party payors.
6. The Contractor must provide the services in Exhibit B, Scope of Services, in compliance with funding requirements.
7. The Contractor agrees that funding under this Agreement may be recouped, in whole or in part in the event of non-compliance with the terms and conditions of Exhibit B, Scope of Services.

8. The Contractor shall keep detailed records of their activities related to Department-funded programs and services and have records available for Department review, as requested.

9. Notwithstanding anything to the contrary herein, the Contractor agrees that funding under this agreement may be recouped, in whole or in part, in the event of non-compliance with any Federal or State law, rule or regulation applicable to the services provided, or if the said services or products have not been satisfactorily completed in accordance with the terms and conditions of this agreement.

10. Notwithstanding Paragraph 17 of the General Provisions Form P-37, changes limited to adjusting amounts within the price limitation and adjusting encumbrances between State Fiscal Years and budget class lines through the Budget Office may be made by written agreement of both parties, without obtaining approval of the Governor and Executive Council, if needed and justified.

11. Audits

    11.1. The Contractor is required to submit an annual audit to the Department if **any** of the following conditions exist:

        11.1.1. Condition A - The Contractor expended $750,000 or more in federal funds received as a subrecipient pursuant to 2 CFR Part 200, during the most recently completed fiscal year.

        11.1.2. Condition B - The Contractor is subject to audit pursuant to the requirements of NH RSA 7:28, III-b, pertaining to charitable organizations receiving support of $1,000,000 or more.

        11.1.3. Condition C - The Contractor is a public company and required by Security and Exchange Commission (SEC) regulations to submit an annual financial audit.

    11.2. If Condition A exists, the Contractor shall submit an annual single audit performed by an independent Certified Public Accountant (CPA) to the Department within 120 days after the close of the Contractor's fiscal year, conducted in accordance with the requirements of 2 CFR Part 200, Subpart F of the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal awards.

    11.3. If Condition B or Condition C exists, the Contractor shall submit an annual financial audit performed by an independent CPA within 120 days after the close of the Contractor's fiscal year.

    11.4. In addition to, and not in any way in limitation of obligations of the Contract, it is understood and agreed by the Contractor that the Contractor shall be held liable for any state or federal audit exceptions

and shall return to the Department all payments made under the Contract to which exception has been taken, or which have been disallowed because of such an exception.

CERTIFICATION REGARDING DRUG-FREE WORKPLACE REQUIREMENTS

The Vendor identified in Section 1.3 of the General Provisions agrees to comply with the provisions of Sections 5151-5160 of the Drug-Free Workplace Act of 1988 (Pub. L. 100-690, Title V, Subtitle D; 41 U.S.C. 701 et seq.), and further agrees to have the Contractor's representative, as identified in Sections 1.11 and 1.12 of the General Provisions execute the following Certification:

ALTERNATIVE I - FOR GRANTEES OTHER THAN INDIVIDUALS

US DEPARTMENT OF HEALTH AND HUMAN SERVICES - CONTRACTORS
US DEPARTMENT OF EDUCATION - CONTRACTORS
US DEPARTMENT OF AGRICULTURE - CONTRACTORS

This certification is required by the regulations implementing Sections 5151-5160 of the Drug-Free Workplace Act of 1988 (Pub. L. 100-690, Title V, Subtitle D; 41 U.S.C. 701 et seq.). The January 31, 1989 regulations were amended and published as Part II of the May 25, 1990 Federal Register (pages 21681-21691), and require certification by grantees (and by inference, sub-grantees and sub-contractors), prior to award, that they will maintain a drug-free workplace. Section 3017.630(c) of the regulation provides that a grantee (and by inference, sub-grantees and sub-contractors) that is a State may elect to make one certification to the Department in each federal fiscal year in lieu of certificates for each grant during the federal fiscal year covered by the certification. The certificate set out below is a material representation of fact upon which reliance is placed when the agency awards the grant. False certification or violation of the certification shall be grounds for suspension of payments, suspension or termination of grants, or government wide suspension or debarment. Contractors using this form should send it to:

Commissioner
NH Department of Health and Human Services
129 Pleasant Street,
Concord, NH 03301-6505

1. The grantee certifies that it will or will continue to provide a drug-free workplace by:
   - 1.1. Publishing a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession or use of a controlled substance is prohibited in the grantee's workplace and specifying the actions that will be taken against employees for violation of such prohibition;
   - 1.2. Establishing an ongoing drug-free awareness program to inform employees about
     - 1.2.1. The dangers of drug abuse in the workplace;
     - 1.2.2. The grantee's policy of maintaining a drug-free workplace;
     - 1.2.3. Any available drug counseling, rehabilitation, and employee assistance programs; and
     - 1.2.4. The penalties that may be imposed upon employees for drug abuse violations occurring in the workplace;
   - 1.3. Making it a requirement that each employee to be engaged in the performance of the grant be given a copy of the statement required by paragraph (a);
   - 1.4. Notifying the employee in the statement required by paragraph (a) that, as a condition of employment under the grant, the employee will
     - 1.4.1. Abide by the terms of the statement; and
     - 1.4.2. Notify the employer in writing of his or her conviction for a violation of a criminal drug statute occurring in the workplace no later than five calendar days after such conviction;
   - 1.5. Notifying the agency in writing, within ten calendar days after receiving notice under subparagraph 1.4.2 from an employee or otherwise receiving actual notice of such conviction. Employers of convicted employees must provide notice, including position title, to every grant officer on whose grant activity the convicted employee was working, unless the Federal agency

has designated a central point for the receipt of such notices. Notice shall include the identification number(s) of each affected grant;

1.6. Taking one of the following actions, within 30 calendar days of receiving notice under subparagraph 1.4.2, with respect to any employee who is so convicted
   1.6.1. Taking appropriate personnel action against such an employee, up to and including termination, consistent with the requirements of the Rehabilitation Act of 1973, as amended; or
   1.6.2. Requiring such employee to participate satisfactorily in a drug abuse assistance or rehabilitation program approved for such purposes by a Federal, State, or local health, law enforcement, or other appropriate agency;

1.7. Making a good faith effort to continue to maintain a drug-free workplace through implementation of paragraphs 1.1, 1.2, 1.3, 1.4, 1.5, and 1.6.

2. The grantee may insert in the space provided below the site(s) for the performance of work done in connection with the specific grant.

Place of Performance (street address, city, county, state, zip code) (list each location)

Check ☐ if there are workplaces on file that are not identified here.

Vendor Name: Speare Memorial Hospital

7/22/2020
Date

Name: Travis Boucher
Title: CFO

CERTIFICATION REGARDING LOBBYING

The Vendor identified in Section 1.3 of the General Provisions agrees to comply with the provisions of Section 319 of Public Law 101-121, Government wide Guidance for New Restrictions on Lobbying, and 31 U.S.C. 1352, and further agrees to have the Contractor's representative, as identified in Sections 1.11 and 1.12 of the General Provisions execute the following Certification:

US DEPARTMENT OF HEALTH AND HUMAN SERVICES - CONTRACTORS
US DEPARTMENT OF EDUCATION - CONTRACTORS
US DEPARTMENT OF AGRICULTURE - CONTRACTORS

Programs (indicate applicable program covered):
*Temporary Assistance to Needy Families under Title IV-A
*Child Support Enforcement Program under Title IV-D
*Social Services Block Grant Program under Title XX
*Medicaid Program under Title XIX
*Community Services Block Grant under Title VI
*Child Care Development Block Grant under Title IV

The undersigned certifies, to the best of his or her knowledge and belief, that:

1. No Federal appropriated funds have been paid or will be paid by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement (and by specific mention sub-grantee or sub-contractor).

2. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement (and by specific mention sub-grantee or sub-contractor), the undersigned shall complete and submit Standard Form LLL, (Disclosure Form to Report Lobbying, in accordance with its instructions, attached and identified as Standard Exhibit E-I.)

3. The undersigned shall require that the language of this certification be included in the award document for sub-awards at all tiers (including subcontracts, sub-grants, and contracts under grants, loans, and cooperative agreements) and that all sub-recipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by Section 1352, Title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than $10,000 and not more than $100,000 for each such failure.

Vendor Name: Speare Memorial Hospital

7/22/20
Date

Name: Travis Boucher
Title: CFO

CERTIFICATION REGARDING DEBARMENT, SUSPENSION AND OTHER RESPONSIBILITY MATTERS

The Vendor identified in Section 1.3 of the General Provisions agrees to comply with the provisions of Executive Office of the President, Executive Order 12549 and 45 CFR Part 76 regarding Debarment, Suspension, and Other Responsibility Matters, and further agrees to have the Contractor's representative, as identified in Sections 1.11 and 1.12 of the General Provisions execute the following Certification:

INSTRUCTIONS FOR CERTIFICATION

1. By signing and submitting this proposal (contract), the prospective primary participant is providing the certification set out below.

2. The inability of a person to provide the certification required below will not necessarily result in denial of participation in this covered transaction. If necessary, the prospective participant shall submit an explanation of why it cannot provide the certification. The certification or explanation will be considered in connection with the NH Department of Health and Human Services' (DHHS) determination whether to enter into this transaction. However, failure of the prospective primary participant to furnish a certification or an explanation shall disqualify such person from participation in this transaction.

3. The certification in this clause is a material representation of fact upon which reliance was placed when DHHS determined to enter into this transaction. If it is later determined that the prospective primary participant knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government, DHHS may terminate this transaction for cause or default.

4. The prospective primary participant shall provide immediate written notice to the DHHS agency to whom this proposal (contract) is submitted if at any time the prospective primary participant learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances.

5. The terms "covered transaction," "debarred," "suspended," "ineligible," "lower tier covered transaction," "participant," "person," "primary covered transaction," "principal," "proposal," and "voluntarily excluded," as used in this clause, have the meanings set out in the Definitions and Coverage sections of the rules implementing Executive Order 12549: 45 CFR Part 76. See the attached definitions.

6. The prospective primary participant agrees by submitting this proposal (contract) that, should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transaction with a person who is debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by DHHS.

7. The prospective primary participant further agrees by submitting this proposal that it will include the clause titled "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion - Lower Tier Covered Transactions," provided by DHHS, without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions.

8. A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that it is not debarred, suspended, ineligible, or involuntarily excluded from the covered transaction, unless it knows that the certification is erroneous. A participant may decide the method and frequency by which it determines the eligibility of its principals. Each participant may, but is not required to, check the Nonprocurement List (of excluded parties).

9. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and

information of a participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.

10. Except for transactions authorized under paragraph 6 of these instructions, if a participant in a covered transaction knowingly enters into a lower tier covered transaction with a person who is suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction, in addition to other remedies available to the Federal government, DHHS may terminate this transaction for cause or default.

PRIMARY COVERED TRANSACTIONS

11. The prospective primary participant certifies to the best of its knowledge and belief, that it and its principals:
    11.1. are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any Federal department or agency;
    11.2. have not within a three-year period preceding this proposal (contract) been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State or local) transaction or a contract under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;
    11.3. are not presently indicted for otherwise criminally or civilly charged by a governmental entity (Federal, State or local) with commission of any of the offenses enumerated in paragraph (I)(b) of this certification; and
    11.4. have not within a three-year period preceding this application/proposal had one or more public transactions (Federal, State or local) terminated for cause or default.

12. Where the prospective primary participant is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this proposal (contract).

LOWER TIER COVERED TRANSACTIONS

13. By signing and submitting this lower tier proposal (contract), the prospective lower tier participant, as defined in 45 CFR Part 76, certifies to the best of its knowledge and belief that it and its principals:
    13.1. are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any federal department or agency.
    13.2. where the prospective lower tier participant is unable to certify to any of the above, such prospective participant shall attach an explanation to this proposal (contract).

14. The prospective lower tier participant further agrees by submitting this proposal (contract) that it will include this clause entitled "Certification Regarding Debarment, Suspension, Ineligibility, and Voluntary Exclusion - Lower Tier Covered Transactions," without modification in all lower tier covered transactions and in all solicitations for lower tier covered transactions.

Vendor Name: Speare Memorial Hospital

7/22/20
Date

Name: Travis Boucher
Title: CFO

CERTIFICATION OF COMPLIANCE WITH REQUIREMENTS PERTAINING TO FEDERAL NONDISCRIMINATION, EQUAL TREATMENT OF FAITH-BASED ORGANIZATIONS AND WHISTLEBLOWER PROTECTIONS

The Vendor identified in Section 1.3 of the General Provisions agrees by signature of the Contractor's representative as identified in Sections 1.11 and 1.12 of the General Provisions, to execute the following certification:

Vendor will comply, and will require any subgrantees or subcontractors to comply, with any applicable federal nondiscrimination requirements, which may include:

- the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. Section 3789d) which prohibits recipients of federal funding under this statute from discriminating, either in employment practices or in the delivery of services or benefits, on the basis of race, color, religion, national origin, and sex. The Act requires certain recipients to produce an Equal Employment Opportunity Plan;

- the Juvenile Justice Delinquency Prevention Act of 2002 (42 U.S.C. Section 5672(b)) which adopts by reference, the civil rights obligations of the Safe Streets Act. Recipients of federal funding under this statute are prohibited from discriminating, either in employment practices or in the delivery of services or benefits, on the basis of race, color, religion, national origin, and sex. The Act includes Equal Employment Opportunity Plan requirements;

- the Civil Rights Act of 1964 (42 U.S.C. Section 2000d, which prohibits recipients of federal financial assistance from discriminating on the basis of race, color, or national origin in any program or activity);

- the Rehabilitation Act of 1973 (29 U.S.C. Section 794), which prohibits recipients of Federal financial assistance from discriminating on the basis of disability, in regard to employment and the delivery of services or benefits, in any program or activity;

- the Americans with Disabilities Act of 1990 (42 U.S.C. Sections 12131-34), which prohibits discrimination and ensures equal opportunity for persons with disabilities in employment, State and local government services, public accommodations, commercial facilities, and transportation;

- the Education Amendments of 1972 (20 U.S.C. Sections 1681, 1683, 1685-86), which prohibits discrimination on the basis of sex in federally assisted education programs;

- the Age Discrimination Act of 1975 (42 U.S.C. Sections 6106-07), which prohibits discrimination on the basis of age in programs or activities receiving Federal financial assistance. It does not include employment discrimination;

- 28 C.F.R. pt. 31 (U.S. Department of Justice Regulations – OJJDP Grant Programs); 28 C.F.R. pt. 42 (U.S. Department of Justice Regulations – Nondiscrimination; Equal Employment Opportunity; Policies and Procedures); Executive Order No. 13279 (equal protection of the laws for faith-based and community organizations); Executive Order No. 13559, which provide fundamental principles and policy-making criteria for partnerships with faith-based and neighborhood organizations;

- 28 C.F.R. pt. 38 (U.S. Department of Justice Regulations – Equal Treatment for Faith-Based Organizations); and Whistleblower protections 41 U.S.C. §4712 and The National Defense Authorization Act (NDAA) for Fiscal Year 2013 (Pub. L. 112-239, enacted January 2, 2013) the Pilot Program for Enhancement of Contract Employee Whistleblower Protections, which protects employees against reprisal for certain whistle blowing activities in connection with federal grants and contracts.

The certificate set out below is a material representation of fact upon which reliance is placed when the agency awards the grant. False certification or violation of the certification shall be grounds for suspension of payments, suspension or termination of grants, or government wide suspension or debarment.

In the event a Federal or State court or Federal or State administrative agency makes a finding of discrimination after a due process hearing on the grounds of race, color, religion, national origin, or sex against a recipient of funds, the recipient will forward a copy of the finding to the Office for Civil Rights, to the applicable contracting agency or division within the Department of Health and Human Services, and to the Department of Health and Human Services Office of the Ombudsman.

The Vendor identified in Section 1.3 of the General Provisions agrees by signature of the Contractor's representative as identified in Sections 1.11 and 1.12 of the General Provisions, to execute the following certification:

1. By signing and submitting this proposal (contract) the Vendor agrees to comply with the provisions indicated above.

Vendor Name: Speare Memorial Hospital

7/22/20
Date

Name: Travis Boucher
Title: CFO

CERTIFICATION REGARDING ENVIRONMENTAL TOBACCO SMOKE

Public Law 103-227, Part C - Environmental Tobacco Smoke, also known as the Pro-Children Act of 1994 (Act), requires that smoking not be permitted in any portion of any indoor facility owned or leased or contracted for by an entity and used routinely or regularly for the provision of health, day care, education, or library services to children under the age of 18, if the services are funded by Federal programs either directly or through State or local governments, by Federal grant, contract, loan, or loan guarantee. The law does not apply to children's services provided in private residences, facilities funded solely by Medicare or Medicaid funds, and portions of facilities used for inpatient drug or alcohol treatment. Failure to comply with the provisions of the law may result in the imposition of a civil monetary penalty of up to $1000 per day and/or the imposition of an administrative compliance order on the responsible entity.

The Vendor identified in Section 1.3 of the General Provisions agrees, by signature of the Contractor's representative as identified in Section 1.11 and 1.12 of the General Provisions, to execute the following certification:

1. By signing and submitting this contract, the Vendor agrees to make reasonable efforts to comply with all applicable provisions of Public Law 103-227, Part C, known as the Pro-Children Act of 1994.

Vendor Name: Speare Memorial Hospital

7/22/20
Date

Name:
Title: Travis Boucher
CFO

HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY ACT BUSINESS ASSOCIATE AGREEMENT

The Contractor identified in Section 1.3 of the General Provisions of the Agreement agrees to comply with the Health Insurance Portability and Accountability Act, Public Law 104-191 and with the Standards for Privacy and Security of Individually Identifiable Health Information, 45 CFR Parts 160 and 164 applicable to business associates. As defined herein, "Business Associate" shall mean the Contractor and subcontractors and agents of the Contractor that receive, use or have access to protected health information under this Agreement and "Covered Entity" shall mean the State of New Hampshire, Department of Health and Human Services.

(1) Definitions.

a. "Breach" shall have the same meaning as the term "Breach" in section 164.402 of Title 45, Code of Federal Regulations.

b. "Business Associate" has the meaning given such term in section 160.103 of Title 45, Code of Federal Regulations.

c. "Covered Entity" has the meaning given such term in section 160.103 of Title 45, Code of Federal Regulations.

d. "Designated Record Set" shall have the same meaning as the term "designated record set" in 45 CFR Section 164.501.

e. "Data Aggregation" shall have the same meaning as the term "data aggregation" in 45 CFR Section 164.501.

f. "Health Care Operations" shall have the same meaning as the term "health care operations" in 45 CFR Section 164.501.

g. "HITECH Act" means the Health Information Technology for Economic and Clinical Health Act, TitleXIII, Subtitle D, Part 1 & 2 of the American Recovery and Reinvestment Act of 2009.

h. "HIPAA" means the Health Insurance Portability and Accountability Act of 1996, Public Law 104-191 and the Standards for Privacy and Security of Individually Identifiable Health Information, 45 CFR Parts 160, 162 and 164 and amendments thereto.

i. "Individual" shall have the same meaning as the term "individual" in 45 CFR Section 160.103 and shall include a person who qualifies as a personal representative in accordance with 45 CFR Section 164.501(g).

j. "Privacy Rule" shall mean the Standards for Privacy of Individually Identifiable Health Information at 45 CFR Parts 160 and 164, promulgated under HIPAA by the United States Department of Health and Human Services.

k. "Protected Health Information" shall have the same meaning as the term "protected health information" in 45 CFR Section 160.103, limited to the information created or received by Business Associate from or on behalf of Covered Entity.

l. "Required by Law" shall have the same meaning as the term "required by law" in 45 CFR Section 164.103.

m. "Secretary" shall mean the Secretary of the Department of Health and Human Services or his/her designee.

n. "Security Rule" shall mean the Security Standards for the Protection of Electronic Protected Health Information at 45 CFR Part 164, Subpart C, and amendments thereto.

o. "Unsecured Protected Health Information" means protected health information that is not secured by a technology standard that renders protected health information unusable, unreadable, or indecipherable to unauthorized individuals and is developed or endorsed by a standards developing organization that is accredited by the American National Standards Institute.

p. Other Definitions - All terms not otherwise defined herein shall have the meaning established under 45 C.F.R. Parts 160, 162 and 164, as amended from time to time, and the HITECH
Act.

(2) **Business Associate Use and Disclosure of Protected Health Information.**

a. Business Associate shall not use, disclose, maintain or transmit Protected Health Information (PHI) except as reasonably necessary to provide the services outlined under Exhibit A of the Agreement. Further, Business Associate, including but not limited to all its directors, officers, employees and agents, shall not use, disclose, maintain or transmit PHI in any manner that would constitute a violation of the Privacy and Security Rule.

b. Business Associate may use or disclose PHI:
   I. For the proper management and administration of the Business Associate;
   II. As required by law, pursuant to the terms set forth in paragraph d. below; or
   III. For data aggregation purposes for the health care operations of Covered Entity.

c. To the extent Business Associate is permitted under the Agreement to disclose PHI to a third party, Business Associate must obtain, prior to making any such disclosure, (i) reasonable assurances from the third party that such PHI will be held confidentially and used or further disclosed only as required by law or for the purpose for which it was disclosed to the third party; and (ii) an agreement from such third party to notify Business Associate, in accordance with the HIPAA Privacy, Security, and Breach Notification Rules of any breaches of the confidentiality of the PHI, to the extent it has obtained knowledge of such breach.

d. The Business Associate shall not, unless such disclosure is reasonably necessary to provide services under Exhibit A of the Agreement, disclose any PHI in response to a request for disclosure on the basis that it is required by law, without first notifying Covered Entity so that Covered Entity has an opportunity to object to the disclosure and to seek appropriate relief. If Covered Entity objects to such disclosure, the Business

Associate shall refrain from disclosing the PHI until Covered Entity has exhausted all remedies.

e. If the Covered Entity notifies the Business Associate that Covered Entity has agreed to be bound by additional restrictions over and above those uses or disclosures or security safeguards of PHI pursuant to the Privacy and Security Rule, the Business Associate shall be bound by such additional restrictions and shall not disclose PHI in violation of such additional restrictions and shall abide by any additional security safeguards.

(3) **Obligations and Activities of Business Associate.**

a. The Business Associate shall notify the Covered Entity's Privacy Officer immediately after the Business Associate becomes aware of any use or disclosure of protected health information not provided for by the Agreement including breaches of unsecured protected health information and/or any security incident that may have an impact on the protected health information of the Covered Entity.

b. The Business Associate shall immediately perform a risk assessment when it becomes aware of any of the above situations. The risk assessment shall include, but not be limited to:

- The nature and extent of the protected health information involved, including the types of identifiers and the likelihood of re-identification;
- The unauthorized person used the protected health information or to whom the disclosure was made;
- Whether the protected health information was actually acquired or viewed
- The extent to which the risk to the protected health information has been mitigated.

The Business Associate shall complete the risk assessment within 48 hours of the breach and immediately report the findings of the risk assessment in writing to the Covered Entity.

c. The Business Associate shall comply with all sections of the Privacy, Security, and Breach Notification Rule.

d. Business Associate shall make available all of its internal policies and procedures, books and records relating to the use and disclosure of PHI received from, or created or received by the Business Associate on behalf of Covered Entity to the Secretary for purposes of determining Covered Entity's compliance with HIPAA and the Privacy and Security Rule.

e. Business Associate shall require all of its business associates that receive, use or have access to PHI under the Agreement, to agree in writing to adhere to the same restrictions and conditions on the use and disclosure of PHI contained herein, including the duty to return or destroy the PHI as provided under Section 3 (l). The Covered Entity shall be considered a direct third party beneficiary of the Contractor's business associate agreements with Contractor's intended business associates, who will be receiving PHI

pursuant to this Agreement, with rights of enforcement and indemnification from such business associates who shall be governed by standard Paragraph #13 of the standard contract provisions (P-37) of this Agreement for the purpose of use and disclosure of protected health information.

f. Within five (5) business days of receipt of a written request from Covered Entity, Business Associate shall make available during normal business hours at its offices all records, books, agreements, policies and procedures relating to the use and disclosure of PHI to the Covered Entity, for purposes of enabling Covered Entity to determine Business Associate's compliance with the terms of the Agreement.

g. Within ten (10) business days of receiving a written request from Covered Entity, Business Associate shall provide access to PHI in a Designated Record Set to the Covered Entity, or as directed by Covered Entity, to an individual in order to meet the requirements under 45 CFR Section 164.524.

h. Within ten (10) business days of receiving a written request from Covered Entity for an amendment of PHI or a record about an individual contained in a Designated Record Set, the Business Associate shall make such PHI available to Covered Entity for amendment and incorporate any such amendment to enable Covered Entity to fulfill its obligations under 45 CFR Section 164.526.

i. Business Associate shall document such disclosures of PHI and information related to such disclosures as would be required for Covered Entity to respond to a request by an individual for an accounting of disclosures of PHI in accordance with 45 CFR Section 164.528.

j. Within ten (10) business days of receiving a written request from Covered Entity for a request for an accounting of disclosures of PHI, Business Associate shall make available to Covered Entity such information as Covered Entity may require to fulfill its obligations to provide an accounting of disclosures with respect to PHI in accordance with 45 CFR Section 164.528.

k. In the event any individual requests access to, amendment of, or accounting of PHI directly from the Business Associate, the Business Associate shall within two (2) business days forward such request to Covered Entity. Covered Entity shall have the responsibility of responding to forwarded requests. However, if forwarding the individual's request to Covered Entity would cause Covered Entity or the Business Associate to violate HIPAA and the Privacy and Security Rule, the Business Associate shall instead respond to the individual's request as required by such law and notify Covered Entity of such response as soon as practicable.

l. Within ten (10) business days of termination of the Agreement, for any reason, the Business Associate shall return or destroy, as specified by Covered Entity, all PHI received from, or created or received by the Business Associate in connection with the Agreement, and shall not retain any copies or back-up tapes of such PHI. If return or destruction is not feasible, or the disposition of the PHI has been otherwise agreed to in the Agreement, Business Associate shall continue to extend the protections of the Agreement, to such PHI and limit further uses and disclosures of such PHI to those purposes that make the return or destruction infeasible, for so long as Business

Associate maintains such PHI. If Covered Entity, in its sole discretion, requires that the Business Associate destroy any or all PHI, the Business Associate shall certify to Covered Entity that the PHI has been destroyed.

(4) Obligations of Covered Entity

a. Covered Entity shall notify Business Associate of any changes or limitation(s) in its Notice of Privacy Practices provided to individuals in accordance with 45 CFR Section 164.520, to the extent that such change or limitation may affect Business Associate's use or disclosure of PHI.

b. Covered Entity shall promptly notify Business Associate of any changes in, or revocation of permission provided to Covered Entity by individuals whose PHI may be used or disclosed by Business Associate under this Agreement, pursuant to 45 CFR Section 164.506 or 45 CFR Section 164.508.

c. Covered entity shall promptly notify Business Associate of any restrictions on the use or disclosure of PHI that Covered Entity has agreed to in accordance with 45 CFR 164.522, to the extent that such restriction may affect Business Associate's use or disclosure of PHI.

(5) Termination for Cause

In addition to Paragraph 10 of the standard terms and conditions (P-37) of this Agreement the Covered Entity may immediately terminate the Agreement upon Covered Entity's knowledge of a breach by Business Associate of the Business Associate Agreement set forth herein as Exhibit I. The Covered Entity may either immediately terminate the Agreement or provide an opportunity for Business Associate to cure the alleged breach within a timeframe specified by Covered Entity. If Covered Entity determines that neither termination nor cure is feasible, Covered Entity shall report the violation to the Secretary.

(6) Miscellaneous

a. Definitions and Regulatory References. All terms used, but not otherwise defined herein, shall have the same meaning as those terms in the Privacy and Security Rule, amended from time to time. A reference in the Agreement, as amended to include this Exhibit I, to a Section in the Privacy and Security Rule means the Section as in effect or as amended.

b. Amendment. Covered Entity and Business Associate agree to take such action as is necessary to amend the Agreement, from time to time as is necessary for Covered Entity to comply with the changes in the requirements of HIPAA, the Privacy and Security Rule, and applicable federal and state law.

c. Data Ownership. The Business Associate acknowledges that it has no ownership rights with respect to the PHI provided by or created on behalf of Covered Entity.

d. Interpretation. The parties agree that any ambiguity in the Agreement shall be resolved to permit Covered Entity to comply with HIPAA, the Privacy and Security Rule.

e. Segregation. If any term or condition of this Exhibit I or the application thereof to any person(s) or circumstance is held invalid, such invalidity shall not affect other terms or conditions which can be given effect without the invalid term or condition; to this end the terms and conditions of this Exhibit I are declared severable.

f. Survival. Provisions in this Exhibit I regarding the use and disclosure of PHI, return or destruction of PHI, extensions of the protections of the Agreement in section (3) I, the defense and indemnification provisions of section (3) e and Paragraph 13 of the standard terms and conditions (P-37), shall survive the termination of the Agreement.

IN WITNESS WHEREOF, the parties hereto have duly executed this Exhibit I.

Department of Health and Human Services	Spare Memorial Hospital
The State	Name of the Contractor
Signature of Authorized Representative	Signature of Authorized Representative
Ann H. Landry	Travis Boucher
Name of Authorized Representative	Name of Authorized Representative
Associate Commissioner	CFO
Title of Authorized Representative	Title of Authorized Representative
7/29/20	7/22/20
Date	Date

CERTIFICATION REGARDING THE FEDERAL FUNDING ACCOUNTABILITY AND TRANSPARENCY ACT (FFATA) COMPLIANCE

The Federal Funding Accountability and Transparency Act (FFATA) requires prime awardees of individual Federal grants equal to or greater than $25,000 and awarded on or after October 1, 2010, to report on data related to executive compensation and associated first-tier sub-grants of $25,000 or more. If the initial award is below $25,000 but subsequent grant modifications result in a total award equal to or over $25,000, the award is subject to the FFATA reporting requirements, as of the date of the award.

In accordance with 2 CFR Part 170 (Reporting Subaward and Executive Compensation Information), the Department of Health and Human Services (DHHS) must report the following information for any subaward or contract award subject to the FFATA reporting requirements:

1. Name of entity
2. Amount of award
3. Funding agency
4. NAICS code for contracts / CFDA program number for grants
5. Program source
6. Award title descriptive of the purpose of the funding action
7. Location of the entity
8. Principle place of performance
9. Unique identifier of the entity (DUNS #)
10. Total compensation and names of the top five executives if:
    - 10.1. More than 80% of annual gross revenues are from the Federal government, and those revenues are greater than $25M annually and
    - 10.2. Compensation information is not already available through reporting to the SEC.

Prime grant recipients must submit FFATA required data by the end of the month, plus 30 days, in which the award or award amendment is made.

The Contractor identified in Section 1.3 of the General Provisions agrees to comply with the provisions of The Federal Funding Accountability and Transparency Act, Public Law 109-282 and Public Law 110-252, and 2 CFR Part 170 (Reporting Subaward and Executive Compensation Information), and further agrees to have the Contractor's representative, as identified in Sections 1.11 and 1.12 of the General Provisions execute the following Certification:

The below named Contractor agrees to provide needed information as outlined above to the NH Department of Health and Human Services and to comply with all applicable provisions of the Federal Financial Accountability and Transparency Act.

Contractor Name: Speare Memorial Hospital

7/22/20
Date

Name:
Title: Travis Boucher
CFO

FORM A

As the Contractor identified in Section 1.3 of the General Provisions, I certify that the responses to the below listed questions are true and accurate.

1. The DUNS number for your entity is: 073982027

2. In your business or organization's preceding completed fiscal year, did your business or organization receive (1) 80 percent or more of your annual gross revenue in U.S. federal contracts, subcontracts, loans, grants, sub-grants, and/or cooperative agreements; and (2) $25,000,000 or more in annual gross revenues from U.S. federal contracts, subcontracts, loans, grants, subgrants, and/or cooperative agreements?

   X NO _____ YES

   If the answer to #2 above is NO, stop here

   If the answer to #2 above is YES, please answer the following:

3. Does the public have access to information about the compensation of the executives in your business or organization through periodic reports filed under section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C.78m(a), 78o(d)) or section 6104 of the Internal Revenue Code of 1986?

   _____ NO _____ YES

   If the answer to #3 above is YES, stop here

   If the answer to #3 above is NO, please answer the following:

4. The names and compensation of the five most highly compensated officers in your business or organization are as follows:

   Name: _____ Amount: _____

   Name: _____ Amount: _____

   Name: _____ Amount: _____

   Name: _____ Amount: _____

   Name: _____ Amount: _____

A. Definitions

The following terms may be reflected and have the described meaning in this document:

1. "Breach" means the loss of control, compromise, unauthorized disclosure, unauthorized acquisition, unauthorized access, or any similar term referring to situations where persons other than authorized users and for an other than authorized purpose have access or potential access to personally identifiable information, whether physical or electronic. With regard to Protected Health Information, " Breach" shall have the same meaning as the term "Breach" in section 164.402 of Title 45, Code of Federal Regulations.

2. "Computer Security Incident" shall have the same meaning "Computer Security Incident" in section two (2) of NIST Publication 800-61, Computer Security Incident Handling Guide, National Institute of Standards and Technology, U.S. Department of Commerce.

3. "Confidential Information" or "Confidential Data" means all confidential information disclosed by one party to the other such as all medical, health, financial, public assistance benefits and personal information including without limitation, Substance Abuse Treatment Records, Case Records, Protected Health Information and Personally Identifiable Information.

   Confidential Information also includes any and all information owned or managed by the State of NH - created, received from or on behalf of the Department of Health and Human Services (DHHS) or accessed in the course of performing contracted services - of which collection, disclosure, protection, and disposition is governed by state or federal law or regulation. This information includes, but is not limited to Protected Health Information (PHI), Personal Information (PI), Personal Financial Information (PFI), Federal Tax Information (FTI), Social Security Numbers (SSN), Payment Card Industry (PCI), and or other sensitive and confidential information.

4. "End User" means any person or entity (e.g., contractor, contractor's employee, business associate, subcontractor, other downstream user, etc.) that receives DHHS data or derivative data in accordance with the terms of this Contract.

5. "HIPAA" means the Health Insurance Portability and Accountability Act of 1996 and the regulations promulgated thereunder.

6. "Incident" means an act that potentially violates an explicit or implied security policy, which includes attempts (either failed or successful) to gain unauthorized access to a system or its data, unwanted disruption or denial of service, the unauthorized use of a system for the processing or storage of data; and changes to system hardware, firmware, or software characteristics without the owner's knowledge, instruction, or consent. Incidents include the loss of data through theft or device misplacement, loss or misplacement of hardcopy documents, and misrouting of physical or electronic

mail, all of which may have the potential to put the data at risk of unauthorized access, use, disclosure, modification or destruction.

7. "Open Wireless Network" means any network or segment of a network that is not designated by the State of New Hampshire's Department of Information Technology or delegate as a protected network (designed, tested, and approved, by means of the State, to transmit) will be considered an open network and not adequately secure for the transmission of unencrypted PI, PFI, PHI or confidential DHHS data.

8. "Personal Information" (or "PI") means information which can be used to distinguish or trace an individual's identity, such as their name, social security number, personal information as defined in New Hampshire RSA 359-C:19, biometric records, etc., alone, or when combined with other personal or identifying information which is linked or linkable to a specific individual, such as date and place of birth, mother's maiden name, etc.

9. "Privacy Rule" shall mean the Standards for Privacy of Individually Identifiable Health Information at 45 C.F.R. Parts 160 and 164, promulgated under HIPAA by the United States Department of Health and Human Services.

10. "Protected Health Information" (or "PHI") has the same meaning as provided in the definition of "Protected Health Information" in the HIPAA Privacy Rule at 45 C.F.R. § 160.103.

11. "Security Rule" shall mean the Security Standards for the Protection of Electronic Protected Health Information at 45 C.F.R. Part 164, Subpart C, and amendments thereto.

12. "Unsecured Protected Health Information" means Protected Health Information that is not secured by a technology standard that renders Protected Health Information unusable, unreadable, or indecipherable to unauthorized individuals and is developed or endorsed by a standards developing organization that is accredited by the American National Standards Institute.

I. RESPONSIBILITIES OF DHHS AND THE CONTRACTOR

A. Business Use and Disclosure of Confidential Information.

1. The Contractor must not use, disclose, maintain or transmit Confidential Information except as reasonably necessary as outlined under this Contract. Further, Contractor, including but not limited to all its directors, officers, employees and agents, must not use, disclose, maintain or transmit PHI in any manner that would constitute a violation of the Privacy and Security Rule.

2. The Contractor must not disclose any Confidential Information in response to a

request for disclosure on the basis that it is required by law, in response to a subpoena, etc., without first notifying DHHS so that DHHS has an opportunity to consent or object to the disclosure.

3. If DHHS notifies the Contractor that DHHS has agreed to be bound by additional restrictions over and above those uses or disclosures or security safeguards of PHI pursuant to the Privacy and Security Rule, the Contractor must be bound by such additional restrictions and must not disclose PHI in violation of such additional restrictions and must abide by any additional security safeguards.
4. The Contractor agrees that DHHS Data or derivative there from disclosed to an End User must only be used pursuant to the terms of this Contract.
5. The Contractor agrees DHHS Data obtained under this Contract may not be used for any other purposes that are not indicated in this Contract.
6. The Contractor agrees to grant access to the data to the authorized representatives of DHHS for the purpose of inspecting to confirm compliance with the terms of this Contract.

II. METHODS OF SECURE TRANSMISSION OF DATA

1. Application Encryption. If End User is transmitting DHHS data containing Confidential Data between applications, the Contractor attests the applications have been evaluated by an expert knowledgeable in cyber security and that said application's encryption capabilities ensure secure transmission via the internet.
2. Computer Disks and Portable Storage Devices. End User may not use computer disks or portable storage devices, such as a thumb drive, as a method of transmitting DHHS data.
3. Encrypted Email. End User may only employ email to transmit Confidential Data if email is encrypted and being sent to and being received by email addresses of persons authorized to receive such information.
4. Encrypted Web Site. If End User is employing the Web to transmit Confidential Data, the secure socket layers (SSL) must be used and the web site must be secure. SSL encrypts data transmitted via a Web site.
5. File Hosting Services, also known as File Sharing Sites. End User may not use file hosting services, such as Dropbox or Google Cloud Storage, to transmit Confidential Data.
6. Ground Mail Service. End User may only transmit Confidential Data via *certified* ground mail within the continental U.S. and when sent to a named individual.
7. Laptops and PDA. If End User is employing portable devices to transmit Confidential Data said devices must be encrypted and password-protected.
8. Open Wireless Networks. End User may not transmit Confidential Data via an open

wireless network. End User must employ a virtual private network (VPN) when remotely transmitting via an open wireless network.

9. Remote User Communication. If End User is employing remote communication to access or transmit Confidential Data, a virtual private network (VPN) must be installed on the End User's mobile device(s) or laptop from which information will be transmitted or accessed.
10. SSH File Transfer Protocol (SFTP), also known as Secure File Transfer Protocol. If End User is employing an SFTP to transmit Confidential Data, End User will structure the Folder and access privileges to prevent inappropriate disclosure of information. SFTP folders and sub-folders used for transmitting Confidential Data will be coded for 24-hour auto-deletion cycle (i.e. Confidential Data will be deleted every 24 hours).
11. Wireless Devices. If End User is transmitting Confidential Data via wireless devices, all data must be encrypted to prevent inappropriate disclosure of information.

III. RETENTION AND DISPOSITION OF IDENTIFIABLE RECORDS

The Contractor will only retain the data and any derivative of the data for the duration of this Contract. After such time, the Contractor will have 30 days to destroy the data and any derivative in whatever form it may exist, unless, otherwise required by law or permitted under this Contract. To this end, the parties must:

A. Retention

1. The Contractor agrees it will not store, transfer or process data collected in connection with the services rendered under this Contract outside of the United States. This physical location requirement shall also apply in the implementation of cloud computing, cloud service or cloud storage capabilities, and includes backup data and Disaster Recovery locations.
2. The Contractor agrees to ensure proper security monitoring capabilities are in place to detect potential security events that can impact State of NH systems and/or Department confidential information for contractor provided systems.
3. The Contractor agrees to provide security awareness and education for its End Users in support of protecting Department confidential information.
4. The Contractor agrees to retain all electronic and hard copies of Confidential Data in a secure location and identified in section IV. A.2
5. The Contractor agrees Confidential Data stored in a Cloud must be in a FedRAMP/HITECH compliant solution and comply with all applicable statutes and regulations regarding the privacy and security. All servers and devices must have currently-supported and hardened operating systems, the latest anti-viral, anti-hacker, anti-spam, anti-spyware, and anti-malware utilities. The environment, as a

whole, must have aggressive intrusion-detection and firewall protection.

6. The Contractor agrees to and ensures its complete cooperation with the State's Chief Information Officer in the detection of any security vulnerability of the hosting infrastructure.

B. Disposition

1. If the Contractor will maintain any Confidential Information on its systems (or its sub-contractor systems), the Contractor will maintain a documented process for securely disposing of such data upon request or contract termination; and will obtain written certification for any State of New Hampshire data destroyed by the Contractor or any subcontractors as a part of ongoing, emergency, and or disaster recovery operations. When no longer in use, electronic media containing State of New Hampshire data shall be rendered unrecoverable via a secure wipe program in accordance with industry-accepted standards for secure deletion and media sanitization, or otherwise physically destroying the media (for example, degaussing) as described in NIST Special Publication 800-88, Rev 1, Guidelines for Media Sanitization, National Institute of Standards and Technology, U. S. Department of Commerce. The Contractor will document and certify in writing at time of the data destruction, and will provide written certification to the Department upon request. The written certification will include all details necessary to demonstrate data has been properly destroyed and validated. Where applicable, regulatory and professional standards for retention requirements will be jointly evaluated by the State and Contractor prior to destruction.
2. Unless otherwise specified, within thirty (30) days of the termination of this Contract, Contractor agrees to destroy all hard copies of Confidential Data using a secure method such as shredding.
3. Unless otherwise specified, within thirty (30) days of the termination of this Contract, Contractor agrees to completely destroy all electronic Confidential Data by means of data erasure, also known as secure data wiping.

IV. PROCEDURES FOR SECURITY

A. Contractor agrees to safeguard the DHHS Data received under this Contract, and any derivative data or files, as follows:

1. The Contractor will maintain proper security controls to protect Department confidential information collected, processed, managed, and/or stored in the delivery of contracted services.
2. The Contractor will maintain policies and procedures to protect Department confidential information throughout the information lifecycle, where applicable, (from creation, transformation, use, storage and secure destruction) regardless of the media used to store the data (i.e., tape, disk, paper, etc.).

3. The Contractor will maintain appropriate authentication and access controls to contractor systems that collect, transmit, or store Department confidential information where applicable.

4. The Contractor will ensure proper security monitoring capabilities are in place to detect potential security events that can impact State of NH systems and/or Department confidential information for contractor provided systems.

5. The Contractor will provide regular security awareness and education for its End Users in support of protecting Department confidential information.

6. If the Contractor will be sub-contracting any core functions of the engagement supporting the services for State of New Hampshire, the Contractor will maintain a program of an internal process or processes that defines specific security expectations, and monitoring compliance to security requirements that at a minimum match those for the Contractor, including breach notification requirements.

7. The Contractor will work with the Department to sign and comply with all applicable State of New Hampshire and Department system access and authorization policies and procedures, systems access forms, and computer use agreements as part of obtaining and maintaining access to any Department system(s). Agreements will be completed and signed by the Contractor and any applicable sub-contractors prior to system access being authorized.

8. If the Department determines the Contractor is a Business Associate pursuant to 45 CFR 160.103, the Contractor will execute a HIPAA Business Associate Agreement (BAA) with the Department and is responsible for maintaining compliance with the agreement.

9. The Contractor will work with the Department at its request to complete a System Management Survey. The purpose of the survey is to enable the Department and Contractor to monitor for any changes in risks, threats, and vulnerabilities that may occur over the life of the Contractor engagement. The survey will be completed annually, or an alternate time frame at the Departments discretion with agreement by the Contractor, or the Department may request the survey be completed when the scope of the engagement between the Department and the Contractor changes.

10. The Contractor will not store, knowingly or unknowingly, any State of New Hampshire or Department data offshore or outside the boundaries of the United States unless prior express written consent is obtained from the Information Security Office leadership member within the Department.

11. Data Security Breach Liability. In the event of any security breach Contractor shall make efforts to investigate the causes of the breach, promptly take measures to prevent future breach and minimize any damage or loss resulting from the breach. The State shall recover from the Contractor all costs of response and recovery from

the breach, including but not limited to: credit monitoring services, mailing costs and costs associated with website and telephone call center services necessary due to the breach.

12. Contractor must, comply with all applicable statutes and regulations regarding the privacy and security of Confidential Information, and must in all other respects maintain the privacy and security of PI and PHI at a level and scope that is not less than the level and scope of requirements applicable to federal agencies, including, but not limited to, provisions of the Privacy Act of 1974 (5 U.S.C. § 552a), DHHS Privacy Act Regulations (45 C.F.R. §5b), HIPAA Privacy and Security Rules (45 C.F.R. Parts 160 and 164) that govern protections for individually identifiable health information and as applicable under State law.

13. Contractor agrees to establish and maintain appropriate administrative, technical, and physical safeguards to protect the confidentiality of the Confidential Data and to prevent unauthorized use or access to it. The safeguards must provide a level and scope of security that is not less than the level and scope of security requirements established by the State of New Hampshire, Department of Information Technology. Refer to Vendor Resources/Procurement at https://www.nh.gov/doit/vendor/index.htm for the Department of Information Technology policies, guidelines, standards, and procurement information relating to vendors.

14. Contractor agrees to maintain a documented breach notification and incident response process. The Contractor will notify the State's Privacy Officer and the State's Security Officer of any security breach immediately, at the email addresses provided in Section VI. This includes a confidential information breach, computer security incident, or suspected breach which affects or includes any State of New Hampshire systems that connect to the State of New Hampshire network.

15. Contractor must restrict access to the Confidential Data obtained under this Contract to only those authorized End Users who need such DHHS Data to perform their official duties in connection with purposes identified in this Contract.

16. The Contractor must ensure that all End Users:

    a. comply with such safeguards as referenced in Section IV A. above, implemented to protect Confidential Information that is furnished by DHHS under this Contract from loss, theft or inadvertent disclosure.

    b. safeguard this information at all times.

    c. ensure that laptops and other electronic devices/media containing PHI, PI, or PFI are encrypted and password-protected.

    d. send emails containing Confidential Information only if encrypted and being sent to and being received by email addresses of persons authorized to receive such information.

e. limit disclosure of the Confidential Information to the extent permitted by law.

f. Confidential Information received under this Contract and individually identifiable data derived from DHHS Data, must be stored in an area that is physically and technologically secure from access by unauthorized persons during duty hours as well as non-duty hours (e.g., door locks, card keys, biometric identifiers, etc.).

g. only authorized End Users may transmit the Confidential Data, including any derivative files containing personally identifiable information, and in all cases, such data must be encrypted at all times when in transit, at rest, or when stored on portable media as required in section IV above.

h. in all other instances Confidential Data must be maintained, used and disclosed using appropriate safeguards, as determined by a risk-based assessment of the circumstances involved.

i. understand that their user credentials (user name and password) must not be shared with anyone. End Users will keep their credential information secure. This applies to credentials used to access the site directly or indirectly through a third party application.

Contractor is responsible for oversight and compliance of their End Users. DHHS reserves the right to conduct onsite inspections to monitor compliance with this Contract, including the privacy and security requirements provided in herein, HIPAA, and other applicable laws and Federal regulations until such time the Confidential Data is disposed of in accordance with this Contract.

V. LOSS REPORTING

The Contractor must notify the State's Privacy Officer and Security Officer of any Security Incidents and Breaches immediately, at the email addresses provided in Section VI.

The Contractor must further handle and report Incidents and Breaches involving PHI in accordance with the agency's documented Incident Handling and Breach Notification procedures and in accordance with 42 C.F.R. §§ 431.300 - 306. In addition to, and notwithstanding, Contractor's compliance with all applicable obligations and procedures, Contractor's procedures must also address how the Contractor will:

1. Identify Incidents;
2. Determine if personally identifiable information is involved in Incidents;
3. Report suspected or confirmed Incidents as required in this Exhibit or P-37;
4. Identify and convene a core response group to determine the risk level of Incidents and determine risk-based responses to Incidents; and

5. Determine whether Breach notification is required, and, if so, identify appropriate Breach notification methods, timing, source, and contents from among different options, and bear costs associated with the Breach notice as well as any mitigation measures.

Incidents and/or Breaches that implicate PI must be addressed and reported, as applicable, in accordance with NH RSA 359-C:20.

VI. PERSONS TO CONTACT

A. DHHS Privacy Officer:

DHHSPrivacyOfficer@dhhs.nh.gov

B. DHHS Security Officer:

DHHSInformationSecurityOffice@dhhs.nh.gov

State of New Hampshire
Department of State

CERTIFICATE

I, William M. Gardner, Secretary of State of the State of New Hampshire, do hereby certify that SPEARE MEMORIAL HOSPITAL is a New Hampshire Nonprofit Corporation registered to transact business in New Hampshire on July 03, 1899. I further certify that all fees and documents required by the Secretary of State's office have been received and is in good standing as far as this office is concerned.

Business ID: **65526**
Certificate Number: **0004964994**

IN TESTIMONY WHEREOF,
I hereto set my hand and cause to be affixed
the Seal of the State of New Hampshire,
this 24th day of July A.D. 2020.

William M. Gardner
Secretary of State

CERTIFICATE OF AUTHORITY

I, Michelle McEwen, hereby certify that:
(Name of the elected Officer of the Corporation/L.L.C; cannot be contract signatory)

1. I am a duly elected Clerk/Secretary/Officer of Speare Memorial Hospital.
(Corporation/L.L.C Name)

2. The following is a true copy of a vote taken at a meeting of the Board of Directors/shareholders, duly called and held on 1/23, 2020, at which a quorum of the Directors/shareholders were present and voting.
(Date)

VOTED: That Travis Boucher, CFO (may list more than one person)
(Name and Title of Contract Signatory)

is duly authorized on behalf of Speare Memorial Hospital to enter into contracts or agreements with the State
(Name of Corporation/ L.L.C)

of New Hampshire and any of its agencies or departments and further is authorized to execute any and all documents, agreements and other instruments, and any amendments, revisions, or modifications thereto, which may in his/her judgment be desirable or necessary to effect the purpose of this vote.

3. I hereby certify that said vote has not been amended or repealed and remains in full force and effect as of the date of the contract/contract amendment to which this certificate is attached. This authority **remains valid for thirty (30)** days from the date of this Certificate of Authority. I further certify that it is understood that the State of New Hampshire will rely on this certificate as evidence that the person(s) listed above currently occupy the position(s) indicated and that they have full authority to bind the corporation. To the extent that there are any limits on the authority of any listed individual to bind the corporation in contracts with the State of New Hampshire, all such limitations are expressly stated herein.

Dated: 7/22/20

Michelle McEwen
Signature of Elected Officer
Name: Michelle McEwen
Title: CEO

SPEARE Memorial Hospital

MINUTES

Speare Memorial Hospital
Board of Directors
January 2019 Board Meeting
Wednesday, January 23, 2019, 7:30 am - 10:00 am
Boulder Point Community Conference Room
Dial In: 1-515-739-1458 Access Code: 930885

In Attendance

Member

Atty. Quentin Blaine (Secretary); Atty. Robin J. Fisk; Dr. Kevin Young (Vice Chair); Mr. Bruce Wiggett; Mr. Eldwin Wixson (Honorary Board Member); Mr. Kenneth Kochien; Mr. Patrick Miller (Chair); Mr. Robert Maloney (Treasurer); Mr. Tom Myrick; Mr. Walter Johnson; Mrs. Elizabeth Kleiner; Mrs. Lisa Baker; Mrs. Margaret Turner; Mrs. Michelle McEwen; Mrs. Sandra Jones; Ms. Jeanie Forrester; Ms. Julie Bernier; Ms. Nancy Puglisi

Staff

Dr. Joseph Casey (President of Medical Staff); Dr. Joseph Ebner; Mrs. Kris Hering; Mrs. Laurie Bolognani; Mrs. Melissa Howard

1. **Call to Order (7:30 a.m.)**

   Dial In: 1-515-739-1458 Access Code: 930885

2. **Level IV Trauma Center (7:30 a.m. - 7:45 a.m.)**

   Dr. Seefeld to present - vote

   Dr. Andrew Seefeld provided to the Board a presentation regarding the Emergency Department's desire to pursue Level IV Trauma Center designation.

   A motion was made and it was voted to approve the hospital's pursuit of designation as a Level IV Trauma Center.

   Move: Mrs. Elizabeth Kleiner Second: Atty. Quentin Blaine Status: Passed

3. **HQC Report (7:45 a.m.- 8:00 a.m.)**

   Melissa Howard reported on the status of the Quality & Safety and Provider of Choice goals on the organizational scorecard.

   Preventable Harm - Specifically, for a number of years and in concert with NH Hospital Association we have focused on events that are potentially preventative within our organization. Our scorecard represents a number of events that have occurred at Speare over the past 6 years; including events like a catheter associated urinary tract infection, falls that result in minor or major injury, blood stream infections from central line insertion and surgical site infections.

   Speare's preventable harm goal for this year is to have no more than 13 events with a stretch target of 11. For the 2nd quarter. we have 7 events; 1 surgical site infection, 5 Falls with injury; and 1 CAUTI bringing our total harm YTD to 9 events.

   Readmission's - Readmissions are exceeding the predicted goal of 4% this year. We are currently at 6.33% for Qtr2 with YTD of 6.6%. High humidity months in Jul-Sept and high census of respiratory issues in Oct-Dec have contributed to a higher volume of readmissions.

There is a patient care management program in collaboration with SPC focused on reaching out to patients who are at high risk who have had a doctor's appointment or ED Visits. In addition, the discharge communication task force is working to improve preparation for patients at home and predict our readmission rate should decrease going forward.

Provider of Choice - The organization has selected 2 patient perception questions. The first, relative to inpatient is the Patients who rate our care a 9 or 10 out of a 0-10. Our goal is established to achieve an annual rate of 79%. It is a challenging goal, but one that is important to the organization. For Qtr. 2 we are at 61.3%. The departments are working hard to identify the areas of concern and to better enhance the patient experience. A patient experience committee started in October.

Our next question, relative to the Medical Practices is what percentage of patients respond "yes definitely" recommend the medical practice. Our goal is 91% and I am very happy to say that with a lot of hard work the practice achieved a 92.7% for the 2nd Qtr. There have been several initiatives and programs being offered by 2 PSU professors in an effort to engage staff in caring behaviors. We hope to bring this to the hospital setting in the future.

Patient Experience Committee - The Committee was formed in October and we currently have 28 members. We have had 3 meetings and will be meeting a fourth time today. Our focus is initially educating on roles and responsibilities and reviewing data for quick wins. We are welcoming a presentation on empathy and vulnerability today by Annette Holba and Nancy Puglisi. Our key driver questions highly correlate to caring behaviors and how we communicate.

- Each department has been tasked with going back to their areas and discussing the data and coming back to the team this afternoon to discuss.
- There is a task force that is working on improving communication around the discharge process
- We look at data routinely. Press Ganey offers different ways/time parameters to look at data

4. **Board Minutes (8:00 a.m.- 8:05a.m.)**

   - Approval of the December 5, 2018 minutes - vote

     A motion was made to approve the December 2018 Board minutes as presented.

     Move: Mr. Robert Maloney Second: Atty. Quentin Blaine Status: Passed

5. **Report of the Medical Staff (8:05 a.m.- 8:20 a.m.)**

   - Initial Applications - vote

     Dr. Ebner reviewed with the Board the initial appointments to the Medical Staff

     A motion was made to approve the initial appointments as recommended by the Medical Staff Executive Committee

     Move: Atty. Quentin Blaine Second: Dr. Kevin Young Status: Passed

   - Additional Privilege requests - vote

     A motion was made to approve the additional privileges as recommended by the Medical Staff Executive Committee

     Move: Mrs. Elizabeth Kleiner Second: Ms. Nancy Puglisi Status: Passed

   - Reappointments - vote

     A motion was made to approve the re-appointments as recommended by the Medical Staff

Executive Committee

Move: Mrs. Sandra Jones Second: Mr. Walter Johnson Status: Passed

- Resignations - informational
- Status Change requests - vote

A motion was made to approve the Status Change for Dr. Rivera-Colon, MD from Consulting to Active Staff as recommended by the Medical Staff Executive Committee

Move: Ms. Nancy Puglisi Second: Mrs. Margaret Turner Status: Passed

- Radiology Privileges - vote

A motion was made to approve the change in Radiology Privileges as recommended by the Medical Staff Executive Committee

Move: Dr. Kevin Young Second: Mrs. Elizabeth Kleiner Status: Passed

- R&R, Sec III, Medical Records, H. Surgical Records 1.b. - vote

A motion was made to approve the changes to the Rules and Regulations, Sec III, Medical Records, H. Surgical Records 1.b as recommended by the Medical Staff Executive Committee

Move: Atty. Quentin Blaine Second: Mr. Kenneth Kochien Status: Passed

6. Finance Committee Update (8:20 a.m.- 8:35 a.m.)

- Approval of the November 2018 Financials - vote

Volume: Total inpatient days were below budget by 8% for the month, YTD total inpatient days are near budget. Outpatient areas, departments are under budget for the month, with the exception of OR, Oncology and Lab. YTD, outpatient departments are ahead of budget, with the exception of ER and the Physician practices. Med Check Urgent Care is 29% ahead of budget for the 5-month period.

Revenue: Gross Revenues are above budget by 10% for the month. Inpatient Revenues are over budget by 45% ($856,518); Outpatient Revenues were 4% over budget ($246,667) and Physician Practices Revenues were 7% below budget ($108,078). In total, Deductions from Revenues exceed budget by $1,007,505; a 17% variance from budget for the month. YTD, this variance is $4,102,181 and 12%. This results in a Net Patient Revenue that exceeds budget by $30,196 (1%) for the month and $1,574,817 (7%) for the 5-month period.

Expense: Expenses exceeded budget for the month by $84,254 (2%). YTD, expenses exceed budget by $83,888 with the most significant unfavorable variance in Contract Nursing & Technicians.

Income from Operations: The hospital incurred a Loss from Operations of $406,466 for the month of November, compared to a budgeted Loss from Operations of $352,409. YTD the hospital has a Gain from Operations of $1,224,246 versus a budgeted Loss from Operations of $343,977; resulting in a favorable variance of $1,568,223.

A motion was made to approve the November 2018 financials as recommended by the Finance Committee

Move: Mr. Tom Myrick Second: Mr. Walter Johnson Status: Passed

7. Finance - signers Bank Accounts

It was discovered that we had three authorized signers on our accounts, the CEO, our CFO that just

retired and a former Board Member. This really means that we only have one authorized signer available for a time. The electronic vote that occurred recently was to add our current Board Chair, so that we would have two authorized signers until our new CFO comes on board. The vote did pass. Now that our new CFO has arrived, we would like to propose, for board approval, that our authorized signers be Travis Boucher, Michelle McEwen and Patrick Miller.

A motion was made to approve Travis Boucher, Michelle McEwen and Patrick Miller as authorized signers on all hospital accounts.

Move: Mr. Tom Myrick Second: Ms. Nancy Puglisi Status: Passed

- Finance - payment review

  In addition, we have an internal policy that requires any payments over $2,500 be reviewed and approved manually. The $2,500 threshold was established many years ago, and is considered quite low. The Finance Committee is recommending that we change the policy to reflect a threshold of $5,000 for review and approval by an authorized signer.

  A motion was made, and it was voted to change the policy to reflect a threshold of $5,000 for review and approval by an authorized signer as recommended by the Finance Committee.

  Move: Mr. Tom Myrick Second: Atty. Quentin Blaine Status: Passed

8. **Mid-State Health Center Update (8:35 a.m.- 8:50 a.m.)**

   The two CEO's and two Board Chairs met and continue to work on the initiatives identified as collaborative opportunities. We are seeing progress. Dr. Berry has meet with Speare Primary Care to review the MAT services available to SPC patients. We are working on an Agreement to access patient records.

9. **Employee Engagement Survey**

   Mrs. Laurie Bolognani presented to the Board the results of the Employee Engagement Survey. We have begun the review process with Leadership and will meet with them to go over the next steps in the process. We will present more from the actions plans to the Board at the retreat in May.

10. **CEO Report (8:50 a.m.- 9:30 a.m.)**

    Mrs. McEwen reported to the Board that she will be meeting with Concord Hospital to discuss joining their ACO group with Mid-State Health Center.

    Speare Primary Care and The Huot Career and Technical Center have launched a new Medical Assistant program for High School students which will offer students the opportunity to earn a marketable certification and the ability to join the healthcare industry right out of high school.

    PGS - We are actively recruiting for a full time General Surgeon. With this addition there will be a redistribution of the work with the four surgeon. The Bariatrics program is coming together. We have our first consultation scheduled for February 21st. With the current situation in General Surgery we have decided to put the Acid Reflex Center on hold.

    OB/GYN - We are actively recruiting for a full time provider to replace Dr. Banister.

    Orthopedics - Mrs. McEwen and Dr. Gennaro met with Littleton Hospital and the Alpine Clinic to discuss opportunities to expand or support our current Orthopedic Department. They will be sending us a draft concept for our review.

    Buildings - We are working on sending out RFPs for the planning of a new space or the remodeling of current space for PPAM. Our current buildings/space are in need of updates. The ER, OR and Radiology are next on our list of renovation plans.

    Dr. Eldwin Wixson has decided to officially retire from the Speare Board to spend more time with his

family. I would like to take this time to thank him for all his support.

- HR Metrics

  Mrs. Bolognani reviewed with the Board her presentation on Speare's HR Metrics.

- BOD Scorecard 2nd quarter report

  Mrs. McEwen reviewed with the Board the 2nd quarter results of the FY2019 Organization Goals.

- Mission-Vision-Values Taskforce Update

  Mission - Vision - Value: This task force had their first meeting and discussed the charge, potential process and timeline. The task force will review the current mission and vision statements to see if they align with our Long Range Plan. The group would like to engage the entire organization to seek input on the values. This may be done through a survey. The task force did acknowledge that it may be to early to engage the new Board members so we may delay engaging them until a little later this winter/spring. It was also noted that the recent Employee Engagement Survey from staff may provide useful information from the employees.

11. Executive Session (9:30 a.m. - 9:45 a.m.)

Postponed to the March Board meeting

- CEO Evaluation

12. Adjournment

Meeting Adjourned at 9:50 a.m.

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY): 7/22/2020

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER Arthur J. Gallagher Risk Management Services, Inc. 470 Atlantic Avenue Boston MA 02210	CONTACT NAME: PHONE (A/C, No, Ext): 617-261-6700 FAX (A/C, No): 617-646-0400 E-MAIL ADDRESS:
INSURED SPEAMEM-01 Speare Memorial Hospital 16 Hospital Road Plymouth NH 03264	INSURER(S) AFFORDING COVERAGE — NAIC # INSURER A : Endurance American Specialty Ins Co — 41718 INSURER B : INSURER C : INSURER D : INSURER E : INSURER F :

COVERAGES **CERTIFICATE NUMBER:** 1944014065 **REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
A	X COMMERCIAL GENERAL LIABILITY			HCP10005550705	10/1/2019	10/1/2020	EACH OCCURRENCE	$ 1,000,000
	CLAIMS-MADE X OCCUR						DAMAGE TO RENTED PREMISES (Ea occurrence)	$ 50,000
							MED EXP (Any one person)	$ 5,000
							PERSONAL & ADV INJURY	$ 1,000,000
	GEN'L AGGREGATE LIMIT APPLIES PER:						GENERAL AGGREGATE	$ 3,000,000
	X POLICY PRO-JECT LOC						PRODUCTS - COMP/OP AGG	$ 3,000,000
	OTHER:							$
	AUTOMOBILE LIABILITY						COMBINED SINGLE LIMIT (Ea accident)	$
	ANY AUTO						BODILY INJURY (Per person)	$
	OWNED AUTOS ONLY / SCHEDULED AUTOS						BODILY INJURY (Per accident)	$
	HIRED AUTOS ONLY / NON-OWNED AUTOS ONLY						PROPERTY DAMAGE (Per accident)	$
								$
A	X UMBRELLA LIAB OCCUR			HCP10005550905	10/1/2019	10/1/2020	EACH OCCURRENCE	$ 5,000,000
	X EXCESS LIAB X CLAIMS-MADE						AGGREGATE	$ 5,000,000
	DED X RETENTION $ 10,000							$
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY						PER STATUTE OTH-ER	
	ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? Y / N (Mandatory in NH)	N / A					E.L. EACH ACCIDENT	$
	If yes, describe under DESCRIPTION OF OPERATIONS below						E.L. DISEASE - EA EMPLOYEE	$
							E.L. DISEASE - POLICY LIMIT	$
A	Hospital Professional Liability			HCP10005550705	10/1/2019	10/1/2020	$1,000,000 $3,000,000 Claims Made Coverage	Each Occurence Aggregate

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

CERTIFICATE HOLDER

State of NH
Department of Health and Human Services
129 Pleasant Street
Concord NH 03301-3857

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

Patrick J Veale

SPEAMEM-02 SGAULIN

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY) 7/22/2020

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER License # 1780862
HUB International New England
275 US Route 1
Cumberland Foreside, ME 04110

CONTACT NAME: Shannon Gaulin
PHONE (A/C, No, Ext):
FAX (A/C, No):
E-MAIL ADDRESS: shannon.gaulin@hubinternational.com

INSURER(S) AFFORDING COVERAGE	NAIC #
INSURER A : Associated Industries of Massachusetts Mutual Insurance Compan	33758
INSURER B :	
INSURER C :	
INSURER D :	
INSURER E :	
INSURER F :	

INSURED
Speare Memorial Hospital
16 Hospital Road
Plymouth, NH 03264

COVERAGES CERTIFICATE NUMBER: REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
	COMMERCIAL GENERAL LIABILITY						EACH OCCURRENCE	$
	CLAIMS-MADE OCCUR						DAMAGE TO RENTED PREMISES (Ea occurrence)	$
							MED EXP (Any one person)	$
							PERSONAL & ADV INJURY	$
	GEN'L AGGREGATE LIMIT APPLIES PER:						GENERAL AGGREGATE	$
	POLICY PRO-JECT LOC						PRODUCTS - COMP/OP AGG	$
	OTHER:							$
	AUTOMOBILE LIABILITY						COMBINED SINGLE LIMIT (Ea accident)	$
	ANY AUTO						BODILY INJURY (Per person)	$
	OWNED AUTOS ONLY SCHEDULED AUTOS						BODILY INJURY (Per accident)	$
	HIRED AUTOS ONLY NON-OWNED AUTOS ONLY						PROPERTY DAMAGE (Per accident)	$
								$
	UMBRELLA LIAB OCCUR						EACH OCCURRENCE	$
	EXCESS LIAB CLAIMS-MADE						AGGREGATE	$
	DED RETENTION $							$
A	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY						PER STATUTE OTH-ER	
	ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) Y/N N/A			WMZ-800-8007575-2019A	10/1/2019	10/1/2020	E.L. EACH ACCIDENT	$ 500,000
	If yes, describe under DESCRIPTION OF OPERATIONS below						E.L. DISEASE - EA EMPLOYEE	$ 500,000
							E.L. DISEASE - POLICY LIMIT	$ 500,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)
Evidence of Coverage

CERTIFICATE HOLDER

State of New Hampshire
Department of Health and Human Services
129 Pleasant Street
Concord, NH 03301-3857

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

SPEARE
Memorial Hospital
A Critical Access Hospital

Our Mission

To work together to serve the needs of our patients and community.

Vision: A community where all can achieve optimal health

Values: Kindness, Collaboration, Patient and Family-Centered, Safety, Excellence, Efficiency, Professional

BerryDunn

[redacted]

SPEARE Memorial Hospital

SPEARE MEMORIAL HOSPITAL AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS

and

SUPPLEMENTARY INFORMATION

June 30, 2019 and 2018

With Independent Auditor's Report

[redacted]

SPEARE MEMORIAL HOSPITAL AND SUBSIDIARIES

Audited Consolidated Financial Statements and Additional Information

June 30, 2019 and 2018

Table of Contents

BerryDunn

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Speare Memorial Hospital and Subsidiaries

We have audited the accompanying consolidated financial statements of Speare Memorial Hospital and Subsidiaries, which comprise the consolidated balance sheets as of June 30, 2019 and 2018, and the related consolidated statements of operations, changes in net assets, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Speare Memorial Hospital and Subsidiaries as of June 30, 2019 and 2018, and the consolidated results of their operations and changes in their net assets and their consolidated cash flows for the years then ended, in accordance with U.S. generally accepted accounting principles.

Other Matters

Restatement

As described in Note 1, the accompanying 2018 consolidated financial statements have been restated to properly recognize the Organization's interest in a 457(b) deferred compensation plan established for its eligible employees. Our opinion is not modified with respect to this matter.

Change in Accounting Principle

As discussed in Note 1 in the consolidated financial statements, in 2019 the Organization adopted new accounting guidance, Accounting Standards Update No. 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities (Topic 958)*. Our opinion is not modified with respect to this matter.

Report on Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The additional consolidating schedules are presented for purposes of additional analysis and are not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audits of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with U.S. generally accepted auditing standards. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Berry Dunn McNeil & Parker, LLC

Manchester,New Hampshire
October 14, 2019

SPEARE MEMORIAL HOSPITAL AND SUBSIDIARIES

Consolidated Balance Sheets

June 30, 2019 and 2018

ASSETS

	2019	(As Restated) 2018
Current assets		
Cash and cash equivalents	$ 12,707,704	$ 8,318,620
Patient accounts receivable, net	9,116,604	9,431,258
Other receivables	1,146,173	347,550
Supplies inventory	1,093,913	933,725
Prepaid expenses	700,963	769,685
Current portion of deferred system development costs	1,249,456	1,249,456
Current portion of notes receivable	26,833	20,167
Total current assets	26,041,646	21,070,461
Other assets		
Notes receivable, less current portion	20,110	27,833
Deferred system development costs, less current portion	2,394,791	3,644,247
Investment in joint ventures	222,326	242,161
Other investments	20,173	20,173
Beneficial interest in perpetual trusts	330,244	325,920
Goodwill	890,002	890,002
Other intangibles, net	45,185	52,164
Deferred compensation and other assets	405,879	243,591
Total other assets	4,328,710	5,446,091
Assets limited as to use		
Externally designated investments under bond agreement	1,307,252	1,306,991
Internally designated investments	27,407,218	24,777,032
Endowment and investments with donor restrictions	267,254	283,032
Total assets limited as to use	28,981,724	26,367,055
Property and equipment, net	25,180,505	26,113,136
Total assets	$ 84,532,585	$ 78,996,743

The accompanying notes are an integral part of these consolidated financial statements.

LIABILITIES AND NET ASSETS

	2019	(As Restated) 2018
Current liabilities		
Accounts payable	**$ 4,062,454**	$ 3,259,017
Accrued salaries and wages	**1,433,621**	1,210,449
Other current liabilities	**3,819,490**	2,581,989
Due to third-party payors	**9,433,305**	7,580,244
Current portion of long-term debt	**1,376,655**	1,347,452
Total current liabilities	**20,125,525**	15,979,151
Long-term debt, less current portion	**17,321,988**	18,672,063
Deferred compensation	**362,705**	243,591
Total other noncurrent liabilities	**17,684,693**	18,915,654
Total liabilities	**37,810,218**	34,894,805
Net assets		
Without donor restrictions		
Controlling interest	**46,073,396**	43,458,328
Noncontrolling interest	**25,923**	25,923
Total without donor restrictions	**46,099,319**	43,484,251
With donor restrictions	**623,048**	617,687
Total net assets	**46,722,367**	44,101,938
Total liabilities and net assets	**$ 84,532,585**	$ 78,996,743

SPEARE MEMORIAL HOSPITAL AND SUBSIDIARIES

Consolidated Statements of Operations

Years Ended June 30, 2019 and 2018

	2019	2018
Unrestricted revenues and other support		
Patient service revenue (net of contractual allowances and discounts)	$ 68,528,814	$ 63,440,376
Less provision for bad debts	6,025,679	4,789,408
Net patient service revenue	62,503,135	58,650,968
Other operating revenue	2,890,187	2,515,959
Net assets released from restrictions for operations	4,472	12,958
Total unrestricted revenues and other support	65,397,794	61,179,885
Operating expenses		
Salaries and wages	21,107,732	20,713,450
Physician fees and wages	8,416,141	7,952,958
Contract nursing and technicians	1,851,771	1,885,756
Employee benefits	7,902,553	7,005,567
Supplies and other	20,017,697	18,092,231
Medicaid enhancement tax	2,204,314	2,367,999
Depreciation and amortization	3,278,190	3,257,021
Interest	469,436	475,625
Total operating expenses	65,247,834	61,750,607
Income (loss) from operations	149,960	(570,722)
Nonoperating income (expense)		
Investment income, net	2,084,588	1,263,504
Equity in earnings of unconsolidated joint ventures	30,165	52,614
Unrestricted donor contributions	143,658	141,611
Grant expense	(75,000)	(66,797)
Bad debt (expense) recoveries on nonpatient receivables	(17,727)	6,146
Loss on sale of property and equipment	(2,896)	(83,946)
Nonoperating income, net	2,162,788	1,313,132
Excess of revenues and other support over expenses	2,312,748	742,410
Noncontrolling interest	-	(8)
Excess of revenues and other support over expenses attributable to controlling interest	2,312,748	742,402
Net assets released from restrictions for capital expenditure	302,320	404,950
Increase in net assets without donor restrictions, controlling interest	$ 2,615,068	$ 1,147,352

The accompanying notes are an integral part of these consolidated financial statements.

SPEARE MEMORIAL HOSPITAL AND SUBSIDIARIES

Consolidated Statements of Changes in Net Assets

Years Ended June 30, 2019 and 2018

	Without Donor Restrictions	With Donor Restrictions	Total
Balances, July 1, 2017	$ 42,336,891	$ 695,965	$ 43,032,856
Excess of revenues, gains, and other support over expenses attributable to controlling interest	742,402	-	742,402
Net assets released from restrictions for capital expenditures	404,950	-	404,950
Excess of revenues and other support over expenses attributable to noncontrolling interest	8	-	8
Restricted contributions	-	336,564	336,564
Net assets released from restrictions	-	(417,908)	(417,908)
Change in beneficial interest in perpetual trusts	-	3,066	3,066
Change in net assets	1,147,360	(78,278)	1,069,082
Balances, June 30, 2018	43,484,251	617,687	44,101,938
Excess of revenues, gains, and other support over expenses attributable to controlling interest	**2,312,748**	-	**2,312,748**
Net assets released from restrictions for capital expenditures	**302,320**	-	**302,320**
Restricted contributions	-	**307,829**	**307,829**
Net assets released from restrictions	-	**(306,792)**	**(306,792)**
Change in beneficial interest in perpetual trusts	-	**4,324**	**4,324**
Change in net assets	2,615,068	5,361	2,620,429
Balances, June 30, 2019	$ 46,099,319	$ 623,048	$ 46,722,367

The accompanying notes are an integral part of these consolidated financial statements.

SPEARE MEMORIAL HOSPITAL AND SUBSIDIARIES

Consolidated Statements of Cash Flows

Years Ended June 30, 2019 and 2018

	2019	2018
Cash flows from operating activities		
Increase in net assets	$ 2,620,429	$ 1,069,082
Adjustments to reconcile increase in net assets to net cash provided by operating activities		
Depreciation and amortization	3,278,190	3,257,021
Provision for bad debts	6,025,679	4,789,408
Equity in earnings of unconsolidated joint ventures	(30,165)	(52,614)
Contributions restricted for long-term purposes	(301,000)	(336,564)
Amortization reflected as interest	15,487	15,487
Net unrealized (gains) losses on investments	(1,214,007)	5,881
Loss on sale of property and equipment	2,896	83,946
Realized gain on sale of investments	(543,277)	(1,086,765)
Net change in beneficial interest in perpetual trusts	(4,324)	(3,066)
(Increase) decrease in		
Patient accounts receivable	(5,711,025)	(3,503,466)
Inventories	(160,188)	(42,076)
Prepaid expenses and other current assets	25,548	337,925
Deferred system development costs	1,249,456	1,249,456
Other receivables	(798,623)	(27,645)
Increase (decrease) in		
Accounts payable	803,437	1,704,648
Accrued wages	223,172	296,816
Other current liabilities	1,237,501	14,557
Due to third-party payors	1,853,061	(6,350,223)
Net cash provided by operating activities	8,572,247	1,421,808
Cash flows from investing activities		
Purchase of property and equipment	(2,341,476)	(3,202,199)
Proceeds from sale of assets held for sale	-	248,865
Distributions from joint ventures	50,000	32,500
Proceeds from sales of investments whose use is limited	5,731,315	1,356,967
Purchases of investments whose use is limited	(6,588,700)	(1,629,713)
Payment of deferred system development costs in accounts payable	-	(2,039,664
Advances on notes receivable, net of repayments	1,057	(10,585)
Net cash used by investing activities	(3,147,804)	(5,243,829)
Cash flows from financing activities		
Payments on long-term debt	(1,336,359)	(1,266,431)
Contributions restricted for long-term purposes	301,000	336,564
Net cash used by financing activities	(1,035,359)	(929,867)
Increase (decrease) in cash and cash equivalents	4,389,084	(4,751,888)
Cash and cash equivalents, beginning of year	8,318,620	13,070,508
Cash and cash equivalents, end of year	$ 12,707,704	$ 8,318,620
Supplemental disclosure of cash flow information:		
Cash paid during the year for interest	$ 469,066	$ 471,515

The accompanying notes are an integral part of these consolidated financial statements.

Organization

Speare Memorial Hospital (Hospital) and Subsidiaries (collectively, the Organization) provides medical services on an inpatient, outpatient and physician basis. The Organization is a provider of health services with facilities in Plymouth, New Hampshire. The Organization grants credit to patients, substantially all of whom are local residents. Effective May 1, 2005, the Organization was designated as a critical access hospital. The statements also include:

Speare Health Venture, Inc. (SHV), formerly Plymouth Hospital Professional Building, the Organization's wholly-owned subsidiary, which holds a 50% equity interest in a joint venture, Plymouth Regional Rehabilitation Services, LLC. SHV also operates Med Check Urgent Care, in Plymouth, New Hampshire.

Speare Health Network (SHN), the Organization's 50% owned subsidiary, which is a physician/hospital organization. The Organization controls the operations of SHN resulting in its consolidation.

Speare Memorial at Boulder Point, Inc. (SMBP), the Organization's wholly-owned subsidiary, which provides professional rental space to the Organization in Plymouth, New Hampshire.

Effective June 25, 2015, the Hospital and LRG Healthcare formed a Limited Liability Company called Asquam Community Health Collaborative, LLC (ACHC). ACHC was initially capitalized by equal initial contributions of $5,000 made by each member. ACHC currently has two equal members and may admit additional members in the future with the consent of the original members. ACHC's purpose is to conduct (1) joint purchasing, management and use arrangements involving information technology and other major equipment; (2) shared administrative and other supportive services; (3) the exchange of wage, price, cost and/or clinical outcomes (i.e., quality data) as permitted by law; (4) development and/or participation in innovative healthcare delivery platforms; and (5) other activities as determined by consent of the Members. Its initial activity is to jointly purchase an Electronic Healthcare Record (EHR) system. The Hospital is accounting for ACHC under the equity method as described in Note 1.

A Board of Managers was created to manage the business affairs of ACHC. The size of this Board of Managers is designed to be no less than two and no more than eight and each member will appoint the same number of managers as the other member. The current size of the Board of Managers is four, two from each member.

1. Significant Accounting Policies

Basis of Presentation

Net assets and revenues, expenses, and gains are classified based on the existence or absence of donor-imposed restrictions in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 958, *Not-For-Profit Entities*, as described on the following page.

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization's management and the Board of Directors.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Under FASB ASC 958 and FASB ASC 954, *Health Care Entities*, all not-for-profit healthcare organizations are required to provide a balance sheet, a statement of operations, a statement of changes in net assets, and a statement of cash flows. FASB ASC 954 requires reporting amounts for an organization's total assets, liabilities, and net assets in a balance sheet; reporting the change in an organization's net assets in statements of operations and changes in net assets; and reporting the change in its cash and cash equivalents in a statements of cash flows.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statements of operations and changes in net assets.

Principles of Consolidation

These consolidated financial statements include the accounts of the Hospital and its subsidiaries, SMBP, SHV, and SHN. All significant intercompany transactions have been eliminated in consolidation.

Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

All investments that are not limited as to use with a maturity of three months or less at the time of acquisition are considered cash equivalents. Cash equivalents include checking accounts, money market accounts, demand deposits and petty cash. The carrying value of cash equivalents approximates fair value.

Patient Accounts Receivable

Patient accounts receivable are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a charge

to operations and a credit to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to patient accounts receivable. Credit is extended without collateral.

In evaluating the collectibility of accounts receivable, the Organization analyzes past results and identifies trends for each of its major payor sources of revenue to estimate the appropriate allowance for doubtful accounts and provision for bad debts. Management regularly reviews data about these major payor sources in evaluating the sufficiency of the allowance for doubtful accounts. For receivables associated with services provided to patients who have third-party coverage, the Organization analyzes contractually due amounts and provides an allowance for doubtful accounts and a provision for bad debts, if necessary. For receivables associated with self-pay patients (which include both patients without insurance and patients with deductible and copayment balances due for which third-party coverage exists for part of the bill), the Organization records a provision for bad debts in the period of service based on past experience, which indicates that many patients are unable or unwilling to pay amounts for which they are financially responsible. The difference between the standard rates (or on the basis of discounted rates, by State law, or provided by policy) and the amounts actually collected after all reasonable collection efforts have been exhausted is charged against the allowance for doubtful accounts.

During 2019, the Organization decreased its estimate from $5,448,837 to $3,367,987 in the allowance for doubtful accounts relating to self-pay patients and, during 2018, the Organization increased its estimate from $4,133,828 to $5,448,837 in the allowance for doubtful accounts relating to self-pay patients. During 2019, self-pay write-offs increased from $5,996,052 to $8,448,662 and during 2018 self-pay write-offs increased from $5,093,836 to $5,996,052. The increase in write-offs in 2019 and an improvement in the aging of receivables resulted in a significant decrease in the allowance for doubtful accounts in 2019.

Supplies Inventory

Supplies inventory is stated at the lower of cost (first-in, first-out) or market.

Investments and Investment Income (Loss)

Investments in equity securities with readily determinable fair values and all investments in debt securities are measured at fair value. To simplify the presentation of investment return, the Organization accounts for its investment portfolio in accordance with the fair value option in FASB ASC Topic 825, *Financial Instruments*, and, accordingly, investment income or loss (including realized gains and losses on investments, interest and dividends) and unrealized gains and losses are included in the excess of revenues and other support over expenses unless the income is restricted by donor or law.

Investments in general are exposed to various risks, such as interest rate, credit, and overall market volatility. As such, it is reasonably possible that changes in the values of investments will occur in the near term and that such changes could materially affect the amounts reported in the consolidated balance sheets.

Investment in Joint Ventures

Investments in entities where the Hospital or its subsidiaries own more than 20% and less than 51% and do not have controlling operational influence are recorded under the equity method. Under the equity method of accounting, an investee company's accounts are not reflected within the Organization's consolidated balance sheets and statements of operations and changes in net assets; however, the Organization's share of the earnings or losses of the investee company is reflected in the caption "equity in earnings of unconsolidated joint ventures" in the consolidated statements of operations and changes in net assets. The Organization's carrying value in an equity method investee company in which it is a party to a joint venture is reflected in the caption "investment in joint ventures" in the Organization's consolidated balance sheets.

When the Organization's carrying value in an equity method investee company is reduced to zero, no further losses are recorded in the Organization's consolidated financial statements unless the Organization guaranteed obligations of the investee company or has committed additional funding.

An investment in an entity where the Hospital or its subsidiaries own less than 20% and do not have significant operating influence is recorded at cost.

Assets Limited as to Use

Assets limited as to use include assets set aside by the Board of Directors for future capital improvements and long-term investment purposes, over which the Board retains control and which it may at its discretion subsequently use for other purposes. In addition, assets limited as to use include assets externally designated under bond indenture agreements and assets restricted by donors.

Donor Contributions

Unconditional promises to give cash and other assets are reported at fair value at the date the promise is received to the extent estimated to be collectible by the Organization. Contributions received with donor restrictions that limit the use of the donated assets are reported as net assets with donor restrictions. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified as net assets without donor restrictions and reported in the consolidated statements of operations and changes in net assets as net assets released from restrictions. Donor restricted contributions whose restrictions are met within the same year as received are included in nonoperating income (expense) in the accompanying consolidated financial statements.

Goodwill Impairment

The Organization evaluates the carrying value of goodwill annually and when events occur or circumstances change that would more likely than not reduce the fair value of the reporting unit below its carrying amount. Such circumstances could include, but are not limited to:

i. A significant adverse change in legal factors or in business climate,
ii. Unanticipated competition, or
iii. An adverse action or assessment by a regulator.

When evaluating whether goodwill is impaired, the Organization compares the fair value of the reporting unit to which the goodwill is assigned to the reporting unit's carrying amount, including goodwill. The fair value of the reporting unit is estimated using a combination of the income, or discounted cash flows, approach and the market approach, which utilizes comparable companies' data. If the carrying amount of the reporting unit exceeds its fair value, then the amount of the impairment loss must be measured. The impairment loss would be calculated by comparing the implied fair value of the reporting unit goodwill to its carrying amount. An impairment loss would be recognized when the carrying amount of goodwill exceeds its implied fair value. The Organization's evaluation of goodwill completed during 2019 and 2018 resulted in no impairment losses.

Intangible Asset Impairment

The Organization evaluates the recoverability of identifiable intangible assets whenever events or changes in circumstances indicate that an intangible asset's carrying amount may not be recoverable. Such circumstances could include, but are not limited to:

i. A significant decrease in market value of an asset,
ii. A significant adverse change in the extent or manner in which an asset is used, or
iii. An accumulation of costs significantly in excess of the amount originally expected for the acquisition of an asset.

The Organization measures the carrying amount of the asset against the estimated undiscounted future cash flows associated with it. Should the sum of the expected future net cash flows be less than the carrying value of the asset being evaluated, an impairment loss would be recognized. The impairment loss would be calculated as the amount by which the carrying value of the asset exceeds its fair value. The Organization did not recognize an impairment charge relative to intangible assets for the years ended June 30, 2019 and 2018.

Property and Equipment

Property and equipment acquisitions are recorded at cost. Property and equipment donated for Organization operations are recorded at fair value at the date of receipt. Expenditures for repairs and maintenance are expensed when incurred and betterments are capitalized.

Gifts of long-lived assets such as land, buildings or equipment are reported as increases in unrestricted net assets at fair market value and are excluded from the excess of revenues and other support over expenses. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire or construct long-lived assets are reported as restricted support. Absent explicit donor stipulation about how long those long-lived assets must be maintained, expirations of donor restrictions are reported when the donated or acquired long-lived assets are placed in service.

Depreciation is provided over the estimated useful life of each class of depreciable asset and is computed using the straight-line method.

Works of art are maintained as collections and, accordingly, are not depreciated.

Excess of Revenues and Other Support Over Expenses

The consolidated statements of operations and changes in net assets include excess of revenues and other support over expenses. Changes in net assets without donor restrictions which are excluded from this measure, consistent with industry practice, include permanent transfers of assets to and from affiliates for other than goods and services and contributions of long-lived assets (including assets acquired using contributions which by donor restrictions were to be used for the purposes of acquiring such assets).

Net Patient Service Revenue

The Organization has agreements with third-party payors that provide for payments to the Organization at amounts different from its established rates. Payment arrangements include prospectively determined rates per discharge, reimbursed costs, discounted charges and per diem payments. Net patient service revenue is reported at the estimated net realizable amounts from patients, third-party payors, and others for services rendered, including estimated retroactive adjustments under reimbursement agreements with third-party payors. Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods as final settlements are determined.

The Organization recognizes patient service revenue associated with services rendered to patients who have third-party payor coverage on the basis of contractual rates for such services. For uninsured patients that do not qualify for charity care, the Organization recognizes revenue on the basis of its standard rates (or on the basis of discounted rates, by State law or provided by policy). Based on historical trends, a significant portion of the Organization's uninsured patients will be unable or unwilling to pay for the services rendered. Thus, the Organization records a provision for bad debts related to uninsured patients in the period the services are rendered.

Community Care

The Organization provides care to patients who meet certain criteria under its community care policy without charge or at amounts less than its established rates. Because the Organization does not pursue collection of amounts determined to qualify as community care, they are not reported as revenue.

Self-Insurance

The Organization has elected to self-insure employee dental and health benefits for services that are provided at the Organization to participating employees and their covered dependents. A provision is accrued for self-insured employee health claims including both claims reported and claims incurred but not yet reported. The accrual is estimated based upon prior lagging claims experience, recently incurred claims and other qualitative factors. The accrued self-insurance reserve was approximately $450,000 as of June 30, 2019 and 2018. It is reasonably possible that the Organization's estimate will change by a material amount in the near term. Stop-loss insurance has been purchased to cover unusually large claims for services not performed at the Organization. This stop-loss insurance coverage consists of $90,000 on each individual participating employee. There is no stop-loss insurance coverage for services performed at the Organization.

Income Taxes

The Organization has been determined by the Internal Revenue Service to be a tax-exempt charitable organization as described in Section 501(c)(3) of the Internal Revenue Code (Code), whereby, only unrelated business income, as defined by Section 512(a)(1) of the Code, is subject to federal income tax. Accordingly, no provision for federal income taxes has been recorded in the accompanying consolidated financial statements.

SHV is a taxable corporation and is subject to federal and New Hampshire income taxes.

SHN is a partnership that has elected to be taxed as a corporation and is subject to federal and New Hampshire income taxes.

SMBP is a not-for-profit corporation as described in Section 501(c)(3) of the Code and is exempt from federal income taxes on related income pursuant to Section 509(a)(3) of the Code.

Concentration of Credit Risk

Financial instruments that potentially expose the Organization to concentrations of credit and market risks consist primarily of cash and investments. The Organization maintains cash in bank deposit accounts, which, at times, may exceed federally insured limits. It has not experienced any losses in such accounts. The Organization's investments do not represent significant concentrations of market risk inasmuch as the Organization's investment portfolio is diversified among issuers.

Newly Adopted Accounting Pronouncement

In 2019, the Organization adopted FASB Accounting Standards Update (ASU) No. 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities (Topic 958)*, which makes targeted changes to the not-for-profit financial reporting model. The ASU marks the completion of the first phase of a larger project aimed at improving not-for-profit financial reporting. Under the ASU, net asset reporting is streamlined and clarified. The existing three category classification of net assets

is replaced with a simplified model that combines temporarily restricted and permanently restricted into a single category called "net assets with donor restrictions." The guidance for classifying deficiencies in endowment funds and on accounting for the lapsing of restrictions on gifts to acquire property, plant, and equipment has also been simplified and clarified. New disclosures highlight restrictions on the use of resources that make otherwise liquid assets unavailable for meeting near-term financial requirements. The ASU also imposes several new requirements related to reporting expenses. The adoption of the ASU had no impact on previously reported total net assets and has been applied retrospectively to all periods presented.

Restatement

The accompanying consolidated financial statements for 2018 have been restated to properly reflect the Organization's interest in a 457(b) deferred compensation plan for its eligible employees. Total assets and total liabilities for 2018 increased by $243,591 to reflect the Organization's interest in the plan. There was no impact on the 2018 statement of operations, changes in net assets, or cash flows.

Subsequent Events

For purposes of the preparation of these consolidated financial statements, the Organization has considered transactions or events occurring through October 14, 2019, which was the date the consolidated financial statements were available to be issued.

2. Availability and Liquidity of Financial Assets

The Organization had working capital of $5,916,121 and $5,091,310 at June 30, 2019 and 2018, respectively. The Organization had average days (based on normal expenditures) cash and cash equivalents on hand of 75 and 52 at June 30, 2019 and 2018, respectively.

The Organization's goal is to maintain financial assets to meet 75 days of operating expenses ($12,733,488 and $12,019,230 at June 30, 2019 and 2018, respectively). The annual operating budget is determined with the goal of generating sufficent net patient service revenue and cash flows to allow the Organization to be sustainable to support its mission and vision.

Financial assets and liquidity resources available within one year for general expenditure, such as operating expenses, scheduled principal payments on debt, and capital construction costs not financed with debt, were as follows as of June 30:

	2019	2018
Cash and cash equivalents	$ 12,707,704	$ 8,318,620
Patient accounts receivable, net	9,116,604	9,431,258
Other receivables	1,146,173	347,550
Financial assets available to meet general expenditures within one year	$ 22,970,481	$ 18,097,428

The Organization has other assets limited as to use of $27,407,218 and $24,777,032 at June 30, 2019 and 2018, respectively, that are designated assets set aside by the Board of Directors for future capital improvements and other purposes. These assets limited as to use are not available for general expenditure within the next year; however, the internally designated amounts could be made available, if necessary.

3. Net Patient Service Revenue and Patient Accounts Receivable

Net patient service revenue consists of the following for the years ended June 30:

	2019	2018
Patient services		
Inpatient	$ 39,631,414	$ 36,063,138
Outpatient	108,726,380	96,244,231
Gross patient service revenue	148,357,794	132,307,369
Less Medicare and Medicaid allowances	47,738,874	42,807,794
Less other contractual allowances	30,645,261	25,629,594
Less community care	1,444,845	429,605
	79,828,980	68,866,993
Patient service revenue (net of contractual allowances and discounts)	68,528,814	63,440,376
Less provision for bad debts	6,025,679	4,789,408
Net patient service revenue	$ 62,503,135	$ 58,650,968

Details of patient accounts receivable at June 30 are as follows:

	2019	2018
Gross patient accounts receivable	$ 25,175,126	$ 29,936,480
Less allowance for contractual adjustments	12,690,535	15,056,385
Less allowance for doubtful accounts	3,367,987	5,448,837
Net patient accounts receivable	$ 9,116,604	$ 9,431,258

The Organization has agreements with third-party reimbursing agencies that provide for payments at amounts different from its established rates. A summary of the payment arrangements with major third-party reimbursing agencies follows:

Medicare

Inpatient acute care services rendered to Medicare program beneficiaries are paid under a cost reimbursement methodology. Outpatient services are paid based on a combination of rate schedules and reimbursed cost. The Hospital is reimbursed for cost reimbursable items at an interim rate with final settlement determined after submission of annual cost reports by the Hospital and audits thereof by the Medicare fiscal intermediary. The Hospital's Medicare cost reports have been audited by the Medicare fiscal intermediary through June 30, 2014. Revenues from the Medicare program accounted for approximately 44% and 43% of the Hospital's gross patient revenue for the years ended June 30, 2019 and 2018, respectively.

Medicaid

Inpatient services rendered to Medicaid program beneficiaries are reimbursed at prospectively determined rates. These rates vary according to a patient classification system that is based on clinical, diagnostic and other factors, and are not subject to retroactive adjustment. Outpatient services rendered to Medicaid program beneficiaries are reimbursed under a cost reimbursement methodology. The Hospital is reimbursed at a tentative rate with final settlement determined after submission of annual cost reports by the Hospital and audits thereof by the fiscal intermediary. The Hospital's Medicaid cost reports have been audited by the fiscal intermediary through June 30, 2014. Revenues from the Medicaid program accounted for approximately 11% and 10% of the Hospital's gross patient revenue for the years ended June 30, 2019 and 2018, respectively.

Other

The Organization has entered into payment agreements with certain commercial insurance carriers and health maintenance organizations. The basis for payment to the Organization is primarily prospectively determined rates per discharge, discounts from established charges, and prospectively determined daily rates.

Laws and regulations governing the Medicare and Medicaid programs are extremely complex and subject to interpretation. As a result, there is at least a reasonable possibility that recorded estimates will change by a material amount in the near term. In 2019 and 2018, net patient service revenue increased approximately $890,000 and $1,596,000, respectively, due to the recognition of settlements or the removal of allowances no longer subject to audits, reviews, and investigations.

The Organization recognizes patient service revenue associated with services rendered to patients who have third-party payor coverage on the basis of contractual rates for such services. For uninsured patients that do not qualify for community care, the Organization recognizes revenue on the basis of its standard rates (or on the basis of discounted rates, by State law or provided by policy). Based on historical trends, a significant portion of the Organization's uninsured patients will be unable or unwilling to pay for the services rendered. Thus, the Organization records a provision for bad debts related to uninsured patients in the period the services are rendered. Patient service revenue, net of contractual allowances and discounts (but before the provision for bad debts), recognized during the fiscal year ended June 30, 2019 totaled $68,528,814, of which $59,712,129 was revenue from third-party payors and $8,816,685 was revenue from self-pay patients, and for the fiscal year ended June 30, 2018 totaled $63,440,376, of which $55,554,007 was revenue from third-party payors and $7,886,369 was revenue from self-pay patients.

4. Community Care

The Organization maintains records to identify and monitor the level of community care it provides. These records include the amount of charges foregone for services and supplies furnished under its community care policy, the estimated cost of those services and supplies, and equivalent service statistics. The following information measures the level of community care provided during the years ended June 30:

	2019	2018
Charges foregone, based on established rates	**$ 1,445,000**	$ 430,000
Estimated costs incurred to provide charity care	**635,000**	201,000
Equivalent percentage of charity care services to all services	**0.97%**	0.33%

Costs of providing community care services have been estimated based on the relationship of total expenses to total charges applied to community care charges foregone.

5. Notes Receivable

The Organization has entered into several unsecured notes receivable with providers, at varying terms. The total notes receivable outstanding at June 30, 2019 and 2018 are as follows:

	2019	2018
Providers	**$ 53,735**	$ 54,792
Less: Allowance for doubtful accounts	**(6,792)**	(6,792)
	46,943	48,000
Less: Current portion	**(26,833)**	(20,167)
	$ 20,110	$ 27,833

6. Investment in Joint Ventures

During 2011, the Organization's wholly-owned subsidiary, SHV, purchased a 50% equity interest in Plymouth Regional Rehabilitation Services, LLC, an entity that provides rehabilitation and physical therapy services to Plymouth, New Hampshire and the surrounding area.

Effective June 25, 2015, the Hospital and LRG Healthcare formed a Limited Liability Company, ACHC. ACHC was initially capitalized by equal initial contributions of $5,000 made by each member. ACHC's current purpose and activity is to purchase and implement an EHR system on behalf of its members. See Note 14 for additional information.

The following is a summary of the Organization's equity method investment in the joint ventures for the years ended June 30:

	2019	2018
Balance at beginning of year	$ 242,161	$ 222,047
Distributions	(50,000)	(32,500)
Equity in net earnings	30,165	52,614
Balance at end of year	$ 222,326	$ 242,161

Summarized financial information for Plymouth Regional Rehabilitation Services, LLC is as follows for the years ended June 30 (unaudited):

	2019	2018
Net revenues	$ 1,176,042	$ 1,159,364
Operating expenses	1,115,712	1,054,137
Net income	$ 60,330	$ 105,227
SHV's equity in earnings	$ 30,165	$ 52,614

7. Goodwill and Other Intangibles

In January 2011, the Organization completed the asset purchase of a New Hampshire limited liability company (Company), which provided rehabilitation and physical therapy services in the Plymouth, New Hampshire and surrounding area. The assets acquired, inclusive of allocated legal fees, included goodwill in the amount of $890,002 and other intangible assets totaling $148,400. The intangible assets included a covenant not-to-compete and the books and records of the Company with a weighted-average useful life of approximately twelve years.

The Organization had the following amounts related to goodwill and other intangible assets as of June 30:

	2019			2018
	Gross Carrying Amount	Accumulated Amortization and Impairment	Net Carrying Amount	Net Carrying Amount
Goodwill	$ 890,002	$ -	$ 890,002	$ 890,002
Other intangibles				
Books and records	$ 104,507	$ (59,322)	$ 45,185	$ 52,164
Total other intangibles	$ 104,507	$ (59,322)	$ 45,185	$ 52,164

8. Property and Equipment

Property and equipment consisted of the following as of June 30:

	2019	2018
Land and land improvements	$ 3,311,036	$ 2,867,699
Buildings and improvements	40,919,141	39,706,953
Equipment	21,192,584	19,907,401
Works of art	67,183	67,183
	65,489,944	62,549,236
Less accumulated depreciation and amortization	40,444,530	37,319,973
	25,045,414	25,229,263
Construction in progress	135,091	883,873
Property and equipment, net	$ 25,180,505	$ 26,113,136

9. Beneficial Interest in Perpetual Trusts

Donors have established and funded certain trusts, which are administered by third parties. Under the terms of the trusts, the Organization has the irrevocable right to receive a portion of the income earned on the trust assets in perpetuity. The Organization's interest in the investment income of the trusts ranges from 10-33% and is unrestricted. The assets are reported at fair market value and totaled $330,244 and $325,920 as of June 30, 2019 and 2018, respectively.

10. Investments

Investments consist of the following at June 30:

	2019	2018
Externally designated investments under bond agreement	$ 1,307,252	$ 1,306,991
Internally designated investments	27,407,218	24,777,032
Endowment and investments with donor restrictions	267,254	283,032
Other investments	20,173	20,173
	$ 29,001,897	$ 26,387,228

The composition of investments at June 30 is set forth in the following table. Investments are stated at fair value.

	2019	2018
Cash and cash equivalents	$ 2,685,170	$ 2,022,708
Fixed income funds	9,804,245	8,632,172
Marketable equity securities	16,512,482	15,166,675
Real asset mutual funds	-	565,673
	$ 29,001,897	$ 26,387,228

Investment income and gains (losses) on investments during the years ended June 30 are as follows:

	2019	2018
Interest and dividends	$ 327,304	$ 182,620
Realized gains on sales of securities	543,277	1,086,765
Unrealized gains (losses) on securities	1,214,007	(5,881)
	$ 2,084,588	$ 1,263,504

Fair Value Measurement

FASB ASC Topic 820, *Fair Value Measurement*, defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. FASB ASC 820 also establishes a fair value hierarchy which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The standard describes three levels of inputs that may be used to measure fair value:

Level 1: Quoted prices (unadjusted) for identical assets or liabilities in active markets that the entity has the ability to access as of the measurement date.

Level 2: Significant other observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active, and other inputs that are observable or can be corroborated by observable market data.

Level 3: Significant unobservable inputs that reflect an entity's own assumptions about the assumptions that market participants would use in pricing an asset or liability.

FASB ASC Topic 825 provides the option to elect fair value as an alternative measurement for selected financial assets and liabilities not previously required to be recorded at fair value. The Organization carries its investments in accordance with ASC Topic 825, measured utilizing the framework provided by ASC Topic 820.

The following table summarizes the valuation of the Organization's assets carried in accordance with ASC Topic 825 and assets held in trust by the fair value hierarchy levels as of June 30, 2019:

	Total	Quoted Prices in Active Markets (Level 1)	Significant Unobservable Inputs (Level 3)
Assets measured at fair value on recurring basis			
Investments			
Cash and cash equivalents	$ 2,685,170	$ 2,685,170	$ -
Fixed income funds	9,804,245	9,804,245	-
Marketable equity securities	16,512,482	16,512,482	-
Beneficial interest in perpetual trusts	330,244	-	330,244
Total assets	$ 29,332,141	$ 29,001,897	$ 330,244

The following table summarizes the valuation of the Organization's assets carried in accordance with ASC Topic 825 and assets held in trust by the fair value hierarchy levels as of June 30, 2018:

	Total	Quoted Prices in Active Markets (Level 1)	Significant Unobservable Inputs (Level 3)
Assets measured at fair value on recurring basis			
Investments			
Cash and cash equivalents	$ 2,022,708	$ 2,022,708	$ -
Fixed income funds	8,632,172	8,632,172	-
Marketable equity securities	15,166,675	15,166,675	-
Real asset mutual funds	565,673	565,673	
Beneficial interest in perpetual trusts	325,920	-	325,920
Total assets	$ 26,713,148	$ 26,387,228	$ 325,920

The fair value of the beneficial interest in perpetual trusts is based on the quoted market prices of underlying assets, but is classified as Level 3 as there is no market in which to trade the beneficial interest itself.

The following is a reconciliation of assets in which significant unobservable inputs (Level 3) were used in determining fair value:

Balance, July 1, 2017	$ 312,231
Change in value of trusts	3,066
Balance, June 30, 2018	325,920
Change in value of trusts	4,324
Balance, June 30, 2019	$ 330,244

11. Net Assets

Net assets with donor restrictions are available for the following purposes at June 30:

	2019	2018
Purpose restricted:		
Capital improvements and equipment acquisitions	$ 5,587	$ 10,485
Education	11,238	6,427
Appreciation of endowment fund	4,064	4,064
Perpetual in nature, the income of which is restricted by donors for specific purposes	271,915	270,791
Perpetual in nature, the income of which is unrestricted	330,244	325,920
	$ 623,048	$ 617,687

Net assets without donor restrictions are available for the following purposes at June 30:

	2019	2018
Under Board designation for capital improvements and other purposes	$ 27,407,218	$ 24,777,032
Undesignated	18,692,101	18,707,219
	$ 46,099,319	$ 43,484,251

12. Long-Term Debt

In April 2016, the Organization, in conjunction with the New Hampshire Health and Education Facilities Authority (Authority), issued $4,164,574 of tax-exempt and $335,426 of taxable revenue bonds (Series 2016A and Series 2016B, respectively). The proceeds were to refinance the Organization's outstanding short-term bridge loan. The bridge loan was used to pay off the

Organization's outstanding interest-bearing note payable in December 2015. The bonds are collateralized by the gross receipts of the Organization and a security interest in certain property of the Organization as defined by the bond documents.

In December 2012, the Organization, in conjunction with the Authority, issued $21,100,000 of tax-exempt revenue bonds (Series 2012). The Series 2012 bonds were issued in order to pay off the Organization's outstanding Series 2010 tax-exempt revenue bond obligation totaling $3,710,435 and provide advance-refunding for the Organization's outstanding Series 2004 tax-exempt revenue bond obligation totaling $12,005,000. The bonds are collateralized by the gross receipts of the Organization and a security interest in certain property of the Organization as defined by the bond documents. The net proceeds from the issuance were used to finance the Organization's capital expenditures.

Long-term debt consists of the following obligations at June 30:

	2019	2018
Bonds Payable		
Series 2012, 25-year fixed rate bonds (2.20% at June 30, 2019). Payable in 300 monthly principal and interest payments. Monthly principal payments range from $45,317 in 2020 to $76,192 in 2038.	**$ 13,356,094**	$ 13,891,454
Series 2012, 10-year fixed rate bonds (1.72% at June 30, 2019). Payable in 120 monthly principal and interest payments. Monthly principal payments range from $42,435 in 2020 to $45,390 in 2023.	**1,875,400**	2,381,005
Series 2016A, tax-exempt variable rate bonds (3.08% at June 30, 2019). Interest only payments through June 2017 and then 162 monthly principal and interest payments. Monthly principal payments range from $23,800 in 2020 to $28,860 in 2031.	**3,625,840**	3,907,140
Note Payable		
Non-interest bearing note payable, unsecured, payable in 15 annual installments of $15,000 with interest at an imputed rate of 2.08%, maturing July 1, 2020.	**29,081**	43,174
Total long-term debt before unamortized debt issuance costs	**18,886,415**	20,222,773
Less: unamortized debt issuance costs	**187,772**	203,258
Total long-term debt	**18,698,643**	20,019,515
Less current portion	**1,376,655**	1,347,452
Long-term debt, excluding current portion	**$ 17,321,988**	$ 18,672,063

Scheduled principal repayments on long-term debt are as follows:

2020 (included in current liabilities)	$ 1,376,655
2021	1,406,865
2022	1,422,585
2023	1,203,911
2024	930,913
Thereafter	12,545,486
	$ 18,886,415

The indentures related to the Authority bonds contain provisions regarding debt service coverage ratio, unrestricted cash and investments to funded debt ratio, limitation on additional indebtedness, liens on property and equipment, and restrictions on encumbering revenues. The Organization was in compliance with these requirements at June 30, 2019 and 2018.

13. Retirement Programs

The Organization adopted a tax sheltered annuity plan under 403(b) of the Code for eligible employees, effective July 1, 1987. Each year, the Organization contributes 4% of base pay and a dollar-for-dollar match of employee contributions up to 4.5% of eligible compensation. Contributions to the plan for the years ended June 30, 2019 and 2018 amounted to $1,621,322 and $1,586,851, respectively.

The Organization has established a 457(b) plan for certain highly compensated employees. This plan allows these employees to defer portions of their compensation based on Internal Revenue Service guidelines. The Organization has cumulatively recorded $362,705 and $243,591 at June 30, 2019 and 2018, respectively, related to this plan. The related investments are segregated in a separate account and reported in the balance sheet along with the Organization's related liability to the employees.

14. Commitments and Contingencies

Professional Liability Insurance

The Organization is covered under a claims made medical malpractice insurance policy. Malpractice claims have been asserted against the Organization by claimants and are in various stages of processing. Management estimates that any claims against the Organization for incidents that have occurred will not result in a loss in excess of the insurance coverage available.

FASB ASU 2010-24, Health Care Entities (Topic 954): *Presentation of Insurance Claims and Recoveries*, provides clarification to companies in the healthcare industry on the accounting for professional liability and similar insurance. ASU No. 2010-24 states that insurance liabilities should not be presented net of insurance recoveries and that an insurance receivable should be recognized on the same basis as the liabilities, subject to the need for a valuation allowance for uncollectible accounts. The Organization has evaluated its exposure to losses arising from identifiable potential claims and has properly accounted for them in the balance sheets for the years ended June 30, 2019 and 2018.

Operating Leases

The Organization leases equipment and office space under various operating lease agreements with unrelated parties. The Organization paid rent expense to unrelated parties of $328,015 and $294,310 for the years ended June 30, 2019 and 2018, respectively.

The following is a schedule of future minimum lease payments required under operating leases to unrelated parties:

Year ending June 30,	
2020	$ 310,300
2021	266,000
2022	172,600
2023	93,400
2024	15,100
	$ 857,400

During 2012, the Hospital and SMBP entered into agreements with the Town of Plymouth, New Hampshire Municipal Corporation (Town) related to the tax-exempt status of their operating facilities. As part of the agreements, the Hospital and SMBP have agreed to provide a payment in lieu of taxes, on an annual basis, commencing July 31, 2012, in the amounts of $15,000 and $22,000, respectively. The Town has agreed to accept these payments annually through calendar year 2020. The following schedule reflects the future payments in lieu of taxes as of June 30, 2019:

2020	$ 37,000
2021	37,000
	$ 74,000

Participation Agreement between ACHC and the Hospital

In conjunction with the formation of ACHC, the Hospital has entered into a participation agreement with ACHC whereby the Hospital, as an ACHC member, has agreed to participate in ACHC's agreements with Cerner Corporation (Cerner) and S&P Consultants, Inc. (S&P) and share in 20% of the costs of the services as defined in the Cerner and S&P agreements related to the implementation of an EHR system to provide services to the Hospital and LRG Healthcare. LRG Healthcare has agreed to participate in 80% of those costs. The Cerner agreement has an initial term of seven years with successive 36-month renewal option terms and the S&P agreement is a continuous agreement. The following schedule reflects the Hospital's share of future minimum payments to ACHC under the Cerner agreement as of June 30, 2019:

2020	$ 618,002
2021	618,002
2022	618,002
	$ 1,854,006

Based on the terms of the participation agreement with ACHC, the costs being paid for by Speare are being treated as deferred system development costs and are being expensed over the remaining term of the agreement as the related assets are placed into service. Gross system development costs as of June 30, 2019 and 2018 were $3,644,247 and $4,893,703, respectively. Amounts expensed under this agreement were $1,249,456 in 2019 and 2018.

In September 2017, ACHC terminated its agreement with S&P. In August 2017, ACHC entered into a three-year agreement with Huntzinger Management Group, Inc. (Huntzinger). The Huntzinger agreement requires monthly payments of $118,000 through July 2020. Effective November 1, 2018, ACHC entered into a new agreement with Huntzinger for a term of five years, with a minimum three-year commitment. The agreement can be terminated after completion of the three-year commitment period upon notification by ACHC six-months prior to the completion of the third year or any subsequent year remaining under the agreement. The annual fixed fee in the first year is approximately $8.3 million, subject to 3% annual increases in subsequent years. The following schedule reflects the Hospital's remaining 23% share of future minimum payments to ACHC under this agreement as of June 30, 3019:

2020	$ 2,564,042
2021	2,619,642
2022	1,353,254
	$ 6,536,938

15. Medicaid Enhancement Tax and Disproportionate Share Payments

Section 1923 of the Social Security Act, as amended, requires that States make Medicaid disproportionate share hospital (DSH) payments to hospitals that serve disproportionately large numbers of low-income patients. The federal government distributes federal DSH funds to each state based on a statutory formula. The states, in turn, distribute their portion of the DSH funding among qualifying hospitals. The states are to use their federal DSH allotments to help cover costs of hospitals that provide care to low-income patients when those costs are not covered by other payors. DSH amounts recorded by the Organization are therefore subject to change upon audit, and the Organization has included a reserve of $7,231,002 and $6,431,002 in due to third-party payors at June 30, 2019 and 2018, respectively, related to potential audit and calculation adjustments. Any change in these reserves is included in the Medicare and Medicaid contractual allowances in net patient service revenue. The Organization identifies the Medicaid enhancement tax paid on net patient revenue to the State of New Hampshire as a separate expense item.

16. Functional Expenses

The consolidated financial statements report certain categories of expenses that are attributable to more than one program or support function. Therefore, these expenses require an allocation on a reasonable basis that is consistently applied. Employee benefits are allocated based on salaries and occupancy costs are allocated by square footage. Expenses related to these functions were as follows for the years ended June 30:

2019	Healthcare Services	Support Services	Total
Salaries and wages	$19,728,001	$ 1,379,731	$21,107,732
Employee benefits	6,487,892	1,414,661	7,902,553
Physician fees and wages	8,413,729	2,412	8,416,141
Contract nursing and techniciansl	1,824,763	27,008	1,851,771
Supplies and other	16,605,572	3,412,125	20,017,697
Medicaid enhancement tax	-	2,204,314	2,204,314
Depreciation and amortization	2,881,848	396,342	3,278,190
Interest	350,197	119,239	469,436
	$56,292,002	$ 8,955,832	$65,247,834

2018	Healthcare Services	Support Services	Total
Salaries and wages	$19,359,492	$ 1,353,958	$20,713,450
Employee benefits	5,751,478	1,254,089	7,005,567
Physician fees and wages	7,950,679	2,279	7,952,958
Contract nursing and technicians	1,858,252	27,504	1,885,756
Supplies and other	15,008,312	3,083,919	18,092,231
Medicaid enhancement tax	-	2,367,999	2,367,999
Depreciation and amortization	2,863,238	393,783	3,257,021
Interest	354,814	120,811	475,625
	$53,146,265	$ 8,604,342	$61,750,607

17. Noncontrolling Interest

Speare Health Network

The Organization's financial statements include the assets, liabilities and earnings of SHN. The Organization owns 50% of the issued common stock and exerts controlling influence over its operations. The ownership interest of the other shareholders is called noncontrolling interest.

In 1997, SHN, in conjunction with four other Physician Hospital Organizations (PHO), created a regional PHO for the purposes of contract negotiation and healthcare education. This entity is a limited liability company established in New Hampshire. As of June 30, 2019, the PHO consisted of three members of which SHN has a 12% member interest.

18. Concentration of Credit Risk

The Organization grants credit without collateral to its patients, most of whom are local residents and are insured under third-party payor agreements. The mix of receivables from patients and third-party payors at June 30 was as follows:

	2019	2018
Medicare	32 %	42 %
Medicaid	10	11
Anthem Blue Cross & CIGNA	13	12
Patients	10	6
Other third-party payors	35	29
	100 %	100 %

SPEARE MEMORIAL HOSPITAL AND SUBSIDIARIES AND SUBSIDIARIES

Consolidating Balance Sheet

June 30, 2019

ASSETS

	SPEARE	SMBP	SHV	SHN	Eliminations	Consolidated
Current assets						
Cash and cash equivalents	$ 12,239,834	$ 15,949	$ 410,466	$ 41,455	$ -	$ 12,707,704
Patient accounts receivable, net	8,954,546	-	162,058	-	-	9,116,604
Other receivables	1,146,173	-	-	-	-	1,146,173
Inventories	1,093,913	-	-	-	-	1,093,913
Prepaid expenses and other current assets	692,722	1,783	6,458	-	-	700,963
Current portion of deferred system development costs	1,249,456	-	-	-	-	1,249,456
Due from related party	1,564,831	-	-	-	(1,564,831)	-
Current portion of notes receivable	26,833	-	-	-	-	26,833
Total current assets	26,968,308	17,732	578,982	41,455	(1,564,831)	26,041,646
Other assets						
Notes receivable, less current portion	20,110	-	-	-	-	20,110
Notes receivable, related party	304,115	-	-	-	(304,115)	-
Deferred system development costs, less current portion	2,394,791	-	-	-	-	2,394,791
Investment in subsidiaries	(34,853)	-	-	-	34,853	-
Investment in joint ventures	5,000	-	217,326	-	-	222,326
Other investments	20,173	-	-	-	-	20,173
Beneficial interest in perpetual trusts	330,244	-	-	-	-	330,244
Goodwill	890,002	-	-	-	-	890,002
Other intangibles, net	45,185	-	-	-	-	45,185
Deferred compensation and other assets	405,879	-	-	-	-	405,879
Total other assets	4,380,646	-	217,326	-	(269,262)	4,328,710
Assets limited as to use						
Externally designated investments under bond agreement	1,307,252	-	-	-	-	1,307,252
Internally designated investments	27,407,218	-	-	-	-	27,407,218
Endowment and investments with donor restrictions	267,254	-	-	-	-	267,254
Total assets limited as to use	28,981,724	-	-	-	-	28,981,724
Property and equipment	55,103,483	9,961,282	598,832	-	(38,562)	65,625,035
Less accumulated depreciation and amortization	(36,560,088)	(3,814,508)	(88,938)	-	19,004	(40,444,530)
Property and equipment, net	18,543,395	6,146,774	509,894	-	(19,558)	25,180,505
Total assets	$ 78,874,073	$ 6,164,506	$ 1,306,202	$ 41,455	$ (1,853,651)	$ 84,532,585

SPEARE MEMORIAL HOSPITAL AND SUBSIDIARIES AND SUBSIDIARIES

Consolidating Balance Sheet (Concluded)

June 30, 2019

LIABILITIES AND NET ASSETS

	SPEARE	SMBP	SHV	SHN	Eliminations	Consolidated
Current liabilities						
Accounts payable	$ 4,029,367	$ 10,782	$ 22,306	$ -	$ -	$ 4,062,454
Accrued salaries and wages	1,422,476	-	11,145	-	-	1,433,621
Other current liabilities	3,744,018	-	75,472	-	-	3,819,490
Estimated third-party payor settlements	9,433,305	-	-	-	-	9,433,305
Due to related party	-	368,592	1,196,239	-	(1,564,831)	-
Current portion of long-term debt	1,090,195	286,460	-	-	-	1,376,655
Total current liabilities	19,719,361	665,834	1,305,162	-	(1,564,831)	20,125,525
Noncurrent liabilities						
Long-term debt, less current portion	14,036,422	3,285,566	-	-	-	17,321,988
Deferred compensation	362,705	-	-	-	-	362,705
Related party note payable	-	-	304,115	-	(304,115)	-
Investment in subsidiary - SMBP	(2,185,357)	-	-	-	2,185,357	-
Total noncurrent liabilities	12,213,770	3,285,566	304,115	-	1,881,242	17,684,693
Total liabilities	31,933,131	3,951,400	1,609,277	-	316,411	37,810,218
Net assets (deficit)						
Common stock	-	-	1	-	(1)	-
Without donor restrictions						
Controlling interest	46,317,894	2,213,106	(303,076)	41,455	(2,195,983)	46,073,396
Noncontrolling interest	-	-	-	-	25,923	25,923
Total without donor restrictions	46,317,894	2,213,106	(303,075)	41,455	(2,170,061)	46,099,319
With donor restrictions	623,048	-	-	-	-	623,048
Total net assets (deficit)	46,940,942	2,213,106	(303,075)	41,455	(2,170,062)	46,722,367
Total liabilities and net assets (deficit)	$ 78,874,073	$ 6,164,506	$ 1,306,202	$ 41,455	$ (1,853,651)	$ 84,532,585

SPEARE MEMORIAL HOSPITAL AND SUBSIDIARIES AND SUBSIDIARIES

Consolidating Statement of Operations

Year Ended June 30, 2019

	SPEARE	SMBP	SHV	SHN	Eliminations	Consolidated
Unrestricted revenues and other support						
Patient service revenue (net of contractual allowances and discounts)	$ 67,468,151	$ -	$ 1,060,663	$ -	$ -	$ 68,528,814
Less provision for bad debts	5,942,516	-	83,163	-	-	6,025,679
Net patient service revenue	61,525,635	-	977,500	-	-	62,503,135
Other operating revenue	2,890,187	863,827	109	-	(863,936)	2,890,187
Net assets released from restrictions for operations	4,472	-	-	-	-	4,472
Total unrestricted revenues and other support	64,420,294	863,827	977,609	-	(863,936)	65,397,794
Operating expenses						
Salaries and wages	20,552,630	-	555,102	-	-	21,107,732
Physician fees and wages	8,141,201	-	274,940	-	-	8,416,141
Contract nursing and technicians	1,851,771	-	-	-	-	1,851,771
Employee benefits	7,774,033	-	128,520	-	-	7,902,553
Supplies and other	20,314,962	299,655	257,056	-	(853,976)	20,017,697
Medicaid enhancement tax	2,204,314	-	-	-	-	2,204,314
Depreciation and amortization	2,822,556	396,342	59,292	-	-	3,278,190
Interest	359,243	110,193	9,960	-	(9,960)	469,436
Total operating expenses	64,020,710	806,190	1,284,870	-	(863,936)	65,247,834
Income (loss) from operations	399,584	57,637	(307,261)	-	-	149,960
Nonoperating income (expense)						
Investment income, net	2,084,467	121	-	-	-	2,084,588
Equity in earnings of unconsolidated joint venture	-	-	30,165	-	-	30,165
Unrestricted donor contributions	143,658	-	-	-	-	143,658
Grant expense	(75,000)	-	-	-	-	(75,000)
Bad debt on nonpatient receivables	(17,727)	-	-	-	-	(17,727)
Loss on sale of fixed assets	(2,896)	-	-	-	-	(2,896)
Nonoperating income, net	2,132,502	121	30,165	-	-	2,162,788
Excess (deficiency) of revenues and gains over expenses	2,532,086	57,758	(277,096)	-	-	2,312,748
Less noncontrolling interest	-	-	-	-	-	-
Excess (deficiency) of revenue and gains over expenses attributable to controlling interest	2,532,086	57,758	(277,096)	-	-	2,312,748
Net assets released from restrictions for capital expenditures	302,320	-	-	-	-	302,320
Change in net assets (deficit) without donor restrictions, controlling interest	$ 2,834,406	$ 57,758	$ (277,096)	$ -	$ -	$ 2,615,068

SPEARE MEMORIAL HOSPITAL AND SUBSIDIARIES AND SUBSIDIARIES

Consolidating Balance Sheet

June 30, 2018

ASSETS

	(As Restated) SPEARE	SMBP	SHV	SHN	Eliminations	Consolidated
Current assets						
Cash and cash equivalents	$ 7,740,044	$ 372,133	$ 164,988	$ 41,455	$ -	$ 8,318,620
Patient accounts receivable, net	9,188,326	-	242,932	-	-	9,431,258
Other receivables	347,550	-	-	-	-	347,550
Inventories	933,725	-	-	-	-	933,725
Prepaid expenses and other current assets	761,343	1,884	6,458	-	-	769,685
Current portion of deferred system development costs	1,249,456	-	-	-	-	1,249,456
Due from related party	1,341,043	-	-	-	(1,341,043)	-
Current portion of notes receivable	20,167	-	-	-	-	20,167
Total current assets	21,581,654	374,017	414,378	41,455	(1,341,043)	21,070,461
Other assets						
Notes receivable, less current portion	27,833	-	-	-	-	27,833
Notes receivable, related party	294,155	-	-	-	(294,155)	-
Deferred system development costs, less current portion	3,644,247	-	-	-	-	3,644,247
Investment in subsidiaries	(34,853)	-	-	-	34,853	-
Investment in joint ventures	5,000	-	237,161	-	-	242,161
Other investments	20,173	-	-	-	-	20,173
Beneficial interest in perpetual trusts	325,920	-	-	-	-	325,920
Goodwill	890,002	-	-	-	-	890,002
Other intangibles, net	52,164	-	-	-	-	52,164
Deferred compensation	243,591	-	-	-	-	243,591
Total other assets	5,468,232	-	237,161	-	(259,302)	5,446,091
Assets limited as to use						
Internally designated investments	24,777,032	-	-	-	-	24,777,032
Endowment and investments with donor restrictions	283,032	-	-	-	-	283,032
Total assets limited as to use	26,367,055	-	-	-	-	26,367,055
Property and equipment	53,377,900	9,494,939	598,832	-	(38,562)	63,433,109
Less accumulated depreciation and amortization	(33,891,165)	(3,418,166)	(29,646)	-	19,004	(37,319,973)
Property and equipment, net	19,486,735	6,076,773	569,186	-	(19,558)	26,113,136
Total assets	$ 72,903,676	$ 6,450,790	$ 1,220,725	$ 41,455	$ (1,619,903)	$ 78,996,743

SPEARE MEMORIAL HOSPITAL AND SUBSIDIARIES AND SUBSIDIARIES

Consolidating Balance Sheet (Concluded)

June 30, 2018

LIABILITIES AND NET ASSETS

	(As Restated) SPEARE	SMBP	SHV	SHN	Eliminations	Consolidated
Current liabilities						
Accounts payable	$ 3,221,160	$ 11,864	$ 25,994	$ -	$ -	$ 3,259,017
Accrued salaries and wages	1,190,005	-	20,444	-	-	1,210,449
Other current liabilities	2,581,989	-	-	-	-	2,581,989
Estimated third-party payor settlements	7,580,244	-	-	-	-	7,580,244
Due to related party	-	434,932	906,111	-	(1,341,043)	-
Current portion of long-term debt	1,066,152	281,300	-	-	-	1,347,452
Total current liabilities	15,639,550	728,096	952,549	-	(1,341,043)	15,979,151
Noncurrent liabilities						
Long-term debt, less current portion	15,104,717	3,567,346	-	-	-	18,672,063
Deferred compensation	243,591	-	-	-	-	243,591
Related party note payable	-	-	294,155	-	(294,155)	-
Investment in subsidiary - SMBP	(2,185,357)	-	-	-	2,185,357	-
Total noncurrent liabilities	13,162,951	3,567,346	294,155	-	1,891,202	18,915,654
Total liabilities	28,802,501	4,295,442	1,246,704	-	550,159	34,894,805
Net assets (deficit)						
Common stock	-	-	1	-	(1)	-
Without donor restrictions						
Controlling interest	43,483,488	2,155,348	(25,980)	41,455	(2,195,983)	43,458,328
Noncontrolling interest	-	-	-	-	25,923	25,923
Total without donor restrictions	43,483,488	2,155,348	(25,979)	41,455	(2,170,061)	43,484,251
With donor restrictions	617,687	-	-	-	-	617,687
Total net assets (deficit)	44,101,175	2,155,348	(25,979)	41,455	(2,170,062)	44,101,938
Total liabilities and net assets (deficit)	$ 72,903,676	$ 6,450,790	$ 1,220,725	$ 41,455	$ (1,619,903)	$ 78,996,743

SPEARE MEMORIAL HOSPITAL AND SUBSIDIARIES AND SUBSIDIARIES

Consolidating Statement of Operations

Year Ended June 30, 2018

	SPEARE	SMBP	SHV	SHN	Eliminations	Consolidated
Unrestricted revenues and other support						
Patient service revenue (net of contractual allowances and discounts)	$ 62,617,441	$ -	$ 822,935	$ -	$ -	$ 63,440,376
Less provision for bad debts	4,761,218	-	28,190	-	-	4,789,408
Net patient service revenue	57,856,223	-	794,745	-	-	58,650,968
Other operating revenue	2,515,959	766,358	66	-	(766,424)	2,515,959
Net assets released from restrictions for operations	12,958	-	-	-	-	12,958
Total unrestricted revenues and other support	60,385,140	766,358	794,811	-	(766,424)	61,179,885
Expenses						
Salaries and wages	20,180,613	-	532,837	-	-	20,713,450
Physician fees and wages	7,952,958	-	-	-	-	7,952,958
Contract nursing and technicians	1,885,756	-	-	-	-	1,885,756
Employee benefits	6,860,234	-	145,333	-	-	7,005,567
Supplies and other	18,401,728	238,884	208,083	-	(756,464)	18,092,231
Medicaid enhancement tax	2,367,999	-	-	-	-	2,367,999
Depreciation and amortization	2,843,942	383,433	29,646	-	-	3,257,021
Interest	370,079	105,546	9,960	-	(9,960)	475,625
Total expenses	60,863,309	727,863	925,859	-	(766,424)	61,750,607
Income (loss) from operations	(478,169)	38,495	(131,048)	-	-	(570,722)
Nonoperating income (expense)						
Investment income, net	1,263,173	315	-	16	-	1,263,504
Gain on investment in subsidiaries	(18,616)	-	-	-	18,616	-
Equity in earnings of unconsolidated joint venture	-	-	52,614	-	-	52,614
Unrestricted donor contributions	141,611	-	-	-	-	141,611
Grant expense	(66,797)	-	-	-	-	(66,797)
Bad debt recovery on nonpatient receivables	6,146	-	-	-	-	6,146
Loss on sale of fixed assets	(83,946)	-	-	-	-	(83,946)
Nonoperating income, net	1,241,571	315	52,614	16	18,616	1,313,132
Excess (deficiency) of revenues and gains over expenses	763,402	38,810	(78,434)	16	18,616	742,410
Less noncontrolling interest	-	-	-	-	(8)	(8)
Excess (deficiency) of revenues and gains over expenses attributable to controlling interest	763,402	38,810	(78,434)	16	18,608	742,402
Net assets released from restrictions for capital expenditures	404,950	-	-	-	-	404,950
Increase (decrease) in net assets without donor restrictions, controlling interest	$ 1,168,352	$ 38,810	$ (78,434)	$ 16	$ 18,608	$ 1,147,352

SPEARE Memorial Hospital
A Critical Access Hospital

Board of Directors 2019-2020

First Name	Last Name
Lisa	Baker
Quentin	Blaine
Sandra	Jones
Elizabeth	Kleiner
Robert	Maloney
Michelle	McEwen
Patrick	Miller
Nancy	Puglisi
Margaret	Turner
Ronda	Kilanowski
Steven	Camerino
Kevin	Young
Tom	Myrick
Walter	Johnson
Bruce	Wiggett
Julie	Bernir
Jeannie	Forrester

Christine R. Fenn

Job Objective:

- Covid Testing Coordinator

Highlights of Qualifications:

- Strong customer service, telephone, and computer skills
- Organized and follow through with the tasks that I am given
- Able and willing to learn new things
- Strong clerical and leadership skills
- Able to work independently without supervision
- Professional in appearance and work attitude

Relevant Skills and Experience:

- 7 years in Human Resources coordinating students and volunteers
- 25+ years experience participating in and coordinating various volunteer opportunities within the community, school groups, and church groups
- 25 years as a Certified Health Unit Coordinator
- 2 years as an office manager for a busy optometry practice
- New Hampshire state liaison for the NAHUC
- President of NH/VTAHVS
- Treasurer of NEADHVS
- Other positions of employment have included the following: self employed caterer and environmental services, credit and layaway clerk, retail shift manager, campground reservation and store clerk, lactation consultant, and waitress

Work History:

- 2015-Present: Speare Memorial Hospital; Student & Volunteer Services Coordinator
- 1994-2015: Speare Memorial Hospital; Certified Health Unit Coordinator
- 1994-2015: Self-employed; catering and environmental services
- **Other employment history available upon request*

Education and Certifications:

- Lean Certificate Course for Healthcare; October, 2016
- Certification for Health Unit Coordinator; November 17, 2007
- Professional Medical Transcription Program; Ashworth University; May 1, 2006 - April 21, 2007
- Eye Care Medical Assistant; Greenville Technical College; February 7, 1994 - June 1, 1994
- Associates Degree in Christian Leadership; Bob Jones University; September, 1987 - May, 1991

Professional Organization Memberships:

- National Association of Health Unit Coordinators (NAHUC)
- Association for Health Care Volunteer Resource Professionals (AHVRP)
- New England Assoc. Directors of Healthcare Volunteer Services (NEADHVS)
- NH/VT Administrators of Healthcare Volunteer Services (NHVTAHVS)

CONTRACTOR NAME

Key Personnel

Name	Job Title	Salary	% Paid from this Contract	Amount Paid from this Contract
Christine Fenn	Student & Volunteer Services Coordinator	$983.60 wk	70%	$688.52 wk

Subject: Hospital-Based COVID-19 Community Testing (SS-2021-DPHS-04-HOSPI-16)

Notice: This agreement and all of its attachments shall become public upon submission to Governor and Executive Council for approval. Any information that is private, confidential or proprietary must be clearly identified to the agency and agreed to in writing prior to signing the contract.

AGREEMENT

The State of New Hampshire and the Contractor hereby mutually agree as follows:

GENERAL PROVISIONS

1. IDENTIFICATION.

1.1 State Agency Name New Hampshire Department of Health and Human Services		1.2 State Agency Address 129 Pleasant Street Concord, NH 03301-3857	
1.3 Contractor Name St. Joseph Hospital of Nashua, NH.		1.4 Contractor Address 172 Kinsley Street Nashua, 03060	
1.5 Contractor Phone Number (603) 595-3001	1.6 Account Number 05-095-090-903010-19010000	1.7 Completion Date December 1, 2020	1.8 Price Limitation $290,000
1.9 Contracting Officer for State Agency Nathan D. White, Director		1.10 State Agency Telephone Number (603) 271-9631	
1.11 Contractor Signature Date: 7-21-20		1.12 Name and Title of Contractor Signatory JOHN A. JURCZYK PRESIDENT	
1.13 State Agency Signature Date: 7/24/20		1.14 Name and Title of State Agency Signatory Lori Shibinette, Commissioner	
1.15 Approval by the N.H. Department of Administration, Division of Personnel *(if applicable)* By:		Director, On:	
1.16 Approval by the Attorney General (Form, Substance and Execution) *(if applicable)* By: Catherine Pinos		On: 08/10/20	
1.17 Approval by the Governor and Executive Council *(if applicable)* G&C Item number:		G&C Meeting Date:	

Contractor Initials
Date 7/21/20

2. SERVICES TO BE PERFORMED. The State of New Hampshire, acting through the agency identified in block 1.1 ("State"), engages contractor identified in block 1.3 ("Contractor") to perform, and the Contractor shall perform, the work or sale of goods, or both, identified and more particularly described in the attached EXHIBIT B which is incorporated herein by reference ("Services").

3. EFFECTIVE DATE/COMPLETION OF SERVICES.

3.1 Notwithstanding any provision of this Agreement to the contrary, and subject to the approval of the Governor and Executive Council of the State of New Hampshire, if applicable, this Agreement, and all obligations of the parties hereunder, shall become effective on the date the Governor and Executive Council approve this Agreement as indicated in block 1.17, unless no such approval is required, in which case the Agreement shall become effective on the date the Agreement is signed by the State Agency as shown in block 1.13 ("Effective Date").

3.2 If the Contractor commences the Services prior to the Effective Date, all Services performed by the Contractor prior to the Effective Date shall be performed at the sole risk of the Contractor, and in the event that this Agreement does not become effective, the State shall have no liability to the Contractor, including without limitation, any obligation to pay the Contractor for any costs incurred or Services performed. Contractor must complete all Services by the Completion Date specified in block 1.7.

4. CONDITIONAL NATURE OF AGREEMENT.

Notwithstanding any provision of this Agreement to the contrary, all obligations of the State hereunder, including, without limitation, the continuance of payments hereunder, are contingent upon the availability and continued appropriation of funds affected by any state or federal legislative or executive action that reduces, eliminates or otherwise modifies the appropriation or availability of funding for this Agreement and the Scope for Services provided in EXHIBIT B, in whole or in part. In no event shall the State be liable for any payments hereunder in excess of such available appropriated funds. In the event of a reduction or termination of appropriated funds, the State shall have the right to withhold payment until such funds become available, if ever, and shall have the right to reduce or terminate the Services under this Agreement immediately upon giving the Contractor notice of such reduction or termination. The State shall not be required to transfer funds from any other account or source to the Account identified in block 1.6 in the event funds in that Account are reduced or unavailable.

5. CONTRACT PRICE/PRICE LIMITATION/ PAYMENT.

5.1 The contract price, method of payment, and terms of payment are identified and more particularly described in EXHIBIT C which is incorporated herein by reference.

5.2 The payment by the State of the contract price shall be the only and the complete reimbursement to the Contractor for all expenses, of whatever nature incurred by the Contractor in the performance hereof, and shall be the only and the complete compensation to the Contractor for the Services. The State shall have no liability to the Contractor other than the contract price.

5.3 The State reserves the right to offset from any amounts otherwise payable to the Contractor under this Agreement those liquidated amounts required or permitted by N.H. RSA 80:7 through RSA 80:7-c or any other provision of law.

5.4 Notwithstanding any provision in this Agreement to the contrary, and notwithstanding unexpected circumstances, in no event shall the total of all payments authorized, or actually made hereunder, exceed the Price Limitation set forth in block 1.8.

6. COMPLIANCE BY CONTRACTOR WITH LAWS AND REGULATIONS/ EQUAL EMPLOYMENT OPPORTUNITY.

6.1 In connection with the performance of the Services, the Contractor shall comply with all applicable statutes, laws, regulations, and orders of federal, state, county or municipal authorities which impose any obligation or duty upon the Contractor, including, but not limited to, civil rights and equal employment opportunity laws. In addition, if this Agreement is funded in any part by monies of the United States, the Contractor shall comply with all federal executive orders, rules, regulations and statutes, and with any rules, regulations and guidelines as the State or the United States issue to implement these regulations. The Contractor shall also comply with all applicable intellectual property laws.

6.2 During the term of this Agreement, the Contractor shall not discriminate against employees or applicants for employment because of race, color, religion, creed, age, sex, handicap, sexual orientation, or national origin and will take affirmative action to prevent such discrimination.

6.3. The Contractor agrees to permit the State or United States access to any of the Contractor's books, records and accounts for the purpose of ascertaining compliance with all rules, regulations and orders, and the covenants, terms and conditions of this Agreement.

7. PERSONNEL.

7.1 The Contractor shall at its own expense provide all personnel necessary to perform the Services. The Contractor warrants that all personnel engaged in the Services shall be qualified to perform the Services, and shall be properly licensed and otherwise authorized to do so under all applicable laws.

7.2 Unless otherwise authorized in writing, during the term of this Agreement, and for a period of six (6) months after the Completion Date in block 1.7, the Contractor shall not hire, and shall not permit any subcontractor or other person, firm or corporation with whom it is engaged in a combined effort to perform the Services to hire, any person who is a State employee or official, who is materially involved in the procurement, administration or performance of this Agreement. This provision shall survive termination of this Agreement.

7.3 The Contracting Officer specified in block 1.9, or his or her successor, shall be the State's representative. In the event of any dispute concerning the interpretation of this Agreement, the Contracting Officer's decision shall be final for the State.

Contractor Initials

Date 7/24/20

8. EVENT OF DEFAULT/REMEDIES.

8.1 Any one or more of the following acts or omissions of the Contractor shall constitute an event of default hereunder ("Event of Default"):

8.1.1 failure to perform the Services satisfactorily or on schedule;

8.1.2 failure to submit any report required hereunder; and/or

8.1.3 failure to perform any other covenant, term or condition of this Agreement.

8.2 Upon the occurrence of any Event of Default, the State may take any one, or more, or all, of the following actions:

8.2.1 give the Contractor a written notice specifying the Event of Default and requiring it to be remedied within, in the absence of a greater or lesser specification of time, thirty (30) days from the date of the notice; and if the Event of Default is not timely cured, terminate this Agreement, effective two (2) days after giving the Contractor notice of termination;

8.2.2 give the Contractor a written notice specifying the Event of Default and suspending all payments to be made under this Agreement and ordering that the portion of the contract price which would otherwise accrue to the Contractor during the period from the date of such notice until such time as the State determines that the Contractor has cured the Event of Default shall never be paid to the Contractor;

8.2.3 give the Contractor a written notice specifying the Event of Default and set off against any other obligations the State may owe to the Contractor any damages the State suffers by reason of any Event of Default; and/or

8.2.4 give the Contractor a written notice specifying the Event of Default, treat the Agreement as breached, terminate the Agreement and pursue any of its remedies at law or in equity, or both.

8.3. No failure by the State to enforce any provisions hereof after any Event of Default shall be deemed a waiver of its rights with regard to that Event of Default, or any subsequent Event of Default. No express failure to enforce any Event of Default shall be deemed a waiver of the right of the State to enforce each and all of the provisions hereof upon any further or other Event of Default on the part of the Contractor.

9. TERMINATION.

9.1 Notwithstanding paragraph 8, the State may, at its sole discretion, terminate the Agreement for any reason, in whole or in part, by thirty (30) days written notice to the Contractor that the State is exercising its option to terminate the Agreement.

9.2 In the event of an early termination of this Agreement for any reason other than the completion of the Services, the Contractor shall, at the State's discretion, deliver to the Contracting Officer, not later than fifteen (15) days after the date of termination, a report ("Termination Report") describing in detail all Services performed, and the contract price earned, to and including the date of termination. The form, subject matter, content, and number of copies of the Termination Report shall be identical to those of any Final Report described in the attached EXHIBIT B. In addition, at the State's discretion, the Contractor shall, within 15 days of notice of early termination, develop and submit to the State a Transition Plan for services under the Agreement.

10. DATA/ACCESS/CONFIDENTIALITY/ PRESERVATION.

10.1 As used in this Agreement, the word "data" shall mean all information and things developed or obtained during the performance of, or acquired or developed by reason of, this Agreement, including, but not limited to, all studies, reports, files, formulae, surveys, maps, charts, sound recordings, video recordings, pictorial reproductions, drawings, analyses, graphic representations, computer programs, computer printouts, notes, letters, memoranda, papers, and documents, all whether finished or unfinished.

10.2 All data and any property which has been received from the State or purchased with funds provided for that purpose under this Agreement, shall be the property of the State, and shall be returned to the State upon demand or upon termination of this Agreement for any reason.

10.3 Confidentiality of data shall be governed by N.H. RSA chapter 91-A or other existing law. Disclosure of data requires prior written approval of the State.

11. CONTRACTOR'S RELATION TO THE STATE. In the performance of this Agreement the Contractor is in all respects an independent contractor, and is neither an agent nor an employee of the State. Neither the Contractor nor any of its officers, employees, agents or members shall have authority to bind the State or receive any benefits, workers' compensation or other emoluments provided by the State to its employees.

12. ASSIGNMENT/DELEGATION/SUBCONTRACTS.

12.1 The Contractor shall not assign, or otherwise transfer any interest in this Agreement without the prior written notice, which shall be provided to the State at least fifteen (15) days prior to the assignment, and a written consent of the State. For purposes of this paragraph, a Change of Control shall constitute assignment. "Change of Control" means (a) merger, consolidation, or a transaction or series of related transactions in which a third party, together with its affiliates, becomes the direct or indirect owner of fifty percent (50%) or more of the voting shares or similar equity interests, or combined voting power of the Contractor, or (b) the sale of all or substantially all of the assets of the Contractor.

12.2 None of the Services shall be subcontracted by the Contractor without prior written notice and consent of the State. The State is entitled to copies of all subcontracts and assignment agreements and shall not be bound by any provisions contained in a subcontract or an assignment agreement to which it is not a party.

13. INDEMNIFICATION. Unless otherwise exempted by law, the Contractor shall indemnify and hold harmless the State, its officers and employees, from and against any and all claims, liabilities and costs for any personal injury or property damages, patent or copyright infringement, or other claims asserted against the State, its officers or employees, which arise out of (or which may be claimed to arise out of) the acts or omission of the

Contractor Initials

Date 7/21/20

Contractor, or subcontractors, including but not limited to the negligence, reckless or intentional conduct. The State shall not be liable for any costs incurred by the Contractor arising under this paragraph 13. Notwithstanding the foregoing, nothing herein contained shall be deemed to constitute a waiver of the sovereign immunity of the State, which immunity is hereby reserved to the State. This covenant in paragraph 13 shall survive the termination of this Agreement.

14. INSURANCE.

14.1 The Contractor shall, at its sole expense, obtain and continuously maintain in force, and shall require any subcontractor or assignee to obtain and maintain in force, the following insurance:

14.1.1 commercial general liability insurance against all claims of bodily injury, death or property damage, in amounts of not less than $1,000,000 per occurrence and $2,000,000 aggregate or excess; and

14.1.2 special cause of loss coverage form covering all property subject to subparagraph 10.2 herein, in an amount not less than 80% of the whole replacement value of the property.

14.2 The policies described in subparagraph 14.1 herein shall be on policy forms and endorsements approved for use in the State of New Hampshire by the N.H. Department of Insurance, and issued by insurers licensed in the State of New Hampshire.

14.3 The Contractor shall furnish to the Contracting Officer identified in block 1.9, or his or her successor, a certificate(s) of insurance for all insurance required under this Agreement. Contractor shall also furnish to the Contracting Officer identified in block 1.9, or his or her successor, certificate(s) of insurance for all renewal(s) of insurance required under this Agreement no later than ten (10) days prior to the expiration date of each insurance policy. The certificate(s) of insurance and any renewals thereof shall be attached and are incorporated herein by reference.

15. WORKERS' COMPENSATION.

15.1 By signing this agreement, the Contractor agrees, certifies and warrants that the Contractor is in compliance with or exempt from, the requirements of N.H. RSA chapter 281-A *("Workers' Compensation")*.

15.2 To the extent the Contractor is subject to the requirements of N.H. RSA chapter 281-A, Contractor shall maintain, and require any subcontractor or assignee to secure and maintain, payment of Workers' Compensation in connection with activities which the person proposes to undertake pursuant to this Agreement. The Contractor shall furnish the Contracting Officer identified in block 1.9, or his or her successor, proof of Workers' Compensation in the manner described in N.H. RSA chapter 281-A and any applicable renewal(s) thereof, which shall be attached and are incorporated herein by reference. The State shall not be responsible for payment of any Workers' Compensation premiums or for any other claim or benefit for Contractor, or any subcontractor or employee of Contractor, which might arise under applicable State of New Hampshire Workers' Compensation laws in connection with the performance of the Services under this Agreement.

16. NOTICE. Any notice by a party hereto to the other party shall be deemed to have been duly delivered or given at the time of mailing by certified mail, postage prepaid, in a United States Post Office addressed to the parties at the addresses given in blocks 1.2 and 1.4, herein.

17. AMENDMENT. This Agreement may be amended, waived or discharged only by an instrument in writing signed by the parties hereto and only after approval of such amendment, waiver or discharge by the Governor and Executive Council of the State of New Hampshire unless no such approval is required under the circumstances pursuant to State law, rule or policy.

18. CHOICE OF LAW AND FORUM. This Agreement shall be governed, interpreted and construed in accordance with the laws of the State of New Hampshire, and is binding upon and inures to the benefit of the parties and their respective successors and assigns. The wording used in this Agreement is the wording chosen by the parties to express their mutual intent, and no rule of construction shall be applied against or in favor of any party. Any actions arising out of this Agreement shall be brought and maintained in New Hampshire Superior Court which shall have exclusive jurisdiction thereof.

19. CONFLICTING TERMS. In the event of a conflict between the terms of this P-37 form (as modified in EXHIBIT A) and/or attachments and amendment thereof, the terms of the P-37 (as modified in EXHIBIT A) shall control.

20. THIRD PARTIES. The parties hereto do not intend to benefit any third parties and this Agreement shall not be construed to confer any such benefit.

21. HEADINGS. The headings throughout the Agreement are for reference purposes only, and the words contained therein shall in no way be held to explain, modify, amplify or aid in the interpretation, construction or meaning of the provisions of this Agreement.

22. SPECIAL PROVISIONS. Additional or modifying provisions set forth in the attached EXHIBIT A are incorporated herein by reference.

23. SEVERABILITY. In the event any of the provisions of this Agreement are held by a court of competent jurisdiction to be contrary to any state or federal law, the remaining provisions of this Agreement will remain in full force and effect.

24. ENTIRE AGREEMENT. This Agreement, which may be executed in a number of counterparts, each of which shall be deemed an original, constitutes the entire agreement and understanding between the parties, and supersedes all prior agreements and understandings with respect to the subject matter hereof.

Contractor Initials

Date 7/21/20

REVISIONS TO STANDARD CONTRACT PROVISIONS

1. Revisions to Form P-37, General Provisions

1.1. Paragraph 3, Subparagraph 3.1, Effective Date/Completion of Services, is amended as follows:

3.1. Notwithstanding any provision of this Agreement to the contrary, and subject to the approval of the Governor of the State of New Hampshire, issued under the Executive Order 2020-04 and any extensions thereof, this Agreement, and all obligations of the parties hereunder, shall become effective on August 1, 2020. ("Effective Date").

1.2. Paragraph 3, Effective Date/Completion of Services, is amended by adding subparagraph 3.3 as follows:

3.3. The parties may extend the Agreement for up to one (1) additional year from the Completion Date, contingent upon satisfactory delivery of services, available funding, agreement of the parties, and required governmental approval.

1.3. Paragraph 12, Subparagraph 12.3, Assignment/Delegation/Subcontracts, is amended as follows:

12.3. Subcontractors are subject to the same contractual conditions as the Contractor and the Contractor is responsible to ensure subcontractor compliance with those conditions. The Contractor shall have written agreements with all subcontractors, specifying the work to be performed and how corrective action shall be managed if the subcontractor's performance is inadequate. The Contractor shall manage the subcontractor's performance on an ongoing basis and take corrective action as necessary. The Contractor shall annually provide the State with a list of all subcontractors provided for under this Agreement and notify the State of any inadequate subcontractor performance.

Scope of Services

1. **Statement of Work**

1.1. For the purposes of this agreement, any references to days shall mean calendar days.

1.2. The Contractor shall conduct specimen collection and testing for SARS-CoV-2 in an outpatient setting for individuals who reside within the hospital catchment area or local community, regardless of individuals' prior affiliations with the hospital.

1.3. The Contractor shall conduct specimen collection and testing for patients who have symptoms of COVID-19 or who are pre-symptomatic or asymptomatic at the request of:

1.3.1. The individual to be tested; or

1.3.2. The Department of Health and Human Services (Department) Division of Public Health Services (DPHS).

1.4. The Contractor shall not require an office or telemedicine visit for asymptomatic patients in order for patients to receive COVID-19 testing.

1.5. In the event of a significant increase in community transmission of COVID-19, the Contractor shall not be responsible for meeting significantly increased levels of testing and may request the Department to provide additional testing capacity.

1.6. The Contractor shall determine the appropriate venue and physical location for specimen collection, which may include, but is not limited to:

1.6.1. An existing physical location.

1.6.2. A temporary drive-through location.

1.6.3. A drive-up facility.

1.7. The Contractor shall request a waiver, if necessary, from the Department's Bureau of Health Facilities Administration for a temporary drive-through location or drive-up facility.

1.8. The Contractor shall determine the appropriate number of days per week and the duration of time per day to perform community specimen collection for COVID-19 testing to meet the needs of the hospital catchment area and local community and communicate the hours of operation to the Department.

1.9. The Contractor shall ensure the collection, handling, processing and testing of specimens comply with guidelines issued by the Centers for Disease Control and Prevention (CDC), available at https://www.cdc.gov/coronavirus/2019-nCoV/lab/guidelines-clinical-specimens.html and by the laboratory used for processing specimens.

1.10. The Contractor shall ensure patients sign an appropriate consent form, prior to collection of specimens, authorizing testing at the laboratory and reporting to the ordering medical provider, the Department, and any other individual or entity designated to receive the test results.

1.11. The Contractor shall identify of any communication access needs to ensure needed language assistance is provided, which may include, but is not limited to:

1.11.1. Over-the-phone interpretation of spoken languages.

1.11.2. Video remote interpretation to access American Sign Language.

1.12. The Contractor shall ensure communication and language assistance is provided to individuals, as appropriate and needed, to ensure the validity of any signed consent by utilizing translated consent forms and/or interpreters.

1.13. The Contractor shall ensure all personnel collecting, handling, processing and transporting specimens are trained to safeguard the confidentiality of the patient and protected health information (PHI), as defined in the Health Information Portability and Accountability Act (HIPAA).

1.14. The Contractor shall ensure the secure and confidential transporting of specimens to the laboratory.

1.15. The Contractor shall ensure the ordering provider for each COVID-19 test is a licensed medical provider.

1.16. The Contractor shall ensure the licensed medical provider ordering COVID-19 tests notifies patients of testing results received from the laboratory in a timely manner. The Contractor shall ensure:

1.16.1. Patients with positive results confirming the diagnosis of COVID-19 are informed:

1.16.1.1. By telephone or other electronic method.

1.16.1.2. By first-class U.S. mail, if telephone or other electronic method is unsuccessful

1.16.2. Patients with negative results are informed of test results in a method determined by the Contractor.

1.17. The Contractor shall utilize existing communication methods to inform the local community of the availability of outpatient COVID-19 testing, which may include, but are not limited to:

1.17.1. The hospital's website.

1.17.2. Hospital newsletters.

1.17.3. Social media platforms.

1.18. The Contractor shall ensure published information includes how and when patients can access the services and the location of the specimen collection site.

1.19. The Contractor shall ensure any marketing materials abide by existing requirements for communication access, including but not limited to:

1.19.1. Vital and significant materials should be made available in additional languages, as appropriate, and must be translated by qualified, competent translation providers, as follows:

1.19.1.1. Statewide, only Spanish meets the criteria for translation.

1.19.1.2. Translation is required for languages depending on factors including the number and proportion of LEP persons served or likely to seek services in the Contractor's service areas, and the frequency with which LEP individuals come into contact with the Contractor's programs, activities and services.

1.19.1.3. Notification on all materials of the availability of free communication access and language assistance for any individuals who may require it.

1.19.1.4. All materials have a phone number to call for further information, ensuring staff answering that phone number shall have access to over-the-phone interpretation to assist callers who need spoken language interpretation.

1.20. The Contractor shall provide communication and language assistance at all points of contact in accessing COVID-19 testing to individuals with communication access needs, including individuals with limited English proficiency, or individuals who are deaf or have hearing loss.

1.21. The Contractor shall conduct outreach to vulnerable populations and minority populations in the hospital catchment area or local community, including notifying partner organizations who work with these populations about the availability of COVID-19 testing.

1.22. The Contractor shall report both positive and negative test results to the Division of Public Health Services through the Electronic Laboratory Reporting (ELR) system, or ensure the laboratory used for processing specimens and conducting testing reports both positive and negative results to the Division of Public Health Services through the ELR system.

1.23. The Contractor shall report all positive cases of COVID-19 with complete case information by fax to (603) 271-0545 to the Division of Public Health Services using the New Hampshire Confidential COVID-19 Case Report Form available at: https://www.dhhs.nh.gov/dphs/cdcs/covid19/covid19-reporting-form.pdf

1.24. The Contractor shall notify patients who are uninsured or do not have full coverage benefits for COVID-19 testing that New Hampshire Medicaid has established a COVID-19 Testing Benefit that may pay for testing and diagnosis of COVID-19 for persons who are not already a Medicaid beneficiary and do not have full coverage for COVID-19 testing and diagnosis. The Contractor shall assist patients in completing the application available at https://nheasy.nh.gov.

2. Exhibits Incorporated

2.1. The Contractor shall use and disclose Protected Health Information in compliance with the Standards for Privacy of Individually Identifiable Health Information (Privacy Rule) (45 CFR Parts 160 and 164) under the Health Insurance Portability and Accountability Act (HIPAA) of 1996, and in accordance with the attached Exhibit I, Business Associate Agreement, which has been executed by the parties.

2.2. The Contractor shall comply with all Exhibits D through K, which are attached hereto and incorporated by reference herein.

2.3. The Contractor's Use and Responsibilities for Confidential Information are as follows.

2.3.1. The Contractor agrees to use, disclose, maintain, or transmit Confidential Data from Providers as required, specifically authorized, or permitted under the Contract or this Agreement. Further, the Contractor, including but not limited to all its directors, officers, employees, and agents, agrees not to use, disclose, maintain, or transmit PHI in any manner that would constitute a violation of the Privacy and Security Rules. The Contractor shall provide Confidential Information as required by the Contract, RSA 141-C:7, 141-C:9, RSA 141-C:10, and in a form required by He-P 301.03 and the "New Hampshire Local Implementation Guide for Electronic Laboratory Reporting for Communicable Disease and Lead Test Results Using HL7 2.5.1," Version 4.0 (5/23/2016), found at: https://www.dhhs.nh.gov/dphs/bphsi/documents/elrguide.pdf.

2.3.2. The Contractor shall transmit Confidential Information to the Division of Public Health Services by means of a secure file transport protocol (sFTP) provided by the Department and agreed to by the parties and approved by the Department's Information Security Officer.

2.3.2.1. Any individual seeking credentials to access the sFTP site shall sign and return to the Department a "Data Use and Confidentiality Agreement" (Attachment A) when requesting sFTP account.

2.3.3. The Contractor shall transmit the Confidential Information to the Division of Public Health Services as required by statute and this Agreement, namely:

2.3.3.1. All test results, including but not limited to positive and negative results, shall be reported electronically via electronic laboratory reporting procedures, also referred to as "ELR," as noted above.

2.3.3.2. Test results shall be provided within 24 hours of the test being completed.

2.4. As necessary, the Contractor agrees to comply with any request to correct or complete the data once transmitted to the Division of Public Health Services.

2.5. The Contractor agrees that the data submitted shall be the "minimum necessary" to carry out the stated use of the data, as defined in the HIPAA Privacy Rule and in accordance with all applicable confidentiality laws.

2.6. The parties agree that this Agreement shall be construed in accordance the terms of Contract and governed by the laws of the State of New Hampshire.

2.7. The Contractor and the Department agree to negotiate an amendment to this Agreement as needed to address a Contract amendment, or any changes in policy issues, fiscal issues, information security, and other specific safeguards required for maintaining confidentiality of the data.

3. Reporting Requirements

3.1. The Contractor shall submit monthly reports to the Department showing that the public is able to access COVID-19 testing, including, but not limited to:

3.1.1. Number of persons who received COVID-19 testing.

3.1.2. Number of persons assisted with enrollment in the Medicaid COVID-19 Testing benefit or other assistance program who received COVID-19 testing.

3.1.3. Number of persons for whom race and/or ethnicity is documented.

3.2. The Contractor shall ensure race and/or ethnicity demographic identifiers for the persons who received COVID-19 testing are collected consistently and correctly, in accordance with best practice standards and processes as provided by the Office of Heath Equity, and entered either manually or electronically on the hospital or reference laboratory COVID-19 test requisition forms.

4. Additional Terms

4.1. **Impacts Resulting from Court Orders or Legislative Changes**

4.1.1. The Contractor agrees that, to the extent future state or federal

legislation or court orders may have an impact on the Services described herein, the State has the right to modify service priorities and expenditure requirements under this Agreement so as to achieve compliance therewith.

4.2. **Federal Civil Rights Laws Compliance: Culturally and Linguistically Appropriate Programs and Services**

4.2.1. The Contractor shall submit within ten (10) days of the contract effective date, and comply with, a detailed description of the communication access and language assistance services they will provide to ensure meaningful access to their programs and/or services to persons with limited English proficiency, people who are deaf or have hearing loss, are blind or have low vision, or who have speech challenges.

4.3. **Credits and Copyright Ownership**

4.3.1. All documents, notices, press releases, research reports and other materials prepared during or resulting from the performance of the services of the Contract shall include the following statement, "The preparation of this (report, document etc.) was financed under a Contract with the State of New Hampshire, Department of Health and Human Services, with funds provided in part by the State of New Hampshire and/or such other funding sources as were available or required, e.g., the United States Department of Health and Human Services."

4.3.2. All materials produced or purchased under the contract shall have prior approval from the Department before printing, production, distribution or use.

4.3.3. The Department shall retain copyright ownership for any and all original materials produced, including, but not limited to: brochures, resource directories, protocols or guidelines, posters and reports.

4.3.4. The Contractor shall not reproduce any materials produced under the contract without prior written approval from the Department.

4.4. **Operation of Facilities: Compliance with Laws and Regulations**

4.4.1. In the operation of any facilities for providing services, the Contractor shall comply with all laws, orders and regulations of federal, state, county and municipal authorities and with any direction of any Public Officer or officers pursuant to laws which shall impose an order or duty upon the contractor with respect to the operation of the facility or the provision of the services at such facility. If any governmental license or permit shall be required for the operation of the said facility or the performance of the said services, the Contractor will procure

said license or permit, and will at all times comply with the terms and conditions of each such license or permit. In connection with the foregoing requirements, the Contractor hereby covenants and agrees that, during the term of this Contract the facilities shall comply with all rules, orders, regulations, and requirements of the State Office of the Fire Marshal and the local fire protection agency, and shall be in conformance with local building and zoning codes, by-laws and regulations.

5. Records

5.1. The Contractor shall keep records that include, but are not limited to:

5.1.1. Books, records, documents and other electronic or physical data evidencing and reflecting all costs and other expenses incurred by the Contractor in the performance of the Contract, and all income received or collected by the Contractor.

5.1.2. All records must be maintained in accordance with accounting procedures and practices, which sufficiently and properly reflect all such costs and expenses, and which are acceptable to the Department, and to include, without limitation, all ledgers, books, records, and original evidence of costs such as purchase requisitions and orders, vouchers, requisitions for materials, inventories, valuations of in-kind contributions, labor time cards, payrolls, and other records requested or required by the Department.

5.1.3. Statistical, enrollment, attendance or visit records for each recipient of services, which records shall include all records of application and eligibility (including all forms required to determine eligibility for each such recipient), records regarding the provision of services and all invoices submitted to the Department to obtain payment for such services.

5.1.4. Medical records on each patient/recipient of services.

5.2. During the term of this Contract and the period for retention hereunder, the Department, the United States Department of Health and Human Services, and any of their designated representatives shall have access to all reports and records maintained pursuant to the Contract for purposes of audit, examination, excerpts and transcripts. Upon the purchase by the Department of the maximum number of units provided for in the Contract and upon payment of the price limitation hereunder, the Contract and all the obligations of the parties hereunder (except such obligations as, by the terms of the Contract are to be performed after the end of the term of this Contract and/or survive the termination of the Contract) shall terminate, provided however, that if, upon review of the Final Expenditure Report the Department shall disallow any expenses claimed by the Contractor as costs hereunder the Department shall

retain the right, at its discretion, to deduct the amount of such expenses as are disallowed or to recover such sums from the Contractor.

New Hampshire Department of Health and Human Services
HOSPITAL-BASED COVID-19 COMMUNITY TESTING

EXHIBIT B -1

Reporting Entity Data Use and Confidentiality Agreement

By requesting and receiving approval to use confidential data for Department purposes:

- I understand that I will have direct and indirect access to confidential information in the course of performing my work activities.
- I agree to protect the confidential nature of all information to which I have access.
- I understand that there are state and federal laws and regulations that ensure the confidentiality of an individual's information.
- I understand that there are Department policies and agency procedures with which I am required to comply related to the protection of individually identifiable information.
- I understand that the information extracted from the site shall not be shared outside this Scope of Work or related signed Memorandum of Understanding and/or Information Exchange Agreement/Data Sharing Agreement agreed upon.
- I understand that my SFTP or any information security credentials (user name and password) should not be shared with anyone. This applies to credentials used to access the site directly or indirectly through a third party application.
- I will not disclose or make use of the identity, financial or health information of any person or establishment discovered inadvertently. I will report such discoveries as soon as feasible to DHHSInformationSecurityOffice@dhhs.nh.gov and DHHSPrivacyOfficer@dhhs.nh.gov, but no more than 24 hours after the aforementioned has occurred and that Confidential Data may have been exposed or compromised. If a suspected or known information security event, Computer Security Incident, Incident or Breach involves Social Security Administration (SSA) provided data or Internal Revenue Services (IRS) provided Federal Tax Information (FTI).
- I will not imply or state, either in written or oral form, that interpretations based on the data are those of the original data sources or the State of NH unless the data user and the Department are formally collaborating.
- I will acknowledge, in all reports or presentations based on these data, the original source of the data.
- I understand how I am expected to ensure the protection of individually identifiable information. Should questions arise in the future about how to protect information to which I have access, I will immediately notify my supervisor.
- I understand that I am legally and ethically obligated to maintain the confidentiality of Department client, patient, and other sensitive information that is protected by information security, privacy or confidentiality rules and state and federal laws even after I leave the employment of the Department.
- I have been informed that this signed agreement will be retained on file for future reference.

Signature

7-21-20
Date

JOHN A. JURCZYK
Printed Name

PRESIDENT
Title

ST JOSEPH HOSPITAL OF NASHUA, NH
Business Name

Payment Terms

1. This Agreement is funded by the Epidemiology and Laboratory Capacity for Prevention and Control of Emerging Infectious Diseases (ELC) cooperative agreement from the Centers for Disease Control and Prevention Division of Prepardness and Emerging Infections, CFDA #93.323, FAIN #NU50CK000522.
2. For the purposes of this Agreement:
   2.1. The Department has identified the Contractor as a Subrecipient, in accordance with 2 CFR 200.330.
   2.2. The Department has identified this Contract as NON-R&D, in accordance with 2 CFR §200.87.
3. This Agreement is for COVID-19 testing and testing-related activities to be conducted between August 1, 2020 and December 1, 2020.
4. Payment:
   4.1. The Department will pay the Contractor the amount listed in box 1.8 Price Limitation included in the General Provisions Form Number P-37, for providing the services included in Exhibit B, Scope of Services, after the Effective Date of the Contract.
      4.1.1. The Contractor shall submit an expense report in a form satisfactory to the State every sixty (60) days, which identifies allowable expenses incurred during the duration of the contract.
      4.1.2. Any unspent start-up payment funds will be returned to the Department within sixty (60) calendar days of contract expiration date.
      4.1.3. In lieu of hard copies, all expense reports may be assigned an electronic signature and must be emailed to dphscontractbilling@dhhs.nh.gov.
5. The Contractor must provide the services in Exhibit B, Scope of Services, in compliance with funding requirements.
6. The Contractor agrees that funding under this Agreement may be recouped, in whole or in part in the event of non-compliance with the terms and conditions of Exhibit B, Scope of Services.
7. The Contractor shall keep detailed records of their activities related to Department-funded programs and services and have records available for Department review, as requested.
8. Notwithstanding anything to the contrary herein, the Contractor agrees that funding under this agreement may be recouped, in whole or in part, in the event

of non-compliance with any Federal or State law, rule or regulation applicable to the services provided, or if the said services or products have not been satisfactorily completed in accordance with the terms and conditions of this agreement.

9. Notwithstanding Paragraph 17 of the General Provisions Form P-37, changes limited to adjusting amounts within the price limitation and adjusting encumbrances between State Fiscal Years and budget class lines through the Budget Office may be made by written agreement of both parties, without obtaining approval of the Governor and Executive Council, if needed and justified.

10. Audits

10.1. The Contractor is required to submit an annual audit to the Department if any of the following conditions exist:

10.1.1. Condition A - The Contractor expended $750,000 or more in federal funds received as a subrecipient pursuant to 2 CFR Part 200, during the most recently completed fiscal year.

10.1.2. Condition B - The Contractor is subject to audit pursuant to the requirements of NH RSA 7:28, III-b, pertaining to charitable organizations receiving support of $1,000,000 or more.

10.1.3. Condition C - The Contractor is a public company and required by Security and Exchange Commission (SEC) regulations to submit an annual financial audit.

10.2. If Condition A exists, the Contractor shall submit an annual single audit performed by an independent Certified Public Accountant (CPA) to the Department within 120 days after the close of the Contractor's fiscal year, conducted in accordance with the requirements of 2 CFR Part 200, Subpart F of the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal awards.

10.3. If Condition B or Condition C exists, the Contractor shall submit an annual financial audit performed by an independent CPA within 120 days after the close of the Contractor's fiscal year.

10.4. In addition to, and not in any way in limitation of obligations of the Contract, it is understood and agreed by the Contractor that the Contractor shall be held liable for any state or federal audit exceptions and shall return to the Department all payments made under the Contract to which exception has been taken, or which have been disallowed because of such an exception.

CERTIFICATION REGARDING DRUG-FREE WORKPLACE REQUIREMENTS

The Vendor identified in Section 1.3 of the General Provisions agrees to comply with the provisions of Sections 5151-5160 of the Drug-Free Workplace Act of 1988 (Pub. L. 100-690, Title V, Subtitle D; 41 U.S.C. 701 et seq.), and further agrees to have the Contractor's representative, as identified in Sections 1.11 and 1.12 of the General Provisions execute the following Certification:

ALTERNATIVE I - FOR GRANTEES OTHER THAN INDIVIDUALS

US DEPARTMENT OF HEALTH AND HUMAN SERVICES - CONTRACTORS
US DEPARTMENT OF EDUCATION - CONTRACTORS
US DEPARTMENT OF AGRICULTURE - CONTRACTORS

This certification is required by the regulations implementing Sections 5151-5160 of the Drug-Free Workplace Act of 1988 (Pub. L. 100-690, Title V, Subtitle D; 41 U.S.C. 701 et seq.). The January 31, 1989 regulations were amended and published as Part II of the May 25, 1990 Federal Register (pages 21681-21691), and require certification by grantees (and by inference, sub-grantees and sub-contractors), prior to award, that they will maintain a drug-free workplace. Section 3017.630(c) of the regulation provides that a grantee (and by inference, sub-grantees and sub-contractors) that is a State may elect to make one certification to the Department in each federal fiscal year in lieu of certificates for each grant during the federal fiscal year covered by the certification. The certificate set out below is a material representation of fact upon which reliance is placed when the agency awards the grant. False certification or violation of the certification shall be grounds for suspension of payments, suspension or termination of grants, or government wide suspension or debarment. Contractors using this form should send it to:

Commissioner
NH Department of Health and Human Services
129 Pleasant Street,
Concord, NH 03301-6505

1. The grantee certifies that it will or will continue to provide a drug-free workplace by:
   - 1.1. Publishing a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession or use of a controlled substance is prohibited in the grantee's workplace and specifying the actions that will be taken against employees for violation of such prohibition;
   - 1.2. Establishing an ongoing drug-free awareness program to inform employees about
     - 1.2.1. The dangers of drug abuse in the workplace;
     - 1.2.2. The grantee's policy of maintaining a drug-free workplace;
     - 1.2.3. Any available drug counseling, rehabilitation, and employee assistance programs; and
     - 1.2.4. The penalties that may be imposed upon employees for drug abuse violations occurring in the workplace;
   - 1.3. Making it a requirement that each employee to be engaged in the performance of the grant be given a copy of the statement required by paragraph (a);
   - 1.4. Notifying the employee in the statement required by paragraph (a) that, as a condition of employment under the grant, the employee will
     - 1.4.1. Abide by the terms of the statement; and
     - 1.4.2. Notify the employer in writing of his or her conviction for a violation of a criminal drug statute occurring in the workplace no later than five calendar days after such conviction;
   - 1.5. Notifying the agency in writing, within ten calendar days after receiving notice under subparagraph 1.4.2 from an employee or otherwise receiving actual notice of such conviction. Employers of convicted employees must provide notice, including position title, to every grant officer on whose grant activity the convicted employee was working, unless the Federal agency

Vendor Initials

Date 7/21/20

has designated a central point for the receipt of such notices. Notice shall include the identification number(s) of each affected grant;

1.6. Taking one of the following actions, within 30 calendar days of receiving notice under subparagraph 1.4.2, with respect to any employee who is so convicted
   1.6.1. Taking appropriate personnel action against such an employee, up to and including termination, consistent with the requirements of the Rehabilitation Act of 1973, as amended; or
   1.6.2. Requiring such employee to participate satisfactorily in a drug abuse assistance or rehabilitation program approved for such purposes by a Federal, State, or local health, law enforcement, or other appropriate agency;

1.7. Making a good faith effort to continue to maintain a drug-free workplace through implementation of paragraphs 1.1, 1.2, 1.3, 1.4, 1.5, and 1.6.

2. The grantee may insert in the space provided below the site(s) for the performance of work done in connection with the specific grant.

Place of Performance (street address, city, county, state, zip code) (list each location)

Check ☐ if there are workplaces on file that are not identified here.

Vendor Name:

Date: 7/21/20

Name: JOHN A. JURCZYK
Title: PRESIDENT

CERTIFICATION REGARDING LOBBYING

The Vendor identified in Section 1.3 of the General Provisions agrees to comply with the provisions of Section 319 of Public Law 101-121, Government wide Guidance for New Restrictions on Lobbying, and 31 U.S.C. 1352, and further agrees to have the Contractor's representative, as identified in Sections 1.11 and 1.12 of the General Provisions execute the following Certification:

US DEPARTMENT OF HEALTH AND HUMAN SERVICES - CONTRACTORS
US DEPARTMENT OF EDUCATION - CONTRACTORS
US DEPARTMENT OF AGRICULTURE - CONTRACTORS

Programs (indicate applicable program covered):
*Temporary Assistance to Needy Families under Title IV-A
*Child Support Enforcement Program under Title IV-D
*Social Services Block Grant Program under Title XX
*Medicaid Program under Title XIX
*Community Services Block Grant under Title VI
*Child Care Development Block Grant under Title IV

The undersigned certifies, to the best of his or her knowledge and belief, that:

1. No Federal appropriated funds have been paid or will be paid by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement (and by specific mention sub-grantee or sub-contractor).

2. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement (and by specific mention sub-grantee or sub-contractor), the undersigned shall complete and submit Standard Form LLL, (Disclosure Form to Report Lobbying, in accordance with its instructions, attached and identified as Standard Exhibit E-I.)

3. The undersigned shall require that the language of this certification be included in the award document for sub-awards at all tiers (including subcontracts, sub-grants, and contracts under grants, loans, and cooperative agreements) and that all sub-recipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by Section 1352, Title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than $10,000 and not more than $100,000 for each such failure.

Vendor Name:

7/21/20
Date

Name: JOHN A. JUKCZYK
Title: PRESIDENT

CERTIFICATION REGARDING DEBARMENT, SUSPENSION AND OTHER RESPONSIBILITY MATTERS

The Vendor identified in Section 1.3 of the General Provisions agrees to comply with the provisions of Executive Office of the President, Executive Order 12549 and 45 CFR Part 76 regarding Debarment, Suspension, and Other Responsibility Matters, and further agrees to have the Contractor's representative, as identified in Sections 1.11 and 1.12 of the General Provisions execute the following Certification:

INSTRUCTIONS FOR CERTIFICATION

1. By signing and submitting this proposal (contract), the prospective primary participant is providing the certification set out below.

2. The inability of a person to provide the certification required below will not necessarily result in denial of participation in this covered transaction. If necessary, the prospective participant shall submit an explanation of why it cannot provide the certification. The certification or explanation will be considered in connection with the NH Department of Health and Human Services' (DHHS) determination whether to enter into this transaction. However, failure of the prospective primary participant to furnish a certification or an explanation shall disqualify such person from participation in this transaction.

3. The certification in this clause is a material representation of fact upon which reliance was placed when DHHS determined to enter into this transaction. If it is later determined that the prospective primary participant knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government, DHHS may terminate this transaction for cause or default.

4. The prospective primary participant shall provide immediate written notice to the DHHS agency to whom this proposal (contract) is submitted if at any time the prospective primary participant learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances.

5. The terms "covered transaction," "debarred," "suspended," "ineligible," "lower tier covered transaction," "participant," "person," "primary covered transaction," "principal," "proposal," and "voluntarily excluded," as used in this clause, have the meanings set out in the Definitions and Coverage sections of the rules implementing Executive Order 12549: 45 CFR Part 76. See the attached definitions.

6. The prospective primary participant agrees by submitting this proposal (contract) that, should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transaction with a person who is debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by DHHS.

7. The prospective primary participant further agrees by submitting this proposal that it will include the clause titled "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion - Lower Tier Covered Transactions," provided by DHHS, without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions.

8. A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that it is not debarred, suspended, ineligible, or involuntarily excluded from the covered transaction, unless it knows that the certification is erroneous. A participant may decide the method and frequency by which it determines the eligibility of its principals. Each participant may, but is not required to, check the Nonprocurement List (of excluded parties).

9. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and

Vendor Initials

Date 7/21/20

information of a participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.

10. Except for transactions authorized under paragraph 6 of these instructions, if a participant in a covered transaction knowingly enters into a lower tier covered transaction with a person who is suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction, in addition to other remedies available to the Federal government, DHHS may terminate this transaction for cause or default.

PRIMARY COVERED TRANSACTIONS

11. The prospective primary participant certifies to the best of its knowledge and belief, that it and its principals:
    11.1. are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any Federal department or agency;
    11.2. have not within a three-year period preceding this proposal (contract) been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State or local) transaction or a contract under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;
    11.3. are not presently indicted for otherwise criminally or civilly charged by a governmental entity (Federal, State or local) with commission of any of the offenses enumerated in paragraph (l)(b) of this certification; and
    11.4. have not within a three-year period preceding this application/proposal had one or more public transactions (Federal, State or local) terminated for cause or default.

12. Where the prospective primary participant is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this proposal (contract).

LOWER TIER COVERED TRANSACTIONS

13. By signing and submitting this lower tier proposal (contract), the prospective lower tier participant, as defined in 45 CFR Part 76, certifies to the best of its knowledge and belief that it and its principals:
    13.1. are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any federal department or agency.
    13.2. where the prospective lower tier participant is unable to certify to any of the above, such prospective participant shall attach an explanation to this proposal (contract).

14. The prospective lower tier participant further agrees by submitting this proposal (contract) that it will include this clause entitled "Certification Regarding Debarment, Suspension, Ineligibility, and Voluntary Exclusion - Lower Tier Covered Transactions," without modification in all lower tier covered transactions and in all solicitations for lower tier covered transactions.

Vendor Name:

7-21-20
Date

Name: JOHN A. JURCZYK
Title: PRESIDENT

CERTIFICATION OF COMPLIANCE WITH REQUIREMENTS PERTAINING TO FEDERAL NONDISCRIMINATION, EQUAL TREATMENT OF FAITH-BASED ORGANIZATIONS AND WHISTLEBLOWER PROTECTIONS

The Vendor identified in Section 1.3 of the General Provisions agrees by signature of the Contractor's representative as Identified in Sections 1.11 and 1.12 of the General Provisions, to execute the following certification:

Vendor will comply, and will require any subgrantees or subcontractors to comply, with any applicable federal nondiscrimination requirements, which may include:

- the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. Section 3789d) which prohibits recipients of federal funding under this statute from discriminating, either in employment practices or in the delivery of services or benefits, on the basis of race, color, religion, national origin, and sex. The Act requires certain recipients to produce an Equal Employment Opportunity Plan;

- the Juvenile Justice Delinquency.Prevention Act of 2002 (42 U.S.C. Section 5672(b)) which adopts by reference, the civil rights obligations of the Safe Streets Act. Recipients of federal funding under this statute are prohibited from discriminating, either in employment practices or in the delivery of services or benefits, on the basis of race, color, religion, national origin, and sex. The Act includes Equal Employment Opportunity Plan requirements;

- the Civil Rights Act of 1964 (42 U.S.C. Section 2000d, which prohibits recipients of federal financial assistance from discriminating on the basis of race, color, or national origin in any program or activity);

- the Rehabilitation Act of 1973 (29 U.S.C. Section 794), which prohibits recipients of Federal financial assistance from discriminating on the basis of disability, in regard to employment and the delivery of services or benefits, in any program or activity;

- the Americans with Disabilities Act of 1990 (42 U.S.C. Sections 12131-34), which prohibits discrimination and ensures equal opportunity for persons with disabilities in employment, State and local government services, public accommodations, commercial facilities, and transportation;

- the Education Amendments of 1972 (20 U.S.C. Sections 1681, 1683, 1685-86), which prohibits discrimination on the basis of sex in federally assisted education programs;

- the Age Discrimination Act of 1975 (42 U.S.C. Sections 6106-07), which prohibits discrimination on the basis of age in programs or activities receiving Federal financial assistance. It does not include employment discrimination;

- 28 C.F.R. pt. 31 (U.S. Department of Justice Regulations – OJJDP Grant Programs); 28 C.F.R. pt. 42 (U.S. Department of Justice Regulations – Nondiscrimination; Equal Employment Opportunity; Policies and Procedures); Executive Order No. 13279 (equal protection of the laws for faith-based and community organizations); Executive Order No. 13559, which provide fundamental principles and policy-making criteria for partnerships with faith-based and neighborhood organizations;

- 28 C.F.R. pt. 38 (U.S. Department of Justice Regulations – Equal Treatment for Faith-Based Organizations); and Whistleblower protections 41 U.S.C. §4712 and The National Defense Authorization Act (NDAA) for Fiscal Year 2013 (Pub. L. 112-239, enacted January 2, 2013) the Pilot Program for Enhancement of Contract Employee Whistleblower Protections, which protects employees against reprisal for certain whistle blowing activities in connection with federal grants and contracts.

The certificate set out below is a material representation of fact upon which reliance is placed when the agency awards the grant. False certification or violation of the certification shall be grounds for suspension of payments, suspension or termination of grants, or government wide suspension or debarment.

In the event a Federal or State court or Federal or State administrative agency makes a finding of discrimination after a due process hearing on the grounds of race, color, religion, national origin, or sex against a recipient of funds, the recipient will forward a copy of the finding to the Office for Civil Rights, to the applicable contracting agency or division within the Department of Health and Human Services, and to the Department of Health and Human Services Office of the Ombudsman.

The Vendor identified in Section 1.3 of the General Provisions agrees by signature of the Contractor's representative as identified in Sections 1.11 and 1.12 of the General Provisions, to execute the following certification:

1. By signing and submitting this proposal (contract) the Vendor agrees to comply with the provisions indicated above.

Vendor Name:

2/24/20
Date

Name: JOHN A. JUDY K
Title: PRESIDENT

CERTIFICATION REGARDING ENVIRONMENTAL TOBACCO SMOKE

Public Law 103-227, Part C - Environmental Tobacco Smoke, also known as the Pro-Children Act of 1994 (Act), requires that smoking not be permitted in any portion of any indoor facility owned or leased or contracted for by an entity and used routinely or regularly for the provision of health, day care, education, or library services to children under the age of 18, if the services are funded by Federal programs either directly or through State or local governments, by Federal grant, contract, loan, or loan guarantee. The law does not apply to children's services provided in private residences, facilities funded solely by Medicare or Medicaid funds, and portions of facilities used for inpatient drug or alcohol treatment. Failure to comply with the provisions of the law may result in the imposition of a civil monetary penalty of up to $1000 per day and/or the imposition of an administrative compliance order on the responsible entity.

The Vendor identified in Section 1.3 of the General Provisions agrees, by signature of the Contractor's representative as identified in Section 1.11 and 1.12 of the General Provisions, to execute the following certification:

1. By signing and submitting this contract, the Vendor agrees to make reasonable efforts to comply with all applicable provisions of Public Law 103-227, Part C, known as the Pro-Children Act of 1994.

Vendor Name:

7/21/20
Date

Name: JOHN A. JURCZYK
Title: PRESIDENT

Vendor Initials

Date 7/21/20

HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY ACT BUSINESS ASSOCIATE AGREEMENT

The Contractor identified in Section 1.3 of the General Provisions of the Agreement agrees to comply with the Health Insurance Portability and Accountability Act, Public Law 104-191 and with the Standards for Privacy and Security of Individually Identifiable Health Information, 45 CFR Parts 160 and 164 applicable to business associates. As defined herein, "Business Associate" shall mean the Contractor and subcontractors and agents of the Contractor that receive, use or have access to protected health information under this Agreement and "Covered Entity" shall mean the State of New Hampshire, Department of Health and Human Services.

(1) Definitions.

a. "Breach" shall have the same meaning as the term "Breach" in section 164.402 of Title 45, Code of Federal Regulations.

b. "Business Associate" has the meaning given such term in section 160.103 of Title 45, Code of Federal Regulations.

c. "Covered Entity" has the meaning given such term in section 160.103 of Title 45, Code of Federal Regulations.

d. "Designated Record Set" shall have the same meaning as the term "designated record set" in 45 CFR Section 164.501.

e. "Data Aggregation" shall have the same meaning as the term "data aggregation" in 45 CFR Section 164.501.

f. "Health Care Operations" shall have the same meaning as the term "health care operations" in 45 CFR Section 164.501.

g. "HITECH Act" means the Health Information Technology for Economic and Clinical Health Act, TitleXIII, Subtitle D, Part 1 & 2 of the American Recovery and Reinvestment Act of 2009.

h. "HIPAA" means the Health Insurance Portability and Accountability Act of 1996, Public Law 104-191 and the Standards for Privacy and Security of Individually Identifiable Health Information, 45 CFR Parts 160, 162 and 164 and amendments thereto.

i. "Individual" shall have the same meaning as the term "individual" in 45 CFR Section 160.103 and shall include a person who qualifies as a personal representative in accordance with 45 CFR Section 164.501(g).

j. "Privacy Rule" shall mean the Standards for Privacy of Individually Identifiable Health Information at 45 CFR Parts 160 and 164, promulgated under HIPAA by the United States Department of Health and Human Services.

k. "Protected Health Information" shall have the same meaning as the term "protected health information" in 45 CFR Section 160.103, limited to the information created or received by Business Associate from or on behalf of Covered Entity.

l. "Required by Law" shall have the same meaning as the term "required by law" in 45 CFR Section 164.103.

m. "Secretary" shall mean the Secretary of the Department of Health and Human Services or his/her designee.

n. "Security Rule" shall mean the Security Standards for the Protection of Electronic Protected Health Information at 45 CFR Part 164, Subpart C, and amendments thereto.

o. "Unsecured Protected Health Information" means protected health information that is not secured by a technology standard that renders protected health information unusable, unreadable, or indecipherable to unauthorized individuals and is developed or endorsed by a standards developing organization that is accredited by the American National Standards Institute.

p. Other Definitions - All terms not otherwise defined herein shall have the meaning established under 45 C.F.R. Parts 160, 162 and 164, as amended from time to time, and the HITECH
Act.

(2) **Business Associate Use and Disclosure of Protected Health Information.**

a. Business Associate shall not use, disclose, maintain or transmit Protected Health Information (PHI) except as reasonably necessary to provide the services outlined under Exhibit A of the Agreement. Further, Business Associate, including but not limited to all its directors, officers, employees and agents, shall not use, disclose, maintain or transmit PHI in any manner that would constitute a violation of the Privacy and Security Rule.

b. Business Associate may use or disclose PHI:
   I. For the proper management and administration of the Business Associate;
   II. As required by law, pursuant to the terms set forth in paragraph d. below; or
   III. For data aggregation purposes for the health care operations of Covered Entity.

c. To the extent Business Associate is permitted under the Agreement to disclose PHI to a third party, Business Associate must obtain, prior to making any such disclosure, (i) reasonable assurances from the third party that such PHI will be held confidentially and used or further disclosed only as required by law or for the purpose for which it was disclosed to the third party; and (ii) an agreement from such third party to notify Business Associate, in accordance with the HIPAA Privacy, Security, and Breach Notification Rules of any breaches of the confidentiality of the PHI, to the extent it has obtained knowledge of such breach.

d. The Business Associate shall not, unless such disclosure is reasonably necessary to provide services under Exhibit A of the Agreement, disclose any PHI in response to a request for disclosure on the basis that it is required by law, without first notifying Covered Entity so that Covered Entity has an opportunity to object to the disclosure and to seek appropriate relief. If Covered Entity objects to such disclosure, the Business

Associate shall refrain from disclosing the PHI until Covered Entity has exhausted all remedies.

e. If the Covered Entity notifies the Business Associate that Covered Entity has agreed to be bound by additional restrictions over and above those uses or disclosures or security safeguards of PHI pursuant to the Privacy and Security Rule, the Business Associate shall be bound by such additional restrictions and shall not disclose PHI in violation of such additional restrictions and shall abide by any additional security safeguards.

(3) **Obligations and Activities of Business Associate.**

a. The Business Associate shall notify the Covered Entity's Privacy Officer immediately after the Business Associate becomes aware of any use or disclosure of protected health information not provided for by the Agreement including breaches of unsecured protected health information and/or any security incident that may have an impact on the protected health information of the Covered Entity.

b. The Business Associate shall immediately perform a risk assessment when it becomes aware of any of the above situations. The risk assessment shall include, but not be limited to:

- The nature and extent of the protected health information involved, including the types of identifiers and the likelihood of re-identification;
- The unauthorized person used the protected health information or to whom the disclosure was made;
- Whether the protected health information was actually acquired or viewed
- The extent to which the risk to the protected health information has been mitigated.

The Business Associate shall complete the risk assessment within 48 hours of the breach and immediately report the findings of the risk assessment in writing to the Covered Entity.

c. The Business Associate shall comply with all sections of the Privacy, Security, and Breach Notification Rule.

d. Business Associate shall make available all of its internal policies and procedures, books and records relating to the use and disclosure of PHI received from, or created or received by the Business Associate on behalf of Covered Entity to the Secretary for purposes of determining Covered Entity's compliance with HIPAA and the Privacy and Security Rule.

e. Business Associate shall require all of its business associates that receive, use or have access to PHI under the Agreement, to agree in writing to adhere to the same restrictions and conditions on the use and disclosure of PHI contained herein, including the duty to return or destroy the PHI as provided under Section 3 (l). The Covered Entity shall be considered a direct third party beneficiary of the Contractor's business associate agreements with Contractor's intended business associates, who will be receiving PHI

pursuant to this Agreement, with rights of enforcement and indemnification from such business associates who shall be governed by standard Paragraph #13 of the standard contract provisions (P-37) of this Agreement for the purpose of use and disclosure of protected health information.

f. Within five (5) business days of receipt of a written request from Covered Entity, Business Associate shall make available during normal business hours at its offices all records, books, agreements, policies and procedures relating to the use and disclosure of PHI to the Covered Entity, for purposes of enabling Covered Entity to determine Business Associate's compliance with the terms of the Agreement.

g. Within ten (10) business days of receiving a written request from Covered Entity, Business Associate shall provide access to PHI in a Designated Record Set to the Covered Entity, or as directed by Covered Entity, to an individual in order to meet the requirements under 45 CFR Section 164.524.

h. Within ten (10) business days of receiving a written request from Covered Entity for an amendment of PHI or a record about an individual contained in a Designated Record Set, the Business Associate shall make such PHI available to Covered Entity for amendment and incorporate any such amendment to enable Covered Entity to fulfill its obligations under 45 CFR Section 164.526.

i. Business Associate shall document such disclosures of PHI and information related to such disclosures as would be required for Covered Entity to respond to a request by an individual for an accounting of disclosures of PHI in accordance with 45 CFR Section 164.528.

j. Within ten (10) business days of receiving a written request from Covered Entity for a request for an accounting of disclosures of PHI, Business Associate shall make available to Covered Entity such information as Covered Entity may require to fulfill its obligations to provide an accounting of disclosures with respect to PHI in accordance with 45 CFR Section 164.528.

k. In the event any individual requests access to, amendment of, or accounting of PHI directly from the Business Associate, the Business Associate shall within two (2) business days forward such request to Covered Entity. Covered Entity shall have the responsibility of responding to forwarded requests. However, if forwarding the individual's request to Covered Entity would cause Covered Entity or the Business Associate to violate HIPAA and the Privacy and Security Rule, the Business Associate shall instead respond to the individual's request as required by such law and notify Covered Entity of such response as soon as practicable.

l. Within ten (10) business days of termination of the Agreement, for any reason, the Business Associate shall return or destroy, as specified by Covered Entity, all PHI received from, or created or received by the Business Associate in connection with the Agreement, and shall not retain any copies or back-up tapes of such PHI. If return or destruction is not feasible, or the disposition of the PHI has been otherwise agreed to in the Agreement, Business Associate shall continue to extend the protections of the Agreement, to such PHI and limit further uses and disclosures of such PHI to those purposes that make the return or destruction infeasible, for so long as Business

Contractor Initials

Date 7/21/20

Associate maintains such PHI. If Covered Entity, in its sole discretion, requires that the Business Associate destroy any or all PHI, the Business Associate shall certify to Covered Entity that the PHI has been destroyed.

(4) Obligations of Covered Entity

a. Covered Entity shall notify Business Associate of any changes or limitation(s) in its Notice of Privacy Practices provided to individuals in accordance with 45 CFR Section 164.520, to the extent that such change or limitation may affect Business Associate's use or disclosure of PHI.

b. Covered Entity shall promptly notify Business Associate of any changes in, or revocation of permission provided to Covered Entity by individuals whose PHI may be used or disclosed by Business Associate under this Agreement, pursuant to 45 CFR Section 164.506 or 45 CFR Section 164.508.

c. Covered entity shall promptly notify Business Associate of any restrictions on the use or disclosure of PHI that Covered Entity has agreed to in accordance with 45 CFR 164.522, to the extent that such restriction may affect Business Associate's use or disclosure of PHI.

(5) Termination for Cause

In addition to Paragraph 10 of the standard terms and conditions (P-37) of this Agreement the Covered Entity may immediately terminate the Agreement upon Covered Entity's knowledge of a breach by Business Associate of the Business Associate Agreement set forth herein as Exhibit I. The Covered Entity may either immediately terminate the Agreement or provide an opportunity for Business Associate to cure the alleged breach within a timeframe specified by Covered Entity. If Covered Entity determines that neither termination nor cure is feasible, Covered Entity shall report the violation to the Secretary.

(6) Miscellaneous

a. Definitions and Regulatory References. All terms used, but not otherwise defined herein, shall have the same meaning as those terms in the Privacy and Security Rule, amended from time to time. A reference in the Agreement, as amended to include this Exhibit I, to a Section in the Privacy and Security Rule means the Section as in effect or as amended.

b. Amendment. Covered Entity and Business Associate agree to take such action as is necessary to amend the Agreement, from time to time as is necessary for Covered Entity to comply with the changes in the requirements of HIPAA, the Privacy and Security Rule, and applicable federal and state law.

c. Data Ownership. The Business Associate acknowledges that it has no ownership rights with respect to the PHI provided by or created on behalf of Covered Entity.

d. Interpretation. The parties agree that any ambiguity in the Agreement shall be resolved to permit Covered Entity to comply with HIPAA, the Privacy and Security Rule.

Contractor Initials

Date 7/21/20

e. Segregation. If any term or condition of this Exhibit I or the application thereof to any person(s) or circumstance is held invalid, such invalidity shall not affect other terms or conditions which can be given effect without the invalid term or condition; to this end the terms and conditions of this Exhibit I are declared severable.

f. Survival. Provisions in this Exhibit I regarding the use and disclosure of PHI, return or destruction of PHI, extensions of the protections of the Agreement in section (3) I, the defense and indemnification provisions of section (3) e and Paragraph 13 of the standard terms and conditions (P-37), shall survive the termination of the Agreement.

IN WITNESS WHEREOF, the parties hereto have duly executed this Exhibit I.

Department of Health and Human Services	ST. JOSEPH HOSPITAL OF NASHUA, NH
The State	Name of the Contractor
Lori Shibinette	
Signature of Authorized Representative	Signature of Authorized Representative
Lori Shibinette	JOHN A. JURCZYK
Name of Authorized Representative	Name of Authorized Representative
Commissioner	PRESIDENT
Title of Authorized Representative	Title of Authorized Representative
7/31/20	7-21-20
Date	Date

CERTIFICATION REGARDING THE FEDERAL FUNDING ACCOUNTABILITY AND TRANSPARENCY ACT (FFATA) COMPLIANCE

The Federal Funding Accountability and Transparency Act (FFATA) requires prime awardees of individual Federal grants equal to or greater than $25,000 and awarded on or after October 1, 2010, to report on data related to executive compensation and associated first-tier sub-grants of $25,000 or more. If the initial award is below $25,000 but subsequent grant modifications result in a total award equal to or over $25,000, the award is subject to the FFATA reporting requirements, as of the date of the award.
In accordance with 2 CFR Part 170 (Reporting Subaward and Executive Compensation Information), the Department of Health and Human Services (DHHS) must report the following information for any subaward or contract award subject to the FFATA reporting requirements:

1. Name of entity
2. Amount of award
3. Funding agency
4. NAICS code for contracts / CFDA program number for grants
5. Program source
6. Award title descriptive of the purpose of the funding action
7. Location of the entity
8. Principle place of performance
9. Unique identifier of the entity (DUNS #)
10. Total compensation and names of the top five executives if:
    - 10.1. More than 80% of annual gross revenues are from the Federal government, and those revenues are greater than $25M annually and
    - 10.2. Compensation information is not already available through reporting to the SEC.

Prime grant recipients must submit FFATA required data by the end of the month, plus 30 days, in which the award or award amendment is made.
The Contractor identified in Section 1.3 of the General Provisions agrees to comply with the provisions of The Federal Funding Accountability and Transparency Act, Public Law 109-282 and Public Law 110-252, and 2 CFR Part 170 (Reporting Subaward and Executive Compensation Information), and further agrees to have the Contractor's representative, as identified in Sections 1.11 and 1.12 of the General Provisions execute the following Certification:
The below named Contractor agrees to provide needed information as outlined above to the NH Department of Health and Human Services and to comply with all applicable provisions of the Federal Financial Accountability and Transparency Act.

Contractor Name:

7/21/20
Date

Name: JOHN A. JURCZYK
Title: PRESIDENT

Contractor Initials JAJ 9B
Date 7/21/20

FORM A

As the Contractor identified in Section 1.3 of the General Provisions, I certify that the responses to the below listed questions are true and accurate.

1. The DUNS number for your entity is: 073962995

2. In your business or organization's preceding completed fiscal year, did your business or organization receive (1) 80 percent or more of your annual gross revenue in U.S. federal contracts, subcontracts, loans, grants, sub-grants, and/or cooperative agreements; and (2) $25,000,000 or more in annual gross revenues from U.S. federal contracts, subcontracts, loans, grants, subgrants, and/or cooperative agreements?

   X NO _____ YES

   If the answer to #2 above is NO, stop here

   If the answer to #2 above is YES, please answer the following:

3. Does the public have access to information about the compensation of the executives in your business or organization through periodic reports filed under section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C.78m(a), 78o(d)) or section 6104 of the Internal Revenue Code of 1986?

   _____ NO _____ YES

   If the answer to #3 above is YES, stop here

   If the answer to #3 above is NO, please answer the following:

4. The names and compensation of the five most highly compensated officers in your business or organization are as follows:

   Name: _____ Amount: _____

   Name: _____ Amount: _____

   Name: _____ Amount: _____

   Name: _____ Amount: _____

   Name: _____ Amount: _____

A. Definitions

The following terms may be reflected and have the described meaning in this document:

1. "Breach" means the loss of control, compromise, unauthorized disclosure, unauthorized acquisition, unauthorized access, or any similar term referring to situations where persons other than authorized users and for an other than authorized purpose have access or potential access to personally identifiable information, whether physical or electronic. With regard to Protected Health Information, " Breach" shall have the same meaning as the term "Breach" in section 164.402 of Title 45, Code of Federal Regulations.

2. "Computer Security Incident" shall have the same meaning "Computer Security Incident" in section two (2) of NIST Publication 800-61, Computer Security Incident Handling Guide, National Institute of Standards and Technology, U.S. Department of Commerce.

3. "Confidential Information" or "Confidential Data" means all confidential information disclosed by one party to the other such as all medical, health, financial, public assistance benefits and personal information including without limitation, Substance Abuse Treatment Records, Case Records, Protected Health Information and Personally Identifiable Information.

   Confidential Information also includes any and all information owned or managed by the State of NH - created, received from or on behalf of the Department of Health and Human Services (DHHS) or accessed in the course of performing contracted services - of which collection, disclosure, protection, and disposition is governed by state or federal law or regulation. This information includes, but is not limited to Protected Health Information (PHI), Personal Information (PI), Personal Financial Information (PFI), Federal Tax Information (FTI), Social Security Numbers (SSN), Payment Card Industry (PCI), and or other sensitive and confidential information.

4. "End User" means any person or entity (e.g., contractor, contractor's employee, business associate, subcontractor, other downstream user, etc.) that receives DHHS data or derivative data in accordance with the terms of this Contract.

5. "HIPAA" means the Health Insurance Portability and Accountability Act of 1996 and the regulations promulgated thereunder.

6. "Incident" means an act that potentially violates an explicit or implied security policy, which includes attempts (either failed or successful) to gain unauthorized access to a system or its data, unwanted disruption or denial of service, the unauthorized use of a system for the processing or storage of data; and changes to system hardware, firmware, or software characteristics without the owner's knowledge, instruction, or consent. Incidents include the loss of data through theft or device misplacement, loss or misplacement of hardcopy documents, and misrouting of physical or electronic

mail, all of which may have the potential to put the data at risk of unauthorized access, use, disclosure, modification or destruction.

7. "Open Wireless Network" means any network or segment of a network that is not designated by the State of New Hampshire's Department of Information Technology or delegate as a protected network (designed, tested, and approved, by means of the State, to transmit) will be considered an open network and not adequately secure for the transmission of unencrypted PI, PFI, PHI or confidential DHHS data.

8. "Personal Information" (or "PI") means information which can be used to distinguish or trace an individual's identity, such as their name, social security number, personal information as defined in New Hampshire RSA 359-C:19, biometric records, etc., alone, or when combined with other personal or identifying information which is linked or linkable to a specific individual, such as date and place of birth, mother's maiden name, etc.

9. "Privacy Rule" shall mean the Standards for Privacy of Individually Identifiable Health Information at 45 C.F.R. Parts 160 and 164, promulgated under HIPAA by the United States Department of Health and Human Services.

10. "Protected Health Information" (or "PHI") has the same meaning as provided in the definition of "Protected Health Information" in the HIPAA Privacy Rule at 45 C.F.R. § 160.103.

11. "Security Rule" shall mean the Security Standards for the Protection of Electronic Protected Health Information at 45 C.F.R. Part 164, Subpart C, and amendments thereto.

12. "Unsecured Protected Health Information" means Protected Health Information that is not secured by a technology standard that renders Protected Health Information unusable, unreadable, or indecipherable to unauthorized individuals and is developed or endorsed by a standards developing organization that is accredited by the American National Standards Institute.

I. RESPONSIBILITIES OF DHHS AND THE CONTRACTOR

A. Business Use and Disclosure of Confidential Information.

1. The Contractor must not use, disclose, maintain or transmit Confidential Information except as reasonably necessary as outlined under this Contract. Further, Contractor, including but not limited to all its directors, officers, employees and agents, must not use, disclose, maintain or transmit PHI in any manner that would constitute a violation of the Privacy and Security Rule.

2. The Contractor must not disclose any Confidential Information in response to a

request for disclosure on the basis that it is required by law, in response to a subpoena, etc., without first notifying DHHS so that DHHS has an opportunity to consent or object to the disclosure.

3. If DHHS notifies the Contractor that DHHS has agreed to be bound by additional restrictions over and above those uses or disclosures or security safeguards of PHI pursuant to the Privacy and Security Rule, the Contractor must be bound by such additional restrictions and must not disclose PHI in violation of such additional restrictions and must abide by any additional security safeguards.
4. The Contractor agrees that DHHS Data or derivative there from disclosed to an End User must only be used pursuant to the terms of this Contract.
5. The Contractor agrees DHHS Data obtained under this Contract may not be used for any other purposes that are not indicated in this Contract.
6. The Contractor agrees to grant access to the data to the authorized representatives of DHHS for the purpose of inspecting to confirm compliance with the terms of this Contract.

II. METHODS OF SECURE TRANSMISSION OF DATA

1. Application Encryption. If End User is transmitting DHHS data containing Confidential Data between applications, the Contractor attests the applications have been evaluated by an expert knowledgeable in cyber security and that said application's encryption capabilities ensure secure transmission via the internet.
2. Computer Disks and Portable Storage Devices. End User may not use computer disks or portable storage devices, such as a thumb drive, as a method of transmitting DHHS data.
3. Encrypted Email. End User may only employ email to transmit Confidential Data if email is encrypted and being sent to and being received by email addresses of persons authorized to receive such information.
4. Encrypted Web Site. If End User is employing the Web to transmit Confidential Data, the secure socket layers (SSL) must be used and the web site must be secure. SSL encrypts data transmitted via a Web site.
5. File Hosting Services, also known as File Sharing Sites. End User may not use file hosting services, such as Dropbox or Google Cloud Storage, to transmit Confidential Data.
6. Ground Mail Service. End User may only transmit Confidential Data via *certified* ground mail within the continental U.S. and when sent to a named individual.
7. Laptops and PDA. If End User is employing portable devices to transmit Confidential Data said devices must be encrypted and password-protected.
8. Open Wireless Networks. End User may not transmit Confidential Data via an open

wireless network. End User must employ a virtual private network (VPN) when remotely transmitting via an open wireless network.

9. Remote User Communication. If End User is employing remote communication to access or transmit Confidential Data, a virtual private network (VPN) must be installed on the End User's mobile device(s) or laptop from which information will be transmitted or accessed.
10. SSH File Transfer Protocol (SFTP), also known as Secure File Transfer Protocol. If End User is employing an SFTP to transmit Confidential Data, End User will structure the Folder and access privileges to prevent inappropriate disclosure of information. SFTP folders and sub-folders used for transmitting Confidential Data will be coded for 24-hour auto-deletion cycle (i.e. Confidential Data will be deleted every 24 hours).
11. Wireless Devices. If End User is transmitting Confidential Data via wireless devices, all data must be encrypted to prevent inappropriate disclosure of information.

III. RETENTION AND DISPOSITION OF IDENTIFIABLE RECORDS

The Contractor will only retain the data and any derivative of the data for the duration of this Contract. After such time, the Contractor will have 30 days to destroy the data and any derivative in whatever form it may exist, unless, otherwise required by law or permitted under this Contract. To this end, the parties must:

A. Retention

1. The Contractor agrees it will not store, transfer or process data collected in connection with the services rendered under this Contract outside of the United States. This physical location requirement shall also apply in the implementation of cloud computing, cloud service or cloud storage capabilities, and includes backup data and Disaster Recovery locations.
2. The Contractor agrees to ensure proper security monitoring capabilities are in place to detect potential security events that can impact State of NH systems and/or Department confidential information for contractor provided systems.
3. The Contractor agrees to provide security awareness and education for its End Users in support of protecting Department confidential information.
4. The Contractor agrees to retain all electronic and hard copies of Confidential Data in a secure location and identified in section IV. A.2
5. The Contractor agrees Confidential Data stored in a Cloud must be in a FedRAMP/HITECH compliant solution and comply with all applicable statutes and regulations regarding the privacy and security. All servers and devices must have currently-supported and hardened operating systems, the latest anti-viral, anti-hacker, anti-spam, anti-spyware, and anti-malware utilities. The environment, as a

whole, must have aggressive intrusion-detection and firewall protection.

6. The Contractor agrees to and ensures its complete cooperation with the State's Chief Information Officer in the detection of any security vulnerability of the hosting infrastructure.

B. Disposition

1. If the Contractor will maintain any Confidential Information on its systems (or its sub-contractor systems), the Contractor will maintain a documented process for securely disposing of such data upon request or contract termination; and will obtain written certification for any State of New Hampshire data destroyed by the Contractor or any subcontractors as a part of ongoing, emergency, and or disaster recovery operations. When no longer in use, electronic media containing State of New Hampshire data shall be rendered unrecoverable via a secure wipe program in accordance with industry-accepted standards for secure deletion and media sanitization, or otherwise physically destroying the media (for example, degaussing) as described in NIST Special Publication 800-88, Rev 1, Guidelines for Media Sanitization, National Institute of Standards and Technology, U. S. Department of Commerce. The Contractor will document and certify in writing at time of the data destruction, and will provide written certification to the Department upon request. The written certification will include all details necessary to demonstrate data has been properly destroyed and validated. Where applicable, regulatory and professional standards for retention requirements will be jointly evaluated by the State and Contractor prior to destruction.
2. Unless otherwise specified, within thirty (30) days of the termination of this Contract, Contractor agrees to destroy all hard copies of Confidential Data using a secure method such as shredding.
3. Unless otherwise specified, within thirty (30) days of the termination of this Contract, Contractor agrees to completely destroy all electronic Confidential Data by means of data erasure, also known as secure data wiping.

IV. PROCEDURES FOR SECURITY

A. Contractor agrees to safeguard the DHHS Data received under this Contract, and any derivative data or files, as follows:

1. The Contractor will maintain proper security controls to protect Department confidential information collected, processed, managed, and/or stored in the delivery of contracted services.
2. The Contractor will maintain policies and procedures to protect Department confidential information throughout the information lifecycle, where applicable, (from creation, transformation, use, storage and secure destruction) regardless of the media used to store the data (i.e., tape, disk, paper, etc.).

3. The Contractor will maintain appropriate authentication and access controls to contractor systems that collect, transmit, or store Department confidential information where applicable.

4. The Contractor will ensure proper security monitoring capabilities are in place to detect potential security events that can impact State of NH systems and/or Department confidential information for contractor provided systems.

5. The Contractor will provide regular security awareness and education for its End Users in support of protecting Department confidential information.

6. If the Contractor will be sub-contracting any core functions of the engagement supporting the services for State of New Hampshire, the Contractor will maintain a program of an internal process or processes that defines specific security expectations, and monitoring compliance to security requirements that at a minimum match those for the Contractor, including breach notification requirements.

7. The Contractor will work with the Department to sign and comply with all applicable State of New Hampshire and Department system access and authorization policies and procedures, systems access forms, and computer use agreements as part of obtaining and maintaining access to any Department system(s). Agreements will be completed and signed by the Contractor and any applicable sub-contractors prior to system access being authorized.

8. If the Department determines the Contractor is a Business Associate pursuant to 45 CFR 160.103, the Contractor will execute a HIPAA Business Associate Agreement (BAA) with the Department and is responsible for maintaining compliance with the agreement.

9. The Contractor will work with the Department at its request to complete a System Management Survey. The purpose of the survey is to enable the Department and Contractor to monitor for any changes in risks, threats, and vulnerabilities that may occur over the life of the Contractor engagement. The survey will be completed annually, or an alternate time frame at the Departments discretion with agreement by the Contractor, or the Department may request the survey be completed when the scope of the engagement between the Department and the Contractor changes.

10. The Contractor will not store, knowingly or unknowingly, any State of New Hampshire or Department data offshore or outside the boundaries of the United States unless prior express written consent is obtained from the Information Security Office leadership member within the Department.

11. Data Security Breach Liability. In the event of any security breach Contractor shall make efforts to investigate the causes of the breach, promptly take measures to prevent future breach and minimize any damage or loss resulting from the breach. The State shall recover from the Contractor all costs of response and recovery from

the breach, including but not limited to: credit monitoring services, mailing costs and costs associated with website and telephone call center services necessary due to the breach.

12. Contractor must, comply with all applicable statutes and regulations regarding the privacy and security of Confidential Information, and must in all other respects maintain the privacy and security of PI and PHI at a level and scope that is not less than the level and scope of requirements applicable to federal agencies, including, but not limited to, provisions of the Privacy Act of 1974 (5 U.S.C. § 552a), DHHS Privacy Act Regulations (45 C.F.R. §5b), HIPAA Privacy and Security Rules (45 C.F.R. Parts 160 and 164) that govern protections for individually identifiable health information and as applicable under State law.

13. Contractor agrees to establish and maintain appropriate administrative, technical, and physical safeguards to protect the confidentiality of the Confidential Data and to prevent unauthorized use or access to it. The safeguards must provide a level and scope of security that is not less than the level and scope of security requirements established by the State of New Hampshire, Department of Information Technology. Refer to Vendor Resources/Procurement at https://www.nh.gov/doit/vendor/index.htm for the Department of Information Technology policies, guidelines, standards, and procurement information relating to vendors.

14. Contractor agrees to maintain a documented breach notification and incident response process. The Contractor will notify the State's Privacy Officer and the State's Security Officer of any security breach immediately, at the email addresses provided in Section VI. This includes a confidential information breach, computer security incident, or suspected breach which affects or includes any State of New Hampshire systems that connect to the State of New Hampshire network.

15. Contractor must restrict access to the Confidential Data obtained under this Contract to only those authorized End Users who need such DHHS Data to perform their official duties in connection with purposes identified in this Contract.

16. The Contractor must ensure that all End Users:
    a. comply with such safeguards as referenced in Section IV A. above, implemented to protect Confidential Information that is furnished by DHHS under this Contract from loss, theft or inadvertent disclosure.
    b. safeguard this information at all times.
    c. ensure that laptops and other electronic devices/media containing PHI, PI, or PFI are encrypted and password-protected.
    d. send emails containing Confidential Information only if encrypted and being sent to and being received by email addresses of persons authorized to receive such information.

Contractor Initials

Date 7/21/20

e. limit disclosure of the Confidential Information to the extent permitted by law.

f. Confidential Information received under this Contract and individually identifiable data derived from DHHS Data, must be stored in an area that is physically and technologically secure from access by unauthorized persons during duty hours as well as non-duty hours (e.g., door locks, card keys, biometric identifiers, etc.).

g. only authorized End Users may transmit the Confidential Data, including any derivative files containing personally identifiable information, and in all cases, such data must be encrypted at all times when in transit, at rest, or when stored on portable media as required in section IV above.

h. in all other instances Confidential Data must be maintained, used and disclosed using appropriate safeguards, as determined by a risk-based assessment of the circumstances involved.

i. understand that their user credentials (user name and password) must not be shared with anyone. End Users will keep their credential information secure. This applies to credentials used to access the site directly or indirectly through a third party application.

Contractor is responsible for oversight and compliance of their End Users. DHHS reserves the right to conduct onsite inspections to monitor compliance with this Contract, including the privacy and security requirements provided in herein, HIPAA, and other applicable laws and Federal regulations until such time the Confidential Data is disposed of in accordance with this Contract.

V. LOSS REPORTING

The Contractor must notify the State's Privacy Officer and Security Officer of any Security Incidents and Breaches immediately, at the email addresses provided in Section VI.

The Contractor must further handle and report Incidents and Breaches involving PHI in accordance with the agency's documented Incident Handling and Breach Notification procedures and in accordance with 42 C.F.R. §§ 431.300 - 306. In addition to, and notwithstanding, Contractor's compliance with all applicable obligations and procedures, Contractor's procedures must also address how the Contractor will:

1. Identify Incidents;
2. Determine if personally identifiable information is involved in Incidents;
3. Report suspected or confirmed Incidents as required in this Exhibit or P-37;
4. Identify and convene a core response group to determine the risk level of Incidents and determine risk-based responses to Incidents; and

5. Determine whether Breach notification is required, and, if so, identify appropriate Breach notification methods, timing, source, and contents from among different options, and bear costs associated with the Breach notice as well as any mitigation measures.

Incidents and/or Breaches that implicate PI must be addressed and reported, as applicable, in accordance with NH RSA 359-C:20.

VI. PERSONS TO CONTACT

A. DHHS Privacy Officer:

DHHSPrivacyOfficer@dhhs.nh.gov

B. DHHS Security Officer:

DHHSInformationSecurityOffice@dhhs.nh.gov

Contractor Initials

Date 7/21/20

State of New Hampshire
Department of State

CERTIFICATE

I, William M. Gardner, Secretary of State of the State of New Hampshire, do hereby certify that ST. JOSEPH HOSPITAL OF NASHUA, N.H. is a New Hampshire Nonprofit Corporation registered to transact business in New Hampshire on April 09, 1943. I further certify that all fees and documents required by the Secretary of State's office have been received and is in good standing as far as this office is concerned.

Business ID: **64317**
Certificate Number: **0004973867**

IN TESTIMONY WHEREOF,
I hereto set my hand and cause to be affixed
the Seal of the State of New Hampshire,
this 4th day of August A.D. 2020.

William M. Gardner
Secretary of State

CERTIFICATE OF AUTHORITY

I, Arthur Urschel, hereby certify that:

1. I am a duly elected Clerk/Secretary/Officer of St. Joseph Hospital of Nashua, NH Board of Directors

2. The following is a true copy of a vote taken at a meeting of the Board of Directors/shareholders, duly called and held on July 23, 2020, at which a quorum of the Directors/shareholders were present and voting.

VOTED: That John A. Jurczyk, President

is duly authorized on behalf of St. Joseph Hospital of Nashua, New Hampshire to enter into contracts or agreements with the State of New Hampshire and any of its agencies or departments and further is authorized to execute any and all documents, agreements and other instruments, and any amendments, revisions, or modifications thereto, which may in his/her judgment be desirable or necessary to effect the purpose of this vote.

3. I hereby certify that said vote has not been amended or repealed and remains in full force and effect as of the date of the contract/contract amendment to which this certificate is attached. This authority **remains valid for thirty (30)** days from the date of this Certificate of Authority. I further certify that it is understood that the State of New Hampshire will rely on this certificate as evidence that the person(s) listed above currently occupy the position(s) indicated and that they have full authority to bind the corporation. To the extent that there are any limits on the authority of any listed individual to bind the corporation in contracts with the State of New Hampshire, all such limitations are expressly stated herein.

Dated: 7-23-2020

Signature of Elected Officer
Name: Arthur Urschel
Title: Secretary, St. Joseph Hospital of Nashua, NH, Board of Directors

ACORD

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY) 07/22/2020

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER Aon Insurance Managers (Cayman) Ltd. P.O. Box 69 18 Forum Lane, 2nd Floor Camana Bay Grand Cayman, Cayman Islands, . KY1-1102 .	CONTACT NAME: Willis Towers Watson Certificate Center PHONE (A/C, No, Ext): 1-877-945-7378 FAX (A/C, No): 1-888-467-2378 E-MAIL ADDRESS: certificates@willis.com
INSURED St. Joseph Hospital, Inc. 172 Kinsley Street Nashua, NH 03060	INSURER(S) AFFORDING COVERAGE — NAIC # INSURER A : Covenant Health Insurance Ltd INSURER B : INSURER C : INSURER D : INSURER E : INSURER F :

COVERAGES **CERTIFICATE NUMBER:** W17331518 **REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
A	X COMMERCIAL GENERAL LIABILITY CLAIMS-MADE [X] OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: POLICY [ ] PRO-JECT [ ] LOC OTHER:			CHS-1001-2020	01/01/2020	01/01/2021	EACH OCCURRENCE DAMAGE TO RENTED PREMISES (Ea occurrence) MED EXP (Any one person) PERSONAL & ADV INJURY GENERAL AGGREGATE PRODUCTS - COMP/OP AGG	$ 1,000,000 $ $ $ 1,000,000 $ 3,000,000 $
	AUTOMOBILE LIABILITY ANY AUTO OWNED AUTOS ONLY HIRED AUTOS ONLY SCHEDULED AUTOS NON-OWNED AUTOS ONLY						COMBINED SINGLE LIMIT (Ea accident) BODILY INJURY (Per person) BODILY INJURY (Per accident) PROPERTY DAMAGE (Per accident)	$ $ $ $
	UMBRELLA LIAB [ ] OCCUR EXCESS LIAB [ ] CLAIMS-MADE DED [ ] RETENTION $						EACH OCCURRENCE AGGREGATE	$ $
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) Y/N [ ] If yes, describe under DESCRIPTION OF OPERATIONS below	N/A					PER STATUTE [ ] OTH-ER E.L. EACH ACCIDENT E.L. DISEASE - EA EMPLOYEE E.L. DISEASE - POLICY LIMIT	 $ $ $
A	Professional Liability			CHS-1001-2020	01/01/2020	01/01/2021	Each Incident Aggregate	$1,000,000 $3,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

CERTIFICATE HOLDER

State of New Hampshire
Dept. of Health and Human Services
129 Pleasant Street
Concord, NH 03301-3857

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

COVENANT HEALTH

Mission and Values

Covenant Health Mission Statement

We are a Catholic health ministry, providing healing and care for the whole person, in service to all in our communities.

Covenant Health Values

Our Judeo-Christian tradition compels us to promote Gospel values in all of our endeavors. We commit to honor these core values:

- **Compassion**
  We show respect, caring and sensitivity towards all, honoring the dignity of each person, especially the poor, vulnerable and suffering.
- **Integrity**
  We promote justice and ethical behavior, and responsibly steward our human, financial and environmental resources.
- **Collaboration**
  We work in partnership, dialogue and shared purpose to create healthy communities.
- **Excellence**
  We deliver all services with the highest level of quality, while seeking creative innovation.

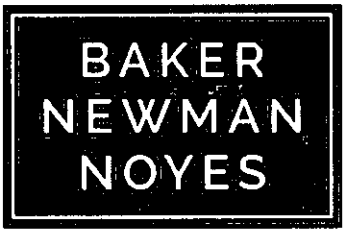
Our Heritage

Covenant Health, influenced by the Spirit of St. Marguerite D'Youville and that of all related sponsors, was founded by the "Grey Nuns", the Sisters of Charity of Montreal, and is committed, as an innovative Catholic health organization, to advancing the healing ministry of Jesus.

ST. JOSEPH HOSPITAL
A Member of Covenant Health

MEMBERSHIP LIST
ST. JOSEPH HOSPITAL BOARD OF DIRECTORS
2020

Louise Trottier Board Chairman	Arthur Urschel Secretary
John Parolin Vice Chairman	Maurice Arel
Ralph Jenkins	Donnalee Lozeau
Daniel Weeks	Judith Dunbar
Joseph Porcello	John Jurczyk, FACHE President and CEO St. Joseph Hospital Nashua, NH 03060



Covenant Health, Inc. and Subsidiaries

Audited Consolidated Financial Statements
and Additional Information

Years Ended December 31, 2019 and 2018
With Independent Auditors' Report

Baker Newman & Noyes LLC
MAINE | MASSACHUSETTS | NEW HAMPSHIRE
800.244.7444 | www.bnncpa.com

COVENANT HEALTH, INC. AND SUBSIDIARIES

Audited Consolidated Financial Statements
and Additional Information

Years Ended December 31, 2019 and 2018

CONTENTS

BAKER NEWMAN NOYES

Baker Newman & Noyes LLC
MAINE I MASSACHUSETTS I NEW HAMPSHIRE
800.244.7444 I www.bnncpa.com

INDEPENDENT AUDITORS' REPORT

The Board of Directors
Covenant Health, Inc.

We have audited the accompanying consolidated financial statements of Covenant Health, Inc. and Subsidiaries, which comprise the consolidated balance sheets as of December 31, 2019 and 2018, and the related consolidated statements of operations, changes in net assets and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We did not audit the financial statements of Covenant Health Insurance, Ltd. and MI Residential Community, Inc., both wholly-owned subsidiaries, which statements reflect total assets constituting approximately 8% of consolidated total assets at December 31, 2019 and 2018, and total revenues constituting approximately 2% and 1% at December 31, 2019 and 2018, respectively, of consolidated total revenues for the years then ended. Those statements were audited by other auditors, whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for those entities, is based solely on the reports of other auditors. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

The Board of Directors
Covenant Health, Inc.

Opinion

In our opinion, based on our audit and the reports of the other auditors, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Covenant Health, Inc. and Subsidiaries as of December 31, 2019 and 2018, and the results of their operations, changes in net assets and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 2 to the consolidated financial statements, during the year ended December 31, 2019, Covenant Health, Inc. and Subsidiaries adopted the provisions of Accounting Standards Update (ASU) No. 2016-02, *Leases*. Our opinion is not modified with respect to this matter.

Boston, Massachusetts
April 24, 2020

COVENANT HEALTH, INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

December 31, 2019 and 2018
(In thousands)

ASSETS

	2019	2018
Current assets:		
Cash and cash equivalents	$ 54,011	$ 49,133
Patient accounts receivable (note 3)	94,098	83,854
Current portion of pledges receivable (note 8)	7,283	5,000
Investments (note 4)	1,286	36,051
Inventories	5,588	4,643
Prepaid expenses and other current assets	15,558	13,461
Current portion of assets whose use is limited or restricted (note 4)	6,313	9,156
Total current assets	184,137	201,298
Assets whose use is limited or restricted (note 4):		
Funds held by trustees, less current portion	24,080	22,254
Deferred compensation	13,415	12,710
Board-designated funds and other long-term investments	326,839	256,264
Replacement reserve	5,409	5,381
Donor-restricted funds	35,973	31,268
Total assets whose use is limited or restricted	405,716	327,877
Other assets:		
Pledges receivable (note 8)	4,610	8,839
Other assets	1,078	6,171
Investments in joint ventures (note 9)	6,892	6,848
Total other assets	12,580	21,858
Property, plant and equipment (note 5):		
Land and improvements	24,124	24,846
Buildings and improvements	439,796	445,530
Equipment	288,602	310,164
Construction in progress	11,138	9,979
Right of use assets	10,547	–
	774,207	790,519
Less accumulated depreciation	(445,231)	(456,203)
Total property, plant and equipment	328,976	334,316
Total assets	$ 931,409	$ 885,349

LIABILITIES AND NET ASSETS

	2019	2018
Current liabilities:		
Accounts payable	$ 35,728	$ 17,363
Accrued expenses and other liabilities	44,320	64,355
Estimated third-party payor settlements (note 3)	12,827	11,919
Current portion of leases	2,659	–
Current portion of long-term debt (note 5)	15,199	11,870
Total current liabilities	110,733	105,507
Long-term debt, less current portion (note 5)	230,104	243,132
Long-term lease liability	6,698	–
Defined benefit pension obligation (note 6)	2,289	7,963
Other liabilities	20,615	19,445
Professional liability loss reserves (note 2)	35,557	42,096
Total liabilities	405,996	418,143
Net assets:		
Without donor restrictions	465,958	412,728
With donor restrictions (note 7)	59,455	54,478
Total net assets	525,413	467,206
Total liabilities and net assets	$931,409	$885,349

See accompanying notes.

COVENANT HEALTH, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF OPERATIONS AND CHANGES IN NET ASSETS

Years Ended December 31, 2019 and 2018
(In thousands)

	2019	2018
Operating revenue:		
Patient service revenue (note 3)	$702,555	$637,079
Other revenue	41,617	27,850
Net assets released from restrictions for operations	967	1,100
Total operating revenue	745,139	666,029
Operating expenses (note 12):		
Salaries and wages	351,544	342,214
Employee benefits (notes 2 and 6)	66,066	67,506
Supplies and other	261,154	260,353
Interest	10,979	9,343
Provider tax (note 3)	22,814	20,813
Depreciation and amortization	30,801	26,675
Total operating expenses	743,358	726,904
Income (loss) from operations	1,781	(60,875)
Net periodic pension cost (note 6)	(2,432)	(906)
Nonoperating gains (losses), net (notes 4, 6, 9 and 13)	48,207	(13,941)
Excess (deficiency) of revenue over expenses	$ 47,556	$(75,722)

Continued next page.

COVENANT HEALTH, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF OPERATIONS AND CHANGES IN NET ASSETS (CONTINUED)

Years Ended December 31, 2019 and 2018
(In thousands)

	Without Donor Restrictions	With Donor Restrictions	Total Net Assets
Balances at January 1, 2018	$490,227	$51,797	$542,024
Deficiency of revenue over expenses	(75,722)	–	(75,722)
Net change in unrealized gains on investments (note 4)	–	315	315
Restricted contributions and investment income	–	4,100	4,100
Net assets released from restrictions	139	(1,239)	(1,100)
Adjustment to defined benefit pension obligation (note 6)	(1,916)	–	(1,916)
Change in fair value of beneficial interest in perpetual trusts	–	(495)	(495)
	(77,499)	2,681	(74,818)
Balances at December 31, 2018	412,728	54,478	467,206
Excess of revenue over expenses	47,556	–	47,556
Net change in unrealized gains on investments (note 4)	–	1,244	1,244
Restricted contributions and investment income	–	3,926	3,926
Net assets released from restrictions	–	(967)	(967)
Adjustment to defined benefit pension obligation (note 6)	5,674	–	5,674
Change in fair value of beneficial interest in perpetual trusts	–	774	774
	53,230	4,977	58,207
Balances at December 31, 2019	$465,958	$59,455	$525,413

See accompanying notes.

COVENANT HEALTH, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

Years Ended December 31, 2019 and 2018
(In thousands)

	2019	2018
Cash flows from operating activities:		
Change in net assets	$ 58,207	$ (74,818)
Adjustments to reconcile change in net assets to cash provided (used) by operating activities:		
Net realized and unrealized change in investments	(37,844)	33,427
Net (gain) loss from joint ventures	(44)	397
Restricted contributions and investment income	(3,926)	(4,100)
Depreciation and amortization	30,801	26,848
Adjustment to defined benefit pension obligation	(5,674)	1,916
(Gain) loss on sale of property, plant and equipment	(161)	225
Changes in operating assets and liabilities:		
Patient accounts receivable	(10,244)	(10,836)
Inventories, prepaid expenses and other current assets	(3,042)	(799)
Other assets	5,093	(2,118)
Pledges receivable	1,946	4,251
Accounts payable, accrued expenses and other liabilities	(500)	(3,199)
Estimated third-party payor settlements, net	908	4,055
Professional liability loss reserves	(6,539)	9,202
Net cash provided (used) by operating activities	28,981	(15,549)
Cash flows from investing activities:		
Purchases of investments and assets whose use is limited or restricted	(39,995)	(71,124)
Sales of investments and assets whose use is limited or restricted	37,608	164,896
Proceeds from sale of property, plant and equipment	–	139
Purchases of property, plant and equipment	(14,753)	(57,793)
Net cash (used) provided by investing activities	(17,140)	36,118
Cash flows from financing activities:		
Payments on long-term debt and lease obligations	(10,889)	(15,825)
Proceeds from issuance of long-term debt, net of issuance costs	–	7,700
Restricted contributions and investment income	3,926	4,100
Net cash provided (used) by financing activities	(6,963)	(4,025)
Increase in cash and cash equivalents	4,878	16,544
Cash and cash equivalents, beginning of year	49,133	32,589
Cash and cash equivalents, end of year	$ 54,011	$ 49,133
Supplemental disclosure:		
Cash paid for interest	$ 12,001	$ 10,138
Amount of right-of-use assets included in lease liability	$ 10,547	$ –

See accompanying notes.

1. Organization

Covenant Health, Inc. (Covenant) is organized to coordinate the corporate, administrative, clinical and service strengths and potentials of its member organizations. Covenant functions as the parent company to its member organizations which include St. Joseph Hospital of Nashua NH (Nashua), St. Mary's Health System (St. Mary's), St. Joseph Healthcare Foundation and Subsidiaries (Bangor), Youville House, St. Andre Health Care Facility, Mary Immaculate Health Care Services, Inc., Fanny Allen Corporation, Fanny Allen Holdings, St. Joseph Manor Health Care, Inc., CHS of Waltham, Inc. d/b/a Maristhill, CHS of Worcester, Inc. d/b/a St. Mary Health Care Center, St. Mary's Villa Nursing Home, Inc. (St. Mary's Villa), Covenant Health Insurance Ltd. (CHIL), Covenant Health Foundation, Providentia Prima Trust (Providentia Prima), Mount St. Rita Health Centre, Penacook Place, Inc. and Youville Place. All member organizations are providers of health care services except CHIL, which is licensed to write professional and general liability insurance for the other member organizations; Fanny Allen Corporation (foundation with activities in Vermont) and Fanny Allen Holdings (real estate in Vermont); and Providentia Prima, which is a unitized investment trust. Covenant and its member organizations, and their various related entities are collectively referred to herein as the "System." The System provides acute, long-term and other health care services to patients and residents in New England and Pennsylvania.

2. Significant Accounting Policies

Principles of Consolidation

The consolidated financial statements of the System include the accounts of Covenant and its member organizations. Significant intercompany accounts and transactions have been eliminated in consolidation.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Significant estimates are made in the areas of accounts receivable, fair value of financial instruments, estimated third-party payor settlements, professional liability loss reserves and self-insurance reserves.

2. **Significant Accounting Policies (Continued)**

Concentration of Credit Risk

Financial instruments which subject the System to credit risk consist of cash and cash equivalents, accounts receivable, investments and estimated third-party payor settlements. At December 31, 2019 and 2018, the System had cash balances in several financial institutions that exceeded federal depository insurance limits. The System has not experienced any losses in such accounts and it believes it is not exposed to any significant risk. The risk with respect to cash equivalents is minimized by the System's policy of investing in financial instruments with short-term maturities issued by highly rated financial institutions. Accounts receivable represent receivables from patients and third-party payors for services provided by the System. Patient accounts receivable from the Medicare and Medicaid programs comprise approximately 49% of receivables for the years ended December 31, 2019 and 2018. The System's investments consist of diversified investments and, while subject to market risk, are not subject to concentrations in any sectors. Estimated third-party payor settlements are primarily comprised of amounts due from state and federal agencies as well as commercial insurers. The System does not expect any credit losses from net recorded amounts. Revenues from the Medicare and Medicaid programs accounted for approximately 55% and 58%, respectively, of the System's patient service revenues for the years ended December 31, 2019 and 2018, and revenues with Anthem accounted for approximately 13% of patient service revenues for 2019 and 2018.

Income Taxes

Covenant and its member organizations are considered not-for-profit corporations as described in Section 501(c)(3) of the Internal Revenue Code and are exempt from federal income taxes on related income pursuant to Section 501(a) of the Code, except as noted below.

St. Joseph Hospital Corporate Services, Inc., a wholly-owned subsidiary of Nashua, is a for-profit organization, which is subject to federal and state income taxes. St. Joseph Hospital Corporate Services, Inc. has net operating loss (NOL) carryforwards for tax purposes. The NOLs are not anticipated to be utilized so the amounts have been fully offset with a reserve.

CHIL, a wholly-owned subsidiary, is domiciled in the Cayman Islands. No income taxes are levied in the Cayman Islands and CHIL has been granted an exemption for any taxes that might be introduced. Accordingly, no provision for income taxes has been made in the accompanying financial statements.

Tax-exempt organizations could be required to record an obligation for income taxes as the result of a tax position they have historically taken on various tax exposure items including unrelated business income or tax status. Under guidance issued by the Financial Accounting Standards Board, assets and liabilities are established for uncertain tax positions taken or positions expected to be taken in income tax returns when such positions are judged to not meet the "more-likely-than-not" threshold, based upon the technical merits of the position. Estimated interest and penalties, if applicable, related to uncertain tax positions are included as a component of income tax expense.

The System has evaluated the position taken on its filed tax returns. The System has concluded no uncertain income tax positions exist at December 31, 2019.

2. **Significant Accounting Policies (Continued)**

Net Assets With Donor Restrictions

Gifts are reported as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires (when a stipulated time restriction ends or purpose restriction is accomplished), restricted net assets are reclassified as net assets without donor restrictions and reported in the statement of operations as either net assets released from restrictions for operations (for noncapital-related items) or net assets released from restrictions for property, plant and equipment (for capital-related items). Some net assets with donor restrictions have been restricted by donors to be maintained by the System in perpetuity.

Statement of Operations

Transactions deemed by management to be ongoing, major or central to the provision of the services offered by the System are reported as operating revenue and operating expenses. Other transactions, which primarily include certain types of investment income and unrestricted contributions, are reported as nonoperating gains (losses).

Management has determined that the net result of the CHIL insurance operations should be reported in the consolidated nonoperating portion of the consolidated statements of operations and the actuarially determined premium paid by the insured (member organization) should remain as an operating expense. The operating results of Providentia Prima are the net result of investment operations and are reported in the consolidated nonoperating portion of the consolidated statements of operations. The operations of Fanny Allen Corporation and Fanny Allen Holdings have been included in nonoperating gains (losses) on the consolidated statements of operations.

Excess (Deficiency) of Revenue Over Expenses

The consolidated statements of operations include excess (deficiency) of revenue over expenses. Changes in net assets without donor restrictions which are excluded from excess (deficiency) of revenue over expenses, consistent with industry practice, include contributions of long-lived assets (including assets acquired using contributions which, by donor restriction, were to be used for the purpose of acquiring such assets) and pension obligation adjustments.

Patient Service Revenue

Patient service revenue is reported at the estimated net realizable amounts from patients, third-party payors and others for services rendered, including any estimated adjustments under reimbursement agreements with third-party payors due to audits, reviews or investigations. If revenue is adjusted in future periods, the adjustments are recorded as changes in estimates when final settlements are determined. Changes in estimated settlements from third-party payors and other changes from prior years resulted in a net increase of $8,200 and $2,400 to patient service revenue for the years ended December 31, 2019 and 2018, respectively.

2. Significant Accounting Policies (Continued)

Charity Care

The System has a formal charity care policy under which patient care is provided to patients who meet certain criteria without charge or at amounts less than its established rates. The System does not pursue collection of amounts determined to qualify as charity care, therefore, they are not reported as revenue.

Cash and Cash Equivalents

Cash and cash equivalents include investments in highly liquid instruments which have a maturity of three months or less when purchased.

Beneficial Interest in Perpetual Trust

The System is the beneficiary of several trust funds administered by trustees or other third parties. Trusts, wherein the System has an irrevocable right to receive the income earned on the trust assets in perpetuity, are recorded as net assets with donor restrictions at the fair value of the trust at the date of receipt and are included in donor-restricted funds in the consolidated balance sheet. Income distributions from the trusts are reported as investment income that increase net assets without donor restrictions, unless restricted by the donor. Annual changes in market value of the trusts are recorded as increases or decreases to donor restricted net assets.

Inventories

Inventories of pharmaceuticals and medical supplies are carried at the lower of cost (determined primarily by the first-in, first-out method) or net realizable value.

Property, Plant and Equipment

Property, plant and equipment is stated at cost, or if donated or acquired, at fair market value at time of donation or acquisition, less accumulated depreciation. The System's policy is to capitalize expenditures for major improvements and charge maintenance and repairs currently for expenditures which do not extend the lives of the related assets. The provision for depreciation is determined by the straight-line method at rates intended to amortize the cost of related assets over their estimated useful lives.

The System reviews its long-lived assets when events or changes in circumstances indicate that the carrying amount of such assets may not be fully recoverable. Upon determination that an impairment has occurred, these assets are reduced to fair value. No such impairment losses have been recognized to date. Long-lived assets to be disposed of are reported at the lower of carrying amount or fair value less the cost to dispose.

Gifts of long-lived assets such as property or equipment are reported as contributions without donor restrictions and are excluded from the excess (deficiency) of revenue over expenses unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as contributions with donor restrictions. Absent explicit donor stipulations about how long those long-lived assets must be maintained, expirations of donor restrictions are reported when the donated or acquired long-lived assets are placed in service.

2. **Significant Accounting Policies (Continued)**

Depreciation expense for the years ended December 31, 2019 and 2018 was $30,801 and $26,848, respectively, of which a portion not related to operating activities is reflected in nonoperating activities.

Conditional Asset Retirement Obligations

The System recognizes a liability for the cost of conditional obligations if the fair value can be reasonably estimated. When the liability is initially recorded, the cost of the asset retirement obligation is capitalized by increasing the carrying amount of the related long lived asset. The liability is accreted to its present value each period, and the capitalized cost associated with the retirement obligation is depreciated over the useful life of the related asset. Upon settlement of the obligation, any difference between the cost to settle the asset retirement obligation and the liability recorded is recognized as a gain or loss in the consolidated statements of operations.

Financing Costs/Original Issue Discount

Costs associated with debt issuance and any original issue discount or premium related to the System's debt are being amortized by the interest method over the repayment period of the bonds and classified net within outstanding debt balances.

Assets Whose Use is Limited or Restricted

Assets whose use is limited or restricted include certain assets set aside by the Board of Directors to provide for the future replacement of property, plant and equipment and certain internal designations by members of the System. These assets are reported as Board-designated funds and other long-term investments. Also, under certain debt agreements, the System is required to maintain assets which have been segregated as externally designated trustee funds. Donor-restricted funds include amounts donated for endowments and other special purpose funds.

Investments and Investment Income

Investments in equity securities with readily determinable market values and all investments in debt securities are recorded at fair market value. At December 31, 2019 and 2018, the System held interests in certain funds that do not have a readily determinable fair market value and are valued by investment advisors based upon net asset value (NAV). Interests in such investments are generally recorded at fair market value based on the System's ownership share and rights of the investments.

The valuation of the investments that do not have a readily determinable market value is estimated by management based on fair values (NAV) provided by external investment managers. Covenant reviews and evaluates the valuations provided by the investment managers and believes that these valuations are a reasonable estimate of fair value at December 31, 2019 and 2018, but are subject to uncertainty and, therefore, may differ from the value that would have been used had a ready market for the investments existed and such differences could be material. The amount of gain or loss associated with these investments is reflected in the accompanying financial statements based on information provided by the management of the fund.

2. Significant Accounting Policies (Continued)

Investment income or loss (including realized and unrealized gains and losses on investments, interest and dividends) is included in the excess (deficiency) of revenue over expenses unless the income or loss is restricted by donor or law. Realized gains or losses on the sale of investment securities are determined by the specific identification method.

Investment income earned on investments without donor restrictions is reported as nonoperating (losses) gains. Investment income on investments with donor restrictions is reported as nonoperating (losses) gains unless specifically restricted by the donor or state law, in which case it is reported as an increase in net assets with donor restrictions.

Market Volatility

Investments, in general, are exposed to various risks, such as interest rate, credit and overall market volatility. As such, it is reasonably possible that changes in the value of the investment will occur in the near term and that such changes could materially affect the amounts reported in the consolidated balance sheet and statement of operations and changes in net assets.

Donor-Restricted Gifts

Unconditional promises to give that are expected to be collected within one year are recorded at estimated net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at fair value at the date the promise is received based on the present value of their estimated future cash flows. The discount on those amounts is computed using risk-free interest rates applicable to the years in which the promises are received. Amortization of the discount is included in contribution revenue.

Conditional promises to give and indications of intentions to give are not recognized until the related conditions have been met. The gifts are reported as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, restricted net assets are reclassified to net assets without donor restrictions and reported in the consolidated statements of operations as net assets released from restrictions.

Professional Liability Loss Contingencies

CHIL is a wholly-owned captive insurance company incorporated and based in the Cayman Islands for the purpose of providing professional and general liability insurance. The System insures its professional risks on a claims made basis and general liability risks on an occurrence basis through CHIL.

2. Significant Accounting Policies (Continued)

Estimated liability costs, as calculated by the System's consulting actuaries, consist of specific reserves to cover the estimated liability resulting from medical or general liability incidents or potential claims which have been reported, as well as a provision for claims incurred but not reported. Estimated malpractice liabilities include estimates of future trends in loss severity and frequency and other factors that could vary as the claims are ultimately settled. Although it is not possible to measure the degree of variability inherent in such estimates, management believes the reserves for claims are adequate. These estimates are periodically reviewed, and necessary adjustments are reflected in the consolidated statements of operations in the year the need for such adjustments becomes known. Management is unaware of any claims that would cause the ultimate expense for medical malpractice risks to vary materially from the amounts provided.

A significant portion of the System's workers' compensation exposure is covered by an industry trust. All claims are paid and settled through the trust and the System has no significant exposure for claims covered by the trust.

The System maintains malpractice insurance coverage on a claims made basis. At December 31, 2019, there were no known malpractice claims outstanding which, in the opinion of management, will be settled for amounts in excess of insurance coverage, nor were there any unasserted claims or incidents which require loss accrual. The System intends to renew coverage on a claims made basis and anticipates that such coverage will be available.

Self-Insurance Reserves

Certain members of the System are self-insured for workers' compensation. These costs are accounted for on an accrual basis to include estimates of future payments on claims incurred.

Retirement Plans

The System's members sponsor several defined contribution retirement plans which cover substantially all employees who have met certain eligibility requirements of the respective plans. Contributions to the defined contribution plans are discretionary and are based upon certain percentages of eligible income. Expenses related to the defined contribution plans were $2,767 and $2,113 for 2019 and 2018, respectively. In addition, Nashua and Bangor have frozen defined benefit pension plans. See Note 6 for further information on the defined benefit plans. The System maintains a supplemental executive retirement plan (SERP) for certain executives. There were no expenses related to the SERP for the years ended December 31, 2019 or 2018.

Deferred Compensation

The System has recorded its obligations under deferred compensation agreements with certain employees of $11,322 and $10,789 at December 31, 2019 and 2018, respectively, which are included in other liabilities on the balance sheet. Assets of $13,415 and $12,710 at December 31, 2019 and 2018, respectively, related to these obligations are segregated and included in assets whose use is limited or restricted on the balance sheet.

2. Significant Accounting Policies (Continued)

New Accounting Pronouncement

In 2019, the System adopted the provisions of the following accounting pronouncement:

In February 2016, the FASB issued ASU No. 2016-02, *Leases (Topic 842)* (ASU 2016-02). Under ASU 2016-02, at the commencement of a long-term lease, lessees are required to recognize a liability equivalent to the discounted payments due under the lease agreement, as well as an offsetting right-of-use asset. The impact of the adoption of ASU 2016-02 on the consolidated financial statements was to increase both right of use assets and corresponding capital lease obligations by $10,547.

Reclassifications

Certain 2018 amounts have been reclassified to permit comparison with the 2019 consolidated financial statements presentation format.

Subsequent Events

Events occurring after the balance sheet date are evaluated by management to determine whether such events should be recognized or disclosed in the consolidated financial statements. Management has evaluated subsequent events through April 24, 2020 which is the date the consolidated financial statements were available to be issued.

On March 11, 2020, the World Health Organization declared the outbreak of coronavirus (COVID-19) a worldwide pandemic. COVID-19 has had a very significant negative impact on the United States and worldwide economy, and there may be long term ongoing negative effects. COVID-19 has negatively impacted Covenant's operations and may have a continued negative impact on patient volumes, overall revenue and operating expenses. Investment markets have experienced significant declines and volatility which have negatively affected the carrying value of Covenant's investments. The ongoing impact of COVID 19 on Covenant's financial status is unknown but may continue to be significant.

The federal government and the state governments (where Covenant operates) have begun to provide financial assistance to healthcare organizations as a result of the COVID-19 pandemic. Subsequent to December 31, 2019, Covenant has received enhanced cash flow from various programs of approximately $67.4 million. Of this, approximately $58 million is related to Medicare advance funding and will have to be repaid. Covenant will have up to one year from the date the advanced funding payments were received to repay the balance. The remainder is comprised of federal and state grants. There are other federal and state programs under consideration from which Covenant may receive additional COVID-19 related benefits over the course of fiscal year 2020.

3. Patient Service Revenue

In May 2014, the FASB issued a new standard related to revenue recognition. The System adopted the new standard effective January 1, 2018, using the full retrospective method. The adoption of the new standard did not have an impact on the recognition of revenues for any periods prior to adoption.

3. Patient Service Revenue (Continued)

Revenues generally relate to contracts with patients in which the System's performance obligations are to provide health care services to patients. Revenues are recorded during the period obligations to provide health care services are satisfied. Performance obligations for inpatient services are generally satisfied over a period of days. Performance obligations for outpatient services are generally satisfied over a period of less than one day. The contractual relationships with patients, in most cases, also involve a third-party payor (Medicare, Medicaid, managed care health plans and commercial insurance companies, including plans offered through the health insurance exchanges) and the transaction prices for the services provided are dependent upon the terms provided by Medicare and Medicaid or negotiated with managed care health plans and commercial insurance companies, the third-party payors. The payment arrangements with third-party payors for the services provided to related patients typically specify payments at amounts less than standard charges. Medicare generally pays for inpatient and outpatient services at prospectively determined rates based on clinical, diagnostic and other factors. Services provided to patients having Medicaid coverage are generally paid at prospectively determined rates per discharge, per identified service or per covered member. Agreements with commercial insurance carriers, managed care and preferred provider organizations generally provide for payments based upon predetermined rates per diagnosis, per diem rates or discounted fee-for-service rates. Management continually reviews the revenue recognition process to consider and incorporate updates to laws and regulations and the frequent changes in managed care contractual terms resulting from contract renegotiations and renewals.

Revenues are based upon estimated amounts that the System expects to be entitled to receive from patients and third-party payors. Revenues under managed care and commercial insurance plans are based upon the payment terms specified in the related contractual agreements. Revenues related to uninsured patients and uninsured copayment and deductible amounts for patients who have health care coverage may have discounts applied (uninsured discounts and contractual discounts) and the recorded revenue is based primarily on historical collection experience.

Revenues from third-party payors and the uninsured are summarized as follows at December 31:

	2019	2018
Medicare	$227,058	$272,499
Medicaid	156,773	119,485
Commercial	280,856	218,773
Patients (private pay/self pay)	37,868	26,322
	$702,555	$637,079

3. Patient Service Revenue (Continued)

The collection of outstanding receivables for Medicare, Medicaid, managed care payors, other third-party payors and patients is the System's primary source of operating cash and is critical to operating performance. The primary collection risks relate to uninsured patient accounts, including patient accounts for which the primary insurance carrier has paid the amounts covered by the applicable agreement, but patient responsibility amounts (deductibles and copayments) remain outstanding. Implicit price concessions relate primarily to amounts due directly from patients. Estimated implicit price concessions are recorded for all uninsured accounts, regardless of the aging of those accounts. Accounts are written off when all reasonable internal and external collection efforts have been performed. The estimates for implicit price concessions are based upon management's assessment of historical writeoffs and expected net collections, business and economic conditions, trends in federal, state and private employer health care coverage and other collection indicators. Management relies on the results of detailed reviews of historical writeoffs and collections at facilities that represent a majority of the System's revenues and accounts receivable as a primary source of information in estimating the collectability of accounts receivable.

The consolidated balance sheets include amounts due from the State of Maine under the MaineCare program. The amounts recorded from the State have been determined based upon applicable regulations and the System expects that these amounts will ultimately be paid in full. The amount represents payment based on interim cost reports and is an estimate pending final settlement. Due to the complex nature of such regulations, there is at least a reasonable possibility that recorded estimates will change by a material amount.

Under the State of New Hampshire's tax code, the State imposes a Medicaid Enhancement Tax (MET) equal to 5.40% of patient service revenues, with certain exclusions for the years ended December 31, 2019 and 2018. The amount of tax incurred by Nashua for fiscal 2019 and 2018 was $9,955 and $9,059, respectively.

In the fall of 2010, in order to remain in compliance with stated federal regulations, the State of New Hampshire adopted a new approach related to Medicaid disproportionate share funding (DSH) retroactive to July 1, 2010. Unlike the former funding method, the State's approach led to a payment that was not directly based on, and did not equate to, the level of tax imposed. As a result, the legislation created some level of losses at certain New Hampshire hospitals, while other hospitals realized gains. DSH payments from the State are recorded within patient service revenue and amounted to $5,164 in 2019 and $4,370 in 2018.

The Centers for Medicare and Medicaid Services (CMS) has completed audits of the State's program and the disproportionate share payments made by the State in 2011 and 2012, the first years that those payments reflected the amount of uncompensated care provided by New Hampshire hospitals. It is possible that subsequent years will also be audited by CMS. The System has recorded reserves to address its potential exposure based on the audit results to date.

The State of Maine also assesses a provider tax similar to New Hampshire, with disproportionate share funding partially offsetting the tax.

3. Patient Service Revenue (Continued)

The estimated third-party payor settlements reflected on the balance sheet represent the estimated net amounts to be received or paid under reimbursement contracts with CMS, Medicaid and any commercial payors with settlement provisions. Settlements have been issued through 2017 for Medicare and Medicaid for Bangor. Settlements have been issued through 2016 for Medicare and Medicaid for Nashua. Medicare has been settled through 2016, and Medicaid settled through 2017 for Lewiston.

Laws and regulations governing the Medicare and Medicaid programs are complex and subject to interpretation. As a result, there is at least a reasonable possibility that recorded estimates will change by a material amount in the near term. The System believes that it is substantially in compliance with all applicable laws and regulations and is not aware of any pending or threatened investigations involving allegations of potential wrongdoing specific to the System. While no such regulatory inquiries have been made, compliance with such laws and regulations can be subject to future government review and interpretation as well as significant regulatory action including fines, penalties and exclusion from the Medicare and Medicaid programs. Differences between amounts previously estimated and amounts subsequently determined to be recoverable or payable are included in patient service revenue in the year that such amounts become known.

Community Benefits

The System does not pursue collection of amounts determined to qualify as charity care; therefore, they are not reported as revenue. The System determines the costs associated with providing charity care by calculating a ratio of cost to gross charges, and then multiplying that ratio by the gross uncompensated charges associated with providing care to patients eligible for free care. Under this methodology, the estimated costs of caring for charity care patients for the years ended December 31, 2019 and 2018 were $6,318 and $8,574, respectively.

As part of the System's charitable mission, its member organizations also provide services which primarily benefit the medically under-served in their communities. The System prepares an annual report utilizing the methodology contained in the Catholic Health Association's Guide to Planning and Reporting Community Benefit. The net unsponsored costs of charity care including clinics, unreimbursed Medicaid cost, outreach programs and community health education programs provided by the System for the years ended December 31, 2019 and 2018 were $33,511 and $45,253, respectively.

4. Investments

Investments, which are reported at fair value, consist of the following at December 31:

	2019	2018
Investments	$ 1,286	$ 36,051
Assets whose use is limited, restricted or board designated	412,029	337,033
Total investments	$413,315	$373,084

Fair Value Measurements

Financial assets carried at fair value are classified and disclosed in one of the following three categories:

Level 1 – Assets classified as Level 1 represent items that are traded in active exchange markets and for which valuations are obtained from readily available pricing sources for market transactions involving identical assets or liabilities. Assets classified as Level 1 include cash and cash equivalents, marketable equity securities, mutual funds, and accrued interest and other.

Level 2 – Valuations for assets traded in less active dealer or broker markets. Valuations are obtained from third party pricing services for identical or similar assets or liabilities. Assets classified as Level 2 include U.S. Government securities, corporate bonds and cash surrender value of life insurance policies.

Level 3 – Valuations for assets that are derived from other valuation methodologies not based on market exchange, dealer or broker traded transactions. Level 3 valuations incorporate certain assumptions in determining the fair value assigned to such assets. Assets classified as Level 3 include beneficial interests in perpetual trusts.

In determining the appropriate levels, the System performs a detailed analysis of the valuation methodology of the assets. At each reporting period, all assets for which the fair value measurement is based on significant unobservable inputs are classified as Level 3.

Investments which do not have a readily determinable market value and which are valued based upon NAV are not evaluated based upon the above criteria for purposes of the following disclosure and have been excluded from the leveling tables.

4. **Investments (Continued)**

The following presents the balances of assets measured at fair value on a recurring basis at December 31:

	Level 1	Level 2	Level 3	Total
2019:				
Cash and cash equivalents	$ 48,276	$ –	$ –	$ 48,276
U.S. Government securities	–	20,904	–	20,904
Corporate bonds	–	23,684	–	23,684
Asset back securities	–	7,448	–	7,448
Marketable equity securities:				
Consumer discretionary	661	–	–	661
Consumer staples	818	–	–	818
Energy	370	–	–	370
Financial services	3,584	–	–	3,584
Healthcare	1,167	–	–	1,167
Industrial	1,415	–	–	1,415
Technology	2,436	–	–	2,436
Materials	285	–	–	285
Telecommunications	491	–	–	491
Mutual funds:				
Equity funds	204,727	–	–	204,727
Fixed income funds	122	–	–	122
International equity funds	2,321	–	–	2,321
Accrued interest and other	2,213	–	–	2,213
Beneficial interest in perpetual and other trusts	–	–	5,300	5,300
Cash surrender value of life insurance policies	–	9,260	–	9,260
	$268,886	$61,296	$5,300	335,482
Investments valued at NAV not classified by level:				
International emerging equity				23,500
Fixed income				33,016
Global balances				13,548
Real asset				7,769
				77,833
				$413,315

4. Investments (Continued)

	Level 1	Level 2	Level 3	Total
2018:				
Cash and cash equivalents	$ 45,187	$ –	$ –	$ 45,187
U.S. Government securities	–	54,433	–	54,433
Corporate bonds	–	7,426	–	7,426
Marketable equity securities:				
Consumer discretionary	2,956	–	–	2,956
Consumer staples	993	–	–	993
Energy	977	–	–	977
Financial services	4,978	–	–	4,978
Healthcare	3,742	–	–	3,742
Industrial	3,032	–	–	3,032
Technology	5,076	–	–	5,076
Materials	855	–	–	855
Telecommunications	221	–	–	221
Utilities	260	–	–	260
Real estate	720	–	–	720
Mutual funds:				
Equity funds	140,506	–	–	140,506
Fixed income funds	122	–	–	122
International equity funds	3,590	–	–	3,590
Accrued interest and other	3,538	–	–	3,538
Beneficial interest in perpetual and other trusts	–	–	4,526	4,526
Cash surrender value of life insurance policies	–	8,794	–	8,794
	$216,753	$70,653	$4,526	291,932
Investments valued at NAV not classified by level:				
International emerging equity				17,380
Fixed income				34,005
Global balances				11,963
Real asset				17,804
				81,152
				$373,084

The alternative investments are subject to certain redemption terms based upon net asset value. Amounts may be redeemed monthly with notification periods ranging from 5 – 15 days. There are no commitments to purchase additional units.

In addition to market volatility affecting investments in 2020, one of the investments recorded at NAV with a value of approximately $22 million at December 31, 2019 has indicated that it will liquidate in 2020. Covenant anticipates receiving less than $2 million on this investment at liquidated value.

4. Investments (Continued)

Investment Strategies

International Emerging Equity

The purpose of international emerging equity funds is to provide increased return potential and to reduce overall volatility of the portfolio through greater diversification. These investments can be made either in the form of direct investment, partnerships, fund-of-funds or with an investment manager. These assets require a longer investment horizon.

Fixed Income Investments

The purpose of the fixed income allocation is to provide a hedge against deflation, to increase current income relative to an all-equity fund, and to reduce overall volatility of the fund. The purpose of including fixed income assets such as, but not limited to, inflation-linked bonds, global and high yield securities in the portfolio is to enhance the overall risk-return characteristics of the fund.

Global Balances

The purpose of the global balances allocation is to provide an attractive long-term real return potential while improving portfolio diversification, reducing portfolio volatility and adding an explicit inflation buffer. The strategy emphasizes diversifying investments including emerging market bonds and stocks, alternative investments, and inflation-related assets that offer attractive long term return potential with lower correlation to mainstream markets and greater responsiveness to rising inflation.

Real Assets

Real assets include investments in liquid instruments, such as inflation-linked bonds, master limited partnership income funds and commodity futures. Investments are made in financial assets which are related to or strongly influenced by the value of one or more underlying tangible assets. The purpose of the real asset allocation is to provide a source of growth in an inflationary environment when other investments may underperform.

Investments, in general, are exposed to various risks, such as interest rate, credit and overall market volatility. As such, it is reasonably possible that changes in the fair value of investments will occur in the near term and that such changes could materially affect the amounts reported in the consolidated balance sheets and statements of operations.

4. Investments (Continued)

The principal components of total investment return for the years ended December 31 include:

	2019	2018
Investment income:		
Interest and dividends	$11,638	$ 11,362
Net realized gains (losses) on sales of securities	12,520	(4,509)
Net unrealized gains (losses) on investments	25,324	(28,918)
Net realized and unrealized gains (losses) on investments	37,844	(33,427)
Investment income and losses	$49,482	$(22,065)

All unrestricted investment income and (losses) gains including unrealized (losses) gains are included as part of nonoperating (losses) gains.

5. Lines of Credit, Long-Term Debt and Lease Liability

One member organization maintains a line of credit totaling $5,000, which had no outstanding balances at December 31, 2019 and 2018.

Long-Term Debt

Long-term debt at December 31 consists of the following:

	2019	2018
In 2014, the Obligated Group obtained $16,900 of debt through tax-exempt bonds issued through New Hampshire Health and Education Facilities Authority (NHHEFA). Proceeds borrowed were used to refinance the NHHEFA 2004 bonds. The bonds bear interest at 2.54% and mature in varying annual amounts to 2034	$ 13,405	$ 14,135
In 2014, St. Mary's Regional Medical Center (St. Mary's) and St. Mary's d'Youville Pavilion (d'Youville Pavilion) obtained $8,763 of debt through Maine Health and Higher Educational Facilities Authority (MHHEFA). The bonds are collateralized by substantially all of the property, plant, equipment and improvements and accounts receivable of St. Mary's and d'Youville Pavilion. The bonds bear interest at rates ranging from 3% to 5% and mature in varying annual amounts to 2023	1,849[1]	3,088
On June 27, 2012, the Obligated Group obtained $12,365 of debt through tax-exempt bonds issued through Massachusetts Health and Educational Facilities Authority (MHEFA) and $27,000 of debt through NHHEFA. The bonds bear interest at rates ranging from 3% to 5% and mature in varying annual amounts to 2042	37,410	37,980

5. Lines of Credit, Long-Term Debt and Lease Liability (Continued)

Long-Term Debt (continued)

	2019	2018
In 2012, St. Mary's obtained $19,270 of debt through tax-exempt bonds issued through MHHEFA. The bonds are guaranteed by the Obligated Group. The bonds bear interest at 3.42% and mature in varying annual amounts to 2036	$ 17,440	$ 17,730
In 2012, Bangor obtained $1,975 of debt through tax-exempt bonds issued through MHHEFA. The Bangor tax-exempt bonds require the establishment of a debt service reserve fund in the amount of $184 held by a trustee. The bonds bear interest at rates ranging from 2.5% to 5% and mature in varying annual amounts to 2027	990[2]	1,115
On October 31, 2012, Bangor obtained $13,490 of debt through tax-exempt bonds issued through MHHEFA. The bonds are guaranteed by the Obligated Group. The bonds bear interest at 3.43% and mature in varying annual amounts to 2032	9,362	10,465
In October 2007, the Obligated Group issued $78,510 in tax-exempt bonds. There were four series issued, collectively "the 2007 Series bonds." The MHEFA issued Series 2007A bonds in the amount of $12,940 and Series 2007B bonds in the amount of $11,890. The NHHEFA issued Series 2007A bonds in the amount of $17,030 and Series 2007B bonds in the amount of $36,650. The bonds bear interest at rates ranging from 4.5% to 5% and mature in varying annual amounts to 2037. The Series 2007 bonds require the establishment of a debt service reserve fund to be held in trust which amounted to approximately $7,258 at December 31, 2019 and 2018. The amount is included in the balance sheet as funds held by trustees. The Series 2007 bonds have similar covenants to the Series 2012 bonds	61,935[1]	62,010
In December 2017, St. Mary's issued additional Revenue Bonds (Series 2017B) through MHHEFA in the amount of $5,251. The bonds bear interest at 3.5% to 5% and mature in varying amounts to 2037	4,315[2]	4,785
In June 2010, St. Mary's issued additional revenue bonds (Series 2010B) through MHHEFA in the amount of $7,222. The 2010B Bonds bear interest at varying rates with an average rate of 4.55% and mature in varying annual amounts to 2031. The bonds are collateralized by substantially all the assets of St. Mary's	4,586	4,927
In 2009, St. Mary's Health System issued additional revenue bonds through the Finance Authority of Maine in the amount of $5,300. The bonds were paid in full in January 2020	2,570	2,875
St. Mary's Residences has a mortgage payable to Maine State Housing Authority with an interest rate of 7.5%. The mortgage matures in July 2023 and is collateralized by real property	2,089	2,207
Bangor has a note payable to MHHEFA; Series 2010B. The bonds bear interest at rates ranging from 2.5% to 5% and mature in varying amounts through 2026	4,446[2]	5,375

5. **Lines of Credit, Long-Term Debt and Lease Liability (Continued)**

Long-Term Debt (continued)

	2019	2018
MI Residential Communities, Inc. has a mortgage payable to the Department of Housing and Urban Development and Midland Loans Services, Inc., collateralized by their real property. The note bears interest at 4.05% through March 2053	$ 7,500	$ 7,605
In 2013, St. Mary's Villa issued tax-exempt revenue notes in the amount of $2,740. The notes mature in 2029 and bear interest at 3.23%	1,393	1,600
In March 2017, the System entered into a series of tax-exempt bonds of approximately $20 million. The bonds bear interest at approximately 3.6%. Semi-annual principal payments which vary between $300,000 and $1.1 million begin in 2022 and are payable through 2047. The bonds are secured by gross receipts and certain capital assets of the System	19,860	19,860
In March 2017, the System also entered into a taxable bond instrument totaling $55 million to fund certain capital projects. The bond bears interest at a fixed rate of approximately 3.7% with interest only payments through March 2019. Monthly payments of principal and interest of approximately $420,000 are payable beginning in April 2019 through April 2027	52,745	55,000
	241,895	250,757
Additional mortgages payable to various financial institutions are held primarily at St. Mary's Health System, Bangor, St. Joseph Manor Health Care, Inc. and St. Mary's Villa	3,249	3,342
	245,144	254,099
Unamortized original issue premium	1,608	2,505
Deferred financing costs	(1,449)	(1,602)
	245,303	255,002
Less current portion	(15,199)	(11,870)
	$230,104	$243,132

(1) In 2020, Covenant anticipates refinancing these notes at lower interest rates with substantially the same term.

(2) In 2018, Covenant was not in compliance with debt covenants related to these notes. The outstanding balance of these notes was classified as current in 2018. The 2018 classification of debt has been reclassified based upon expected payments.

Collateral

The 2007, 2012 and 2014 Bonds are collateralized by all property, plant and equipment and accounts receivable.

5. Lines of Credit, Long-Term Debt and Lease Liability (Continued)

Maturities on long-term debt liability for the five years ending December 31 and thereafter are as follows:

2020	$ 15,199
2021	12,520
2022	12,735
2023	16,646
2024	14,592
Thereafter	173,452
	$245,144

The System was in compliance with all debt covenants as of December 31, 2019.

Lease Liability

In 2019, the System adopted ASU 2016-02, *Leases*. As of December 31, 2019, the System recorded the cost of right-of-use assets in the amount of $10,547. The cost of these assets has been included with property, plant and equipment. Amortization expense for assets under lease liability was $1,108 for the year ended December 31, 2019 and has been included with depreciation expense in the accompany consolidated financial statements. Accumulated amortization associated with the lease totaled $1,108 as of December 31, 2019.

Lease obligations at December 31, 2019 consist of the following:

Total of future lease payments	$ 10,228
Amounts representing interest	(871)
Present value of minimum lease payments	9,357
Less current portion	(2,659)
	$ 6,698

A summary of the future lease payments under lease liabilities is as follows at December 31, 2019:

2020	$ 2,659
2021	2,561
2022	1,836
2023	1,262
2024	952
Thereafter	958
	$10,228

The System paid interest in the amount of $12,001 in 2019 and $10,138 in 2018 including capitalized interest in the amount of $283 in 2019 and $1,188 in 2018.

6. Defined Benefit Pension Plan

The System maintains two noncontributory defined benefit plans in Nashua and Bangor. The total accumulated benefit obligation, plan assets and funded status is summarized below as of December 31:

	2019	2018
Accumulated benefit obligation (ABO)	$49,316	$54,341
Plan assets	47,027	46,378
Funded status	$ (2,289)	$ (7,963)

In 2020, the financial markets experienced significant volatility which affected both the investment markets which would affect the plans' assets as well as the debt markets which would impact the calculation of the ABO.

Nashua

Nashua maintains a noncontributory defined benefit plan. The measurement date is December 31. Effective June 2, 2007, plan participation was frozen. Benefit service and plan compensation have been frozen effective December 31, 2007.

Net periodic pension cost includes the following components for the years ended December 31:

	2019	2018
Service cost	$ –	$ –
Interest cost on projected benefit obligation	1,153	1,104
Expected return on plan assets	(1,606)	(1,891)
Amortization of loss	1,262	1,061
Recognition of settlement	1,275	999
Net periodic pension expense	$ 2,084	$ 1,273

The following table sets forth the plan's benefit obligation, funded status and amounts recognized in the consolidated financial statements at December 31:

	2019	2018
Accumulated benefit obligation	$29,401	$30,540
Changes in projected benefit obligations:		
Projected benefit obligations, beginning of period	$30,540	$32,862
Benefits paid	(4,348)	(2,610)
Interest cost	1,153	1,104
Impact of assumption changes	1,672	(1,232)
Experience loss	384	416
Projected benefit obligations, end of period	29,401	30,540

6. **Defined Benefit Pension Plan (Continued)**

	2019	2018
Changes in plan assets:		
Fair value of plan assets, beginning of period	$25,326	$27,410
Actual return on plan assets	4,810	(1,602)
Employer contributions	2,400	2,400
Benefits paid and other	(4,630)	(2,882)
Fair value of plan assets, end of period	27,906	25,326
Funded status	$(1,495)	$(5,214)

The weighted average assumptions used in accounting for the defined benefit pension plan are as follows as of and for the years ended December 31:

	2019	2018
Discount rate used to determine net periodic pension cost	4.22%	3.60%
Discount rate used to determine benefit obligation	3.22	4.22
Expected long-term rate of return on plan assets	7.00	7.00
Rate of increase in future compensation levels	N/A	N/A

The following is a summary of the allocation of plan assets for the years ended December 31:

	2019	2018
Cash and cash equivalents	$ 81	$ 3,546
Mutual funds:		
Equity funds	27,825	12,663
Fixed income funds	–	5,065
International equity funds	–	4,052
	$27,906	$25,326

All pension assets are considered to be Level 1 assets (as defined in Note 4).

In selecting the expected long-term rate of return on assets, Nashua considered the average rate of earnings expected on the funds invested or to be invested to provide for the benefits of this plan. This includes considering the trusts' asset allocation and the expected returns likely to be earned over the life of the plan. This basis is consistent with the prior year.

Nashua and affiliates anticipate making contributions totaling $2,400 to its defined benefit pension plan in 2020.

6. **Defined Benefit Pension Plan (Continued)**

The following benefit payments, which reflect expected future service, as appropriate, are expected to be paid during the period ended December 31:

2020	$ 2,144
2021	1,489
2022	1,822
2023	1,620
2024	1,796
2025 through 2029	6,826

Bangor

Bangor maintains a noncontributory defined benefit plan. The measurement date is December 31. Effective January 1, 2004, plan participation was frozen. In 2011, Bangor elected to freeze the plan for purposes of benefit services and plan compensation effective June 30, 2012.

Net periodic pension cost includes the following components for the years ended December 31:

	2019	2018
Service cost	$ –	$ –
Interest cost on projected benefit obligation	983	1,050
Expected return on plan assets	(1,330)	(1,725)
Amortization of net loss	238	–
Recognized settlement loss	457	308
Net periodic pension cost (income)	$ 348	$ (367)

The following table sets forth the plan's benefit obligation, funded status and amounts recognized in the consolidated financial statements at December 31:

	2019	2018
Accumulated benefit obligation	$19,915	$23,801
Changes in projected benefit obligations:		
Projected benefit obligations, beginning of period	$23,801	$30,646
Interest cost	984	1,050
Benefits paid and other	(6,632)	(6,124)
Experience (gain) loss	1,762	(1,771)
Projected benefit obligations, end of period	19,915	23,801

6. **Defined Benefit Pension Plan (Continued)**

	2019	2018
Changes in plan assets:		
Fair value of plan assets, beginning of period	$21,052	$27,818
Actual return on plan assets	4,701	(1,642)
Employer contributions	–	1,000
Benefits paid	(6,632)	(6,124)
Fair value of plan assets, end of period	19,121	21,052
Funded status	$ (794)	$ (2,749)

The weighted average assumptions used in accounting for the defined benefit pension plan are as follows as of and for the years ended December 31:

	2019	2018
Discount rate used to determine net periodic pension cost	4.22%	3.60%
Discount rate used to determine benefit obligation	3.22	4.22
Expected long-term rate of return on plan assets	6.50	6.50
Rate of increase in future compensation levels	N/A	N/A

The following is a summary of the allocation of plan assets for the years ended December 31:

	2019	2018
Mutual funds:		
Equity funds	$10,993	$ 9,696
Fixed income funds	8,128	11,356
	$19,121	$21,052

All pension assets are considered to be Level 1 assets (as defined in Note 4).

The target allocation percentage for investments is designed to meet the expected return on plan assets. The plan trustee evaluates its target allocation periodically in relation to market performance and overall market conditions. The plan does not allow for the purchase of derivatives and the overall goal is to provide for adequate investment growth, along with contributions, to provide adequate funding to meet plan obligations on a current and projected basis.

Bangor and affiliates do not expect to make contributions to its defined benefit pension plan during the year ended December 31, 2020.

6. Defined Benefit Pension Plan (Continued)

The following benefit payments, which reflect expected future service, as appropriate, are expected to be paid during the period ended December 31:

2020	$ 1,061
2021	1,131
2022	1,154
2023	1,150
2024	1,168
2025 through 2029	5,888

7. Net Assets With Donor Restrictions

Net assets with donor restrictions are available for the following purposes at December 31:

	2019	2018
Purpose restriction:		
Health care services	$ 7,975	$ 4,489
Equipment and capital improvements	15,732	16,908
Education and scholarships	843	1,347
Designated for certain communities	2,708	1,364
	27,258	24,108
Perpetual in nature:		
Investments, gains and income from which is donor restricted	26,875	26,386
Investments, gains and income from which is released to net assets without donor restrictions	1,615	839
Beneficial interest in perpetual trust	3,707	3,145
	32,197	30,370
Total net assets with donor restrictions	$59,455	$54,478

Net assets with donor restrictions are managed in accordance with donor intent and are invested in various portfolios.

8. Pledges Receivable

Pledges receivable represent unconditional promises to give. Pledges expected to be collected within one year are recorded at their net realizable value. Pledges that are expected to be collected in future years are recorded at the present value of estimated future cash flows. The present value of estimated future cash flows has been measured utilizing risk-free rates of return adjusted for market and credit risk established at the time a contribution is received.

Pledges are expected to be collected as follows at December 31, 2019:

Within one year	$ 7,283
Two to three years	5,199
Pledges receivable	12,482
Present value discount	589
Pledges receivable, net	$11,893

9. Investments in Joint Ventures

The System has ownership interests in joint ventures. All of the investments are accounted for under the equity method of accounting. The more significant investments in joint ventures are as follows:

The System has an interest in United Ambulance Services which has operations in Lewiston and Auburn, Maine. The investment has a carrying value at December 31, 2019 and 2018 of $2,546 and $2,680, respectively.

The System has an ownership interest in Nashua Regional Cancer Center. The investment has a carrying value of $1,945 and $2,053 at December 31, 2019 and 2018, respectively.

10. Financial Assets and Liquidity Resources

As of December 31, 2019 and 2018, respectively, financial assets and liquidity resources available within one year for general expenditure, such as operating expenses, scheduled principal payments on debt, and capital construction costs not financed with debt, consisted of the following:

	2019	2018
Cash and cash equivalents	$ 54,011	$ 49,133
Short-term investments	1,286	36,051
Patient accounts receivable	94,098	83,854
	$149,395	$169,038

10. Financial Assets and Liquidity Resources (Continued)

To manage liquidity, the System maintains sufficient cash and cash equivalent balances to support daily operations throughout the year. Cash and cash equivalents and short-term investments include bank deposits, money market funds, and other similar vehicles that generate a return on cash and provide daily liquidity to the System. In addition, the System has board-designated assets without donor restrictions that can be utilized at the discretion of management to help fund both operational needs and/or capital projects. As of December 31, 2019, the balance of liquid investments in board-designated assets was $326,839.

11. St. Mary's Villa

St. Mary's Villa has certain regulatory disclosure requirements. The following information has been included to meet those regulatory disclosure requirements and applies specifically to St. Mary's Villa:

Entrance Fees

Fees paid by a resident upon entering into a continuing care contract are refundable and amortized to income using the straight-line method over a period of five years. There were two CCRC residents at December 31, 2019. There were no fees received in 2019, no amounts were refunded and $5 was amortized to income. At December 31, 2019, $10 remained to be amortized. There were two CCRC residents at December 31, 2018. There were no fees received in 2018, no amounts were refunded and $11 was amortized to income. At December 31, 2018, $15 remained to be amortized.

St. Mary's Villa has not and will not accept any entrance fee under any continuing care agreement until the date of admission and this practice will continue into the future. St. Mary's Villa Disclosure Statements and Admissions Agreements reflect this practice. It is management's understanding that this practice exempts St. Mary's Villa's CCRC from maintaining a formal escrow agreement with an appointed escrow agent or other manner of security as described in 40 P.S. § 3212.

Obligation to Provide Future Services

The CCRC annually calculates the present value of the net cost of future services and the use of facilities to be provided to current residents and compares that amount with the balance of deferred revenue from advance fees. If the present value of the net cost of future services and the use of facilities exceeds the deferred revenue from advance fees, a liability is recorded (obligation to provide future services and use of facilities) with the corresponding charge to income. At December 31, 2019 and 2018, the calculated net cost did not exceed the deferred revenue from advance fees and no liability was required to be recorded.

Statutory Liquid Reserves

The *Continuing Care Provider Registration and Disclosure Act* requires a working capital reserve equivalent to the greater of the total debt service payments of any loan or long-term financing due during the next twelve months or 10% of the projected annual expenses of the facility, exclusive of depreciation and amortization. The reserve is computed on the proportional share of debt service or operating expenses that are applicable to resident agreements.

11. St. Mary's Villa (Continued)

Statutory liquid reserves are calculated as follows at December 31:

	2019	2018
Principal and interest payments due within the next twelve months	$ 639	$ 781
Percent of residents subject to agreements	3.37%	3.14%
Reserve calculated	$ 22	$ 25
Projected operating expenses, excluding depreciation and amortization	$12,929	$12,932
Percent of residents subject to agreements	10.00%	10.00%
	1,292	1,293
Percent of residents subject to agreements	3.37%	3.14%
Reserve calculated	$ 44	$ 41
Minimum reserve required (greater of above)*	$ 44	$ 41
CCRC residents	2	2
Total beds	64[a]	64[a]
Average occupancy	93%[b]	99%[b]
Average beds (a)*(b)	59	64
Percentage of residents subject to agreements (CCRC residents / average beds)	3.37%	3.14%

* The Villa records amounts required to satisfy reserve requirements above in funds held by trustee which totaled $44 and $41 at December 31, 2019 and 2018, respectively.

12. Functional Expenses

The System provides acute and long-term health care services. Expenses related to providing these services are as follows for the years ended December 31:

	Health Services	General and Administrative	Total
2019			
Salaries and wages	$261,227	$ 90,317	$351,544
Employee benefits	50,928	15,138	66,066
Supplies and other	175,288	85,866	261,154
Interest	4,165	6,814	10,979
Provider tax	–	22,814	22,814
Depreciation	19,708	11,093	30,801
	$511,316	$232,042	$743,358

12. Functional Expenses (Continued)

	Health Services	General and Administrative	Total
2018			
Salaries and wages	$265,117	$ 77,097	$342,214
Employee benefits	48,803	18,703	67,506
Supplies and other	189,088	71,265	260,353
Interest	5,648	3,695	9,343
Provider tax	–	20,813	20,813
Depreciation	17,062	9,613	26,675
	$525,718	$201,186	$726,904

The consolidated financial statements report certain expense categories that are attributable to more than one healthcare service or support function. Therefore, these expenses require an allocation on a reasonable basis that is consistently applied. Costs not directly attributable to a function, such as, depreciation and interest, are allocated to a function based on square footage. Supporting activities that are not directly identifiable with one or more healthcare programs are classified as general and administrative. If it is impossible or impractical to make a direct identification, allocation of the expenses were made according to management's estimates. Employee benefits were allocated in accordance with the ratio of salaries and wages of the functional classes. Specifically identifiable costs are assigned to the function which they are identified to.

13. Commitments and Contingencies

Litigation

On occasion the System is subject to various potential legal claims that may arise in the normal course of business. The System intends to vigorously defend against any such claims that may arise. In the opinion of management, no claims have been asserted against the System which, either individually or in the aggregate, are considered to be material or will be in excess of its insurance coverage.

Regulatory

The health care industry is subject to numerous laws and regulations of federal, state and local governments. Recently, government activity has increased with respect to investigations and allegations concerning possible violations by health care providers of fraud and abuse statutes and regulations, which could result in the imposition of significant fines and penalties as well as significant repayments for patient services previously billed. Compliance with such laws and regulations are subject to government review and interpretations as well as potential regulatory actions. Management believes that the System is in substantial compliance with current laws and regulations and is not aware of any material potential regulatory issues.

BAKER NEWMAN NOYES

Baker Newman & Noyes LLC
MAINE | MASSACHUSETTS | NEW HAMPSHIRE
800.244.7444 | www.bnncpa.com

INDEPENDENT AUDITORS' REPORT ON ADDITIONAL INFORMATION

The Board of Directors
Covenant Health, Inc.

We have audited the consolidated financial statements of Covenant Health, Inc. and Subsidiaries (the System) as of and for the years ended December 31, 2019 and 2018, and have issued our report thereon, which contains an unmodified opinion on those consolidated financial statements. Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating information is presented for purposes of additional analysis rather than to present the financial position, results of operations and cash flows of the individual entities and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The consolidating information has been subjected to the auditing procedures applied in the audits of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Baker Newman & Noyes LLC

Boston, Massachusetts
April 24, 2020

Covenant Health, Inc.
Consolidating Balance Sheet
December 31, 2019
(In thousands)

	St. Joseph Hospital of Nashua, NH, Inc.*	Covenant Health, Inc.	Mary Immaculate*	Youville House	Youville Place	(Marist Hill) CHS of Waltham Inc.	St. Joseph Manor Health Care, Inc.	(St. Mary) CHS of Worcester, Inc.	Mount St. Rita Health Centre	Mount St. Rita Valuation Co.	Penacook Place, Inc.	Penacook Valuation	Fanny Allen Corporation	Elimi-nations	Total Obligated Group**
Assets															
Current assets:															
Cash and cash equivalents	$ 7,120	$ 7,849	$ 4,589	$ 1,123	$ 2,666	$ 411	$ 1,306	$ 440	$ 1,349	$ -	$ 1,162	$ -	$ 167	$ -	$ 28,182
Patient accounts receivable	31,686	13,847	2,818	119	147	1,735	1,302	1,218	391	-	1,253	-	-	(1,258)	53,258
Current portion of pledges receivable	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Inventories	1,454	-	3	-	-	-	-	-	-	-	54	-	-	-	1,511
Prepaid expenses and other current assets	1,541	2,861	163	26	8	23	53	33	16	-	66	-	-	-	4,790
Current portion of assets whose use is limited or restricted	2,818	809	50	-	398	-	1	-	-	-	8	-	-	-	4,084
Current portion of due from affiliates	448	147	301	27	37	-	-	-	-	-	-	-	-	(85)	875
Total current assets	45,067	25,513	7,924	1,295	3,256	2,169	2,662	1,691	1,756	-	2,543	-	167	(1,343)	92,700
Assets whose use is limited or restricted:															
Funds held by trustees, less current portion	13,354	1,618	-	393	1,581	1,064	-	-	-	-	-	-	-	-	18,010
Deferred compensation	1,510	-	-	-	-	-	-	-	-	-	-	-	-	-	1,510
Board designated funds and other long-term investments	122,701	38,564	45,351	16,416	3,552	1,650	1,425	-	404	-	8	-	7,819	-	237,890
Replacement reserve	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Donor restricted funds	2,820	-	-	4,073	65	31	41	57	28	-	12	-	2,204	-	9,331
Total assets whose use is limited or restricted	140,385	40,182	45,351	20,882	5,198	2,745	1,466	57	432	-	20	-	10,023	-	266,741
Other assets:															
Pledges receivable, less current portion	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other assets	14,500	30,783	-	68	176	245	-	70	29	-	44	-	-	-	45,915
Due from affiliates, less current portion	14,818	3,591	-	421	-	-	-	-	-	-	-	-	-	(12,787)	6,043
Investments in joint ventures	2,528	5	-	-	-	-	-	-	-	-	-	-	-	-	2,533
Total other assets	31,846	34,379	-	489	176	245	-	70	29	-	44	-	-	(12,787)	54,491
Property, plant and equipment:															
Land and improvements	3,783	-	641	-	750	485	265	492	523	-	31	-	-	-	6,970
Buildings and improvements	114,414	61	15,676	18,776	16,023	8,422	5,998	4,625	8,022	3,222	7,214	1,517	-	-	203,970
Equipment	64,707	86,198	9,044	1,060	1,859	4,281	2,658	1,635	1,376	-	5,469	-	-	-	178,287
Construction in progress	1,857	1,174	217	118	106	16	36	15	58	-	-	-	-	-	3,597
Right of use assets	3,110	1,405	-	-	-	-	-	-	-	-	-	-	-	-	4,515
	187,871	88,838	25,578	19,954	18,738	13,204	8,957	6,767	9,979	3,222	12,714	1,517	-	-	397,339
Less accumulated depreciation	(130,712)	(10,920)	(19,570)	(9,690)	(8,095)	(7,732)	(5,946)	(4,482)	(6,485)	409	(10,515)	286	-	-	(213,452)
Total property, plant and equipment	57,159	77,918	6,008	10,264	10,643	5,472	3,011	2,285	3,494	3,631	2,199	1,803	-	-	183,887
Total assets	$ 274,457	$ 177,992	$ 59,283	$ 32,930	$ 19,273	$ 10,631	$ 7,139	$ 4,103	$ 5,711	$ 3,631	$ 4,806	$ 1,803	$ 10,190	$ (14,130)	$ 597,819

* Certain entities included in St. Joseph Hospital of Nashua, NH, Inc. and Mary Immaculate are not included in the Obligated Group.
** Total of Obligated Group carried forward to next page.

Covenant Health, Inc.
Consolidating Balance Sheet
December 31, 2019
(In thousands)

	St. Mary's Health System	St. Joseph Healthcare Foundation	St. Joseph Valuation Co.	St. Joseph Hospital Corporate Services, Inc.	MI Residential Community Inc.	St. Andre Health Care Facility	St. Mary's Villa Nursing Home, Inc.	Covenant Health Foundation	Fanny Allen Holdings	Covenant Health Insurance LTD	Providentia Prime Trust	Eliminations	System Consolidated
Assets													
Current assets:													
Cash and cash equivalents	$ 9,837	$ 8,226	$ –	$ 217	$ 1,496	$ 911	$ 2,414	$ –	$ 1,389	$ 1,339	$ 2,597	$ (2,597)	$ 54,011
Patient accounts receivable	30,626	20,125	–	–	451	1,090	2,040	–	–	–	–	(13,492)	94,098
Current portion of pledges receivable	1,608	874	–	–	–	–	–	4,801	–	–	–	–	7,283
Investments	410	876	–	–	–	–	–	–	–	–	14,194	(14,194)	1,286
Inventories	1,754	2,323	–	–	–	–	–	–	–	–	–	–	5,588
Prepaid expenses and other current assets	1,838	433	–	146	86	31	132	–	–	8,102	–	–	15,558
Current portion of assets whose use is limited or restricted	1,437	697	–	–	83	12	–	–	–	–	–	–	6,313
Current portion of due from affiliates	–	–	–	4,404	–	–	–	–	2	–	–	(5,281)	–
Total current assets	47,510	33,554	–	4,767	2,116	2,044	4,586	4,801	1,391	9,441	16,791	(35,564)	184,137
Assets whose use is limited or restricted:													
Funds held by trustees, less current portion	5,640	–	–	–	398	–	32	–	–	–	–	–	24,080
Deferred compensation	–	–	–	11,905	–	–	–	–	–	–	–	–	13,415
Board designated funds and other long-term investments	10,835	11,182	–	–	–	691	13,920	386	805	51,130	252,211	(252,211)	326,839
Replacement reserve	564	–	–	–	4,845	–	–	–	–	–	–	–	5,409
Donor restricted funds	5,133	5,017	–	–	–	–	392	16,100	–	–	–	–	35,973
Total assets whose use is limited or restricted	22,172	16,199	–	11,905	5,243	691	14,344	16,486	805	51,130	252,211	(252,211)	405,716
Other assets:													
Pledges receivable, less current portion	–	–	–	–	–	–	–	4,610	–	–	–	–	4,610
Other assets	217	–	–	49	–	23	40	–	–	–	–	(45,166)	1,078
Due from affiliates, less current portion	–	–	–	–	–	–	–	–	–	–	–	(6,043)	–
Investments in joint ventures	3,101	354	(247)	1,151	–	–	–	–	–	–	–	–	6,892
Total other assets	3,318	354	(247)	1,200	–	23	40	4,610	–	–	–	(51,209)	12,580
Property, plant and equipment													
Land and improvements	5,894	5,109	2,778	1,656	106	596	299	–	716	–	–	–	24,124
Buildings and improvements	104,765	56,269	8,629	12,890	30,755	4,488	16,268	–	1,762	–	–	–	439,796
Equipment	59,700	41,465	149	124	1,257	3,406	4,214	–	–	–	–	–	288,602
Construction in progress	5,727	1,153	379	–	12	95	175	–	–	–	–	–	11,138
Right of use asset	4,562	647	–	823	–	–	–	–	–	–	–	–	10,547
	180,648	104,643	11,935	15,493	32,130	8,585	20,956	–	2,478	–	–	–	774,207
Less accumulated depreciation	(111,665)	(72,592)	1,870	(6,659)	(23,673)	(6,544)	(11,415)	–	(1,101)	–	–	–	(445,231)
Total property, plant and equipment	68,983	32,051	13,805	8,834	8,457	2,041	9,541	–	1,377	–	–	–	328,976
Total assets	$ 141,983	$ 82,158	$ 13,558	$ 26,706	$ 15,816	$ 4,799	$ 28,511	$ 25,897	$ 3,573	$ 60,571	$ 269,002	$ (338,984)	$ 931,409

Covenant Health, Inc.
Consolidating Balance Sheet
December 31, 2019
(In thousands)

	St. Joseph Hospital of Nashua, NH, Inc.*	Covenant Health, Inc.	Mary Immaculate*	Yorville House	Yorville Place	(Marist Hill) CHS of Waltham Inc.	St. Joseph Manor Health Care, Inc.	(St. Mary) CHS of Worcester, Inc.	Mount St. Rita Health Centre	Mount St. Rita Valuation Co.	Penacook Place, Inc.	Penacook Valuation	Fanny Allen Corporation	Elimi-nations	** Total Obligated Group
Liabilities and Net Assets															
Current liabilities:															
Accounts payable	$ 4,923	$ 3,368	$ 327	$ 252	$ 84	$ 490	$ 351	$ 243	$ 266	$ -	$ 516	$ -	$ 1	$ -	$ 10,821
Accrued expenses and other liabilities	24,747	14,140	1,340	521	850	630	349	416	358	-	540	-	-	(753)	43,138
Estimated third-party payor settlements	5,381	-	64	-	-	167	67	248	152	-	282	-	-	-	6,361
Current portion of due to affiliates	18	581	104	37	54	168	-	-	-	-	-	-	2	(610)	354
Current portion of leases	798	254	-	-	-	-	-	-	-	-	-	-	-	-	1,052
Current portion of long-term debt	3,005	3,710	-	530	320	265	183	-	-	-	-	-	-	-	8,013
Total current liabilities	38,872	22,053	1,835	1,340	1,308	1,720	950	907	776	-	1,338	-	3	(1,363)	69,739
Long-term debt, less current portion	83,173	52,846	-	9,271	9,833	7,351	1,125	-	-	-	2,466	-	-	-	166,065
Long-term lease liability	1,616	945	-	-	-	-	-	-	-	-	-	-	-	-	2,561
Due to affiliates, less current portion	903	12,059	-	31	-	-	-	-	-	-	-	-	-	(12,767)	226
Defined benefit pension obligation	1,495	-	-	-	-	-	-	-	-	-	-	-	-	-	1,495
Other liabilities	7,838	-	570	333	428	310	41	61	28	-	86	-	-	-	9,695
Professional liability loss reserves	1,013	-	74	23	26	26	32	36	88	-	37	-	-	-	1,355
Total liabilities	134,910	87,903	2,479	10,998	11,595	9,407	2,148	1,004	892	-	3,927	-	3	(14,130)	251,136
Net assets:															
Without donor restriction	136,727	89,763	56,788	18,591	7,613	1,219	4,937	3,091	4,800	3,631	745	1,803	8,243	-	337,951
With donor restriction	2,820	326	16	3,341	65	5	54	8	19	-	134	-	1,944	-	8,732
Total net assets	139,547	90,089	56,804	21,932	7,678	1,224	4,991	3,099	4,819	3,631	879	1,803	10,187	-	346,683
Total liabilities and net assets	$ 274,457	$ 177,992	$ 59,283	$ 32,930	$ 19,273	$ 10,631	$ 7,139	$ 4,103	$ 5,711	$ 3,631	$ 4,806	$ 1,803	$ 10,190	$ (14,130)	$ 597,819

* Certain entities included in St. Joseph Hospital of Nashua, NH, Inc. and Mary Immaculate are not included in the Obligated Group.
** Total of Obligated Group carried forward to next page.

Covenant Health, Inc.
Consolidating Balance Sheet
December 31, 2019
(In thousands)

	St. Mary's Health System	St. Joseph Healthcare Foundation	St. Joseph Valuation Co.	St. Joseph Hospital Corporate Services, Inc.	MI Residential Community Inc.	St. Andre Health Care Facility	St. Mary's Villa Nursing Home, Inc.	Covenant Health Foundation	Fanny Allen Holdings	Covenant Health Insurance LTD	Providentia Prime Trust	Eliminations	System Consolidated
Liabilities and Net Assets													
Current liabilities:													
Accounts payable	$ 15,914	$ 8,239	$ –	$ 21	$ 39	$ 318	$ 271	$ –	$ –	$ 105	$ –	$ –	$ 35,728
Accrued expenses and other liabilities	13,175	7,853	–	296	302	437	694	–	73	130	190	(21,968)	44,320
Estimated third-party payor settlements	1,246	5,066	–	–	–	150	4	–	–	–	–	–	12,827
Current portion of due to affiliates	–	–	–	–	197	–	57	–	–	–	–	(608)	–
Current portion of leases	1,077	331	–	199	–	–	–	–	–	–	–	–	2,659
Current portion of long-term debt	4,908	1,737	–	–	109	3	429	–	–	–	–	–	15,199
Total current liabilities	36,320	23,226	–	516	647	908	1,455	–	73	235	190	(22,576)	110,733
Long-term debt, less current portion	36,960	17,244	149	85	7,150	58	2,393	–	–	–	–	–	230,104
Long-term lease liability	3,482	305	–	350	–	–	–	–	–	–	–	–	6,698
Due to affiliates, less current portion	–	–	–	–	–	–	2,204	–	–	–	–	(2,430)	–
Defined benefit pension obligation	–	794	–	–	–	–	–	–	–	–	–	–	2,289
Other liabilities	309	–	–	9,813	82	74	622	–	20	–	–	–	20,615
Professional liability loss reserves	1,867	1,145	–	1,478	–	42	34	–	–	29,636	–	–	35,557
Total liabilities	78,938	42,714	149	12,242	7,879	1,082	6,708	–	93	29,871	190	(25,006)	405,996
Net assets:													
Without donor restriction	52,266	31,545	13,409	14,464	1,890	3,705	21,328	386	3,480	30,700	268,812	(313,978)	465,958
With donor restriction	10,779	7,899	–	–	6,047	12	475	25,511	–	–	–	–	59,455
Total net assets	63,045	39,444	13,409	14,464	7,937	3,717	21,803	25,897	3,480	30,700	268,812	(313,978)	525,413
Total liabilities and net assets	$ 141,983	$ 82,158	$ 13,558	$ 26,706	$ 15,816	$ 4,799	$ 28,511	$ 25,897	$ 3,573	$ 60,571	$ 269,002	$ (338,984)	$ 931,409

Covenant Health, Inc.
Consolidating Statement of Operations
December 31, 2019
(In thousands)

	St. Joseph Hospital of Nashua, NH, Inc.*	Covenant Health, Inc.	Mary Immaculate*	Youville House	Youville Place	(Marist Hill) CHS of Waltham Inc.	St. Joseph Manor Health Care, Inc.	(St. Mary) CHS of Worcester, Inc.	Mount St. Rita Health Centre	Mount St. Rita Valuation Co.	Penacook Place, Inc.	Penacook Valuation	Fanny Allen Corporation	Eliminations	** Total Obligated Group
Operating revenue:															
Patient service revenue	$ 216,150	$ –	$ 23,808	$ 6,591	$ 7,434	$ 10,069	$ 11,269	$ 10,315	$ 9,163	$ –	$ 11,525	$ –	$ –	$ –	$ 306,324
Other revenue	6,159	70,423	1,280	239	390	50	86	80	67	–	133	–	–	(28,187)	50,720
Net assets released from restrictions for operations	123	–	15	146	–	2	10	4	11	–	–	–	–	–	311
Total operating revenue	222,432	70,423	25,103	6,976	7,824	10,121	11,365	10,399	9,241	–	11,658	–	–	(28,187)	357,355
Operating expenses:															
Salaries and wages	91,949	29,946	14,795	2,688	3,377	5,024	5,287	5,114	4,232	–	6,896	–	–	–	169,308
Employee benefits	18,208	4,035	2,473	547	671	996	903	965	1,122	–	1,562	–	–	–	31,482
Supplies and other	94,683	28,167	6,463	1,782	1,924	3,115	3,545	3,035	2,845	–	2,865	–	–	(28,187)	120,237
Interest	2,942	2,925	–	419	522	373	47	–	–	–	95	–	–	–	7,323
Provider tax	9,955	2	168	–	–	629	711	956	493	–	879	–	–	–	13,793
Depreciation	7,581	6,849	704	713	803	385	305	190	321	(14)	288	(77)	–	–	18,048
Total operating expenses	225,318	71,924	24,603	6,149	7,297	10,522	10,798	10,260	9,013	(14)	12,585	(77)	–	(28,187)	360,191
Income (loss) from operations	(2,886)	(1,501)	500	827	527	(401)	567	139	228	14	(927)	77	–	–	(2,836)
Net periodic pension cost	(2,084)	–	–	–	–	–	–	–	–	–	–	–	–	–	(2,084)
Nonoperating gains (losses), net:															
Dividend and interest income	5,225	185	3,294	1,216	271	–	–	–	–	–	–	–	–	–	10,191
Realized gain (loss) from investments	6,185	2,866	–	–	–	150	86	–	–	–	–	–	685	–	9,972
Unrealized gain (loss) from investments	10,709	10,003	3,115	1,140	256	126	91	–	–	–	–	–	821	–	26,261
Gain (loss) on sale of assets	(6)	–	–	–	–	–	–	–	–	–	–	–	–	–	(6)
Other nonoperating income	56	6	7	–	–	–	–	–	–	–	–	–	–	–	69
Other nonoperating expense	(363)	–	–	–	–	–	–	–	–	–	–	–	(306)	–	(669)
Total nonoperating gains (losses), net	21,806	13,060	6,416	2,356	527	276	177	–	–	–	–	–	1,200	–	45,818
Excess (deficiency) of revenue over expenses	16,836	11,559	6,916	3,183	1,054	(125)	744	139	228	14	(927)	77	1,200	–	40,898
Other changes in net assets without donor restriction:															
Adjustment to long-term pension obligation	3,360	–	–	–	–	–	–	–	–	–	–	–	–	–	3,360
Transfer among affiliates	(1,291)	(6,309)	–	–	–	–	–	–	–	–	1,000	–	200	–	(6,400)
Increase (decrease) in net assets without donor restriction	$ 18,905	$ 5,250	$ 6,916	$ 3,183	$ 1,054	$ (125)	$ 744	$ 139	$ 228	$ 14	$ 73	$ 77	$ 1,400	$ –	$ 37,858

* Certain entities included in St. Joseph Hospital of Nashua, NH, Inc. and Mary Immaculate are not included in the Obligated Group.
** Total of Obligated Group carried forward to next page.

Covenant Health, Inc.
Consolidating Statement of Operations
December 31, 2019
(In thousands)

	St. Mary's Health System	St. Joseph Healthcare Foundation	St. Joseph Valuation Co.	St. Joseph Hospital Corporate Services, Inc.	MI Residential Community Inc.	St. Andre Health Care Facility	St. Mary's Villa Nursing Home, Inc.	Covenant Health Foundation	Fanny Allen Holdings	Covenant Health Insurance LTD	Providentia Prime Trust	Eliminations	System Consolidated
Operating revenue:													
Patient service revenue	$ 215,659	$ 156,994	$ –	$ 77	$ –	$ 9,266	$ 14,235	$ –	$ –	$ –	$ –	$ –	$ 702,555
Other revenue	14,734	5,452	–	5,165	4,624	71	161	–	–	4,621	–	(43,931)	41,617
Net assets released from restrictions for operations	518	136	–	–	–	2	–	–	–	–	–	–	967
Total operating revenue	230,911	162,582	–	5,242	4,624	9,339	14,396	–	–	4,621	–	(43,931)	745,139
Operating expenses:													
Salaries and wages	100,981	65,412	–	3,673	642	4,437	7,091	–	–	–	–	–	351,544
Employee benefits	18,312	13,365	–	371	111	857	1,568	–	–	–	–	–	66,066
Supplies and other	100,098	75,765	–	533	1,670	2,835	3,576	–	–	371	–	(43,931)	261,154
Interest	2,148	993	(32)	28	315	3	201	–	–	–	–	–	10,979
Provider tax	5,227	2,983	–	–	–	554	257	–	–	–	–	–	22,814
Depreciation	6,260	3,666	81	570	1,124	179	873	–	–	–	–	–	30,801
Total operating expenses	233,026	162,184	49	5,175	3,862	8,865	13,566	–	–	371	–	(43,931)	743,358
Income (loss) from operations	(2,115)	398	(49)	67	762	474	830	–	–	4,250	–	–	1,781
Net periodic pension cost	–	(348)	–	–	–	–	–	–	–	–	–	–	(2,432)
Nonoperating gains (losses), net:													
Dividend and interest income	402	353	–	1,307	–	48	1,044	–	–	–	–	(1,707)	11,638
Realized gain (loss) from investments	308	456	–	–	–	–	–	524	23	1,237	20,181	(20,181)	12,520
Unrealized gain (loss) from investments	307	900	–	331	–	46	932	511	23	2,757	19,653	(26,397)	25,324
Gain (loss) on sale of assets	165	2	–	–	–	–	–	–	–	–	–	–	161
Other nonoperating income	33	(49)	–	–	107	–	–	–	642	–	–	–	802
Other nonoperating expense	(994)	(575)	–	–	–	–	–	–	–	–	–	–	(2,238)
Total nonoperating gains (losses), net	221	1,087	–	1,638	107	94	1,976	1,035	688	3,994	39,834	(48,285)	48,207
Excess (deficiency) of revenue over expenses	(1,894)	1,137	(49)	1,705	869	568	2,806	1,035	688	8,244	39,834	(48,285)	47,556
Other changes in net assets without donor restriction:													
Adjustment to long-term pension obligation	–	2,314	–	–	–	–	–	–	–	–	–	–	5,674
Transfer among affiliates	8,250	–	–	(1,187)	–	–	–	(150)	(200)	(1,500)	5,327	(4,140)	–
Increase (decrease) in net assets without donor restriction	$ 6,356	$ 3,451	$ (49)	$ 518	$ 869	$ 568	$ 2,806	$ 885	$ 488	6,744	$ 45,161	$ (52,425)	$ 53,230

St. Joseph Hospital of Nashua, NH
Consolidating Balance Sheet
December 31, 2019
(In thousands)

	St. Joseph Hospital of Nashua, NH	Souhegan Home and Hospice Care, Inc.	Elimi-nations	Total Obligated Group	St. Joseph Hospital Corporate Services, Inc.	Elimi-nations	St. Joseph Hospital Consolidated
Assets							
Current assets:							
Cash and cash equivalents	$ 7,118	$ 2	$ –	$ 7,120	$ 217	$ –	$ 7,337
Patient accounts receivable	31,686	–	–	31,686	–	–	31,686
Current portion of pledges receivable	–	–	–	–	–	–	–
Investments	–	–	–	–	–	–	–
Inventories	1,454	–	–	1,454	–	–	1,454
Prepaid expenses and other current assets	1,541	–	–	1,541	146	–	1,687
Current portion of assets whose use is limited or restricted	2,818	–	–	2,818	–	–	2,818
Current portion of due from affiliates	448	–	–	448	4,404	(4,404)	448
Total current assets	45,065	2	–	45,067	4,767	(4,404)	45,430
Assets whose use is limited or restricted:							
Funds held by trustees, less current portion	13,354	–	–	13,354	–	–	13,354
Deferred compensation	1,510	–	–	1,510	11,905	–	13,415
Board designated funds and other long-term investments	121,952	749	–	122,701	–	–	122,701
Replacement reserve	–	–	–	–	–	–	–
Donor restricted funds	2,101	719	–	2,820	–	–	2,820
Total assets whose use is limited or restricted	138,917	1,468	–	140,385	11,905	–	152,290
Other assets:							
Pledges receivable	–	–	–	–	–	–	–
Other assets	15,260	–	(760)	14,500	49	(14,465)	84
Due from affiliates, less current portion	14,818	–	–	14,818	–	–	14,818
Investments in joint ventures	2,528	–	–	2,528	1,151	–	3,679
Total other assets	32,606	–	(760)	31,846	1,200	(14,465)	18,581
Property, plant and equipment							
Land and improvements	3,783	–	–	3,783	1,656	–	5,439
Buildings and improvements	114,233	181	–	114,414	12,890	–	127,304
Equipment	64,647	60	–	64,707	124	–	64,831
Construction in progress	1,857	–	–	1,857	–	–	1,857
Right of use assets	3,110	–	–	3,110	823	–	3,933
	187,630	241	–	187,871	15,493	–	203,364
Less accumulated depreciation	(130,480)	(232)	–	(130,712)	(6,659)	–	(137,371)
Total property, plant and equipment	57,150	9	–	57,159	8,834	–	65,993
Total assets	$ 273,738	$ 1,479	$ (760)	$ 274,457	$ 26,706	$ (18,869)	$ 282,294

St. Joseph Hospital of Nashua, NH
Consolidating Balance Sheet
December 31, 2019
(In thousands)

	St. Joseph Hospital of Nashua, NH	Souhegan Home and Hospice Care, Inc.	Elimi-nations	Total Obligated Group	St. Joseph Hospital Corporate Services, Inc.	Elimi-nations	St. Joseph Hospital Consolidated
Liabilities and Net Assets							
Current liabilities:							
Accounts payable	$ 4,923	$ –	$ –	$ 4,923	$ 21	$ –	$ 4,944
Accrued expenses and other liabilities	24,747	–	–	24,747	296	(4,405)	20,638
Estimated third-party payor settlements	5,381	–	–	5,381	–	–	5,381
Current portion of due to affiliates	18	–	–	18	–	–	18
Current portion of leases	798	–	–	798	199	–	997
Current portion of long-term debt	3,005	–	–	3,005	–	–	3,005
Total current liabilities	38,872	–	–	38,872	516	(4,405)	34,983
Long-term debt, less current portion	83,173	–	–	83,173	85	–	83,258
Long-term lease liability	1,616	–	–	1,616	350	–	1,966
Due to affiliates, less current portion	903	–	–	903	–	–	903
Defined benefit pension obligation	1,495	–	–	1,495	–	–	1,495
Other liabilities	7,838	–	–	7,838	9,813	–	17,651
Professional liability loss reserves	1,013	–	–	1,013	1,478	–	2,491
Total liabilities	134,910	–	–	134,910	12,242	(4,405)	142,747
Net assets:							
Without donor restriction	136,727	760	(760)	136,727	14,464	(14,464)	136,727
With donor restriction	2,101	719	–	2,820	–	–	2,820
Total net assets	138,828	1,479	(760)	139,547	14,464	(14,464)	139,547
Total liabilities and net assets	$ 273,738	$ 1,479	$ (760)	$ 274,457	$ 26,706	$ (18,869)	$ 282,294

St. Joseph Hospital of Nashua, NH
Consolidating Statement of Operations
December 31, 2019
(In thousands)

	St. Joseph Hospital of Nashua, NH	Souhegan Home and Hospice Care, Inc.	Elimi-nations	Total Obligated Group	St. Joseph Hospital Corporate Services, Inc.	Elimi-nations	St. Joseph Hospital Consolidated
Operating revenue:							
Patient service revenue	$ 216,454	$ –	$ (304)	$ 216,150	$ 77	$ –	$ 216,227
Other revenue	6,313	–	(154)	6,159	5,165	(4,917)	6,407
Net assets released from restrictions for operations	123	–	–	123	–	–	123
Total operating revenue	222,890	–	(458)	222,432	5,242	(4,917)	222,757
Operating expenses:							
Salaries and wages	91,949	–	–	91,949	3,673	–	95,622
Employee benefits	18,512	–	(304)	18,208	371	–	18,579
Supplies and other	94,837	–	(154)	94,683	533	(4,955)	90,261
Interest	2,942	–	–	2,942	28	–	2,970
Provider tax	9,955	–	–	9,955	–	–	9,955
Depreciation	7,581	–	–	7,581	570	–	8,151
Total operating expenses	225,776	–	(458)	225,318	5,175	(4,955)	225,538
Income (loss) from operations	(2,886)	–	–	(2,886)	67	38	(2,781)
Net periodic pension cost	(2,084)	–	–	(2,084)	–	–	(2,084)
Nonoperating gains (losses), net:							
Dividend and interest income	5,225	–	–	5,225	1,307	(1,743)	4,789
Realized gain (loss) from investments	6,185	–	–	6,185	–	–	6,185
Unrealized gain (loss) from investments	10,709	–	–	10,709	331	–	11,040
Gain (loss) on sale of assets	(6)	–	–	(6)	–	–	(6)
Other nonoperating income	235	–	(179)	56	–	–	56
Other nonoperating expense	(542)	179	–	(363)	–	–	(363)
Total nonoperating gains (losses), net	21,806	179	(179)	21,806	1,638	(1,743)	21,701
Excess (deficiency) of revenue over expenses	16,836	179	(179)	16,836	1,705	(1,705)	16,836
Other changes in net asset without donor restriction:							
Adjustment to defined benefit pension obligation	3,360	–	–	3,360	–	–	3,360
Dividend payment	–	–	–	–	–	–	–
Transfer among affiliates	(1,291)	15	(15)	(1,291)	(1,187)	1,187	(1,291)
Increase (decrease) in net assets without donor restriction	$ 18,905	$ 194	$ (194)	$ 18,905	$ 518	$ (518)	$ 18,905

St. Joseph Hospital Corporate Services, Inc.
Consolidating Balance Sheet
December 31, 2019
(In thousands)

	St. Joseph Hospital Corporate Services	GNM Corp.	SJ Physician Services	Elimi-nations	St. Joseph Hospital Corporate Services, Inc. Consolidated
Assets					
Current assets:					
Cash and cash equivalents	$ 114	$ 100	$ 3	$ –	$ 217
Patient accounts receivable	–	–	–	–	–
Current portion of pledges receivable	–	–	–	–	–
Investments	–	–	–	–	–
Inventories	–	–	–	–	–
Prepaid expenses and other current assets	–	28	118	–	146
Current portion of assets whose use is limited or restricted	–	–	–	–	–
Current portion of due from affiliates	–	–	4,404	–	4,404
Total current assets	114	128	4,525	–	4,767
Assets whose use is limited or restricted:					
Funds held by trustees, less current portion	–	–	–	–	–
Deferred compensation	557	–	11,348	–	11,905
Board designated funds and other long-term investments	–	–	–	–	–
Replacement reserve	–	–	–	–	–
Donor restricted funds	–	–	–	–	–
Total assets whose use is limited or restricted	557	–	11,348	–	11,905
Other assets:					
Pledges receivable	–	–	–	–	–
Other assets	189,212	18	31	(189,212)	49
Due from affiliates, less current portion	–	–	–	–	–
Investments in joint ventures	–	–	1,151	–	1,151
Total other assets	189,212	18	1,182	(189,212)	1,200
Property, plant and equipment					
Land and improvements	–	1,656	–	–	1,656
Buildings and improvements	–	12,890	–	–	12,890
Equipment	–	124	–	–	124
Construction in progress	–	–	–	–	–
Right of use assets	–	823	–	–	823
	–	15,493	–	–	15,493
Less accumulated depreciation	–	(6,659)	–	–	(6,659)
Total property, plant and equipment	–	8,834	–	–	8,834
Total assets	$ 189,883	$ 8,980	$ 17,055	$ (189,212)	$ 26,706

St. Joseph Hospital Corporate Services, Inc.
Consolidating Balance Sheet
December 31, 2019
(In thousands)

	St. Joseph Hospital Corporate Services	GNM Corp.	SJ Physician Services	Elimi-nations	St. Joseph Hospital Corporate Services, Inc. Consolidated
Liabilities and Net Assets					
Current liabilities:					
Accounts payable	$ 14	$ 5	$ 2	$ –	$ 21
Accrued expenses and other liabilities	(65)	(2)	363	–	296
Estimated third-party payor settlements	–	–	–	–	–
Current portion of due to affiliates	–	–	–	–	–
Current portion of leases	–	199	–	–	199
Current portion of long-term debt	–	–	–	–	–
Total current liabilities	(51)	202	365	–	516
Long-term debt, less current portion	–	85	–	–	85
Long-term lease liability	–	350	–	–	350
Due to affiliates, less current portion	–	–	–	–	–
Defined benefit pension obligation	–	–	–	–	–
Other liabilities	408	–	9,405	–	9,813
Professional liability loss reserves	–	–	1,478	–	1,478
Total liabilities	357	637	11,248	–	12,242
Net assets:					
Without donor restriction	189,526	8,343	5,807	(189,212)	14,464
With donor restriction	–	–	–	–	–
Total net assets	189,526	8,343	5,807	(189,212)	14,464
Total liabilities and net assets	$ 189,883	$ 8,980	$ 17,055	$ (189,212)	$ 26,706

St. Joseph Hospital Corporate Services, Inc.
Consolidating Statement of Operations
December 31, 2019
(In thousands)

	St. Joseph Hospital Corporate Services	GNM Corp.	SJ Physician Services	Elimi-nations	St. Joseph Hospital Corporate Services, Inc. Consolidated
Operating revenue:					
Patient service revenue	$ –	$ –	$ 77	$ –	$ 77
Other revenue	–	1,238	3,927	–	5,165
Net assets released from restrictions for operations	–	–	–	–	–
Total operating revenue	–	1,238	4,004	–	5,242
Operating expenses:					
Salaries and wages	–	–	3,673	–	3,673
Employee benefits	–	–	371	–	371
Supplies and other	–	573	(40)	–	533
Interest	–	28	–	–	28
Provider tax	–	–	–	–	–
Depreciation	–	570	–	–	570
Total operating expenses	–	1,171	4,004	–	5,175
Income (loss) from operations	–	67	–	–	67
Net periodic pension cost	–	–	–	–	–
Nonoperating gains (losses), net:					
Dividend and interest income	–	–	1,307	–	1,307
Realized gain (loss) from investments	–	–	–	–	–
Unrealized gain (loss) from investments	89	–	242	–	331
Gain (loss) on sale of assets	–	–	–	–	–
Other nonoperating income	–	–	–	–	–
Other nonoperating expense	–	–	–	–	–
Total nonoperating gains (losses), net	89	–	1,549	–	1,638
Excess (deficiency) of revenue over expenses	89	67	1,549	–	1,705
Other changes in net assets without donor restriction:					
Adjustment to defined benefit pension obligation	–	–	–	–	–
Dividend payment	–	–	–	–	–
Transfer among affiliates	1,493	(440)	(773)	(1,467)	(1,187)
Increase (decrease) in net assets without donor restriction	$ 1,582	$ (373)	$ 776	$ (1,467)	$ 518

Mary Immaculate Health Care Services, Inc.
Consolidating Balance Sheet
December 31, 2019
(In thousands)

	Mary Immaculate Nursing	Mary Immaculate Adult Care	Mary Immaculate Management	Mary Immaculate Transportation	Mary Immaculate Guild	Mary Immaculate Eliminations	Total Obligated Mary Immaculate	MI Residential Comm.	MI Residential Comm. II	MI Residential Comm. III	Total MI Residential Comm.	Eliminations	Mary Immaculate Health Care Services, Inc. Consolidated
Assets													
Current assets:													
Cash and cash equivalents	$ 2,244	$ 399	$ 1,143	$ 789	$ 14	$ –	$ 4,589	$ 1,496	$ –	$ –	$ 1,496	$ –	$ 6,085
Patient accounts receivable	2,580	173	61	4	–	–	2,818	451	–	–	451	–	3,269
Current portion of pledges receivable	–	–	–	–	–	–	–	–	–	–	–	–	–
Investments	–	–	–	–	–	–	–	–	–	–	–	–	–
Inventories	3	–	–	–	–	–	3	–	–	–	–	–	3
Prepaid expenses and other current assets	163	–	–	–	–	–	163	86	–	–	86	–	249
Current portion of assets whose use is limited or restricted	45	–	5	–	–	–	50	83	–	–	83	–	133
Current portion of due from affiliates	586	–	–	–	–	(285)	301	–	–	–	–	(301)	–
Total current assets	5,621	572	1,209	793	14	(285)	7,924	2,116	–	–	2,116	(301)	9,739
Assets whose use is limited or restricted:													
Funds held by trustees, less current portion	–	–	–	–	–	–	–	398	–	–	398	–	398
Deferred compensation	–	–	–	–	–	–	–	–	–	–	–	–	–
Board designated funds and other long-term investments	31,216	3,854	5,856	4,425	–	–	45,351	–	–	–	–	–	45,351
Replacement reserve	–	–	–	–	–	–	–	4,845	–	–	4,845	–	4,845
Donor restricted funds	–	–	–	–	–	–	–	–	–	–	–	–	–
Total assets whose use is limited or restricted	31,216	3,854	5,856	4,425	–	–	45,351	5,243	–	–	5,243	–	50,594
Other assets:													
Pledges receivable	–	–	–	–	–	–	–	–	–	–	–	–	–
Other assets	–	–	–	–	–	–	–	–	–	–	–	–	–
Due from affiliates, less current portion	–	–	–	–	–	–	–	–	–	–	–	–	–
Investments in joint ventures	–	–	–	–	–	–	–	–	–	–	–	–	–
Total other assets	–	–	–	–	–	–	–	–	–	–	–	–	–
Property, plant and equipment:													
Land and improvements	641	–	–	–	–	–	641	106	–	–	106	–	747
Buildings and improvements	14,995	404	277	–	–	–	15,676	30,755	–	–	30,755	–	46,431
Equipment	8,096	220	233	495	–	–	9,044	1,257	–	–	1,257	–	10,301
Construction in progress	39	–	178	–	–	–	217	12	–	–	12	–	229
Right of use assets	–	–	–	–	–	–	–	–	–	–	–	–	–
	23,771	624	688	495	–	–	25,578	32,130	–	–	32,130	–	57,708
Less accumulated depreciation	(18,550)	(463)	(166)	(391)	–	–	(19,570)	(23,673)	–	–	(23,673)	–	(43,243)
Total property, plant and equipment	5,221	161	522	104	–	–	6,008	8,457	–	–	8,457	–	14,465
Total assets	$ 42,058	$ 4,587	$ 7,587	$ 5,322	$ 14	$ (285)	$ 59,283	$ 15,816	$ –	$ –	$ 15,816	$ (301)	$ 74,798

Mary Immaculate Health Care Services, Inc.
Consolidating Balance Sheet
December 31, 2019
(In thousands)

	Mary Immaculate Nursing	Mary Immaculate Adult Care	Mary Immaculate Management	Mary Immaculate Transportation	Mary Immaculate Guild	Mary Immaculate Eliminations	Total Obligated Mary Immaculate	MI Residential Comm.	MI Residential Comm. II	MI Residential Comm. III	Total MI Residential Comm.	Eliminations	Mary Immaculate Health Care Services, Inc. Consolidated
Liabilities and Net Assets													
Current liabilities:													
Accounts payable	$ 312	$ –	$ 15	$ –	$ –	$ –	$ 327	$ 39	$ –	$ –	$ 39	$ –	$ 366
Accrued expenses and other liabilities	1,141	59	123	17	–	–	1,340	302	–	–	302	–	1,642
Estimated third-party payor settlements	64	–	–	–	–	–	64	–	–	–	–	–	64
Current portion of due to affiliates	4	176	194	15	–	(285)	104	197	–	–	197	(301)	–
Current portion of leases	–	–	–	–	–	–	–	–	–	–	–	–	–
Current portion of long-term debt	–	–	–	–	–	–	–	109	–	–	109	–	109
Total current liabilities	1,521	235	332	32	–	(285)	1,835	647	–	–	647	(301)	2,181
Long-term debt, less current portion	–	–	–	–	–	–	–	7,150	–	–	7,150	–	7,150
Long-term lease liability	–	–	–	–	–	–	–	–	–	–	–	–	–
Due to affiliates, less current portion	–	–	–	–	–	–	–	–	–	–	–	–	–
Defined benefit pension obligation	–	–	–	–	–	–	–	–	–	–	–	–	–
Other liabilities	570	–	–	–	–	–	570	82	–	–	82	–	652
Professional liability loss reserves	74	–	–	–	–	–	74	–	–	–	–	–	74
Total liabilities	2,165	235	332	32	–	(285)	2,479	7,879	–	–	7,879	(301)	10,057
Net assets:													
Without donor restriction	39,888	4,352	7,244	5,290	14	–	56,788	1,890	–	–	1,890	–	58,678
With donor restriction	5	–	11	–	–	–	16	6,047	–	–	6,047	–	6,063
Total net assets	39,893	4,352	7,255	5,290	14	–	56,804	7,937	–	–	7,937	–	64,741
Total liabilities and net assets	$ 42,058	$ 4,587	$ 7,587	$ 5,322	$ 14	$ (285)	$ 59,283	$ 15,816	$ –	$ –	$ 15,816	$ (301)	$ 74,798

Mary Immaculate Health Care Services, Inc.
Consolidating Statement of Operations
December 31, 2019
(In thousands)

	Mary Immaculate Nursing	Mary Immaculate Adult Care	Mary Immaculate Management	Mary Immaculate Transportation	Mary Immaculate Guild	Mary Immaculate Eliminations	Total Obligated Mary Immaculate	MI Residential Comm.	MI Residential Comm. II	MI Residential Comm. III	Total MI Residential Comm.	Eliminations	Mary Immaculate Health Care Services, Inc. Consolidated
Operating revenue:													
Patient service revenue	$ 19,765	$ 2,076	$ 2,373	$ –	$ –	$ (406)	$ 23,808	$ –	$ –	$ –	$ –	$ –	$ 23,808
Other revenue	194	155	877	652	–	(598)	1,280	4,624	–	–	4,624	(195)	5,709
Net assets released from restrictions for operations	7	–	8	–	–	–	15	–	–	–	–	–	15
Total operating revenue	19,966	2,231	3,258	652	–	(1,004)	25,103	4,624	–	–	4,624	(195)	29,532
Operating expenses:													
Salaries and wages	11,726	1,132	1,689	248	–	–	14,795	642	–	–	642	–	15,437
Employee benefits	1,963	201	271	38	–	–	2,473	111	–	–	111	–	2,584
Supplies and other	5,438	833	968	228	–	(1,004)	6,463	1,670	–	–	1,670	(195)	7,938
Interest	–	–	–	–	–	–	–	315	–	–	315	–	315
Provider tax	168	–	–	–	–	–	168	–	–	–	–	–	168
Depreciation	615	18	31	40	–	–	704	1,124	–	–	1,124	–	1,828
Total operating expenses	19,910	2,184	2,959	554	–	(1,004)	24,603	3,862	–	–	3,862	(195)	28,270
Income (loss) from operations	56	47	299	98	–	–	500	762	–	–	762	–	1,262
Net periodic pension cost	–	–	–	–	–	–	–	–	–	–	–	–	–
Nonoperating gains (losses), net	4,470	536	803	596	11	–	6,416	107	–	–	107	–	6,523
Excess (deficiency) of revenue over expenses	4,526	583	1,102	694	11	–	6,916	869	–	–	869	–	7,785
Other changes in net assets without donor restriction:													
Adjustment to defined benefit pension obligation	–	–	–	–	–	–	–	–	–	–	–	–	–
Dividend payment	–	–	–	–	–	–	–	–	–	–	–	–	–
Transfer among affiliates	–	–	–	–	–	–	–	–	–	–	–	–	–
Increase (decrease) in net assets without donor restriction	$ 4,526	$ 583	$ 1,102	$ 694	$ 11	$ –	$ 6,916	$ 869	$ –	$ –	$ 869	$ –	$ 7,785

St. Mary's Villa Nursing Home, Inc.
Consolidating Balance Sheet
December 31, 2019
(In thousands)

	Personal Care Residence	Skilled Nursing Facility	St. Mary's Villa Nursing Home, Inc. Consolidated
Assets			
Current assets:			
Cash and cash equivalents	$ 1,704	$ 710	$ 2,414
Patient accounts receivable	129	1,911	2,040
Current portion of pledges receivable	–	–	–
Investments	–	–	–
Inventories	–	–	–
Prepaid expenses and other current assets	11	121	132
Current portion of assets whose use is limited or restricted	–	–	–
Current portion of due from affiliates	(22)	22	–
Total current assets	1,822	2,764	4,586
Assets whose use is limited or restricted:			
Funds held by trustees, less current portion	32	–	32
Deferred compensation	–	–	–
Board designated funds and other long-term investments	5,090	8,830	13,920
Replacement reserve	–	–	–
Donor restricted funds	328	64	392
Total assets whose use is limited or restricted	5,450	8,894	14,344
Other assets:			
Pledges receivable	–	–	–
Other assets	–	40	40
Due from affiliates, less current portion	–	–	–
Investments in joint ventures	–	–	–
Total other assets	–	40	40
Property, plant and equipment			
Land and improvements	219	80	299
Buildings and improvements	5,755	10,513	16,268
Equipment	961	3,253	4,214
Construction in progress	–	175	175
Right of use assets	–	–	–
	6,935	14,021	20,956
Less accumulated depreciation	(3,840)	(7,575)	(11,415)
Total property, plant and equipment	3,095	6,446	9,541
Total assets	$ 10,367	$ 18,144	$ 28,511

St. Mary's Villa Nursing Home, Inc.
Consolidating Balance Sheet
December 31, 2019
(In thousands)

	Personal Care Residence	Skilled Nursing Facility	St. Mary's Villa Nursing Home, Inc. Consolidated
Liabilities and Net Assets			
Current liabilities:			
Accounts payable	$ 142	$ 129	$ 271
Accrued expenses and other liabilities	133	561	694
Estimated third-party payor settlements	–	4	4
Current portion of due to affiliates	–	57	57
Current portion of leases	–	–	–
Current portion of long-term debt	143	286	429
Total current liabilities	418	1,037	1,455
Long-term debt, less current portion	1,209	1,184	2,393
Long-term lease liability	–	–	–
Due to affiliates, less current portion	–	2,204	2,204
Defined benefit pension obligation	–	–	–
Other liabilities	–	622	622
Professional liability loss reserves	8	26	34
Total liabilities	1,635	5,073	6,708
Net assets:			
Without donor restriction	8,405	12,923	21,328
With donor restriction	327	148	475
Total net assets	8,732	13,071	21,803
Total liabilities and net assets	$ 10,367	$ 18,144	$ 28,511

St. Mary's Villa Nursing Home, Inc.
Consolidating Statement of Operations
December 31, 2019
(In thousands)

	Personal Care Residence	Skilled Nursing Facility	St. Mary's Villa Nursing Home, Inc. Consolidated
Operating revenue:			
Patient service revenue	$ 3,184	$ 11,051	$ 14,235
Other revenue	119	42	161
Net assets released from restrictions for operations	–	–	–
Total operating revenue	3,303	11,093	14,396
Operating expenses:			
Salaries and wages	1,409	5,682	7,091
Employee benefits	301	1,267	1,568
Supplies and other	600	2,976	3,576
Interest	47	154	201
Provider tax	–	257	257
Depreciation	213	660	873
Total operating expenses	2,570	10,996	13,566
Income (loss) from operations	733	97	830
Nonoperating gains (losses), net	724	1,252	1,976
Excess (deficiency) of revenue over expenses	1,457	1,349	2,806
Other changes in net assets without donor restriction:			
Adjustment to defined benefit pension obligation	–	–	–
Dividend payment	–	–	–
Transfer among affiliates	–	–	–
Increase (decrease) in net assets without donor restriction	$ 1,457	$ 1,349	$ 2,806

St. Joseph Healthcare Foundation
Consolidating Balance Sheet
December 31, 2019
(In thousands)

	St. Joseph Healthcare Foundation	St. Joseph Hospital (Bangor)	M&J Company	St. Joseph Ambulatory Care, Inc.	Alternative Health Services	Strauss Corporation	Elimi-nations	St. Joseph Healthcare Foundation Consolidated
Assets								
Current assets:								
Cash and cash equivalents	$ 1,654	$ 4,903	$ 1,175	$ 117	$ 377	$ –	$ –	$ 8,226
Patient accounts receivable	–	19,112	–	565	448	–	–	20,125
Current portion of pledges receivable	–	874	–	–	–	–	–	874
Investments	–	84	–	792	–	–	–	876
Inventories	–	2,323	–	–	–	–	–	2,323
Prepaid expenses and other current assets	–	358	70	–	5	–	–	433
Current portion of assets whose use is limited or restricted	–	697	–	–	–	–	–	697
Current portion of due from affiliates	–	3,090	2	–	17	–	(3,109)	–
Total current assets	1,654	31,441	1,247	1,474	847	–	(3,109)	33,554
Assets whose use is limited or restricted:								
Funds held by trustees, less current portion	–	–	–	–	–	–	–	–
Deferred compensation	–	–	–	–	–	–	–	–
Board designated funds and other long-term investments	2,200	8,982	–	–	–	–	–	11,182
Replacement reserve	–	–	–	–	–	–	–	–
Donor restricted funds	2,529	2,488	–	–	–	–	–	5,017
Total assets whose use is limited or restricted	4,729	11,470	–	–	–	–	–	16,199
Other assets:								
Pledges receivable	–	–	–	–	–	–	–	–
Other assets	–	–	–	–	–	–	–	–
Due from affiliates, less current portion	–	–	–	–	–	–	–	–
Investments in joint ventures	53	301	–	–	–	–	–	354
Total other assets	53	301	–	–	–	–	–	354
Property, plant and equipment:								
Land and improvements	80	2,093	2,936	–	–	–	–	5,109
Buildings and improvements	–	48,410	7,859	–	–	–	–	56,269
Equipment	–	40,116	431	781	137	–	–	41,465
Construction in progress	–	1,037	116	–	–	–	–	1,153
Right of use assets	–	647	–	–	–	–	–	647
	80	92,303	11,342	781	137	–	–	104,643
Less accumulated depreciation	–	(64,608)	(7,131)	(716)	(137)	–	–	(72,592)
Total property, plant and equipment	80	27,695	4,211	65	–	–	–	32,051
Total assets	$ 6,516	$ 70,907	$ 5,458	$ 1,539	$ 847	$ –	$ (3,109)	$ 82,158

St. Joseph Healthcare Foundation
Consolidating Balance Sheet
December 31, 2019
(In thousands)

	St. Joseph Healthcare Foundation	St. Joseph Hospital (Bangor)	M&J Company	St. Joseph Ambulatory Care, Inc.	Alternative Health Services	Strauss Corporation	Elimi-nations	St. Joseph Healthcare Foundation Consolidated
Liabilities and Net Assets								
Current liabilities:								
Accounts payable	$ –	$ 8,024	$ 21	$ 86	$ 108	$ –	$ –	$ 8,239
Accrued expenses and other liabilities	150	7,298	10	143	251	1	–	7,853
Estimated third-party payor settlements	–	5,066	–	–	–	–	–	5,066
Current portion of due to affiliates	59	–	–	1,675	1,375	–	(3,109)	–
Current portion of leases	–	331	–	–	–	–	–	331
Current portion of long-term debt	–	1,715	22	–	–	–	–	1,737
Total current liabilities	209	22,434	53	1,904	1,734	1	(3,109)	23,226
Long-term debt, less current portion	–	17,006	238	–	–	–	–	17,244
Long-term lease liability	–	305	–	–	–	–	–	305
Due to affiliates, less current portion	–	–	–	–	–	–	–	–
Defined benefit pension obligation	159	635	–	–	–	–	–	794
Other liabilities	–	–	–	–	–	–	–	–
Professional liability loss reserves	–	1,145	–	–	–	–	–	1,145
Total liabilities	368	41,525	291	1,904	1,734	1	(3,109)	42,714
Net assets:								
Without donor restriction	763	26,868	5,167	(365)	(887)	(1)	–	31,545
With donor restriction	5,385	2,514	–	–	–	–	–	7,899
Total net assets	6,148	29,382	5,167	(365)	(887)	(1)	–	39,444
Total liabilities and net assets	$ 6,516	$ 70,907	$ 5,458	$ 1,539	$ 847	$ –	$ (3,109)	$ 82,158

St. Joseph Healthcare Foundation
Consolidating Statement of Operations
December 31, 2019
(In thousands)

	St. Joseph Healthcare Foundation	St. Joseph Hospital (Bangor)	M&J Company	St. Joseph Ambulatory Care, Inc.	Alternative Health Services	Strauss Corporation	Elimi-nations	St. Joseph Healthcare Foundation Consolidated
Operating revenue:								
Patient service revenue	$ –	$ 150,532	$ –	$ 2,347	$ 4,115	$ –	$ –	$ 156,994
Other revenue	–	4,281	1,001	2,690	6	–	(2,526)	5,452
Net assets released from restrictions for operations	–	115	–	–	21	–	–	136
Total operating revenue	–	154,928	1,001	5,037	4,142	–	(2,526)	162,582
Operating expenses:								
Salaries and wages	–	61,246	–	2,190	1,976	–	–	65,412
Employee benefits	–	12,456	–	427	482	–	–	13,365
Supplies and other	1	72,648	313	3,034	2,295	–	(2,526)	75,765
Interest	–	831	15	147	–	–	–	993
Provider tax	–	2,983	–	–	–	–	–	2,983
Depreciation	–	3,304	342	20	–	–	–	3,666
Total operating expenses	1	153,468	670	5,818	4,753	–	(2,526)	162,184
Income (loss) from operations	(1)	1,460	331	(781)	(611)	–	–	398
Net periodic pension cost	–	(348)	–	–	–	–	–	(348)
Nonoperating gains (losses), net:								
Dividend and interest income	36	294	–	23	–	–	–	353
Realized gain (loss) from investments	(28)	484	–	–	–	–	–	456
Unrealized gain (loss) from investments	–	879	–	21	–	–	–	900
Gain (loss) on sale of assets	–	2	–	–	–	–	–	2
Other nonoperating income	(49)	–	–	–	–	–	–	(49)
Other nonoperating expense	(70)	(650)	–	148	(2)	–	(1)	(575)
Total nonoperating gains (losses), net	(111)	1,009	–	192	(2)	–	(1)	1,087
Excess (deficiency) of revenue over expenses	(112)	2,121	331	(589)	(613)	–	(1)	1,137
Other changes in net assets without donor restriction:								
Adjustment to defined benefit pension obligation	461	1,853	–	–	–	–	–	2,314
Dividend payment	–	–	–	–	–	–	–	–
Transfer among affiliates	–	–	–	–	–	–	–	–
Increase (decrease) in net assets without donor restriction	$ 349	$ 3,974	$ 331	$ (589)	$ (613)	$ –	$ (1)	$ 3,451

St. Mary's Health System
Consolidating Balance Sheet
December 31, 2019
(In thousands)

	St. Mary's Health System	St. Mary's Regional Medical Center	St. Mary's Residences	Community Clinical Services, Inc.	Elimi-nations	St. Mary's Health System Consolidated
Assets						
Current assets:						
Cash and cash equivalents	$ 3	$ 8,831	$ 495	$ 508	$ –	$ 9,837
Patient accounts receivable	–	30,196	–	430	–	30,626
Current portion of pledges receivable	–	1,608	–	–	–	1,608
Investments	–	–	410	–	–	410
Inventories	–	1,735	–	19	–	1,754
Prepaid expenses and other current assets	254	1,357	38	189	–	1,838
Current portion of assets whose use is limited or restricted	–	1,437	–	–	–	1,437
Current portion of due from affiliates	192	19,112	78	7,860	(27,242)	–
Total current assets	449	64,276	1,021	9,006	(27,242)	47,510
Assets whose use is limited or restricted:						
Funds held by trustees, less current portion	1,567	4,073	–	–	–	5,640
Deferred compensation	–	–	–	–	–	–
Board designated funds and other long-term investments	822	9,962	9	42	–	10,835
Replacement reserve	–	–	564	–	–	564
Donor restricted funds	5,074	4,062	90	111	(4,204)	5,133
Total assets whose use is limited or restricted	7,463	18,097	663	153	(4,204)	22,172
Other assets:						
Pledges receivable	–	–	–	–	–	–
Other assets	114	(12)	115	–	–	217
Due from affiliates, less current portion	–	–	–	–	–	–
Investments in joint ventures	555	2,546	–	–	–	3,101
Total other assets	669	2,534	115	–	–	3,318
Property, plant and equipment:						
Land and improvements	2,147	3,603	144	–	–	5,894
Buildings and improvements	7,721	90,171	6,811	62	–	104,765
Equipment	848	57,589	530	733	–	59,700
Construction in progress	–	5,659	68	–	–	5,727
Right of use assets	–	4,533	–	29	–	4,562
	10,716	161,555	7,553	824	–	180,648
Less accumulated depreciation	(5,110)	(99,319)	(6,557)	(679)	–	(111,665)
Total property, plant and equipment	5,606	62,236	996	145	–	68,983
Total assets	$ 14,187	$ 147,143	$ 2,795	$ 9,304	$ (31,446)	$ 141,983

St. Mary's Health System
Consolidating Balance Sheet
December 31, 2019
(In thousands)

	St. Mary's Health System	St. Mary's Regional Medical Center	St. Mary's Residences	Community Clinical Services, Inc.	Elimi-nations	St. Mary's Health System Consolidated
Liabilities and Net Assets						
Current liabilities:						
Accounts payable	$ 163	$ 15,630	$ 24	$ 97	$ –	$ 15,914
Accrued expenses and other liabilities	511	11,936	68	660	–	13,175
Estimated third-party payor settlements	–	1,198	–	48	–	1,246
Current portion of due to affiliates	21,095	–	148	5,816	(27,059)	–
Current portion of lease liability	–	1,077	–	–	–	1,077
Current portion of long-term debt	2,569	2,236	103	–	–	4,908
Total current liabilities	24,338	32,077	343	6,621	(27,059)	36,320
Long-term debt, less current portion	–	34,973	1,987	–	–	36,960
Long-term lease liability	–	3,453	–	29	–	3,482
Due to affiliates, less current portion	4,387	–	–	–	(4,387)	–
Defined benefit pension obligation	–	–	–	–	–	–
Other liabilities	270	25	14	–	–	309
Professional liability loss reserves	1,867	–	–	–	–	1,867
Total liabilities	30,862	70,528	2,344	6,650	(31,446)	78,938
Net assets:						
Without donor restriction	(18,190)	67,545	361	2,550	–	52,266
With donor restriction	1,515	9,070	90	104	–	10,779
Total net assets	(16,675)	76,615	451	2,654	–	63,045
Total liabilities and net assets	$ 14,187	$ 147,143	$ 2,795	$ 9,304	$ (31,446)	$ 141,983

St. Mary's Health System
Consolidating Statement of Operations
December 31, 2019
(In thousands)

	St. Mary's Health System	St. Mary's Regional Medical Center	St. Mary's Residences	Community Clinical Services, Inc.	Elimi-nations	St. Mary's Health System Consolidated
Operating revenue:						
Patient service revenue	$ –	$ 205,745	$ –	$ 9,914	$ –	$ 215,659
Other revenue	4,324	15,588	1,864	2,105	(9,147)	14,734
Net assets released from restrictions for operations	7	429	–	82	–	518
Total operating revenue	4,331	221,762	1,864	12,101	(9,147)	230,911
Operating expenses:						
Salaries and wages	1,079	92,915	–	6,987	–	100,981
Employee benefits	1,696	17,848	–	1,479	(2,711)	18,312
Supplies and other	1,012	99,160	1,225	5,137	(6,436)	100,098
Interest	111	1,875	162	–	–	2,148
Provider tax	–	5,227	–	–	–	5,227
Depreciation	408	5,657	154	41	–	6,260
Total operating expenses	4,306	222,682	1,541	13,644	(9,147)	233,026
Income (loss) from operations	25	(920)	323	(1,543)	–	(2,115)
Net periodic pension cost	–	–	–	–	–	–
Nonoperating gains (losses), net:						
Dividend and interest income	40	339	22	1	–	402
Realized gain (loss) from investments	–	308	–	–	–	308
Unrealized gain (loss) from investments	–	306	–	1	–	307
Gain (loss) on sale of assets	22	143	–	–	–	165
Other nonoperating income	(1,508)	–	–	1,541	–	33
Other nonoperating expense	(2)	(992)	–	–	–	(994)
Total nonoperating gains (losses), net	(1,448)	104	22	1,543	–	221
Excess (deficiency) of revenue over expenses	(1,423)	(816)	345	–	–	(1,894)
Other changes in net assets without donor restriction:						
Adjustment to defined benefit pension obligation	–	–	–	–	–	–
Dividend payment	–	–	–	–	–	–
Transfer among affiliates	1,955	5,791	–	504	–	8,250
Increase (decrease) in net assets without donor restriction	$ 532	$ 4,975	$ 345	$ 504	$ –	$ 6,356

St. Joseph Hospital ~ Physician Practices

Job Standards & Job Summary

Facility: Physician Practices **Job Grade:** 106

Position: Patient Service Representative **Date Revised:** 01/2015

Responsible To: Office Manager/Medical Records/Main Reception Supervisor

STANDARD	DAILY OR PERIODIC	RELATIVE WEIGHT	INDIVIDUAL MEETS JOB STANDARDS WHEN:
1	*D*	*15%*	*Patient & Family Centered Care; Mission & Core Values; and Standards* **It is the expectation that Incumbent will perform all aspects of JPS in accordance with:** **Patient & Family Centered Care**: The employee acknowledges the importance of patients and their families as the most important parts of the job whether or not the employee provides direct patient care. This is demonstrated by the employee when interacting with patients and families. The employee is to demonstrate respect and courtesy and assist patients and families with requests or seeks assistance of direct care or other staff on behalf of patients and families. **Mission & Core Values**: Employee demonstrates the mission and core values of St. Joseph Healthcare in performance of position responsibilities. Effectively communicates, fosters and exhibits congruence with the Catholic Identity, mission and values of the organization. **Standards**: Promotes the Standards of Excellence for St. Joseph Healthcare (Policy HR 48) and complies with the Standards of Conduct (Policy OIE 05). Employee exhibits courteous and cooperative behavior towards patients, families, visitors, volunteers, students, peers and physicians. Employee demonstrates initiative and decision making abilities and work flexibility.
2		*25%*	
	D		• Answers incoming telephone calls in a professional and courteous manner promptly responding to requests.
	D		• Performs patient searches appropriately to ensure duplicate patient accounts are not setup.
	P		• Registers new patients in a thorough and accurate manner following established registration guidelines.
	D		• Directs calls to appropriate staff member/provider or takes complete message.

STANDARD	DAILY OR PERIODIC	RELATIVE WEIGHT	INDIVIDUAL MEETS JOB STANDARDS WHEN:
3		*25%*	
	D		• Greets patients and visitors promptly in a courteous and helpful manner.
	D		• Collects and/or updates patient/insurance information and accurately enters into Plus.
	D		• Oversees waiting area coordinating patient flow and reports problems or irregularities to manager.
	P		• Communicates delays to patients in a proactive manner.
	D		• Confirms future appointments.
4		*10%*	
	D		• Schedules/reschedules patient appointments ensuring that all required follow up is completed.
	D		• Runs reports for distribution.
	D		• Verifies/updates existing patient information following established guidelines.
	P		• Formats provider schedule changes.
5		*20%*	*May be assigned some or all of these duties:*
	P		• Performs related work as requested.
	P		• Orders office supplies.
	D		• Performs check-out duties in a prompt, courteous and helpful manner.
	D		• Assists with filing/scanning/indexing.
	D		• Audits and prepares patient chart for visit to ensure information is up-to-date. Follows office process for gathering required data.
	D		• Assist with check-out process.
	D		• Collects and processes payments, enters payment data into practice management system. Balances daily transactions.
			• Forwards all Service Orders to Central Billing Office desktop.
			• Prepares daily deposit.
	D		• Coordinate hospital services/procedures to Central Billing Office
	P		• Submits and tracks all hospital charges for CBO entry.
	P		• Processes requests for medical records releases/transfers.
	D		• Schedules tests at hospital/specialists' offices as requested by physician. Instructs patient in preparation for scheduled tests.
	P		• Pre-certifies patient for surgery and procedures.
			• Confirms insurance eligibility of future appointments.
	P		• Assists with referral processing.
	P		• Generates accident/disability/workers compensation forms per provider orders.
	P		• Provides notes as requested by provider for out of work/school, etc.
	D		• Opens and sorts incoming mail.

STANDARD	DAILY OR PERIODIC	RELATIVE WEIGHT	INDIVIDUAL MEETS JOB STANDARDS WHEN:
	P		• Assists with mailings as requested.
	P		• Assist with no-show protocol.
	D		• Acts as liaison between insurance company, Central Billing Office, and patient.
	P		• Assists with satellite paperwork and coverage.
6		*5%*	
	D		• Maintains a neat and orderly work environment.
	D		• Demonstrates the ability to organize and prioritize work to expedite patient care.
	P		• Completes all assigned/required training within defined timelines.
	D		• Performs duties per scheduled hours arriving/leaving on time and completing assigned responsibilities.
	D		• Demonstrates flexibility in assisting with support/coverage within the practice network.
	D		• Accesses PHI on a need-to-know basis and safeguards all PHI following HIPAA guidelines, policies and legal requirements.
	D		• Maintains current knowledge and adheres to all organization policies and procedures, practice/site protocols and safety and infection control policy and procedures.
	D		• Demonstrates a commitment to maintain competency in those activities which contribute to ongoing professional development and those required by department/organization policy.

Every St. Joseph Healthcare employee is required to abide by the Standards of Conduct and to report any activity that appears to violate the Standards of Conduct.

Source of Measurement for all Standards: Supervisor's observation with accompanying documentation to support rating.

Facility: Physician Practices

Position: Patient Service Representative

Job Summary: Responsible for activities associated with administrative practice operations. Provides excellent customer service to patients and family members both in person and over the telephone. Works as a team member serving as liaison between the patient, medical support staff and provider. Additionally, may perform billing functions related to daily office payments and charges.

Qualifications:

- High school diploma or GED required, Associates degree preferred.
- Prior medical front office and reception experience preferred.
- Must be knowledgeable in computer systems.
- BLS/CPR, AED Certification Preferred

ST. JOSEPH HOSPITAL
NASHUA, NEW HAMPSHIRE

JOB STANDARDS AND JOB SUMMARY

POSITION TITLE: Phlebotomist **JOB GRADE:** 106

RESPONSIBLE TO: Phlebotomy Coordinator **REVISED:** 7/2015
REVIEWED: 7/2015

DEPARTMENT: Laboratory

Duties and Responsibilities:

Job Duty #	D OR P	Relative Weight	PERFORMANCE CRITERIA
1	D	10	Patient & Family Centered Care; Mission & Core Values; and Standards **It is the expectation that Incumbent will perform all aspects of JPS in accordance with:** **Patient & Family Centered Care**: The employee acknowledges the importance of patients and their families as the most important parts of the job whether or not the employee provides direct patient care. This is demonstrated by the employee when interacting with patients and families. The employee is to demonstrate respect and courtesy and assist patients and families with requests or seeks assistance of direct care or other staff on behalf of patients and families. **Mission & Core Values**: Employee demonstrates the mission and core values of St. Joseph Healthcare in performance of position responsibilities. Effectively communicates, fosters and exhibits congruence with the Catholic Identity, mission and values of the organization. **Standards**: Promotes the Standards of Excellence for St. Joseph Healthcare (Policy HR 48) and complies with the Standards of Conduct (Policy OIE 05). Employee exhibits courteous and cooperative behavior towards patients, families, visitors, volunteers, students, peers and physicians. Employee demonstrates initiative and decision making abilities and work flexibility. Measurement: To the satisfaction of the Phlebotomy Coordinator.

JOB DUTY #	D OR P	RELATIVE WEIGHT	PERFORMANCE CRITERIA
2	D	15	**TECHNICAL – PATIENT IDENTIFICATION** *Established patient identification protocols are followed consistently. Inpatients are identified by their wristbands, with no errors. Outpatients, including residents of assisted living facilities, are identified by having patient verbally spell complete name and state DOB. *Collection Manager device is used appropriately in both inpatient and outpatient settings. *Outpatient specimens are collected based on the requisition (not label). Compare requisition to Collection Manager to verify all information. Ask patients to verify labeled specimens. *All specimens are labeled and initialed according to established policies. *Specimens accepted from patients or healthcare providers are verified for proper labeling and specimen integrity prior to allowing the individual to leave. Measurement: To the satisfaction of the Phlebotomy Coordinator.
3	D	15	**TECHNICAL – SPECIMEN COLLECTION** * Understands specimen requirements and venipuncture techniques applicable to all age groups. Familiar with and competent in using all types of specimen collection equipment. *Organizes / prioritizes test requisitions to ensure timely collection of specimens. Obtains STAT specimens within 15 minutes of request. *Collects appropriate specimen type and amount, according to established policy, to ensure specimens are suitable for accurate testing. Researches specimen requirements when needed. *Performs capillary puncture according to established procedures. * Understands and follows special collection protocols, such as collecting blood cultures, timed specimens, tolerance tests, throat cultures, nasal swabs and breath tests. *Productivity standards are consistently met: An average of 6 to 8 minutes for one inpatient; 5-7 minutes for outpatients. *Handles collected specimens to ensure they are delivered for optimum laboratory processing. Uses pneumatic tube appropriately. STAT specimens sent to lab immediately. Measurement: To the satisfaction of the Phlebotomy Coordinator.
4	D	10	**PATIENT CARE** *Phlebotomy skill is demonstrated by performing appropriate vein evaluation and successful site punctures of blood vessels with minimum discomfort to the patient. Alternate sites and methods, including capillary collection, are considered when appropriate. *Repeat venipuncture attempts are minimized and conducted according to policy.

JOB DUTY #	D OR P	RELATIVE WEIGHT	PERFORMANCE CRITERIA
			*Checks the collection lists and computer to consolidate requests and verify patient has/has not been recently drawn. Monitors wait list regularly to achieve low patient wait times and help meet patient satisfaction goals. Uses routine scheduled collection times to optimize patient flow. *Recognizes, reports, and seeks appropriate intervention for signs and symptoms of complication or significant change in patient status (e.g. fainting, nausea, etc). *Provides patient education as needed including instructions for pre-collection preparation, specimen collection, and specimen labeling. Measurement: To the satisfaction of the Phlebotomy Coordinator
5	D	10	**QUALITY AND SAFETY** *Attends all required safety training programs and can describe his or her responsibilities related to department/service safety and specific job-related hazards. *Follows the hospital exposure control plans/blood-borne and airborne pathogens. Maintains a safe working environment and enforces safety and infection control policies. *Performs various quality assurance tasks to ensure that all tests have been completed accurately, "reasons for tests" are documented, "copies to" have been completed, diagnosis codes, and correct ordering provider. *Documents follow-up for patient recalls. Ensures patient consent has been obtained, Medicare Secondary Payor questionnaires and Advanced Beneficiary Notices are completed as necessary. Measurement: To the satisfaction of the Phlebotomy Coordinator
6	D	10	**CLERICAL AND ADMINISTRATIVE** *Performs administrative and clerical tasks such as registering patients, ordering tests, maintaining patient records in a filing system, filing important records, retrieving data, and sending reports to physicians via phone, mail, fax, or computer. *All work areas are clean and uncluttered. Phlebotomy supply areas are kept clean and fully stocked, along with maintenance on collection manager and printer. *Operates hospital and laboratory information systems effectively to enter and retrieve patient data. Measurement: To the satisfaction of the Phlebotomy Coordinator
7	P	10	**TECHNICAL** *Performs patient reception and minor specimen processing duties to include **registration,** ordering of tests, test add-ons, centrifuging, poring off specimens (aliquoting), and preserving specimen appropriately. *Identifies and effectively resolves specimen collection problems. Rejects improperly collected samples when appropriate.

JOB DUTY #	D OR P	RELATIVE WEIGHT	PERFORMANCE CRITERIA
			*Performs phlebotomies at sites remote from the main hospital, including clinic collection stations, nursing homes, patient private homes, business clients and health fairs. *Assists in training new phlebotomists, students, and clinic office staff as needed. Acts as a resource in obtaining difficult venipunctures and answering technical phlebotomy questions. Measurement: To the satisfaction of the Phlebotomy Coordinator
8	D	10	**ATTITUDE AND COOPERATION** *Continuously displays a "can do" attitude within the section and across departmental lines to contribute to the overall customer service program. *Displays a cost-conscious attitude in regard to managing resources: maintains appropriate inventory levels; checks supplies received against order list; dates time-sensitive supplies when received and opened/placed in service. *Arrives on time and ready to work in primary assigned role. Work history indicates minimal occurrences or patterns of absenteeism. *Abides by hospital and laboratory policies for attendance and reliability. Provides appropriate notification of absence or tardiness. Ensures break and meal times are kept to acceptable limits and documented in the timekeeping system. *Willingly accepts additional projects and responsibilities as needed. *Demonstrates flexibility with time for laboratory coverage on all shifts. *Completes Net Learning and MediaLab assignments in a timely manner. *Assists staff in other areas as appropriate to facilitate the workflow of the lab as a whole. Evaluates patient workload and status of other staff before taking breaks. *Demonstrates the ability to be a team player, seeks solutions to problems, and provides others with encouragement. *Demonstrates receptiveness to change and new ideas. Willing to learn. *Performs miscellaneous assigned duties as needed. Measurement: To the satisfaction of the Phlebotomy Coordinator
9	D	10	**COMMUNICATION** *Uses excellent inter-personal communication skills (oral and written). Demonstrates courteous and cooperative behavior toward patients, visitors, peers and hospital staff with no documented complaints. *Communicates effectively with co-workers to foster a team attitude, avoiding complaining and gossiping. *Stays in communication with supervisor.

JOB DUTY #	D OR P	RELATIVE WEIGHT	PERFORMANCE CRITERIA
			*Presents a clean department to following shift with excellent shift to shift communication. *Maintains a professional appearance and demeanor. Fosters an environment that nurtures collaboration, teamwork, and mutual respect through effective communication, and demonstrates positive communication skills evidenced by effective working relationships. Measurement: To the satisfaction of the Phlebotomy Coordinator

POSITION SUMMARY AND QUALIFICATIONS

Position Summary: Collects human clinical specimens using established, approved laboratory methods, in a safe and efficient manner. Methods employed may include venipuncture, capillary puncture, and collection of swabs for detection of microorganisms. Interprets laboratory orders from clinical provider staff and enters orders into hospital computer systems. Performs minor specimen processing tasks which may include centrifugation of specimens, separation of serum/plasma and specimen preservation. Interacts with patients, physicians and hospital staff members in a professional manner. Performs clerical duties as needed to create, maintain and communicate patient data to health care providers.

Education and Experience:

1. High School Diploma or GED.
2. Training in an approved school or program of phlebotomy is desired, but on-the-job training and experience will be evaluated through display of job knowledge and skills.
3. At least 6 months experience in phlebotomy is desired.
4. Position requires knowledge of medical terminology and familiarity with clinical laboratory policies and procedures related to specimen collection and processing. Other required abilities include: entering and retrieving data from hospital and laboratory information systems, excellent communication skills, interaction with the public and medical/nursing personnel to promote positive outcomes, handling multiple priorities, and managing stress effectively.
5. National certification (ASCP or equivalent) in Phlebotomy is preferred but not required.

ST. JOSEPH HOSPITAL
NASHUA, NEW HAMPSHIRE

JOB DESCRIPTIONS

POSITION TITLE: Registered Nurse **JOB GRADE:** 201

RESPONSIBLE TO: Clinical Nurse Manager **REVISED:** 6-01, 6/04, 1/06, 8/08, 1/09, 2/12, 1/18
Assistant Nurse Manager **REVIEWED:** 6/02, 8/03

DEPARTMENT: Nursing Division

Duties and Responsibilities:

Under the general direction of the Clinical Nurse Manager and in accordance with the nursing practice standards established by the Nursing Organization and by the specific unit/department in accordance with the rules, and regulations and/ or standards established by the State Board of Nursing, the Joint Commission for Accreditation of Health Care Organizations, and appropriate specialty organizations relevant to the patient population under care, the Registered Nurse performs the following functions:

JOB DUTY #	D OR P	RELATIVE WEIGHT	PERFORMANCE CRITERIA
1		20%	**SERVICE: CLINICAL PRACTICE/PATIENT CARE** * Responsible for creating their patients initial and follow up appointments and check-ins. * Renders professional nursing care to patients within an assigned unit of the hospital, in support of medical care as directed by medical staff and pursuant to objectives and policies of the hospital * Compliant in achieving unit specific competencies and requirements * Involved in quality improvement planning and processes for the area of practice. * Clinical documentation and care plans completed comprehensively for all patients assigned in timely manner * Seeks feedback regarding practice and takes actions as appropriate. * Practice reflects knowledge of current practice standards (ANA, NH Nurse Practice Act, Specialty standards) * Communicates patient information appropriate for continuity and safe care through hand offs, walking rounds, and physician/provider interaction. *EXCEEDS STANDARD FOR A SCORE OF 3 WHEN 1 OF THE FOLLOWING CRITERIA IS ACHIEVED.* *EXCEEDS STANDARD FOR A SCORE OF 4 WHEN 2 OR MORE OF THE FOLLOWING CRITERIA ARE ACHIEVED.*

JOB DUTY #	D OR P	RELATIVE WEIGHT	PERFORMANCE CRITERIA
			* Involved in nursing research data collection * Involved in implementation of evidence based practice change * Initiates work process that promotes patient satisfaction or excellence in the workplace * Actively participates (75% or more) in a nursing or hospital committee * Provides an educational session using ANA guidelines or NH Nurse Practice Act as resources for the presentation to peers * Disseminates evidence based journal articles or research findings via a poster or presentation to other staff members
2		20%	**QUALITY: COMMUNICATION AND PATIENT SAFETY** * Provides safe and secure environment for patients, visitors and staff by following established procedures and protocols * Implements resources and initiatives that are in place or in process to improve patient safety. * Works within guidelines of Just Culture Environment to promote error reporting and adoption of safe practices. * Assures issues are addressed through appropriate use of the chain of command * Completes hourly rounding with LNAs on all assigned patients * Identifies and assists in correction of patient care safety issues. * Recognizes and praises excellent performance in colleagues and co-workers, when identified * Builds respectful relationships through early and pro-active identification of concerns, complements or suggestions * Collaborates unit to unit and shift to shift for resolution of conflicts and issues in a timely manner * Consults with nurses in other department/units to draw upon expertise in other clinical areas/specialties * Displays professional, positive perspective at all times, including when faced with difficult circumstances * Seeks opportunities to assist all team members * Displays willingness to resolve tension within the unit or department, for example, by volunteering to accept an admission, or adjust an assignment *EXCEEDS STANDARD FOR A SCORE OF 3 WHEN 1 OF THE*

JOB DUTY #	D OR P	RELATIVE WEIGHT	PERFORMANCE CRITERIA
			FOLLOWING CRITERIA IS ACHIEVED. *EXCEEDS STANDARD FOR A SCORE OF 4 WHEN 2 OR MORE OF THE FOLLOWING CRITERIA ARE ACHIEVED.* * Identifies and implements evidence based practice for improvement in current practice, policy or procedure. * Active participant (75% of meetings) in team or committee to correct patient safety issue, including Patient Safety Committee, Nursing Quality Council, UAC, Wound Care Committee * Provides inservice or educational poster on National Patient Safety Goals or other patient safety related initiative * As needed, rotates and flexes assignment/schedule among various shifts or departments in an effort to adjust staffing to meet safe patient care needs. * Develops and implements method of improving communication with patients, family, providers, and colleagues * Reviews and revises policies and procedures with dissemination of information * Publishes article in Nursing Chronicle or other journal
3		20%	**PEOPLE: LEADERSHIP** * Demonstrates practice that is consistent with the tenets of shared governance and with the philosophy of the unit and the organization. * Assists with solution identification in response to problems and conflicts * Effectively delegates aspects of care and unit activities to other nursing personnel * Collaborates in planning, supervising and instructing other nurses and assistants. * Works collaboratively with nursing students and instructors * Participates in peer review of colleagues * Demonstrates characteristics of the SPIRIT of St. Joseph Hospital with a commitment to my co-workers and holds peers accountable for the same *EXCEEDS STANDARD FOR A SCORE OF 3 WHEN 1 OF THE FOLLOWING CRITERIA IS ACHIEVED.* *EXCEEDS STANDARD FOR A SCORE OF 4 WHEN 2 OR MORE OF THE FOLLOWING CRITERIA ARE ACHIEVED.* * Member and active participant of professional nursing organization (attends meetings/programs)

JOB DUTY #	D OR P	RELATIVE WEIGHT	PERFORMANCE CRITERIA
			* Functions as resource Charge Nurse in the absence of the assigned Assistant Nurse Manager. * Chair of UAC or other committee * Member of regulatory task force (examples, TJC, CARF, Core Measure) * Mentors colleague in CAP application
4		15%	**FINANCE** * Effectively controls costs through economical use of supplies, linen, personnel, and equipment * Demonstrates integrity and honesty by accurately accounting for time worked (start/stop time), meal breaks (punch for lunch), and down-time * Avoids use of unauthorized overtime * Minimizes use of unplanned earned time (< 6 shifts/year for full time staff members; < 3 shifts/year for part time staff members) *EXCEEDS STANDARD FOR A SCORE OF 3 WHEN 1 OF THE FOLLOWING CRITERIA IS ACHIEVED.* *EXCEEDS STANDARD FOR A SCORE OF 4 WHEN 2 OR MORE OF THE FOLLOWING CRITERIA ARE ACHIEVED.* ❖ Maintains unauthorized overtime of < 5% of hours worked ❖ Adjusts work hours to accommodate patient needs and census changes ❖ Develops and implements suggestion for expense reduction ❖ Participates in a LEAN initiative ❖ Develops and implements suggestion for revenue or program growth
5		15%	**GROWTH: PROFESSIONAL DEVELOPMENT** * Develops and implements performance goals based on self-assessment and performance feedback * Assures patient education materials are culturally competent * Serves as preceptor for new nurses * Participates in peer-education on core measures, TJC, CARF, and other regulatory compliance initiatives *EXCEEDS STANDARD FOR A SCORE OF 3 WHEN 1 OF THE FOLLOWING CRITERIA IS ACHIEVED.* *EXCEEDS STANDARD FOR A SCORE OF 4 WHEN 2 OR MORE OF THE FOLLOWING CRITERIA ARE ACHIEVED.*

JOB DUTY #	D OR P	RELATIVE WEIGHT	PERFORMANCE CRITERIA
			* Completes Clinical Advancement Program (CAP) application * Matriculated or completed an advanced nursing degree (BSN, MSN, APRN) * Instructor for BLS, PALS, NRP, ACLS, or other skills course. * Completes preceptor course and maintains preceptor status through attendance at preceptor update at least every 5-years. * Involved with community organizations as leader, speaker or facilitator * Certified in area of specialty * Actively participates (75% attendance) in Magnet committee or initiative
6		10%	**MISSION:** * Demonstrates the philosophy, mission, and core values of St. Joseph Hospital in performance of job responsibilities. * Seeks available resources acting as the patient advocate. * Demonstrates respect for patient rights to information, dignity, privacy and confidentiality. *EXCEEDS STANDARD FOR A SCORE OF 3 WHEN 1 OF THE FOLLOWING CRITERIA IS ACHIEVED.* *EXCEEDS STANDARD FOR A SCORE OF 4 WHEN 2 OR MORE OF THE FOLLOWING CRITERIA ARE ACHIEVED.* * Participates in Mission Effectiveness programs. * Involved in a community volunteer program that enhances the image of nursing within the community. * Involved in taking educational program to community support group or other community program. * Mentors a non-nurse to enter a nursing program

Job Summary

1. **All RN positions require successful completion of a nursing program from an accredited institution.**
2. **All RN positions require a current, valid New Hampshire Registered Nurse License.**
3. **All RN's must perform essential job functions and meet qualifications listed below.**
4. **Registered Nurses working in specialty areas must meet requirements for those specialties as determined by that specific discipline.**

JOB ANALYSIS FORM

JOB TITLE: Registered Nurse **DEPT**: Nursing Division

MANAGER: Clinical Nurse Manager/Assistant Nurse Manager.

1. **Description of Tasks**
   As delineated in the current Job Performance Standard/Position Description on file in the Human Resources Department and in Patient Care Services.

2. **Hours Worked**
   As currently established by the Supervisor/Nurse Manager
   Overtime? As required and pre-approved by the Supervisor/Nurse Manager.

3. **Break/Meal Times**
   As prescribed by current law and/or dictated by patient care needs and available replacement.

4. **Education/Experience/License Required?**
   As delineated in the current Job Performance Standard/Position Description on file in the Human Resources Department and the Patient Care Services.

5. **Physical Demands:**

Standing:	40 %
Sitting:	30 %
Walking:	30 %
Total:	100 %

STANDING	**Surface**:	Interior
	Activity:	Monitor patients, patient care and assessment
SITTING	**Chair**:	Varied
	Activity:	Charting, computer and telephone interviews.
WALKING	**Surface**:	Interior
	Activity:	Direct patient care, within department, and patient discharge.

Rarely = less than 10% of time on shift
Occas = up to 33% of time
Freq = up to 66% of time
Cont = more than 66% of time

Bending: To flex upper trunk forward
Never Rarely Occas ***Freq*** Cont
Activity: Patient care and procedures

Balancing: To maintain body equilibrium.
Never Rarely Occas ***Freq*** Cont
Activity: Same as above

Crouching/Stooping: To flex upper trunk forward at waist; partial flexion of knees.
Never Rarely ***Occas*** Freq Cont
Activity: Same as above

Kneeling: Bending the legs at the knees to come to rest on the knee or knees.
Never ***Rarely*** Occas Freq Cont
Activity: Patient care and operating equipment, supplies.

Crawling: To move entire body along a surface with hip/knee flexion and arm extension/flexion.
Never ***Rarely*** Occas Freq Cont
Activity: Operating equipment

Twisting: To rotate upper trunk to right or left from neutral while sitting or standing.
Never Rarely Occas ***Freq*** Cont
Activity: Patient care, operating equipment

Reaching: To position arms with any degree of elbow flexion
Never Rarely Occas ***Freq*** Cont
Activity: Same as above

Coordination (eye, hand, foot): Operation of foot and hand controls simultaneously.
Never Rarely Occas ***Freq*** Cont
Activity: Patient care

Lifting: To exert physical strength necessary to move objects from one level to another.

	NEVER	RARELY	OCCAS	FREQ	CONT
Under 10 lbs.					X
11 - 25 lbs.				X	
26 - 50 lbs.			X		
51 - 75 lbs.			X		
76 - 100 lbs.			X		
Over 100 lbs.	X				

Lifting Activity: Patient care, patient transport, supplies

Carrying: Transporting an object, usually holding it in the hands or arms or shoulders.

	NEVER	RARELY	OCCAS	FREQ	CONT
Under 10 lbs.				X	
11 - 25 lbs.			X		
26 - 50 lbs.		X			
51 - 75 lbs.		X			
76 - 100 lbs.		X			
Over 100 lbs.	X				

Carry Activity: Same as above

Pushing: To exert force on or against an object in order to move it away.
Never Rarely Occas ***Freq*** Cont
Activity: Wheelchairs, stretchers, equipment, supplies

Pulling: To draw towards oneself, in a particular direction, or in a particular position.
Never Rarely Occas ***Freq*** Cont
Activity: Wheelchairs, stretchers, equipment, supplies

Climbing: To ascent or descent ladders, scaffolding, stairs, poles, or□□□inclined surfaces.
Never Rarely ***Occas*** Freq Cont
Activity: Step stool to reach supplies.

Hand Coordination (using devices)	Right	Left	Both	How Often?	How Long?	N/A
Major Hand			X	**Daily**		
A Fine Manipulation			X	**Daily**		
Gross Manipulation			X	**Daily**		
Simple Grasping			X	**Daily**		
Power Grip			X	**Daily**		
Hand Twisting			X	**Daily**		

Machines, tools, equipment, work aids, materials:
Technical/medical equipment, telephones, computers, patient care equipment.
Working around moving machinery: N/A

Environmental conditions: St. Joseph Hospital has a comprehensive safety program incorporating OSHA regulations and Workers' Right to Know.
Specify:

Job Modifications: **Can this job be modified in any way?**
Yes: X Temporary: X
No: Permanent:
Specify: Consideration on an individual basis

Additional Comments:
- Social/psychological/mental job demands
- Exposure to contaminated waste, blood-borne pathogens.

Essential Job Functions

Assessment:

1. Able to perform standard Assessments using basic equipment

Medication Administration:

1. Visual acuity
2. Hand-Eye coordination

Communication/Documentation:

1. Maintains confidentiality
2. Able to communicate verbally and in writing

Patient Safety:

1. Able to meet standards of job analysis form

Interpersonal:

1. Interact positively with members of team and patients.
2. Respects patient's culture, lifestyle, religion and age when planning or implementing care
3. Accepts constructive criticism and channels emotional reaction in a positive manner

QUALIFICATIONS

Education

-Graduate from an approved School of Nursing.
-Current New Hampshire license required

Experience

-Clinical experience preferred

Professional Activities:

-Membership in a professional nursing organization
-Certification in specialty preferred.

STANDARDS OF CONDUCT

Every St. Joseph Healthcare employee is required to abide by the Standards of Conduct and to report any activity that appears to violate the Standards of Conduct.

CONTRACTOR NAME

Key Personnel

Name	Job Title	Salary	% Paid from this Contract	Amount Paid from this Contract
TBD	Registered Nurse 0.5 FTE	$37.93	100%	$13,654.80
TBD	Phlebotomist or Medical Assistant 1.1 FTE	$23.29	100%	$18,445.68
TBD	Patient Service Representative	$20.84	100%	$15,004.80

For the period of August 2, 2020 though December 1, 2020 (18 weeks)

Subject: Hospital-Based COVID-19 Community Testing (SS-2021-DPHS-04-HOSPI-18)

Notice: This agreement and all of its attachments shall become public upon submission to Governor and Executive Council for approval. Any information that is private, confidential or proprietary must be clearly identified to the agency and agreed to in writing prior to signing the contract.

AGREEMENT

The State of New Hampshire and the Contractor hereby mutually agree as follows:

GENERAL PROVISIONS

1. IDENTIFICATION.

1.1 State Agency Name New Hampshire Department of Health and Human Services		1.2 State Agency Address 129 Pleasant Street Concord, NH 03301-3857	
1.3 Contractor Name Valley Regional Hospital, Inc.		1.4 Contractor Address 243 Elm Street Claremont, NH 03743	
1.5 Contractor Phone Number (603) 542-7771	1.6 Account Number 05-095-090-903010-19010000	1.7 Completion Date December 1, 2020	1.8 Price Limitation $145,000
1.9 Contracting Officer for State Agency Nathan D. White, Director		1.10 State Agency Telephone Number (603) 271-9631	
1.11 Contractor Signature Deanna S Howard Date: 07/24/20		1.12 Name and Title of Contractor Signatory Deanna Howard, Interim CEO	
1.13 State Agency Signature Lori Shibinette Date: 7/31/20		1.14 Name and Title of State Agency Signatory Lori Shibinette, Commissioner	
1.15 Approval by the N.H. Department of Administration, Division of Personnel *(if applicable)* By: Director, On:			
1.16 Approval by the Attorney General (Form, Substance and Execution) *(if applicable)* By: Catherine Pinos On: 08/03/20			
1.17 Approval by the Governor and Executive Council *(if applicable)* G&C Item number: G&C Meeting Date:			

Contractor Initials DH
Date 7/24/20

2. SERVICES TO BE PERFORMED. The State of New Hampshire, acting through the agency identified in block 1.1 ("State"), engages contractor identified in block 1.3 ("Contractor") to perform, and the Contractor shall perform, the work or sale of goods, or both, identified and more particularly described in the attached EXHIBIT B which is incorporated herein by reference ("Services").

3. EFFECTIVE DATE/COMPLETION OF SERVICES.
3.1 Notwithstanding any provision of this Agreement to the contrary, and subject to the approval of the Governor and Executive Council of the State of New Hampshire, if applicable, this Agreement, and all obligations of the parties hereunder, shall become effective on the date the Governor and Executive Council approve this Agreement as indicated in block 1.17, unless no such approval is required, in which case the Agreement shall become effective on the date the Agreement is signed by the State Agency as shown in block 1.13 ("Effective Date").
3.2 If the Contractor commences the Services prior to the Effective Date, all Services performed by the Contractor prior to the Effective Date shall be performed at the sole risk of the Contractor, and in the event that this Agreement does not become effective, the State shall have no liability to the Contractor, including without limitation, any obligation to pay the Contractor for any costs incurred or Services performed. Contractor must complete all Services by the Completion Date specified in block 1.7.

4. CONDITIONAL NATURE OF AGREEMENT.
Notwithstanding any provision of this Agreement to the contrary, all obligations of the State hereunder, including, without limitation, the continuance of payments hereunder, are contingent upon the availability and continued appropriation of funds affected by any state or federal legislative or executive action that reduces, eliminates or otherwise modifies the appropriation or availability of funding for this Agreement and the Scope for Services provided in EXHIBIT B, in whole or in part. In no event shall the State be liable for any payments hereunder in excess of such available appropriated funds. In the event of a reduction or termination of appropriated funds, the State shall have the right to withhold payment until such funds become available, if ever, and shall have the right to reduce or terminate the Services under this Agreement immediately upon giving the Contractor notice of such reduction or termination. The State shall not be required to transfer funds from any other account or source to the Account identified in block 1.6 in the event funds in that Account are reduced or unavailable.

5. CONTRACT PRICE/PRICE LIMITATION/ PAYMENT.
5.1 The contract price, method of payment, and terms of payment are identified and more particularly described in EXHIBIT C which is incorporated herein by reference.
5.2 The payment by the State of the contract price shall be the only and the complete reimbursement to the Contractor for all expenses, of whatever nature incurred by the Contractor in the performance hereof, and shall be the only and the complete compensation to the Contractor for the Services. The State shall have no liability to the Contractor other than the contract price.
5.3 The State reserves the right to offset from any amounts otherwise payable to the Contractor under this Agreement those liquidated amounts required or permitted by N.H. RSA 80:7 through RSA 80:7-c or any other provision of law.
5.4 Notwithstanding any provision in this Agreement to the contrary, and notwithstanding unexpected circumstances, in no event shall the total of all payments authorized, or actually made hereunder, exceed the Price Limitation set forth in block 1.8.

6. COMPLIANCE BY CONTRACTOR WITH LAWS AND REGULATIONS/ EQUAL EMPLOYMENT OPPORTUNITY.
6.1 In connection with the performance of the Services, the Contractor shall comply with all applicable statutes, laws, regulations, and orders of federal, state, county or municipal authorities which impose any obligation or duty upon the Contractor, including, but not limited to, civil rights and equal employment opportunity laws. In addition, if this Agreement is funded in any part by monies of the United States, the Contractor shall comply with all federal executive orders, rules, regulations and statutes, and with any rules, regulations and guidelines as the State or the United States issue to implement these regulations. The Contractor shall also comply with all applicable intellectual property laws.
6.2 During the term of this Agreement, the Contractor shall not discriminate against employees or applicants for employment because of race, color, religion, creed, age, sex, handicap, sexual orientation, or national origin and will take affirmative action to prevent such discrimination.
6.3. The Contractor agrees to permit the State or United States access to any of the Contractor's books, records and accounts for the purpose of ascertaining compliance with all rules, regulations and orders, and the covenants, terms and conditions of this Agreement.

7. PERSONNEL.
7.1 The Contractor shall at its own expense provide all personnel necessary to perform the Services. The Contractor warrants that all personnel engaged in the Services shall be qualified to perform the Services, and shall be properly licensed and otherwise authorized to do so under all applicable laws.
7.2 Unless otherwise authorized in writing, during the term of this Agreement, and for a period of six (6) months after the Completion Date in block 1.7, the Contractor shall not hire, and shall not permit any subcontractor or other person, firm or corporation with whom it is engaged in a combined effort to perform the Services to hire, any person who is a State employee or official, who is materially involved in the procurement, administration or performance of this Agreement. This provision shall survive termination of this Agreement.
7.3 The Contracting Officer specified in block 1.9, or his or her successor, shall be the State's representative. In the event of any dispute concerning the interpretation of this Agreement, the Contracting Officer's decision shall be final for the State.

Contractor Initials [signature]
Date 7/21/20

8. EVENT OF DEFAULT/REMEDIES.
8.1 Any one or more of the following acts or omissions of the Contractor shall constitute an event of default hereunder ("Event of Default"):
8.1.1 failure to perform the Services satisfactorily or on schedule;
8.1.2 failure to submit any report required hereunder; and/or
8.1.3 failure to perform any other covenant, term or condition of this Agreement.
8.2 Upon the occurrence of any Event of Default, the State may take any one, or more, or all, of the following actions:
8.2.1 give the Contractor a written notice specifying the Event of Default and requiring it to be remedied within, in the absence of a greater or lesser specification of time, thirty (30) days from the date of the notice; and if the Event of Default is not timely cured, terminate this Agreement, effective two (2) days after giving the Contractor notice of termination;
8.2.2 give the Contractor a written notice specifying the Event of Default and suspending all payments to be made under this Agreement and ordering that the portion of the contract price which would otherwise accrue to the Contractor during the period from the date of such notice until such time as the State determines that the Contractor has cured the Event of Default shall never be paid to the Contractor;
8.2.3 give the Contractor a written notice specifying the Event of Default and set off against any other obligations the State may owe to the Contractor any damages the State suffers by reason of any Event of Default; and/or
8.2.4 give the Contractor a written notice specifying the Event of Default, treat the Agreement as breached, terminate the Agreement and pursue any of its remedies at law or in equity, or both.
8.3 No failure by the State to enforce any provisions hereof after any Event of Default shall be deemed a waiver of its rights with regard to that Event of Default, or any subsequent Event of Default. No express failure to enforce any Event of Default shall be deemed a waiver of the right of the State to enforce each and all of the provisions hereof upon any further or other Event of Default on the part of the Contractor.

9. TERMINATION.
9.1 Notwithstanding paragraph 8, the State may, at its sole discretion, terminate the Agreement for any reason, in whole or in part, by thirty (30) days written notice to the Contractor that the State is exercising its option to terminate the Agreement.
9.2 In the event of an early termination of this Agreement for any reason other than the completion of the Services, the Contractor shall, at the State's discretion, deliver to the Contracting Officer, not later than fifteen (15) days after the date of termination, a report ("Termination Report") describing in detail all Services performed, and the contract price earned, to and including the date of termination. The form, subject matter, content, and number of copies of the Termination Report shall be identical to those of any Final Report described in the attached EXHIBIT B. In addition, at the State's discretion, the Contractor shall, within 15 days of notice of early termination, develop and submit to the State a Transition Plan for services under the Agreement.

10. DATA/ACCESS/CONFIDENTIALITY/ PRESERVATION.
10.1 As used in this Agreement, the word "data" shall mean all information and things developed or obtained during the performance of, or acquired or developed by reason of, this Agreement, including, but not limited to, all studies, reports, files, formulae, surveys, maps, charts, sound recordings, video recordings, pictorial reproductions, drawings, analyses, graphic representations, computer programs, computer printouts, notes, letters, memoranda, papers, and documents, all whether finished or unfinished.
10.2 All data and any property which has been received from the State or purchased with funds provided for that purpose under this Agreement, shall be the property of the State, and shall be returned to the State upon demand or upon termination of this Agreement for any reason.
10.3 Confidentiality of data shall be governed by N.H. RSA chapter 91-A or other existing law. Disclosure of data requires prior written approval of the State.

11. CONTRACTOR'S RELATION TO THE STATE. In the performance of this Agreement the Contractor is in all respects an independent contractor, and is neither an agent nor an employee of the State. Neither the Contractor nor any of its officers, employees, agents or members shall have authority to bind the State or receive any benefits, workers' compensation or other emoluments provided by the State to its employees.

12. ASSIGNMENT/DELEGATION/SUBCONTRACTS.
12.1 The Contractor shall not assign, or otherwise transfer any interest in this Agreement without the prior written notice, which shall be provided to the State at least fifteen (15) days prior to the assignment, and a written consent of the State. For purposes of this paragraph, a Change of Control shall constitute assignment. "Change of Control" means (a) merger, consolidation, or a transaction or series of related transactions in which a third party, together with its affiliates, becomes the direct or indirect owner of fifty percent (50%) or more of the voting shares or similar equity interests, or combined voting power of the Contractor, or (b) the sale of all or substantially all of the assets of the Contractor.
12.2 None of the Services shall be subcontracted by the Contractor without prior written notice and consent of the State. The State is entitled to copies of all subcontracts and assignment agreements and shall not be bound by any provisions contained in a subcontract or an assignment agreement to which it is not a party.

13. INDEMNIFICATION. Unless otherwise exempted by law, the Contractor shall indemnify and hold harmless the State, its officers and employees, from and against any and all claims, liabilities and costs for any personal injury or property damages, patent or copyright infringement, or other claims asserted against the State, its officers or employees, which arise out of (or which may be claimed to arise out of) the acts or omission of the

Contractor Initials
Date 1/24/20

Contractor, or subcontractors, including but not limited to the negligence, reckless or intentional conduct. The State shall not be liable for any costs incurred by the Contractor arising under this paragraph 13. Notwithstanding the foregoing, nothing herein contained shall be deemed to constitute a waiver of the sovereign immunity of the State, which immunity is hereby reserved to the State. This covenant in paragraph 13 shall survive the termination of this Agreement.

14. INSURANCE.

14.1 The Contractor shall, at its sole expense, obtain and continuously maintain in force, and shall require any subcontractor or assignee to obtain and maintain in force, the following insurance:

14.1.1 commercial general liability insurance against all claims of bodily injury, death or property damage, in amounts of not less than $1,000,000 per occurrence and $2,000,000 aggregate or excess; and

14.1.2 special cause of loss coverage form covering all property subject to subparagraph 10.2 herein, in an amount not less than 80% of the whole replacement value of the property.

14.2 The policies described in subparagraph 14.1 herein shall be on policy forms and endorsements approved for use in the State of New Hampshire by the N.H. Department of Insurance, and issued by insurers licensed in the State of New Hampshire.

14.3 The Contractor shall furnish to the Contracting Officer identified in block 1.9, or his or her successor, a certificate(s) of insurance for all insurance required under this Agreement. Contractor shall also furnish to the Contracting Officer identified in block 1.9, or his or her successor, certificate(s) of insurance for all renewal(s) of insurance required under this Agreement no later than ten (10) days prior to the expiration date of each insurance policy. The certificate(s) of insurance and any renewals thereof shall be attached and are incorporated herein by reference.

15. WORKERS' COMPENSATION.

15.1 By signing this agreement, the Contractor agrees, certifies and warrants that the Contractor is in compliance with or exempt from, the requirements of N.H. RSA chapter 281-A *("Workers' Compensation")*.

15.2 To the extent the Contractor is subject to the requirements of N.H. RSA chapter 281-A, Contractor shall maintain, and require any subcontractor or assignee to secure and maintain, payment of Workers' Compensation in connection with activities which the person proposes to undertake pursuant to this Agreement. The Contractor shall furnish the Contracting Officer identified in block 1.9, or his or her successor, proof of Workers' Compensation in the manner described in N.H. RSA chapter 281-A and any applicable renewal(s) thereof, which shall be attached and are incorporated herein by reference. The State shall not be responsible for payment of any Workers' Compensation premiums or for any other claim or benefit for Contractor, or any subcontractor or employee of Contractor, which might arise under applicable State of New Hampshire Workers' Compensation laws in connection with the performance of the Services under this Agreement.

16. NOTICE. Any notice by a party hereto to the other party shall be deemed to have been duly delivered or given at the time of mailing by certified mail, postage prepaid, in a United States Post Office addressed to the parties at the addresses given in blocks 1.2 and 1.4, herein.

17. AMENDMENT. This Agreement may be amended, waived or discharged only by an instrument in writing signed by the parties hereto and only after approval of such amendment, waiver or discharge by the Governor and Executive Council of the State of New Hampshire unless no such approval is required under the circumstances pursuant to State law, rule or policy.

18. CHOICE OF LAW AND FORUM. This Agreement shall be governed, interpreted and construed in accordance with the laws of the State of New Hampshire, and is binding upon and inures to the benefit of the parties and their respective successors and assigns. The wording used in this Agreement is the wording chosen by the parties to express their mutual intent, and no rule of construction shall be applied against or in favor of any party. Any actions arising out of this Agreement shall be brought and maintained in New Hampshire Superior Court which shall have exclusive jurisdiction thereof.

19. CONFLICTING TERMS. In the event of a conflict between the terms of this P-37 form (as modified in EXHIBIT A) and/or attachments and amendment thereof, the terms of the P-37 (as modified in EXHIBIT A) shall control.

20. THIRD PARTIES. The parties hereto do not intend to benefit any third parties and this Agreement shall not be construed to confer any such benefit.

21. HEADINGS. The headings throughout the Agreement are for reference purposes only, and the words contained therein shall in no way be held to explain, modify, amplify or aid in the interpretation, construction or meaning of the provisions of this Agreement.

22. SPECIAL PROVISIONS. Additional or modifying provisions set forth in the attached EXHIBIT A are incorporated herein by reference.

23. SEVERABILITY. In the event any of the provisions of this Agreement are held by a court of competent jurisdiction to be contrary to any state or federal law, the remaining provisions of this Agreement will remain in full force and effect.

24. ENTIRE AGREEMENT. This Agreement, which may be executed in a number of counterparts, each of which shall be deemed an original, constitutes the entire agreement and understanding between the parties, and supersedes all prior agreements and understandings with respect to the subject matter hereof.

Contractor Initials [illegible]
Date 7/24/20

REVISIONS TO STANDARD CONTRACT PROVISIONS

1. Revisions to Form P-37, General Provisions

1.1. Paragraph 3, Subparagraph 3.1, Effective Date/Completion of Services, is amended as follows:

3.1. Notwithstanding any provision of this Agreement to the contrary, and subject to the approval of the Governor of the State of New Hampshire, issued under the Executive Order 2020-04 and any extensions thereof, this Agreement, and all obligations of the parties hereunder, shall become effective on August 1, 2020. ("Effective Date").

1.2. Paragraph 3, Effective Date/Completion of Services, is amended by adding subparagraph 3.3 as follows:

3.3. The parties may extend the Agreement for up to one (1) additional year from the Completion Date, contingent upon satisfactory delivery of services, available funding, agreement of the parties, and required governmental approval.

1.3. Paragraph 12, Subparagraph 12.3, Assignment/Delegation/Subcontracts, is amended as follows:

12.3. Subcontractors are subject to the same contractual conditions as the Contractor and the Contractor is responsible to ensure subcontractor compliance with those conditions. The Contractor shall have written agreements with all subcontractors, specifying the work to be performed and how corrective action shall be managed if the subcontractor's performance is inadequate. The Contractor shall manage the subcontractor's performance on an ongoing basis and take corrective action as necessary. The Contractor shall annually provide the State with a list of all subcontractors provided for under this Agreement and notify the State of any inadequate subcontractor performance.

Scope of Services

1. Statement of Work

1.1. For the purposes of this Agreement, any references to days shall mean calendar days.

1.2. The Contractor shall begin conducting specimen collection and testing for SARS-CoV-2 for symptomatic patients within the Contractor's hospital and emergency department no later than August 1, 2020.

1.3. The Contractor shall begin full specimen collection and testing services as outlined in this Agreement no later than August 10, 2020, including, but not limited to, the following:

1.3.1. Conducting specimen collection and testing for SARS-CoV-2 in an outpatient setting for individuals who reside within the hospital catchment area or local community, regardless of individuals' prior affiliations with the hospital.

1.3.2. Conducting specimen collection and testing for patients who have symptoms of COVID-19 or who are pre-symptomatic or asymptomatic at the request of:

1.3.2.1. The individual to be tested; or

1.3.2.2. The Department of Health and Human Services (Department) Division of Public Health Services (DPHS).

1.4. The Contractor shall not require an office or telemedicine visit for asymptomatic patients in order for patients to receive COVID-19 testing.

1.5. In the event of a significant increase in community transmission of COVID-19, the Contractor shall not be responsible for meeting significantly increased levels of testing and may request the Department to provide additional testing capacity.

1.6. The Contractor shall determine the appropriate venue and physical location for specimen collection, which may include, but is not limited to:

1.6.1. An existing physical location.

1.6.2. A temporary drive-through location.

1.6.3. A drive-up facility.

1.7. The Contractor shall request a waiver, if necessary, from the Department's Bureau of Health Facilities Administration for a temporary drive-through location or drive-up facility.

1.8. The Contractor shall determine the appropriate number of days per week and the duration of time per day to perform community specimen collection for COVID-19 testing to meet the needs of the hospital catchment area and local community and communicate the hours of operation to the Department.

collection of specimens, authorizing testing at the laboratory and reporting to the ordering medical provider, the Department, and any other individual or entity designated to receive the test results.

1.11. The Contractor shall identify of any communication access needs to ensure needed language assistance is provided, which may include, but is not limited to:

1.11.1. Over-the-phone interpretation of spoken languages.

1.11.2. Video remote interpretation to access American Sign Language.

1.12. The Contractor shall ensure communication and language assistance is provided to individuals, as appropriate and needed, to ensure the validity of any signed consent by utilizing translated consent forms and/or interpreters.

1.13. The Contractor shall ensure all personnel collecting, handling, processing and transporting specimens are trained to safeguard the confidentiality of the patient and protected health information (PHI), as defined in the Health Information Portability and Accountability Act (HIPAA).

1.14. The Contractor shall ensure the secure and confidential transporting of specimens to the laboratory.

1.15. The Contractor shall ensure the ordering provider for each COVID-19 test is a licensed medical provider.

1.16. The Contractor shall ensure the licensed medical provider ordering COVID-19 tests notifies patients of testing results received from the laboratory in a timely manner. The Contractor shall ensure:

1.16.1. Patients with positive results confirming the diagnosis of COVID-19 are informed;

1.16.1.1. By telephone or other electronic method.

1.16.1.2. By first-class U.S. mail, if telephone or other electronic method is unsuccessful

1.16.2. Patients with negative results are informed of test results in a method determined by the Contractor.

1.17. The Contractor shall utilize existing communication methods to inform the local community of the availability of outpatient COVID-19 testing, which may include, but are not limited to:

1.17.1. The hospital's website.

1.17.2. Hospital newsletters.

1.17.3. Social media platforms.

1.18. The Contractor shall ensure published information includes how and when patients can access the services and the location of the specimen collection

site.

1.19. The Contractor shall ensure any marketing materials abide by existing requirements for communication access, including but not limited to:

1.19.1. Vital and significant materials should be made available in additional languages, as appropriate, and must be translated by qualified, competent translation providers, as follows:

1.19.1.1. Statewide, only Spanish meets the criteria for translation.

1.19.1.2. Translation is required for languages depending on factors including the number and proportion of LEP persons served or likely to seek services in the Contractor's service areas, and the frequency with which LEP individuals come into contact with the Contractor's programs, activities and services. .

1.19.1.3. Notification on all materials of the availability of free communication access and language assistance for any individuals who may require it.

1.19.1.4. All materials have a phone number to call for further information, ensuring staff answering that phone number shall have access to over-the-phone interpretation to assist callers who need spoken language interpretation.

1.20. The Contractor shall provide communication and language assistance at all points of contact in accessing COVID-19 testing to individuals with communication access needs, including individuals with limited English proficiency, or individuals who are deaf or have hearing loss.

1.21. The Contractor shall conduct outreach to vulnerable populations and minority populations in the hospital catchment area or local community, including notifying partner organizations who work with these populations about the availability of COVID-19 testing.

1.22. The Contractor shall report both positive and negative test results to the Division of Public Health Services through the Electronic Laboratory Reporting (ELR) system, or ensure the laboratory used for processing specimens and conducting testing reports both positive and negative results to the Division of Public Health Services through the ELR system.

1.23. The Contractor shall report all positive cases of COVID-19 with complete case information by fax to (603) 271-0545 to the Division of Public Health Services using the New Hampshire Confidential COVID-19 Case Report Form available at: https://www.dhhs.nh.gov/dphs/cdcs/covid19/covid19-reporting-form.pdf.

1.24. The Contractor shall notify patients who are uninsured or do not have full

coverage benefits for COVID-19 testing that New Hampshire Medicaid has established a COVID-19 Testing Benefit that may pay for testing and diagnosis of COVID-19 for persons who are not already a Medicaid beneficiary and do not have full coverage for COVID-19 testing and diagnosis. The Contractor shall assist patients in completing the application available at https://nheasy.nh.gov.

2. Exhibits Incorporated

2.1. The Contractor shall use and disclose Protected Health Information in compliance with the Standards for Privacy of Individually Identifiable Health Information (Privacy Rule) (45 CFR Parts 160 and 164) under the Health Insurance Portability and Accountability Act (HIPAA) of 1996, and in accordance with the attached Exhibit I, Business Associate Agreement, which has been executed by the parties.

2.2. The Contractor shall comply with all Exhibits D through K, which are attached hereto and incorporated by reference herein.

2.3. The Contractor's Use and Responsibilities for Confidential Information are as follows.

2.3.1. The Contractor agrees to use, disclose, maintain, or transmit Confidential Data from Providers as required, specifically authorized, or permitted under the Contract or this Agreement. Further, the Contractor, including but not limited to all its directors, officers, employees, and agents, agrees not to use, disclose, maintain, or transmit PHI in any manner that would constitute a violation of the Privacy and Security Rules. The Contractor shall provide Confidential Information as required by the Contract, RSA 141-C:7, 141-C:9, RSA 141-C:10, and in a form required by He-P 301.03 and the "New Hampshire Local Implementation Guide for Electronic Laboratory Reporting for Communicable Disease and Lead Test Results Using HL7 2.5.1," Version 4.0 (5/23/2016), found at: https://www.dhhs.nh.gov/dphs/bphsl/documents/elrguide.pdf.

2.3.2. The Contractor shall transmit Confidential Information to the Division of Public Health Services by means of a secure file transport protocol (sFTP) provided by the Department and agreed to by the parties and approved by the Department's Information Security Officer.

2.3.2.1. Any individual seeking credentials to access the sFTP site shall sign and return to the Department a "Data Use and Confidentiality Agreement" (Attachment A) when requesting sFTP account.

2.3.3. The Contractor shall transmit the Confidential Information to the Division of Public Health Services as required by statute and this Agreement, namely:

2.3.3.1. All test results, including but not limited to positive and negative results, shall be reported electronically via electronic laboratory reporting procedures, also referred to as "ELR," as noted above.

2.3.3.2. The 24-hour time frame is to attempt to let the patient know the result once your provider has it in hand, just to ensure that there are not additional delays added to the already strained testing turnaround times happening at reference labs. If providers or other designated person can't get a hold of the patient by phone number or electronically, you can send the patients a letter.

2.4. As necessary, the Contractor agrees to comply with any request to correct or complete the data once transmitted to the Division of Public Health Services.

2.5. The Contractor agrees that the data submitted shall be the "minimum necessary" to carry out the stated use of the data, as defined in the HIPAA Privacy Rule and in accordance with all applicable confidentiality laws.

2.6. The parties agree that this Agreement shall be construed in accordance the terms of Contract and governed by the laws of the State of New Hampshire.

2.7. The Contractor and the Department agree to negotiate an amendment to this Agreement as needed to address a Contract amendment, or any changes in policy issues, fiscal issues, information security, and other specific safeguards required for maintaining confidentiality of the data.

3. Reporting Requirements

3.1. The Contractor shall submit monthly reports to the Department showing that the public is able to access COVID-19 testing, including, but not limited to:

3.1.1. Number of persons who received COVID-19 testing.

3.1.2. Number of persons assisted with enrollment in the Medicaid COVID-19 Testing benefit or other assistance program who received COVID-19 testing.

3.1.3. Number of persons for whom race and/or ethnicity is documented.

3.2. The Contractor shall ensure race and/or ethnicity demographic identifiers for the persons who received COVID-19 testing are collected consistently and correctly, in accordance with best practice standards and processes as provided by the Office of Heath Equity, and entered either manually or electronically on the hospital or reference laboratory COVID-19 test requisition forms.

4. Additional Terms

4.1. Impacts Resulting from Court Orders or Legislative Changes

4.1.1. The Contractor agrees that, to the extent future state or federal legislation or court orders may have an impact on the Services described herein, the State has the right to modify service priorities and expenditure requirements under this Agreement so as to achieve compliance therewith.

4.2. **Federal Civil Rights Laws Compliance: Culturally and Linguistically Appropriate Programs and Services**

4.2.1. The Contractor shall submit within ten (10) days of the contract effective date, and comply with, a detailed description of the communication access and language assistance services they will provide to ensure meaningful access to their programs and/or services to persons with limited English proficiency, people who are deaf or have hearing loss, are blind or have low vision, or who have speech challenges.

4.3. **Credits and Copyright Ownership**

4.3.1. All documents, notices, press releases, research reports and other materials prepared during or resulting from the performance of the services of the Contract shall include the following statement, "The preparation of this (report, document etc.) was financed under a Contract with the State of New Hampshire, Department of Health and Human Services, with funds provided in part by the State of New Hampshire and/or such other funding sources as were available or required, e.g., the United States Department of Health and Human Services."

4.3.2. All materials produced or purchased under the contract shall have prior approval from the Department before printing, production, distribution or use.

4.3.3. The Department shall retain copyright ownership for any and all original materials produced, including, but not limited to: brochures, resource directories, protocols or guidelines, posters and reports.

4.3.4. The Contractor shall not reproduce any materials produced under the contract without prior written approval from the Department.

4.4. **Operation of Facilities: Compliance with Laws and Regulations**

4.4.1. In the operation of any facilities for providing services, the Contractor shall comply with all laws, orders and regulations of federal, state, county and municipal authorities and with any direction of any Public Officer or officers pursuant to laws which shall impose an order or duty upon the contractor with respect to the operation of the facility or the provision of the services at such facility. If any governmental license or permit shall be required for the operation of the said facility or the performance of the said services, the Contractor will procure said license or permit, and will at all times comply with the terms and conditions of each such license or permit. In connection with the foregoing requirements, the Contractor hereby covenants and agrees that, during the term of this Contract the facilities shall comply with all rules, orders, regulations, and requirements of the State Office of the

Fire Marshal and the local fire protection agency, and shall be in conformance with local building and zoning codes, by-laws and regulations.

5. Records

5.1. The Contractor shall keep records that include, but are not limited to:

5.1.1. Books, records, documents and other electronic or physical data evidencing and reflecting all costs and other expenses incurred by the Contractor in the performance of the Contract, and all income received or collected by the Contractor.

5.1.2. All records must be maintained in accordance with accounting procedures and practices, which sufficiently and properly reflect all such costs and expenses, and which are acceptable to the Department, and to include, without limitation, all ledgers, books, records, and original evidence of costs such as purchase requisitions and orders, vouchers, requisitions for materials, inventories, valuations of in-kind contributions, labor time cards, payrolls, and other records requested or required by the Department.

5.1.3. Statistical, enrollment, attendance or visit records for each recipient of services, which records shall include all records of application and eligibility (including all forms required to determine eligibility for each such recipient), records regarding the provision of services and all invoices submitted to the Department to obtain payment for such services.

5.1.4. Medical records on each patient/recipient of services.

5.2. During the term of this Contract and the period for retention hereunder, the Department, the United States Department of Health and Human Services, and any of their designated representatives shall have access to all reports and records maintained pursuant to the Contract for purposes of audit, examination, excerpts and transcripts. Upon the purchase by the Department of the maximum number of units provided for in the Contract and upon payment of the price limitation hereunder, the Contract and all the obligations of the parties hereunder (except such obligations as, by the terms of the Contract are to be performed after the end of the term of this Contract and/or survive the termination of the Contract) shall terminate, provided however, that if, upon review of the Final Expenditure Report the Department shall disallow any expenses claimed by the Contractor as costs hereunder the Department shall retain the right, at its discretion, to deduct the amount of such expenses as are disallowed or to recover such sums from the Contractor.

New Hampshire Department of Health and Human Services
HOSPITAL-BASED COVID-19 COMMUNITY TESTING

EXHIBIT B -1

Reporting Entity Data Use and Confidentiality Agreement

By requesting and receiving approval to use confidential data for Department purposes:

- I understand that I will have direct and indirect access to confidential information in the course of performing my work activities.
- I agree to protect the confidential nature of all information to which I have access.
- I understand that there are state and federal laws and regulations that ensure the confidentiality of an individual's information.
- I understand that there are Department policies and agency procedures with which I am required to comply related to the protection of individually identifiable information.
- I understand that the information extracted from the site shall not be shared outside this Scope of Work or related signed Memorandum of Understanding and/or Information Exchange Agreement/Data Sharing Agreement agreed upon.
- I understand that my SFTP or any information security credentials (user name and password) should not be shared with anyone. This applies to credentials used to access the site directly or indirectly through a third party application.
- I will not disclose or make use of the identity, financial or health information of any person or establishment discovered inadvertently. I will report such discoveries as soon as feasible to DHHSInformationSecurityOffice@dhhs.nh.gov and DHHSPrivacyOfficer@dhhs.nh.gov, but no more than 24 hours after the aforementioned has occurred and that Confidential Data may have been exposed or compromised. If a suspected or known information security event, Computer Security Incident, Incident or Breach involves Social Security Administration (SSA) provided data or Internal Revenue Services (IRS) provided Federal Tax Information (FTI).
- I will not imply or state, either in written or oral form, that interpretations based on the data are those of the original data sources or the State of NH unless the data user and the Department are formally collaborating.
- I will acknowledge, in all reports or presentations based on these data, the original source of the data.
- I understand how I am expected to ensure the protection of individually identifiable information. Should questions arise in the future about how to protect information to which I have access, I will immediately notify my supervisor.
- I understand that I am legally and ethically obligated to maintain the confidentiality of Department client, patient, and other sensitive information that is protected by information security, privacy or confidentiality rules and state and federal laws even after I leave the employment of the Department.
- I have been informed that this signed agreement will be retained on file for future reference.

Signature: _____ Date: 07/24/20

Printed Name: Deanna Howard Title: Interim CEO

Business Name: Valley Regional Hospital Inc

Payment Terms

1. This Agreement is funded by the Epidemiology and Laboratory Capacity for Prevention and Control of Emerging Infectious Diseases (ELC) cooperative agreement from the Centers for Disease Control and Prevention Division of Preparedness and Emerging Infections, CFDA #93.323, FAIN #NU50CK000522.
2. For the purposes of this Agreement:
   2.1. The Department has identified the Contractor as a Subrecipient, in accordance with 2 CFR 200.330.
   2.2. The Department has identified this Contract as NON-R&D, in accordance with 2 CFR §200.87.
3. This Agreement is for COVID-19 testing and testing-related activities to be conducted between August 1, 2020 and December 1, 2020.
4. Payment:
   4.1. The Department will pay the Contractor the amount listed in box 1.8 Price Limitation included in the General Provisions Form Number P-37, for providing the services included in Exhibit B, Scope of Services, after the Effective Date of the Contract.
      4.1.1. The Contractor shall submit an expense report, in a form satisfactory to the State every sixty (60) days, which identifies allowable expenses incurred during the duration of the contract.
      4.1.2. Any unspent start-up payment funds will be returned to the Department within sixty (60) calendar days of contract expiration date.
      4.1.3. In lieu of hard copies, all expense reports may be assigned an electronic signature and must be emailed to dphscontractbilling@dhhs.nh.gov.
5. The Contractor must provide the services in Exhibit B, Scope of Services, in compliance with funding requirements.
6. The Contractor agrees that funding under this Agreement may be recouped, in whole or in part in the event of non-compliance with the terms and conditions of Exhibit B, Scope of Services.
7. The Contractor shall keep detailed records of their activities related to Department-funded programs and services and have records available for Department review, as requested.
8. Notwithstanding anything to the contrary herein, the Contractor agrees that funding under this agreement may be recouped, in whole or in part, in the event

of non-compliance with any Federal or State law, rule or regulation applicable to the services provided, or if the said services or products have not been satisfactorily completed in accordance with the terms and conditions of this agreement.

9. Notwithstanding Paragraph 17 of the General Provisions Form P-37, changes limited to adjusting amounts within the price limitation and adjusting encumbrances between State Fiscal Years and budget class lines through the Budget Office may be made by written agreement of both parties, without obtaining approval of the Governor and Executive Council, if needed and justified.

10. Audits

10.1. The Contractor is required to submit an annual audit to the Department if any of the following conditions exist:

10.1.1. Condition A - The Contractor expended $750,000 or more in federal funds received as a subrecipient pursuant to 2 CFR Part 200, during the most recently completed fiscal year.

10.1.2. Condition B - The Contractor is subject to audit pursuant to the requirements of NH RSA 7:28, III-b, pertaining to charitable organizations receiving support of $1,000,000 or more.

10.1.3. Condition C - The Contractor is a public company and required by Security and Exchange Commission (SEC) regulations to submit an annual financial audit.

10.2. If Condition A exists, the Contractor shall submit an annual single audit performed by an independent Certified Public Accountant (CPA) to the Department within 120 days after the close of the Contractor's fiscal year, conducted in accordance with the requirements of 2 CFR Part 200, Subpart F of the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal awards.

10.3. If Condition B or Condition C exists, the Contractor shall submit an annual financial audit performed by an independent CPA within 120 days after the close of the Contractor's fiscal year.

10.4. In addition to, and not in any way in limitation of obligations of the Contract, it is understood and agreed by the Contractor that the Contractor shall be held liable for any state or federal audit exceptions and shall return to the Department all payments made under the Contract to which exception has been taken, or which have been disallowed because of such an exception.

CERTIFICATION REGARDING DRUG-FREE WORKPLACE REQUIREMENTS

The Vendor identified in Section 1.3 of the General Provisions agrees to comply with the provisions of Sections 5151-5160 of the Drug-Free Workplace Act of 1988 (Pub. L. 100-690, Title V, Subtitle D; 41 U.S.C. 701 et seq.), and further agrees to have the Contractor's representative, as identified in Sections 1.11 and 1.12 of the General Provisions execute the following Certification:

ALTERNATIVE I - FOR GRANTEES OTHER THAN INDIVIDUALS

US DEPARTMENT OF HEALTH AND HUMAN SERVICES - CONTRACTORS
US DEPARTMENT OF EDUCATION - CONTRACTORS
US DEPARTMENT OF AGRICULTURE - CONTRACTORS

This certification is required by the regulations implementing Sections 5151-5160 of the Drug-Free Workplace Act of 1988 (Pub. L. 100-690, Title V, Subtitle D; 41 U.S.C. 701 et seq.). The January 31, 1989 regulations were amended and published as Part II of the May 25, 1990 Federal Register (pages 21681-21691), and require certification by grantees (and by inference, sub-grantees and sub-contractors), prior to award, that they will maintain a drug-free workplace. Section 3017.630(c) of the regulation provides that a grantee (and by inference, sub-grantees and sub-contractors) that is a State, may elect to make one certification to the Department in each federal fiscal year in lieu of certificates for each grant during the federal fiscal year covered by the certification. The certificate set out below is a material representation of fact upon which reliance is placed when the agency awards the grant. False certification or violation of the certification shall be grounds for suspension of payments, suspension or termination of grants, or government wide suspension or debarment. Contractors using this form should send it to:

Commissioner
NH Department of Health and Human Services
129 Pleasant Street,
Concord, NH 03301-6505

1. The grantee certifies that it will or will continue to provide a drug-free workplace by:
   1.1. Publishing a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession or use of a controlled substance is prohibited in the grantee's workplace and specifying the actions that will be taken against employees for violation of such prohibition;
   1.2. Establishing an ongoing drug-free awareness program to inform employees about
      1.2.1. The dangers of drug abuse in the workplace;
      1.2.2. The grantee's policy of maintaining a drug-free workplace;
      1.2.3. Any available drug counseling, rehabilitation, and employee assistance programs; and
      1.2.4. The penalties that may be imposed upon employees for drug abuse violations occurring in the workplace;
   1.3. Making it a requirement that each employee to be engaged in the performance of the grant be given a copy of the statement required by paragraph (a);
   1.4. Notifying the employee in the statement required by paragraph (a) that, as a condition of employment under the grant, the employee will
      1.4.1. Abide by the terms of the statement; and
      1.4.2. Notify the employer in writing of his or her conviction for a violation of a criminal drug statute occurring in the workplace no later than five calendar days after such conviction;
   1.5. Notifying the agency in writing, within ten calendar days after receiving notice under subparagraph 1.4.2 from an employee or otherwise receiving actual notice of such conviction. Employers of convicted employees must provide notice, including position title, to every grant officer on whose grant activity the convicted employee was working, unless the Federal agency

has designated a central point for the receipt of such notices. Notice shall include the identification number(s) of each affected grant;

1.6. Taking one of the following actions, within 30 calendar days of receiving notice under subparagraph 1.4.2, with respect to any employee who is so convicted

1.6.1. Taking appropriate personnel action against such an employee, up to and including termination, consistent with the requirements of the Rehabilitation Act of 1973, as amended; or

1.6.2. Requiring such employee to participate satisfactorily in a drug abuse assistance or rehabilitation program approved for such purposes by a Federal, State, or local health, law enforcement, or other appropriate agency;

1.7. Making a good faith effort to continue to maintain a drug-free workplace through implementation of paragraphs 1.1, 1.2, 1.3, 1.4, 1.5, and 1.6.

2. The grantee may insert in the space provided below the site(s) for the performance of work done in connection with the specific grant.

Place of Performance (street address, city, county, state, zip code) (list each location)

Check ☐ if there are workplaces on file that are not identified here.

Vendor Name: VRH, Inc

07/24/20
Date

Name:
Title: Interim CEO

CERTIFICATION REGARDING LOBBYING

The Vendor identified in Section 1.3 of the General Provisions agrees to comply with the provisions of Section 319 of Public Law 101-121, Government wide Guidance for New Restrictions on Lobbying, and 31 U.S.C. 1352, and further agrees to have the Contractor's representative, as identified in Sections 1.11 and 1.12 of the General Provisions execute the following Certification:

US DEPARTMENT OF HEALTH AND HUMAN SERVICES - CONTRACTORS
US DEPARTMENT OF EDUCATION - CONTRACTORS
US DEPARTMENT OF AGRICULTURE - CONTRACTORS

Programs (indicate applicable program covered):
*Temporary Assistance to Needy Families under Title IV-A
*Child Support Enforcement Program under Title IV-D
*Social Services Block Grant Program under Title XX
*Medicaid Program under Title XIX
*Community Services Block Grant under Title VI
*Child Care Development Block Grant under Title IV

The undersigned certifies, to the best of his or her knowledge and belief, that:

1. No Federal appropriated funds have been paid or will be paid by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement (and by specific mention sub-grantee or sub-contractor).

2. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement (and by specific mention sub-grantee or sub-contractor), the undersigned shall complete and submit Standard Form LLL, (Disclosure Form to Report Lobbying, in accordance with its instructions, attached and identified as Standard Exhibit E-I.)

3. The undersigned shall require that the language of this certification be included in the award document for sub-awards at all tiers (including subcontracts, sub-grants, and contracts under grants, loans, and cooperative agreements) and that all sub-recipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by Section 1352, Title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than $10,000 and not more than $100,000 for each such failure.

Vendor Name: VRH Inc

07/24/20
Date

Name:
Title: Interim CEO

Vendor Initials
Date 07/24/20

CERTIFICATION REGARDING DEBARMENT, SUSPENSION AND OTHER RESPONSIBILITY MATTERS

The Vendor identified in Section 1.3 of the General Provisions agrees to comply with the provisions of Executive Office of the President, Executive Order 12549 and 45 CFR Part 76 regarding Debarment, Suspension, and Other Responsibility Matters, and further agrees to have the Contractor's representative, as identified in Sections 1.11 and 1.12 of the General Provisions execute the following Certification:

INSTRUCTIONS FOR CERTIFICATION

1. By signing and submitting this proposal (contract), the prospective primary participant is providing the certification set out below.

2. The inability of a person to provide the certification required below will not necessarily result in denial of participation in this covered transaction. If necessary, the prospective participant shall submit an explanation of why it cannot provide the certification. The certification or explanation will be considered in connection with the NH Department of Health and Human Services' (DHHS) determination whether to enter into this transaction. However, failure of the prospective primary participant to furnish a certification or an explanation shall disqualify such person from participation in this transaction.

3. The certification in this clause is a material representation of fact upon which reliance was placed when DHHS determined to enter into this transaction. If it is later determined that the prospective primary participant knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government, DHHS may terminate this transaction for cause or default.

4. The prospective primary participant shall provide immediate written notice to the DHHS agency to whom this proposal (contract) is submitted if at any time the prospective primary participant learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances.

5. The terms "covered transaction," "debarred," "suspended," "ineligible," "lower tier covered transaction," "participant," "person," "primary covered transaction," "principal," "proposal," and "voluntarily excluded," as used in this clause, have the meanings set out in the Definitions and Coverage sections of the rules implementing Executive Order 12549: 45 CFR Part 76. See the attached definitions.

6. The prospective primary participant agrees by submitting this proposal (contract) that, should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transaction with a person who is debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by DHHS.

7. The prospective primary participant further agrees by submitting this proposal that it will include the clause titled "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion - Lower Tier Covered Transactions," provided by DHHS, without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions.

8. A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that it is not debarred, suspended, ineligible, or involuntarily excluded from the covered transaction, unless it knows that the certification is erroneous. A participant may decide the method and frequency by which it determines the eligibility of its principals. Each participant may, but is not required to, check the Nonprocurement List (of excluded parties).

9. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and

information of a participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.

10. Except for transactions authorized under paragraph 6 of these instructions, if a participant in a covered transaction knowingly enters into a lower tier covered transaction with a person who is suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction, in addition to other remedies available to the Federal government, DHHS may terminate this transaction for cause or default.

PRIMARY COVERED TRANSACTIONS

11. The prospective primary participant certifies to the best of its knowledge and belief, that it and its principals:
    - 11.1. are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any Federal department or agency;
    - 11.2. have not within a three-year period preceding this proposal (contract) been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State or local) transaction or a contract under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;
    - 11.3. are not presently indicted for otherwise criminally or civilly charged by a governmental entity (Federal, State or local) with commission of any of the offenses enumerated in paragraph (l)(b) of this certification; and
    - 11.4. have not within a three-year period preceding this application/proposal had one or more public transactions (Federal, State or local) terminated for cause or default.

12. Where the prospective primary participant is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this proposal (contract).

LOWER TIER COVERED TRANSACTIONS

13. By signing and submitting this lower tier proposal (contract), the prospective lower tier participant, as defined in 45 CFR Part 76, certifies to the best of its knowledge and belief that it and its principals:
    - 13.1. are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any federal department or agency,
    - 13.2. where the prospective lower tier participant is unable to certify to any of the above, such prospective participant shall attach an explanation to this proposal (contract).

14. The prospective lower tier participant further agrees by submitting this proposal (contract) that it will include this clause entitled "Certification Regarding Debarment, Suspension, Ineligibility, and Voluntary Exclusion - Lower Tier Covered Transactions," without modification in all lower tier covered transactions and in all solicitations for lower tier covered transactions.

Vendor Name: VRH Inc

07/24/20
Date

Name:
Title: Interim CEO

CERTIFICATION OF COMPLIANCE WITH REQUIREMENTS PERTAINING TO FEDERAL NONDISCRIMINATION, EQUAL TREATMENT OF FAITH-BASED ORGANIZATIONS AND WHISTLEBLOWER PROTECTIONS

The Vendor identified in Section 1.3 of the General Provisions agrees by signature of the Contractor's representative as identified in Sections 1.11 and 1.12 of the General Provisions, to execute the following certification:

Vendor will comply, and will require any subgrantees or subcontractors to comply, with any applicable federal nondiscrimination requirements, which may include:

- the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. Section 3789d) which prohibits recipients of federal funding under this statute from discriminating, either in employment practices or in the delivery of services or benefits, on the basis of race, color, religion, national origin, and sex. The Act requires certain recipients to produce an Equal Employment Opportunity Plan;

- the Juvenile Justice Delinquency Prevention Act of 2002 (42 U.S.C. Section 5672(b)) which adopts by reference, the civil rights obligations of the Safe Streets Act. Recipients of federal funding under this statute are prohibited from discriminating, either in employment practices or in the delivery of services or benefits, on the basis of race, color, religion, national origin, and sex. The Act includes Equal Employment Opportunity Plan requirements;

- the Civil Rights Act of 1964 (42 U.S.C. Section 2000d, which prohibits recipients of federal financial assistance from discriminating on the basis of race, color, or national origin in any program or activity);

- the Rehabilitation Act of 1973 (29 U.S.C. Section 794), which prohibits recipients of Federal financial assistance from discriminating on the basis of disability, in regard to employment and the delivery of services or benefits, in any program or activity;

- the Americans with Disabilities Act of 1990 (42 U.S.C. Sections 12131-34), which prohibits discrimination and ensures equal opportunity for persons with disabilities in employment, State and local government services, public accommodations, commercial facilities, and transportation;

- the Education Amendments of 1972 (20 U.S.C. Sections 1681, 1683, 1685-86), which prohibits discrimination on the basis of sex in federally assisted education programs;

- the Age Discrimination Act of 1975 (42 U.S.C. Sections 6106-07), which prohibits discrimination on the basis of age in programs or activities receiving Federal financial assistance. It does not include employment discrimination;

- 28 C.F.R. pt. 31 (U.S. Department of Justice Regulations – OJJDP Grant Programs); 28 C.F.R. pt. 42 (U.S. Department of Justice Regulations – Nondiscrimination; Equal Employment Opportunity; Policies and Procedures); Executive Order No. 13279 (equal protection of the laws for faith-based and community organizations); Executive Order No. 13559, which provide fundamental principles and policy-making criteria for partnerships with faith-based and neighborhood organizations;

- 28 C.F.R. pt. 38 (U.S. Department of Justice Regulations – Equal Treatment for Faith-Based Organizations); and Whistleblower protections 41 U.S.C. §4712 and The National Defense Authorization Act (NDAA) for Fiscal Year 2013 (Pub. L. 112-239, enacted January 2, 2013) the Pilot Program for Enhancement of Contract Employee Whistleblower Protections, which protects employees against reprisal for certain whistle blowing activities in connection with federal grants and contracts.

The certificate set out below is a material representation of fact upon which reliance is placed when the agency awards the grant. False certification or violation of the certification shall be grounds for suspension of payments, suspension or termination of grants, or government wide suspension or debarment.

In the event a Federal or State court or Federal or State administrative agency makes a finding of discrimination after a due process hearing on the grounds of race, color, religion, national origin, or sex against a recipient of funds, the recipient will forward a copy of the finding to the Office for Civil Rights, to the applicable contracting agency or division within the Department of Health and Human Services, and to the Department of Health and Human Services Office of the Ombudsman.

The Vendor identified in Section 1.3 of the General Provisions agrees by signature of the Contractor's representative as identified in Sections 1.11 and 1.12 of the General Provisions, to execute the following certification:

1. By signing and submitting this proposal (contract) the Vendor agrees to comply with the provisions indicated above.

Vendor Name: VRH Inc

07/24/20
Date

Name:
Title: Interim CEO

CERTIFICATION REGARDING ENVIRONMENTAL TOBACCO SMOKE

Public Law 103-227, Part C - Environmental Tobacco Smoke, also known as the Pro-Children Act of 1994 (Act), requires that smoking not be permitted in any portion of any indoor facility owned or leased or contracted for by an entity and used routinely or regularly for the provision of health, day care, education, or library services to children under the age of 18, if the services are funded by Federal programs either directly or through State or local governments, by Federal grant, contract, loan, or loan guarantee. The law does not apply to children's services provided in private residences, facilities funded solely by Medicare or Medicaid funds, and portions of facilities used for inpatient drug or alcohol treatment. Failure to comply with the provisions of the law may result in the imposition of a civil monetary penalty of up to $1000 per day and/or the imposition of an administrative compliance order on the responsible entity.

The Vendor identified in Section 1.3 of the General Provisions agrees, by signature of the Contractor's representative as identified in Section 1.11 and 1.12 of the General Provisions, to execute the following certification:

1. By signing and submitting this contract, the Vendor agrees to make reasonable efforts to comply with all applicable provisions of Public Law 103-227, Part C, known as the Pro-Children Act of 1994.

Vendor Name: VRH Inc

07/24/20
Date

Name:
Title: Interim CEO

HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY ACT
BUSINESS ASSOCIATE AGREEMENT

The Contractor identified in Section 1.3 of the General Provisions of the Agreement agrees to comply with the Health Insurance Portability and Accountability Act, Public Law 104-191 and with the Standards for Privacy and Security of Individually Identifiable Health Information, 45 CFR Parts 160 and 164 applicable to business associates. As defined herein, "Business Associate" shall mean the Contractor and subcontractors and agents of the Contractor that receive, use or have access to protected health information under this Agreement and "Covered Entity" shall mean the State of New Hampshire, Department of Health and Human Services.

(1) Definitions.

a. "Breach" shall have the same meaning as the term "Breach" in section 164.402 of Title 45, Code of Federal Regulations.

b. "Business Associate" has the meaning given such term in section 160.103 of Title 45, Code of Federal Regulations.

c. "Covered Entity" has the meaning given such term in section 160.103 of Title 45, Code of Federal Regulations.

d. "Designated Record Set" shall have the same meaning as the term "designated record set" in 45 CFR Section 164.501.

e. "Data Aggregation" shall have the same meaning as the term "data aggregation" in 45 CFR Section 164.501.

f. "Health Care Operations" shall have the same meaning as the term "health care operations" in 45 CFR Section 164.501.

g. "HITECH Act" means the Health Information Technology for Economic and Clinical Health Act, TitleXIII, Subtitle D, Part 1 & 2 of the American Recovery and Reinvestment Act of 2009.

h. "HIPAA" means the Health Insurance Portability and Accountability Act of 1996, Public Law 104-191 and the Standards for Privacy and Security of Individually Identifiable Health Information, 45 CFR Parts 160, 162 and 164 and amendments thereto.

i. "Individual" shall have the same meaning as the term "individual" in 45 CFR Section 160.103 and shall include a person who qualifies as a personal representative in accordance with 45 CFR Section 164.501(g).

j. "Privacy Rule" shall mean the Standards for Privacy of Individually Identifiable Health Information at 45 CFR Parts 160 and 164, promulgated under HIPAA by the United States Department of Health and Human Services.

k. "Protected Health Information" shall have the same meaning as the term "protected health information" in 45 CFR Section 160.103, limited to the information created or received by Business Associate from or on behalf of Covered Entity.

l. "Required by Law" shall have the same meaning as the term "required by law" in 45 CFR Section 164.103.

m. "Secretary" shall mean the Secretary of the Department of Health and Human Services or his/her designee.

n. "Security Rule" shall mean the Security Standards for the Protection of Electronic Protected Health Information at 45 CFR Part 164, Subpart C, and amendments thereto.

o. "Unsecured Protected Health Information" means protected health information that is not secured by a technology standard that renders protected health information unusable, unreadable, or indecipherable to unauthorized individuals and is developed or endorsed by a standards developing organization that is accredited by the American National Standards Institute.

p. Other Definitions - All terms not otherwise defined herein shall have the meaning established under 45 C.F.R. Parts 160, 162 and 164, as amended from time to time, and the HITECH
Act.

(2) **Business Associate Use and Disclosure of Protected Health Information.**

a. Business Associate shall not use, disclose, maintain or transmit Protected Health Information (PHI) except as reasonably necessary to provide the services outlined under Exhibit A of the Agreement. Further, Business Associate, including but not limited to all its directors, officers, employees and agents, shall not use, disclose, maintain or transmit PHI in any manner that would constitute a violation of the Privacy and Security Rule.

b. Business Associate may use or disclose PHI:
   I. For the proper management and administration of the Business Associate;
   II. As required by law, pursuant to the terms set forth in paragraph d. below; or
   III. For data aggregation purposes for the health care operations of Covered Entity.

c. To the extent Business Associate is permitted under the Agreement to disclose PHI to a third party, Business Associate must obtain, prior to making any such disclosure, (i) reasonable assurances from the third party that such PHI will be held confidentially and used or further disclosed only as required by law or for the purpose for which it was disclosed to the third party; and (ii) an agreement from such third party to notify Business Associate, in accordance with the HIPAA Privacy, Security, and Breach Notification Rules of any breaches of the confidentiality of the PHI, to the extent it has obtained knowledge of such breach.

d. The Business Associate shall not, unless such disclosure is reasonably necessary to provide services under Exhibit A of the Agreement, disclose any PHI in response to a request for disclosure on the basis that it is required by law, without first notifying Covered Entity so that Covered Entity has an opportunity to object to the disclosure and to seek appropriate relief. If Covered Entity objects to such disclosure, the Business

Associate shall refrain from disclosing the PHI until Covered Entity has exhausted all remedies.

e. If the Covered Entity notifies the Business Associate that Covered Entity has agreed to be bound by additional restrictions over and above those uses or disclosures or security safeguards of PHI pursuant to the Privacy and Security Rule, the Business Associate shall be bound by such additional restrictions and shall not disclose PHI in violation of such additional restrictions and shall abide by any additional security safeguards.

(3) Obligations and Activities of Business Associate.

a. The Business Associate shall notify the Covered Entity's Privacy Officer immediately after the Business Associate becomes aware of any use or disclosure of protected health information not provided for by the Agreement including breaches of unsecured protected health information and/or any security incident that may have an impact on the protected health information of the Covered Entity.

b. The Business Associate shall immediately perform a risk assessment when it becomes aware of any of the above situations. The risk assessment shall include, but not be limited to:

- The nature and extent of the protected health information involved, including the types of identifiers and the likelihood of re-identification;
- The unauthorized person used the protected health information or to whom the disclosure was made;
- Whether the protected health information was actually acquired or viewed
- The extent to which the risk to the protected health information has been mitigated.

The Business Associate shall complete the risk assessment within 48 hours of the breach and immediately report the findings of the risk assessment in writing to the Covered Entity.

c. The Business Associate shall comply with all sections of the Privacy, Security, and Breach Notification Rule.

d. Business Associate shall make available all of its internal policies and procedures, books and records relating to the use and disclosure of PHI received from, or created or received by the Business Associate on behalf of Covered Entity to the Secretary for purposes of determining Covered Entity's compliance with HIPAA and the Privacy and Security Rule.

e. Business Associate shall require all of its business associates that receive, use or have access to PHI under the Agreement, to agree in writing to adhere to the same restrictions and conditions on the use and disclosure of PHI contained herein, including the duty to return or destroy the PHI as provided under Section 3 (l). The Covered Entity shall be considered a direct third party beneficiary of the Contractor's business associate agreements with Contractor's intended business associates, who will be receiving PHI

Date 07/24/20

pursuant to this Agreement, with rights of enforcement and indemnification from such business associates who shall be governed by standard Paragraph #13 of the standard contract provisions (P-37) of this Agreement for the purpose of use and disclosure of protected health information.

f. Within five (5) business days of receipt of a written request from Covered Entity, Business Associate shall make available during normal business hours at its offices all records, books, agreements, policies and procedures relating to the use and disclosure of PHI to the Covered Entity, for purposes of enabling Covered Entity to determine Business Associate's compliance with the terms of the Agreement.

g. Within ten (10) business days of receiving a written request from Covered Entity, Business Associate shall provide access to PHI in a Designated Record Set to the Covered Entity, or as directed by Covered Entity, to an individual in order to meet the requirements under 45 CFR Section 164.524.

h. Within ten (10) business days of receiving a written request from Covered Entity for an amendment of PHI or a record about an individual contained in a Designated Record Set, the Business Associate shall make such PHI available to Covered Entity for amendment and incorporate any such amendment to enable Covered Entity to fulfill its obligations under 45 CFR Section 164.526.

i. Business Associate shall document such disclosures of PHI and information related to such disclosures as would be required for Covered Entity to respond to a request by an individual for an accounting of disclosures of PHI in accordance with 45 CFR Section 164.528.

j. Within ten (10) business days of receiving a written request from Covered Entity for a request for an accounting of disclosures of PHI, Business Associate shall make available to Covered Entity such information as Covered Entity may require to fulfill its obligations to provide an accounting of disclosures with respect to PHI in accordance with 45 CFR Section 164.528.

k. In the event any individual requests access to, amendment of, or accounting of PHI directly from the Business Associate, the Business Associate shall within two (2) business days forward such request to Covered Entity. Covered Entity shall have the responsibility of responding to forwarded requests. However, if forwarding the individual's request to Covered Entity would cause Covered Entity or the Business Associate to violate HIPAA and the Privacy and Security Rule, the Business Associate shall instead respond to the individual's request as required by such law and notify Covered Entity of such response as soon as practicable.

l. Within ten (10) business days of termination of the Agreement, for any reason, the Business Associate shall return or destroy, as specified by Covered Entity, all PHI received from, or created or received by the Business Associate in connection with the Agreement, and shall not retain any copies or back-up tapes of such PHI. If return or destruction is not feasible, or the disposition of the PHI has been otherwise agreed to in the Agreement, Business Associate shall continue to extend the protections of the Agreement, to such PHI and limit further uses and disclosures of such PHI to those purposes that make the return or destruction infeasible, for so long as Business

Associate maintains such PHI. If Covered Entity, in its sole discretion, requires that the Business Associate destroy any or all PHI, the Business Associate shall certify to Covered Entity that the PHI has been destroyed.

(4) **Obligations of Covered Entity**

a. Covered Entity shall notify Business Associate of any changes or limitation(s) in its Notice of Privacy Practices provided to individuals in accordance with 45 CFR Section 164.520, to the extent that such change or limitation may affect Business Associate's use or disclosure of PHI.

b. Covered Entity shall promptly notify Business Associate of any changes in, or revocation of permission provided to Covered Entity by individuals whose PHI may be used or disclosed by Business Associate under this Agreement, pursuant to 45 CFR Section 164.506 or 45 CFR Section 164.508.

c. Covered entity shall promptly notify Business Associate of any restrictions on the use or disclosure of PHI that Covered Entity has agreed to in accordance with 45 CFR 164.522, to the extent that such restriction may affect Business Associate's use or disclosure of PHI.

(5) **Termination for Cause**

In addition to Paragraph 10 of the standard terms and conditions (P-37) of this Agreement the Covered Entity may immediately terminate the Agreement upon Covered Entity's knowledge of a breach by Business Associate of the Business Associate Agreement set forth herein as Exhibit I. The Covered Entity may either immediately terminate the Agreement or provide an opportunity for Business Associate to cure the alleged breach within a timeframe specified by Covered Entity. If Covered Entity determines that neither termination nor cure is feasible, Covered Entity shall report the violation to the Secretary.

(6) **Miscellaneous**

a. Definitions and Regulatory References. All terms used, but not otherwise defined herein, shall have the same meaning as those terms in the Privacy and Security Rule, amended from time to time. A reference in the Agreement, as amended to include this Exhibit I, to a Section in the Privacy and Security Rule means the Section as in effect or as amended.

b. Amendment. Covered Entity and Business Associate agree to take such action as is necessary to amend the Agreement, from time to time as is necessary for Covered Entity to comply with the changes in the requirements of HIPAA, the Privacy and Security Rule, and applicable federal and state law.

c. Data Ownership. The Business Associate acknowledges that it has no ownership rights with respect to the PHI provided by or created on behalf of Covered Entity.

d. Interpretation. The parties agree that any ambiguity in the Agreement shall be resolved to permit Covered Entity to comply with HIPAA, the Privacy and Security Rule.

e. Segregation. If any term or condition of this Exhibit I or the application thereof to any person(s) or circumstance is held invalid, such invalidity shall not affect other terms or conditions which can be given effect without the invalid term or condition; to this end the terms and conditions of this Exhibit I are declared severable.

f. Survival. Provisions in this Exhibit I regarding the use and disclosure of PHI, return or destruction of PHI, extensions of the protections of the Agreement in section (3) I, the defense and indemnification provisions of section (3) e and Paragraph 13 of the standard terms and conditions (P-37), shall survive the termination of the Agreement.

IN WITNESS WHEREOF, the parties hereto have duly executed this Exhibit I.

Department of Health and Human Services	Valley Regional Hospital Inc
The State	Name of the Contractor
Lori Shibinette	
Signature of Authorized Representative	Signature of Authorized Representative
Lori Shibinette	Deanna Howard
Name of Authorized Representative	Name of Authorized Representative
Commissioner	Interim C.E.O
Title of Authorized Representative	Title of Authorized Representative
7/31/20	July 24, 2020
Date	Date

CERTIFICATION REGARDING THE FEDERAL FUNDING ACCOUNTABILITY AND TRANSPARENCY ACT (FFATA) COMPLIANCE

The Federal Funding Accountability and Transparency Act (FFATA) requires prime awardees of individual Federal grants equal to or greater than $25,000 and awarded on or after October 1, 2010, to report on data related to executive compensation and associated first-tier sub-grants of $25,000 or more. If the initial award is below $25,000 but subsequent grant modifications result in a total award equal to or over $25,000, the award is subject to the FFATA reporting requirements, as of the date of the award.

In accordance with 2 CFR Part 170 (Reporting Subaward and Executive Compensation Information), the Department of Health and Human Services (DHHS) must report the following information for any subaward or contract award subject to the FFATA reporting requirements:

1. Name of entity
2. Amount of award
3. Funding agency
4. NAICS code for contracts / CFDA program number for grants
5. Program source
6. Award title descriptive of the purpose of the funding action
7. Location of the entity
8. Principle place of performance
9. Unique identifier of the entity (DUNS #)
10. Total compensation and names of the top five executives if:
    - 10.1. More than 80% of annual gross revenues are from the Federal government, and those revenues are greater than $25M annually and
    - 10.2. Compensation information is not already available through reporting to the SEC.

Prime grant recipients must submit FFATA required data by the end of the month, plus 30 days, in which the award or award amendment is made.

The Contractor identified in Section 1.3 of the General Provisions agrees to comply with the provisions of The Federal Funding Accountability and Transparency Act, Public Law 109-282 and Public Law 110-252, and 2 CFR Part 170 (Reporting Subaward and Executive Compensation Information), and further agrees to have the Contractor's representative, as identified in Sections 1.11 and 1.12 of the General Provisions execute the following Certification:

The below named Contractor agrees to provide needed information as outlined above to the NH Department of Health and Human Services and to comply with all applicable provisions of the Federal Financial Accountability and Transparency Act.

Contractor Name: VRH Inc

07/24/20
Date

Name:
Title: Interim CEO

FORM A

As the Contractor identified in Section 1.3 of the General Provisions, I certify that the responses to the below listed questions are true and accurate.

1. The DUNS number for your entity is: 04-023-6002

2. In your business or organization's preceding completed fiscal year, did your business or organization receive (1) 80 percent or more of your annual gross revenue in U.S. federal contracts, subcontracts, loans, grants, sub-grants, and/or cooperative agreements; and (2) $25,000,000 or more in annual gross revenues from U.S. federal contracts, subcontracts, loans, grants, subgrants, and/or cooperative agreements?

   X NO _____ YES

   If the answer to #2 above is NO, stop here

   If the answer to #2 above is YES, please answer the following:

3. Does the public have access to information about the compensation of the executives in your business or organization through periodic reports filed under section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15.U.S.C.78m(a), 78o(d)) or section 6104 of the Internal Revenue Code of 1986?

   _____ NO _____ YES

   If the answer to #3 above is YES, stop here

   If the answer to #3 above is NO, please answer the following:

4. The names and compensation of the five most highly compensated officers in your business or organization are as follows:

   Name: _____ Amount: _____

   Name: _____ Amount: _____

   Name: _____ Amount: _____

   Name: _____ Amount: _____

   Name: _____ Amount: _____

A. Definitions

The following terms may be reflected and have the described meaning in this document:

1. "Breach" means the loss of control, compromise, unauthorized disclosure, unauthorized acquisition, unauthorized access, or any similar term referring to situations where persons other than authorized users and for an other than authorized purpose have access or potential access to personally identifiable information, whether physical or electronic. With regard to Protected Health Information, " Breach" shall have the same meaning as the term "Breach" in section 164.402 of Title 45, Code of Federal Regulations.

2. "Computer Security Incident" shall have the same meaning "Computer Security Incident" in section two (2) of NIST Publication 800-61, Computer Security Incident Handling Guide, National Institute of Standards and Technology, U.S. Department of Commerce.

3. "Confidential Information" or "Confidential Data" means all confidential information disclosed by one party to the other such as all medical, health, financial, public assistance benefits and personal information including without limitation, Substance Abuse Treatment Records, Case Records, Protected Health Information and Personally Identifiable Information.

   Confidential Information also includes any and all information owned or managed by the State of NH - created, received from or on behalf of the Department of Health and Human Services (DHHS) or accessed in the course of performing contracted services - of which collection, disclosure, protection, and disposition is governed by state or federal law or regulation. This information includes, but is not limited to Protected Health Information (PHI), Personal Information (PI), Personal Financial Information (PFI), Federal Tax Information (FTI), Social Security Numbers (SSN), Payment Card Industry (PCI), and or other sensitive and confidential information.

4. "End User" means any person or entity (e.g., contractor, contractor's employee, business associate, subcontractor, other downstream user, etc.) that receives DHHS data or derivative data in accordance with the terms of this Contract.

5. "HIPAA" means the Health Insurance Portability and Accountability Act of 1996 and the regulations promulgated thereunder.

6. "Incident" means an act that potentially violates an explicit or implied security policy, which includes attempts (either failed or successful) to gain unauthorized access to a system or its data, unwanted disruption or denial of service, the unauthorized use of a system for the processing or storage of data; and changes to system hardware, firmware, or software characteristics without the owner's knowledge, instruction, or consent. Incidents include the loss of data through theft or device misplacement, loss or misplacement of hardcopy documents, and misrouting of physical or electronic

mail, all of which may have the potential to put the data at risk of unauthorized access, use, disclosure, modification or destruction.

7. "Open Wireless Network" means any network or segment of a network that is not designated by the State of New Hampshire's Department of Information Technology or delegate as a protected network (designed, tested, and approved, by means of the State, to transmit) will be considered an open network and not adequately secure for the transmission of unencrypted PI, PFI, PHI or confidential DHHS data.

8. "Personal Information" (or "PI") means information which can be used to distinguish or trace an individual's identity, such as their name, social security number, personal information as defined in New Hampshire RSA 359-C:19, biometric records, etc., alone, or when combined with other personal or identifying information which is linked or linkable to a specific individual, such as date and place of birth, mother's maiden name, etc.

9. "Privacy Rule" shall mean the Standards for Privacy of Individually Identifiable Health Information at 45 C.F.R. Parts 160 and 164, promulgated under HIPAA by the United States Department of Health and Human Services.

10. "Protected Health Information" (or "PHI") has the same meaning as provided in the definition of "Protected Health Information" in the HIPAA Privacy Rule at 45 C.F.R. § 160.103.

11. "Security Rule" shall mean the Security Standards for the Protection of Electronic Protected Health Information at 45 C.F.R. Part 164, Subpart C, and amendments thereto.

12. "Unsecured Protected Health Information" means Protected Health Information that is not secured by a technology standard that renders Protected Health Information unusable, unreadable, or indecipherable to unauthorized individuals and is developed or endorsed by a standards developing organization that is accredited by the American National Standards Institute.

I. RESPONSIBILITIES OF DHHS AND THE CONTRACTOR

A. Business Use and Disclosure of Confidential Information.

1. The Contractor must not use, disclose, maintain or transmit Confidential Information except as reasonably necessary as outlined under this Contract. Further, Contractor, including but not limited to all its directors, officers, employees and agents, must not use, disclose, maintain or transmit PHI in any manner that would constitute a violation of the Privacy and Security Rule.
2. The Contractor must not disclose any Confidential Information in response to a

request for disclosure on the basis that it is required by law, in response to a subpoena, etc., without first notifying DHHS so that DHHS has an opportunity to consent or object to the disclosure.

3. If DHHS notifies the Contractor that DHHS has agreed to be bound by additional restrictions over and above those uses or disclosures or security safeguards of PHI pursuant to the Privacy and Security Rule, the Contractor must be bound by such additional restrictions and must not disclose PHI in violation of such additional restrictions and must abide by any additional security safeguards.
4. The Contractor agrees that DHHS Data or derivative there from disclosed to an End User must only be used pursuant to the terms of this Contract.
5. The Contractor agrees DHHS Data obtained under this Contract may not be used for any other purposes that are not indicated in this Contract.
6. The Contractor agrees to grant access to the data to the authorized representatives of DHHS for the purpose of inspecting to confirm compliance with the terms of this Contract.

II. METHODS OF SECURE TRANSMISSION OF DATA

1. Application Encryption. If End User is transmitting DHHS data containing Confidential Data between applications, the Contractor attests the applications have been evaluated by an expert knowledgeable in cyber security and that said application's encryption capabilities ensure secure transmission via the Internet.
2. Computer Disks and Portable Storage Devices. End User may not use computer disks or portable storage devices, such as a thumb drive, as a method of transmitting DHHS data.
3. Encrypted Email. End User may only employ email to transmit Confidential Data if email is encrypted and being sent to and being received by email addresses of persons authorized to receive such information.
4. Encrypted Web Site. If End User is employing the Web to transmit Confidential Data, the secure socket layers (SSL) must be used and the web site must be secure. SSL encrypts data transmitted via a Web site.
5. File Hosting Services, also known as File Sharing Sites. End User may not use file hosting services, such as Dropbox or Google Cloud Storage, to transmit Confidential Data.
6. Ground Mail Service. End User may only transmit Confidential Data via *certified* ground mail within the continental U.S. and when sent to a named individual.
7. Laptops and PDA. If End User is employing portable devices to transmit Confidential Data said devices must be encrypted and password-protected.
8. Open Wireless Networks. End User may not transmit Confidential Data via an open

wireless network. End User must employ a virtual private network (VPN) when remotely transmitting via an open wireless network.

9. Remote User Communication. If End User is employing remote communication to access or transmit Confidential Data, a virtual private network (VPN) must be installed on the End User's mobile device(s) or laptop from which information will be transmitted or accessed.
10. SSH File Transfer Protocol (SFTP), also known as Secure File Transfer Protocol. If End User is employing an SFTP to transmit Confidential Data, End User will structure the Folder and access privileges to prevent inappropriate disclosure of information. SFTP folders and sub-folders used for transmitting Confidential Data will be coded for 24-hour auto-deletion cycle (i.e. Confidential Data will be deleted every 24 hours).
11. Wireless Devices. If End User is transmitting Confidential Data via wireless devices, all data must be encrypted to prevent inappropriate disclosure of information.

III. RETENTION AND DISPOSITION OF IDENTIFIABLE RECORDS

The Contractor will only retain the data and any derivative of the data for the duration of this Contract. After such time, the Contractor will have 30 days to destroy the data and any derivative in whatever form it may exist, unless, otherwise required by law or permitted under this Contract. To this end, the parties must:

A: Retention

1. The Contractor agrees it will not store, transfer or process data collected in connection with the services rendered under this Contract outside of the United States. This physical location requirement shall also apply in the implementation of cloud computing, cloud service or cloud storage capabilities, and includes backup data and Disaster Recovery locations.
2. The Contractor agrees to ensure proper security monitoring capabilities are in place to detect potential security events that can impact State of NH systems and/or Department confidential information for contractor provided systems.
3. The Contractor agrees to provide security awareness and education for its End Users in support of protecting Department confidential information.
4. The Contractor agrees to retain all electronic and hard copies of Confidential Data in a secure location and identified in section IV. A.2
5. The Contractor agrees Confidential Data stored in a Cloud must be in a FedRAMP/HITECH compliant solution and comply with all applicable statutes and regulations regarding the privacy and security. All servers and devices must have currently-supported and hardened operating systems, the latest anti-viral, anti-hacker, anti-spam, anti-spyware, and anti-malware utilities. The environment, as a

whole, must have aggressive intrusion-detection and firewall protection.

6. The Contractor agrees to and ensures its complete cooperation with the State's Chief Information Officer in the detection of any security vulnerability of the hosting infrastructure.

B. Disposition

1. If the Contractor will maintain any Confidential Information on its systems (or its sub-contractor systems), the Contractor will maintain a documented process for securely disposing of such data upon request or contract termination; and will obtain written certification for any State of New Hampshire data destroyed by the Contractor or any subcontractors as a part of ongoing, emergency, and or disaster recovery operations. When no longer in use, electronic media containing State of New Hampshire data shall be rendered unrecoverable via a secure wipe program in accordance with industry-accepted standards for secure deletion and media sanitization, or otherwise physically destroying the media (for example, degaussing) as described in NIST Special Publication 800-88, Rev 1, Guidelines for Media Sanitization, National Institute of Standards and Technology, U. S. Department of Commerce. The Contractor will document and certify in writing at time of the data destruction, and will provide written certification to the Department upon request. The written certification will include all details necessary to demonstrate data has been properly destroyed and validated. Where applicable, regulatory and professional standards for retention requirements will be jointly evaluated by the State and Contractor prior to destruction.
2. Unless otherwise specified, within thirty (30) days of the termination of this Contract, Contractor agrees to destroy all hard copies of Confidential Data using a secure method such as shredding.
3. Unless otherwise specified, within thirty (30) days of the termination of this Contract, Contractor agrees to completely destroy all electronic Confidential Data by means of data erasure, also known as secure data wiping.

IV. PROCEDURES FOR SECURITY

A. Contractor agrees to safeguard the DHHS Data received under this Contract, and any derivative data or files, as follows:

1. The Contractor will maintain proper security controls to protect Department confidential information collected, processed, managed, and/or stored in the delivery of contracted services.
2. The Contractor will maintain policies and procedures to protect Department confidential information throughout the information lifecycle, where applicable, (from creation, transformation, use, storage and secure destruction) regardless of the media used to store the data (i.e., tape, disk, paper, etc.).

3. The Contractor will maintain appropriate authentication and access controls to contractor systems that collect, transmit, or store Department confidential information where applicable.

4. The Contractor will ensure proper security monitoring capabilities are in place to detect potential security events that can impact State of NH systems and/or Department confidential information for contractor provided systems.

5. The Contractor will provide regular security awareness and education for its End Users in support of protecting Department confidential information.

6. If the Contractor will be sub-contracting any core functions of the engagement supporting the services for State of New Hampshire, the Contractor will maintain a program of an internal process or processes that defines specific security expectations, and monitoring compliance to security requirements that at a minimum match those for the Contractor, including breach notification requirements.

7. The Contractor will work with the Department to sign and comply with all applicable State of New Hampshire and Department system access and authorization policies and procedures, systems access forms, and computer use agreements as part of obtaining and maintaining access to any Department system(s). Agreements will be completed and signed by the Contractor and any applicable sub-contractors prior to system access being authorized.

8. If the Department determines the Contractor is a Business Associate pursuant to 45 CFR 160.103, the Contractor will execute a HIPAA Business Associate Agreement (BAA) with the Department and is responsible for maintaining compliance with the agreement.

9. The Contractor will work with the Department at its request to complete a System Management Survey. The purpose of the survey is to enable the Department and Contractor to monitor for any changes in risks, threats, and vulnerabilities that may occur over the life of the Contractor engagement. The survey will be completed annually, or an alternate time frame at the Departments discretion with agreement by the Contractor, or the Department may request the survey be completed when the scope of the engagement between the Department and the Contractor changes.

10. The Contractor will not store, knowingly or unknowingly, any State of New Hampshire or Department data offshore or outside the boundaries of the United States unless prior express written consent is obtained from the Information Security Office leadership member within the Department.

11. Data Security Breach Liability. In the event of any security breach Contractor shall make efforts to investigate the causes of the breach, promptly take measures to prevent future breach and minimize any damage or loss resulting from the breach. The State shall recover from the Contractor all costs of response and recovery from

the breach, including but not limited to: credit monitoring services, mailing costs and costs associated with website and telephone call center services necessary due to the breach.

12. Contractor must, comply with all applicable statutes and regulations regarding the privacy and security of Confidential Information, and must in all other respects maintain the privacy and security of PI and PHI at a level and scope that is not less than the level and scope of requirements applicable to federal agencies, including, but not limited to, provisions of the Privacy Act of 1974 (5 U.S.C. § 552a), DHHS Privacy Act Regulations (45 C.F.R. §5b), HIPAA Privacy and Security Rules (45 C.F.R. Parts 160 and 164) that govern protections for individually identifiable health information and as applicable under State law.

13. Contractor agrees to establish and maintain appropriate administrative, technical, and physical safeguards to protect the confidentiality of the Confidential Data and to prevent unauthorized use or access to it. The safeguards must provide a level and scope of security that is not less than the level and scope of security requirements established by the State of New Hampshire, Department of Information Technology. Refer to Vendor Resources/Procurement at https://www.nh.gov/doit/vendor/index.htm for the Department of Information Technology policies, guidelines, standards, and procurement information relating to vendors.

14. Contractor agrees to maintain a documented breach notification and incident response process. The Contractor will notify the State's Privacy Officer and the State's Security Officer of any security breach immediately, at the email addresses provided in Section VI. This includes a confidential information breach, computer security incident, or suspected breach which affects or includes any State of New Hampshire systems that connect to the State of New Hampshire network.

15. Contractor must restrict access to the Confidential Data obtained under this Contract to only those authorized End Users who need such DHHS Data to perform their official duties in connection with purposes identified in this Contract.

16. The Contractor must ensure that all End Users:

    a. comply with such safeguards as referenced in Section IV A. above, implemented to protect Confidential Information that is furnished by DHHS under this Contract from loss, theft or inadvertent disclosure.

    b. safeguard this information at all times.

    c. ensure that laptops and other electronic devices/media containing PHI, PI, or PFI are encrypted and password-protected.

    d. send emails containing Confidential Information only if encrypted and being sent to and being received by email addresses of persons authorized to receive such information.

e. limit disclosure of the Confidential Information to the extent permitted by law.

f. Confidential Information received under this Contract and individually identifiable data derived from DHHS Data, must be stored in an area that is physically and technologically secure from access by unauthorized persons during duty hours as well as non-duty hours (e.g., door locks, card keys, biometric identifiers, etc.).

g. only authorized End Users may transmit the Confidential Data, including any derivative files containing personally identifiable information, and in all cases, such data must be encrypted at all times when in transit, at rest, or when stored on portable media as required in section IV above.

h. in all other instances, Confidential Data must be maintained, used and disclosed using appropriate safeguards, as determined by a risk-based assessment of the circumstances involved.

i. understand that their user credentials (user name and password) must not be shared with anyone. End Users will keep their credential information secure. This applies to credentials used to access the site directly or indirectly through a third party application.

Contractor is responsible for oversight and compliance of their End Users. DHHS reserves the right to conduct onsite inspections to monitor compliance with this Contract, including the privacy and security requirements provided in herein, HIPAA, and other applicable laws and Federal regulations until such time the Confidential Data is disposed of in accordance with this Contract.

V. LOSS REPORTING

The Contractor must notify the State's Privacy Officer and Security Officer of any Security Incidents and Breaches immediately, at the email addresses provided in Section VI.

The Contractor must further handle and report Incidents and Breaches involving PHI in accordance with the agency's documented Incident Handling and Breach Notification procedures and in accordance with 42 C.F.R. §§ 431.300 - 306. In addition to, and notwithstanding, Contractor's compliance with all applicable obligations and procedures, Contractor's procedures must also address how the Contractor will:

1. Identify Incidents;
2. Determine if personally identifiable information is involved in Incidents;
3. Report suspected or confirmed Incidents as required in this Exhibit or P-37;
4. Identify and convene a core response group to determine the risk level of Incidents and determine risk-based responses to Incidents; and

5. Determine whether Breach notification is required, and, if so, identify appropriate Breach notification methods, timing, source, and contents from among different options, and bear costs associated with the Breach notice as well as any mitigation measures.

Incidents and/or Breaches that implicate PI must be addressed and reported, as applicable, in accordance with NH RSA 359-C:20.

VI. PERSONS TO CONTACT

A. DHHS Privacy Officer:

DHHSPrivacyOfficer@dhhs.nh.gov

B. DHHS Security Officer:

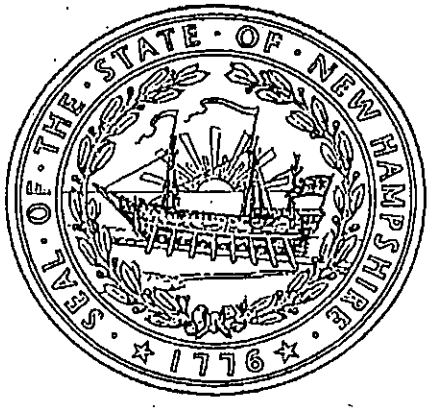
DHHSInformationSecurityOffice@dhhs.nh.gov

State of New Hampshire
Department of State

CERTIFICATE

I, William M. Gardner, Secretary of State of the State of New Hampshire, do hereby certify that VALLEY REGIONAL HOSPITAL, INC. is a New Hampshire Nonprofit Corporation registered to transact business in New Hampshire on November 30, 1962. I further certify that all fees and documents required by the Secretary of State's office have been received and is in good standing as far as this office is concerned.

Business ID: 65690
Certificate Number : 0004628957



IN TESTIMONY WHEREOF,
I hereto set my hand and cause to be affixed
the Seal of the State of New Hampshire,
this 13th day of December A.D. 2019.

William M. Gardner
Secretary of State

CERTIFICATE OF AUTHORITY

I, Patricia Putnam, hereby certify that:
(Name of the elected Officer of the Corporation/LLC; cannot be contract signatory)

1. I am a duly elected Clerk/Secretary/Officer of Valley Regional Hospital.
(Corporation/LLC Name)

2. The following is a true copy of a vote taken at a meeting of the Board of Directors/shareholders, duly called and held on February 26, 2020, at which a quorum of the Directors/shareholders were present and voting.
(Date)

VOTED: That Deanna Howard, Interim President and CEO (may list more than one person)
(Name and Title of Contract Signatory)

is duly authorized on behalf of Valley Regional Hospital to enter into contracts or agreements with the State
(Name of Corporation/ LLC)

of New Hampshire and any of its agencies or departments and further is authorized to execute any and all documents, agreements and other instruments, and any amendments, revisions, or modifications thereto, which may in his/her judgment be desirable or necessary to effect the purpose of this vote.

3. I hereby certify that said vote has not been amended or repealed and remains in full force and effect as of the date of the contract/contract amendment to which this certificate is attached. This authority **remains valid for thirty (30)** days from the date of this Certificate of Authority. I further certify that it is understood that the State of New Hampshire will rely on this certificate as evidence that the person(s) listed above currently occupy the position(s) indicated and that they have full authority to bind the corporation. To the extent that there are any limits on the authority of any listed individual to bind the corporation in contracts with the State of New Hampshire, all such limitations are expressly stated herein.

Dated: July 27, 2020

Signature of Elected Officer
Name: Patricia Putnam
Title: Chair
Valley Regional Hospital Board of Trustees

Valley Regional Healthcare

Compassion | Accountability | Respect | Excellence | Service

CORPORATE RESOLUTION

I, the undersigned Officer of the Board of Trustees, Valley Regional Hospital, Inc., hereby certify that the Corporation is organized and existing under and by virtue of the laws of the State of New Hampshire as a not-for-profit corporation, with its principal office at 243 Elm Street, Claremont, New Hampshire 03743, and is duly authorized to conduct business in the State of New Hampshire.

I further certify that at a regular meeting of the Board of Trustees of the Corporation, on February 26, 2020 with a quorum present, the following resolution was adopted:

> **Resolved,** that the President and CEO is authorized on behalf of Valley Regional Hospital, Inc. to enter into contract with the State of New Hampshire and to execute any and all documents, agreements and other instruments, and any amendments, revisions or modifications thereto as he may deem necessary, desirable or appropriate for calendar year 2020.

In testimony whereof, I have set my hand on February 26, 2020 and attest that the resolution has been voted.

Certified to and attested by:

Patricia Putnam, Chair
Board of Trustees

CERTIFICATE OF LIABILITY INSURANCE

Date: 10/25/19

Administrator:
New England Special Risks, Inc.
19 Oyster Way
Mashpee, Ma. 02649
Phone: (508) 561-6111

This certificate is issued as a matter of information only and confers no rights upon the certificate holder. This certificate does not amend, extend or alter the coverage afforded by the policies below.

INSURERS AFFORDING COVERAGE

Insurer A:	Coverys Specialty Insurance Co.
Insurer B:	
Insurer C:	
Insurer D:	
Insurer E:	

Insured:
Valley Regional Healthcare, Inc. and Valley Regional Hospital
243 Elm St.
Claremont, NH. 03743

Coverages

The policies of insurance listed below have been issued to the insured named above for the policy period indicated. Notwithstanding any requirement, term or condition of any contract or other document with respect to which the certificate may be issued or may pertain, the insurance afforded by the policies described herein is subject to all the terms, exclusions and conditions of such policies, aggregate limits shown may have been reduced by paid claims.

INS. LTR.	TYPE OF INSURANCE	POLICY NUMBER	Policy Effective Date	Policy Expiration Date	LIMITS		
A	**General Liability** ☑ Commercial General Liability ☐ Claims Made ☑ Occurrence ☑ Deductible- $0 ☐ General Aggregate Limit Applies Per: ☑ Policy ☐ Project ☐ Loc	005-NH-000024317	11/1/2019	11/1/2020	Each Occurrence	$	1,000,000
					Fire Damage (Any one fire	$	50,000
					Med Exp (Any one person)	$	5,000
					Personal & Adv Injury	$	1,000,000
					General Aggregate	$	3,000,000
					Products - Comp/Op Agg	$	1,000,000
	Automobile Liability ☐ Any Auto ☐ All Owned Autos ☐ Scheduled Autos ☐ Hired Autos ☐				Combined Single Limit (Each accident)	$	
					Bodily Injury (Per person)	$	
					Bodily Injury (Per accident)	$	
					Property Damage (Per accident)	$	
	Garage Liability ☐ Any Auto ☐				Auto Only - Ea. Accident	$	
					Other Than Auto Only: Ea. Acc	$	
					Other Than Auto Only: Agg	$	
A	**Excess Liability** ☑ Occurrence ☑ Claims Made ☑ Deductible-$0 ☐ Retention $	005-NH-000024317	11/1/2019	11/1/2020	Each Occurrence	$	10,000,000
					Aggregate	$	10,000,000
						$	
						$	
						$	
	Workers Compensation and Employers' Liability				☐ Statutory Limits ☐ Other		
					E.L. Each Accident	$	
					E.L. Disease-Ea. Employe	$	
					E.L. Disease - Policy Limit	$	
A	**Healthcare Medical Professional Liability- Claims Made** Deductible- $0	005-NH-000024317	11/1/2019	11/1/2020	Per Incident		$1,000,000
					Aggregate		$3,000,000

Description of operations/vehicles/exclusions added by endorsement/special provision

Evidence of Current Primary Healthcare Medical Professional Liability, Primary General Liability and Excess Liability Insurance Coverage for the Insured.

Certificate Holder

State of New Hampshire
Department of Health and Human Services
129 Pleasant St
Concord, NH. 03301

Should any of the above policies be canceled before the expiration date thereof, the issuing insurer will endeavor to mail 10 days written notice to the certificate holder named to the left, but failure to do so shall impose no obligation or liability of any kind upon the insurer, its agents or representatives.

Authorized Representative

Carmel Polakis

VALLREG-03 KBRIGHT

ACORD

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY) 7/24/2020

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER License # 1780862 HUB International New England 275 US Route 1 Cumberland Foreside, ME 04110	CONTACT NAME: Shannon Gaulin PHONE (A/C, No, Ext): FAX (A/C, No): E-MAIL ADDRESS: shannon.gaulin@hubinternational.com
	INSURER(S) AFFORDING COVERAGE — NAIC #
	INSURER A : Associated Industries of Massachusetts Mutual Insurance Compan — 33758
INSURED Valley Regional Hospital Inc 243 Elm Street Claremont, NH 03743	INSURER B : INSURER C : INSURER D : INSURER E : INSURER F :

COVERAGES CERTIFICATE NUMBER: REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/CCYY)	POLICY EXP (MM/DD/CCYY)	LIMITS	
	COMMERCIAL GENERAL LIABILITY						EACH OCCURRENCE	$
	☐ CLAIMS-MADE ☐ OCCUR						DAMAGE TO RENTED PREMISES (Ea occurrence)	$
							MED EXP (Any one person)	$
							PERSONAL & ADV INJURY	$
	GEN'L AGGREGATE LIMIT APPLIES PER:						GENERAL AGGREGATE	$
	☐ POLICY ☐ PRO-JECT ☐ LOC						PRODUCTS - COMP/OP AGG	$
	OTHER:							$
	AUTOMOBILE LIABILITY						COMBINED SINGLE LIMIT (Ea accident)	$
	☐ ANY AUTO						BODILY INJURY (Per person)	$
	☐ OWNED AUTOS ONLY ☐ SCHEDULED AUTOS						BODILY INJURY (Per accident)	$
	☐ HIRED AUTOS ONLY ☐ NON-OWNED AUTOS ONLY						PROPERTY DAMAGE (Per accident)	$
								$
	☐ UMBRELLA LIAB ☐ OCCUR						EACH OCCURRENCE	$
	☐ EXCESS LIAB ☐ CLAIMS-MADE						AGGREGATE	$
	☐ DED ☐ RETENTION $							$
A	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory In NH) Y/N [N] If yes, describe under DESCRIPTION OF OPERATIONS below	N/A		WMZ-8007582-2019	10/1/2019	10/1/2020	X PER STATUTE ☐ OTH-ER	
							E.L. EACH ACCIDENT	$ 500,000
							E.L. DISEASE - EA EMPLOYEE	$ 500,000
							E.L. DISEASE - POLICY LIMIT	$ 500,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)
Evidence of Insurance

CERTIFICATE HOLDER

State of NH
New Hampshire Department of Health & Human Services
129 Pleasant Street
Concord, NH 03301

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

OUR VISION

Partner with the community to optimize health by ensuring access to high value healthcare

OUR MISSION

To improve community health, patient experience and value

CORE VALUES

Compassion

Accountability

R E S P E C T

Respect

Excellence

Service

BerryDunn

[redacted]

Valley Regional Healthcare, Inc.

CONSOLIDATED FINANCIAL STATEMENTS

and

SUPPLEMENTARY INFORMATION

September 30, 2019 and 2018

With Independent Auditor's Report

VALLEY REGIONAL HEALTHCARE, INC. AND SUBSIDIARY

September 30, 2019

Table of Contents

BerryDunn

INDEPENDENT AUDITOR'S REPORT

Board of Trustees
Valley Regional Healthcare, Inc.

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of Valley Regional Healthcare, Inc. and Subsidiary, which comprise the consolidated balance sheets as of September 30, 2019 and 2018, and the related consolidated statements of operations, changes in net assets, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

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

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

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Valley Regional Healthcare, Inc. and Subsidiary as of September 30, 2019 and 2018, and the results of their operations, changes in their net assets and their cash flows for the years then ended, in accordance with U.S. generally accepted accounting principles.

Change in Accounting Principle

As discussed in Note 1 to the consolidated financial statements, in 2019 Valley Regional Healthcare, Inc. and Subsidiary adopted new accounting guidance, Financial Accounting Standards Board Accounting Standards Update No. 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities (Topic 958)*. Our opinion is not modified with respect to this matter.

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. Schedules 1 and 2 are presented for purposes of additional analysis rather than to present the financial position and results of operations of the individual entities, and are not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with U.S. generally accepted auditing standards. In our opinion, Schedules 1 and 2 are fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 14, 2020 on our consideration of Valley Regional Healthcare, Inc. and Subsidiary's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Valley Regional Healthcare, Inc. and Subsidiary's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Valley Regional Healthcare, Inc. and Subsidiary's internal control over financial reporting and compliance.

Berry Dunn McNeil & Parker, LLC

Manchester, New Hampshire
January 14, 2020

VALLEY REGIONAL HEALTHCARE, INC. AND SUBSIDIARY

Consolidated Balance Sheets

September 30, 2019 and 2018

ASSETS

	2019	2018
Current assets		
Cash and cash equivalents	$ 6,842,527	$ 9,522,304
Short-term investments	133,063	109,713
Patient accounts receivable, net of allowances for doubtful accounts and contractual allowances of $7,050,551 in 2019 and $7,704,549 in 2018	5,195,075	5,807,459
Supplies	847,983	942,276
Prepaid expenses	347,589	472,171
Other accounts receivable	1,913,044	1,166,924
Total current assets	15,279,281	18,020,847
Assets limited as to use		
Internally designated for capital acquisitions and community service	18,151,754	17,437,182
By loan agreement	5,422,525	5,041,280
Restricted cash	3,077	3,077
Total assets limited as to use	23,577,356	22,481,539
Property and equipment, net	13,884,898	14,321,049
Long-term investments	6,806,963	4,598,675
Beneficial interests in perpetual trusts	4,143,100	4,271,283
Total assets	$ 63,691,598	$ 63,693,393

The accompanying notes are an integral part of these consolidated financial statements.

LIABILITIES AND NET ASSETS

	2019	2018
Current liabilities		
Current portion of long-term debt	$ 319,469	$ 309,263
Accounts payable and accrued expenses	3,156,599	3,504,491
Accrued compensated absences	1,061,550	973,353
Accrued salaries and related amounts	922,186	845,635
Estimated third-party payor settlements	3,274,576	4,398,876
Deferred revenue	228,327	214,618
Other current liabilities	919,456	819,491
Total current liabilities	9,882,163	11,065,727
Long-term debt, excluding current portion	18,249,594	18,559,437
Estimated third-party payor settlements, excluding current portion	12,198,686	10,881,038
Total liabilities	40,330,443	40,506,202
Net assets		
Without donor restrictions	17,311,918	17,066,695
With donor restrictions	6,049,237	6,120,496
Total net assets	23,361,155	23,187,191
Total liabilities and net assets	$ 63,691,598	$ 63,693,393

VALLEY REGIONAL HEALTHCARE, INC. AND SUBSIDIARY

Consolidated Statements of Operations

Years Ended September 30, 2019 and 2018

	2019	2018
Revenues, gains, and other support without donor restrictions		
Patient service revenue (net of contractual allowances and discounts)	$ 46,188,748	$ 44,650,894
Less provision for bad debts	3,570,501	3,307,887
Net patient service revenue	42,618,247	41,343,007
Other revenues	2,086,367	1,468,005
Grant revenue	175,461	64,749
Total revenues, gains, and other support without donor restrictions	44,880,075	42,875,761
Expenses		
Salaries	19,314,008	17,621,967
Employee benefits	4,619,084	4,553,368
Supplies and other	16,863,488	17,285,192
Insurance	359,796	433,087
Depreciation and amortization	1,888,755	1,888,728
Interest	619,609	662,251
Medicaid enhancement tax	2,095,434	1,871,255
Total expenses	45,760,174	44,315,848
Operating loss	(880,099)	(1,440,087)
Nonoperating gains		
Investment income	337,637	1,136,571
Other nonoperating gains, net	65,345	226,216
Realized and unrealized gains on interest rate swaps	-	226,732
Nonoperating gains, net	402,982	1,589,519
(Deficiency) excess of revenues, gains, other support, and nonoperating gains over expenses	(477,117)	149,432
Change in net unrealized gains on investments	722,340	491,467
Increase in net assets without donor restrictions	$ 245,223	$ 640,899

The accompanying notes are an integral part of these consolidated financial statements.

VALLEY REGIONAL HEALTHCARE, INC. AND SUBSIDIARY

Consolidated Statements of Changes in Net Assets

Years Ended September 30, 2019 and 2018

	Without Donor Restrictions	With Donor Restrictions	Total
Balances, October 1, 2017	$ 16,425,796	$ 5,824,687	$ 22,250,483
Excess of revenues, gains, other support, and nonoperating gains over expenses	149,432	-	149,432
Change in net unrealized gains on investments	491,467	-	491,467
Net realized and unrealized gains on investments	-	102,137	102,137
Net gain on beneficial interests in perpetual trusts	-	154,895	154,895
Restricted investment income	-	38,777	38,777
Change in net assets	640,899	295,809	936,708
Balances, September 30, 2018	17,066,695	6,120,496	23,187,191
Deficiency of revenues, gains, other support, and nonoperating gains over expenses	(477,117)	-	(477,117)
Change in net unrealized gains on investments	722,340	-	722,340
Net realized and unrealized gains on investments	-	8,424	8,424
Net loss on beneficial interests in perpetual trusts	-	(128,183)	(128,183)
Restricted investment income	-	48,500	48,500
Change in net assets	245,223	(71,259)	173,964
Balances, September 30, 2019	$ 17,311,918	$ 6,049,237	$ 23,361,155

The accompanying notes are an integral part of these consolidated financial statements.

VALLEY REGIONAL HEALTHCARE, INC. AND SUBSIDIARY

Consolidated Statements of Cash Flows

Years Ended September 30, 2019 and 2018

	2019	2018
Cash flows from operating activities		
Change in net assets	$ 173,964	$ 936,708
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation and amortization	1,888,755	1,888,728
Provision for bad debts	3,570,501	3,307,887
Gain on disposal of equipment	(285,098)	(9,931)
Net realized and unrealized gains on investments	(468,045)	(1,177,228)
Net realized and unrealized gains on interest rate swaps	-	(226,732)
Net loss (gain) on beneficial interests in perpetual trusts	128,183	(154,895)
(Increase) decrease in		
Patient accounts receivable	(2,958,117)	(5,223,059)
Supplies	94,293	(175,097)
Prepaid expenses	124,582	20,965
Other accounts receivable	(746,120)	(80,978)
Other assets	-	68,220
Increase (decrease) in		
Accounts payable and accrued expenses	(347,892)	497,143
Accrued salaries and related amounts	164,748	58,913
Estimated third-party payor settlements	193,348	3,154,540
Other liabilities	113,674	126,154
Net cash provided by operating activities	1,646,776	3,011,338
Cash flows from investing activities		
Purchases of property and equipment	(1,534,879)	(1,047,802)
Proceeds from sale of property	377,000	-
Proceeds from sale of investments	1,997,207	8,574,908
Purchases of investments	(4,834,417)	(1,108,633)
Contribution to equity method investee	(22,200)	-
Proceeds from cash surrender value of insurance	-	289,183
Net cash (used) provided by investing activities	(4,017,289)	6,707,656
Cash flows from financing activities		
Payment of debt issuance costs, net	-	(194,601)
Payments on long-term debt	(309,264)	(23,310,667)
Proceeds from issuance of long-term debt	-	19,400,000
Payments to terminate interest rate swaps	-	(1,190,700)
Net cash used by financing activities	(309,264)	(5,295,968)
Net (decrease) increase in cash and cash equivalents	(2,679,777)	4,423,026
Cash and cash equivalents, beginning of year	9,522,304	5,099,278
Cash and cash equivalents, end of year	$ 6,842,527	$ 9,522,304
Supplemental cash flow information:		
Cash paid for interest	$ 619,609	$ 721,695

The accompanying notes are an integral part of these consolidated financial statements.

Organization

Valley Regional Healthcare, Inc. (VRHC) and Subsidiary (collectively, the Organization) is a not-for-profit corporation organized under the laws of the State of New Hampshire for the purpose of providing inpatient, outpatient, home health care, and primary care services. VRHC was established as a tax-exempt holding company whose purpose is to provide and promote healthcare and health education in the Sullivan County, New Hampshire area. VRHC is the parent company of Valley Regional Hospital, Inc. (VRH or Hospital).

The Organization is a member of the New England Alliance for Health (NEAH), a limited liability company owned and managed by Mary Hitchcock Memorial Hospital. NEAH makes various services available to the Organization and other members on a contract basis.

1. Summary of Significant Accounting Policies

Principles of Consolidation

The consolidated financial statements of Valley Regional Healthcare, Inc. and Subsidiary represent the activities of the Hospital and VRHC after eliminating all material intercompany balances and transactions.

Basis of Presentation

Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification Topic (ASC) 958, *Not-For-Profit Entities*. Under FASB ASC 958 and FASB ASC 954, *Health Care Entities*, all not-for-profit healthcare organizations are required to provide a balance sheet, a statement of operations, a statement of changes in net assets, and a statement of cash flows. FASB ASC 954 requires reporting amounts for an organization's total assets, liabilities, and net assets in a balance sheet; reporting the change in an organization's net assets in statements of operations and changes in net assets; and reporting the change in its cash and cash equivalents in a statement of cash flows, according to the following net asset classification:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization's management and the Board of Trustees (Board).

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the consolidated statements of operations and changes in net assets.

Newly Adopted Accounting Pronouncement

In 2019, the Organization adopted FASB Accounting Standards Update (ASU) No. 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities (Topic 958)*, which makes targeted changes to the not-for-profit financial reporting model. Under the ASU, net asset reporting is streamlined and clarified. The existing three category classification of net assets is replaced with a simplified model that combines temporarily restricted and permanently restricted into a single category called "net assets with donor restrictions." The guidance for classifying deficiencies in endowment funds and on accounting for the lapsing of restrictions on gifts to acquire property, plant, and equipment has also been simplified and clarified. New disclosures highlight restrictions on the use of resources that make otherwise liquid assets unavailable for meeting near-term financial requirements. The ASU also imposes several new requirements related to reporting expenses. The adoption of the ASU had no impact on previously reported total net assets and has been applied retrospectively to all periods presented.

Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

For purposes of reporting consolidated statements of cash flows, the Organization considers all cash accounts, which are not subject to withdrawal restrictions or penalties, purchased with a maturity of three months or less, as cash and cash equivalents in the accompanying consolidated balance sheets.

Patient Accounts Receivable

Patient accounts receivable are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a charge to operations and a credit to a valuation allowance based on its assessment of individual accounts and historical adjustments. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to patient accounts receivable.

In evaluating the collectibility of accounts receivable, the Organization analyzes past results and identifies trends for each of its major payor sources of revenue to estimate the appropriate allowance for doubtful accounts and provision for bad debts. Management regularly reviews data about these major payor sources in evaluating the sufficiency of the allowance for doubtful accounts. For receivables associated with services provided to patients who have third-party coverage, the Organization analyzes contractually due amounts and provides an allowance for doubtful accounts and a provision for bad debts, if necessary. For receivables associated with self-pay patients (which include both patients without insurance and patients with deductible and copayment balances due for which third-party coverage exists for part of the bill), the Organization records a provision for bad debts in the period of service based on past experience, which indicates that many patients are unable or unwilling to pay amounts for which they are financially responsible. The difference between the standard rates (or the discounted rates if negotiated or eligible) and the amounts actually collected after all reasonable collection efforts have been exhausted is charged against the allowance for doubtful accounts.

During 2019, the Organization decreased its estimate from $2,765,823 to $2,583,372 in the allowance for doubtful accounts relating to self-pay patients and during 2018 the Organization increased its estimate from $2,097,771 to $2,765,823 in the allowance for doubtful accounts relating to self-pay patients. During 2019, self-pay write-offs increased from $2,720,189 to $3,168,063 and during 2018 self-pay write-offs increased from $2,606,612 to $2,720,189. Such changes in the allowance for doubtful accounts resulted from trends experienced in the collection of amounts from self-pay patients, improvement in the aging of self-pay receivables, and billing and collection improvements as a result of converting back to the Organization's prior electronic medical records system during 2019. All outstanding legacy accounts receivable amounts were deemed uncollectible and written-off as of September 30, 2019, resulting in the increase in write-offs from 2018.

Supplies

Supplies are valued using the moving average cost for storeroom and central services supplies and lower of cost (first in, first out) or market for all other supplies.

Investments and Investment Income

Investments in equity securities with readily determinable fair values and all investments in debt securities are measured at fair value in the balance sheet. Investment income or loss (including realized gains and losses on investments, interest, and dividends) is included in the (deficiency) excess of revenues, gains, other support, and nonoperating gains over expenses unless the income or loss is restricted by donor or law. Unrealized gains and temporary unrealized losses on investments are excluded from this measure, and reported as an increase or decrease in net assets without donor restrictions.

Investments in general are exposed to various risks, such as interest rate, credit, and overall market volatility. As such, it is reasonably possible that changes in the values of investments will occur in the near term and that such changes could materially affect the amounts reported in the consolidated balance sheets.

Assets Limited as to Use

Assets limited as to use primarily consist of assets held by trustees under indenture agreements and designated assets set aside by the Board for future capital improvements, over which the Board retains control and which it may, at its discretion, subsequently use for other purposes.

In connection with its notes payable to the United States Department of Agriculture-Rural Development Office (USDA-RD) (Note 7), the Organization is required to establish certain reserve and collateral funds.

Donor-Restricted Gifts

Unconditional promises to give cash and other assets to the Organization are reported at fair value at the date the promise is received. Conditional promises to give and indications of intentions to give are reported at fair value at the date the gift is received and the conditions are met. The gifts are reported as support with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified as net assets without donor restrictions and reported in the statements of operations as net assets released from restrictions.

Donor-restricted endowment gifts are reported as long-term investments or as beneficial interests in perpetual trusts.

Property and Equipment

Property and equipment acquisitions are recorded at cost or, if contributed, at fair market value determined at the date of donation. Depreciation is provided over the estimated useful life of each class of depreciable asset and is computed using the straight-line method.

Gifts of long-lived assets such as land, buildings, or equipment are reported as support without donor restrictions, and are excluded from the (deficiency) excess of revenues, gains, other support, and nonoperating gains over expenses, unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as support with donor restrictions. Absent explicit donor stipulations about how long those long-lived assets must be maintained, expirations of donor restrictions are reported when the donated or acquired long-lived assets are placed in service.

Interest Rate Swaps

VRHC used interest rate swap contracts to mitigate the cash flow exposure of interest rate movements on variable-rate debt. The Hospital adopted FASB ASC 815, *Derivatives and Hedging*, to account for its interest rate swap contracts. The interest rate swap contracts were not designated as cash flow hedges. Gains and losses on derivative financial instruments not

designated as cash flow hedges are required to be included in the performance indicator. As a result, the net gain on interest rate swaps for 2018 has been included in the excess of revenues, gains, other support, and nonoperating gains over expenses. On January 2, 2018, the interest rate swap contracts were terminated as discussed in Note 7.

Employee Fringe Benefits

The Hospital has an "earned time" plan which provides benefits to employees for paid leave hours. Under this plan, each employee earns paid leave for each period worked. These hours of paid leave may be used for vacations, holidays, or illnesses. Hours earned, but not used, are vested with the employee. The Hospital accrues a liability for such paid leave as it is earned.

Net Patient Service Revenue

The Hospital has agreements with third-party payors that provide for payments to the Hospital at amounts different from its established rates. Payment arrangements include prospectively determined rates per discharge, reimbursed costs, discounted charges, and per diem payments. Net patient service revenue is reported at the estimated net realizable amounts from patients, third-party payors, and others for services rendered, including estimated retroactive adjustments under reimbursement agreements with third-party payors. Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods as final settlements are determined. Estimated third-party payor settlements are classified as current or long-term in the balance sheets at September 30, 2019 and 2018 based on when they are expected to be settled. Actual settlements could differ from management estimates.

Charity Care

The Hospital provides care to patients who meet certain criteria under its charity care policy without charge or at amounts less than its established rates. Because the Hospital does not pursue collection of amounts determined to qualify as charity care, they are not reported as revenue.

(Deficiency) Excess of Revenues, Gains, Other Support, and Nonoperating Gains Over Expenses

The consolidated statements of operations include (deficiency) excess of revenues, gains, other support, and nonoperating gains over expenses. Changes in net assets without donor restrictions which are excluded from this measure, consistent with industry practice, include unrealized gains and temporary unrealized losses on investments, permanent transfers of assets to and from affiliates for other than goods and services, and contributions of long-lived assets (including assets acquired using contributions which by donor restriction were to be used for the purpose of acquiring such assets).

Health Insurance

VRHC is partially self-insured with respect to healthcare coverage. This coverage provides medical health benefits to eligible employees and their eligible dependents. Stop loss coverage is in effect which limits the Organization's exposure to loss on an individual basis of $85,000 (excluding services rendered by the Organization to participants) and an annual aggregate basis of $1,000,000 (excluding services rendered by the Organization to participants). The Organization estimates an accrual for claims incurred but not reported. Medical insurance expense approximated $3,064,000 and $3,087,000 in 2019 and 2018, respectively.

Income Taxes

VRHC and the Hospital are not-for-profit corporations as described in Section 501(c)(3) of the Internal Revenue Code (Code), and are exempt from federal income taxes on related income.

Subsequent Events

For purposes of the preparation of these consolidated financial statements in conformity with GAAP, management has considered transactions or events occurring through January 14, 2020, the date the September 30, 2019 consolidated financial statements were available to be issued.

2. Net Patient Service Revenue and Net Patient Accounts Receivable

Patient service revenue and contractual and other allowances consisted of the following for the years ended September 30:

	2019	2018
Patient services		
Inpatient	$ 8,907,366	$ 7,595,580
Outpatient	66,257,266	63,582,139
Gross patient service revenue	75,164,632	71,177,719
Less Medicare and Medicaid allowances	19,272,631	15,563,836
Less other contractual allowances	8,777,939	10,177,257
Less charity care	925,314	785,732
	28,975,884	26,526,825
Patient service revenue (net of contractual allowances and discounts)	46,188,748	44,650,894
Less provision for bad debts	3,570,501	3,307,887
Net patient service revenue	$ 42,618,247	$ 41,343,007

Net patient accounts receivable were as follows:

	2019	2018
Gross patient accounts receivable	$ 12,245,626	$ 13,512,008
Less allowance for doubtful accounts	2,583,372	2,765,823
Less contractual allowances	4,467,179	4,938,726
Net patient accounts receivable	$ 5,195,075	$ 5,807,459

The Hospital has agreements with third-party payors that provide for payments to the Hospital at amounts different from its established rates. A summary of the payment arrangements with major third-party payors follows:

Medicare

The Hospital is a Critical Access Hospital and is reimbursed 101% of allowable cost for its inpatient and outpatient services rendered to Medicare beneficiaries. The Hospital is reimbursed for cost reimbursable items at tentative rates, with final settlement determined after submission of annual cost reports by the Hospital and audits thereof by the Medicare fiscal intermediary. The Hospital's Medicare cost reports have been audited by the Medicare fiscal intermediary through September 30, 2014.

Medicaid

Inpatient services rendered to Medicaid program beneficiaries are reimbursed at prospectively determined rates per day of hospitalization. The prospectively determined per-diem rates are not subject to retroactive adjustment. Outpatient services rendered to Medicaid program beneficiaries are reimbursed under a cost reimbursement methodology. The Hospital is reimbursed at a tentative rate with final settlement determined after submission of annual cost reports by the Hospital and audits thereof by the fiscal intermediary. The Hospital's Medicaid cost reports have been audited by the fiscal intermediary through September 30, 2013.

Medicaid disproportionate share hospital (DSH) payments provide financial assistance to hospitals that serve a large number of low-income patients. The federal government distributes federal DSH funds to each state based on a statutory formula. The states, in turn, distribute their portion of the DSH funding among qualifying hospitals. The states are to use their federal DSH allotments to help cover costs of hospitals that provide care to low-income patients when those costs are not covered by other payors. The State of New Hampshire's distribution of DSH monies to the hospitals is subject to audit by the Centers for Medicare & Medicaid Services (CMS). A number of hospitals in New Hampshire filed a lawsuit relative to the results of the 2011 audit of these DSH payments and the court ruled in favor of the hospitals in March 2016. CMS has appealed the ruling and, until such time as a final ruling from the appeal is made, the Hospital has not changed its position with

respect to the amounts recorded in its financial statements. Should the court's ruling stand, the Hospital will adjust the amounts held in contingency in the year the ruling is upheld and all avenues for appeal have been exhausted.

Anthem Blue Cross

Radiology and laboratory services are being reimbursed based on a fee schedule. Other inpatient and outpatient services rendered to Anthem Blue Cross subscribers are reimbursed at submitted charges less a negotiated discount. The amounts paid to the Hospital are not subject to any retroactive adjustments.

Patient Service Revenue

Revenues from Medicare and Medicaid programs accounted for approximately 45% and 17%, respectively, of the Hospital's patient service revenue for the year ended September 30, 2019, and approximately 42% and 15%, respectively, of the Hospital's patient service revenue for the year ended September 30, 2018. Laws and regulations governing the Medicare and Medicaid programs are extremely complex and subject to interpretation. As a result, there is at least a reasonable possibility that recorded estimates will change by a material amount in the near term. The 2019 and 2018 net patient service revenue decreased and increased by approximately $1,735,000 and $1,205,000, respectively, due to changes in prior year estimated third-party settlements, and the removal of allowances or recognition of settlements no longer subject to audits, reviews, and investigations.

The Hospital recognizes patient service revenue associated with services rendered to patients who have third-party payor coverage on the basis of contractual rates for such services. For uninsured patients that do not qualify for charity care, the Hospital recognizes revenue on the basis of its standard rates (or on the basis of discounted rates, if negotiated or provided by policy). Based on historical trends, a significant portion of the Hospital's uninsured patients will be unable or unwilling to pay for the services rendered. Thus, the Hospital records a provision for bad debts related to uninsured patients in the period the services are rendered. Patient service revenue, net of contractual allowances and discounts (but before the provision for bad debts), recognized during the year ended September 30, 2019 totaled $46,188,748, of which $42,224,633 was revenue from third-party payors and $3,964,115 was revenue from self-pay patients and for the year ended September 30, 2018 totaled $44,650,894, of which $40,447,027 was revenue from third-party payors and $4,203,867 was revenue from self-pay patients.

3. Community Benefit

The Hospital maintains records to identify and monitor the level of charity care it provides. These records include the amount of charges foregone for services and supplies furnished under its charity care policy, the estimated cost of those services and supplies, and equivalent service statistics. The following information measures the level of charity care provided during the years ended September 30:

	2019	2018
Charges foregone, based on established rates	$ 925,000	$ 786,000
Estimated costs incurred to provide charity care	$ 563,000	$ 489,000
Equivalent percentage of charity care services to all services	1.23%	1.10%

Costs of providing charity care services have been estimated based on the relationship of total expenses to total charges applied to charity care charges foregone.

4. Availability and Liquidity of Financial Assets

As of September 30, 2019 and 2018, the Organization has working capital of $5,397,118 and $6,955,120, respectively, and average days (based on normal expenditures, excluding depreciation and amortization) cash and cash equivalents on hand of 57 and 82, respectively.

The Organization's goal is to maintain financial assets to meet 45 days of operating expenses ($5,408,805 and $5,230,741 at September 30, 2019 and 2018, respectively). The annual operating budget is determined with the goal of generating sufficient net patient service revenue and cash flows to allow the Organization to be sustainable to support its mission and vision.

Financial assets and liquidity resources available within one year for general expenditure, such as operating expenses, scheduled principal payments on debt, and capital construction costs not financed with debt, were as follows as of September 30:

	2019	2018
Cash and cash equivalents	$ 6,842,527	$ 9,522,304
Short-term investments	133,063	109,713
Patient accounts receivable, net	5,195,075	5,807,459
Other accounts receivable	1,318,044	1,166,924
Financial assets available to meet cash needs for general expenditures within one year	$ 13,488,709	$ 16,606,400

The Organization has assets limited as to use of $18,151,754 and $17,437,182 at September 30, 2019 and 2018, respectively, that are designated assets set aside by the Board for future capital improvements and other purposes. These assets limited as to use are not available for general expenditure within the next year; however, the internally designated amounts could be made available, if necessary.

5. Investments

Assets Limited as to Use

The composition of assets limited at to use at September 30, 2019 and 2018 is set forth in the following table. Investments are stated at fair value.

	2019	2018
Internally designated for capital acquisitions and community service:		
Cash and short-term investments	$ 147,030	$ 103,701
Corporate bonds	246,683	236,647
Marketable equity securities	13,102,867	12,760,852
Fixed income mutual funds	4,655,174	4,335,982
	18,151,754	17,437,182
Restricted cash	3,077	3,077
Limited under loan agreement:		
Cash and cash equivalents	901,154	85,155
Treasury obligations and government securities	4,521,371	4,956,125
	5,422,525	5,041,280
	$ 23,577,356	$ 22,481,539

Other Investments

Other investments consisted of the following as of September 30:

	2019	2018
Short-term investments		
Cash equivalents	$ 127,092	$ 103,742
Marketable equity securities	5,971	5,971
	133,063	109,713
Long-term investments		
Cash equivalents	133,308	129,520
Certificates of deposit	2,087,398	-
Corporate bonds	518,206	454,159
Marketable equity securities	3,420,705	3,419,965
Fixed income mutual funds	647,346	595,031
	6,806,963	4,598,675
	$ 6,940,026	$ 4,708,388

Investment income and gains (losses) on investments are comprised of the following:

	2019	2018
Net assets without donor restrictions:		
Interest and dividend income	$ 788,377	$ 739,130
Realized (losses) gains on sales of securities	(262,719)	583,624
Investment management fees	(188,021)	(186,183)
	$ 337,637	$ 1,136,571
Other changes in net assets:		
Unrealized gains without donor restrictions	$ 722,340	$ 491,467
Donor restricted investment income	48,500	38,777
Donor restricted net realized and unrealized gains	8,424	102,137
	$ 779,264	$ 632,381

In the opinion of management, no individual unrealized loss as of September 30, 2019 represents an other-than-temporary impairment. Individual holdings in an unrealized loss position as of September 30, 2019 and 2018 totaled $469,738 and $201,678, respectively.

Changes in endowment (with donor restrictions) net assets are as follows:

	Net Assets with Donor Restrictions		
	Accumulated Appreciation of Funds of Perpetual Duration	Funds of Perpetual Duration	Total
Balances, October 1, 2017	$ 1,342,061	$ 4,370,282	$ 5,712,343
Investment income	22,630	-	22,630
Net appreciation/change in perpetual trusts	102,137	154,895	257,032
Total investment return	124,767	154,895	279,662
Expenditures	(1,219)	-	(1,219)
Net change	123,548	154,895	278,443
Balances, September 30, 2018	1,465,609	4,525,177	5,990,786
Investment income	25,304	-	25,304
Net appreciation/change in perpetual trusts	8,424	(128,183)	(119,759)
Total investment return (loss)	33,728	(128,183)	(94,455)
Expenditures	(1,231)	-	(1,231)
Net change	32,497	(128,183)	(95,686)
Balances, September 30, 2019	$ 1,498,106	$ 4,396,994	$ 5,895,100

The Organization has interpreted the State of New Hampshire Uniform Prudent Management of Institutional Funds Act (UPMIFA) such that the Board of Trustees is allowed to appropriate for expenditure for the uses and purposes for which the endowment fund is established, unless otherwise specified by the donor, so much of the net appreciation, realized and unrealized, in the fair value of the assets of the endowment fund over the historic dollar value of the fund, as is prudent. In so doing, the Board must consider the long-term and short-term needs of the Organization in carrying out its purpose, its present and anticipated financial requirements, expected total return on its investments, price-level trends, and general economic conditions. As a result of this interpretation, the Organization classifies as net assets with perpetual donor restriction (a) the original value of the gifts donated to the perpetual endowment when explicit donor stipulations requiring perpetual maintenance of the historical fair value are present, and (b) the original value of the subsequent gifts to be maintained in perpetuity when explicit donor stipulations requiring perpetual maintenance of the historical fair value are present. The remaining portion of the donor restricted endowment fund composed of accumulated gains not required to be maintained in perpetuity is classified as net assets with donor restrictions temporary in nature until those amounts are appropriated for expenditure in a manner consistent with the donor's stipulations. The Board approves amounts to be appropriated from time to time, based on the Organization's needs and the provisions of UPMIFA.

The long-term investment objective of the Organization's endowment funds is to preserve and enhance the real value of the investment assets over time, in order to provide a sufficient rate of return for fulfilling the philanthropic purposes as defined by the donors.

To accomplish this objective, funds are to be invested for growth of principal and income for protection against inflation. The goal is to achieve a total return, net of investment management and administrative fees, which should exceed the Balanced Growth Index plus 2% annually. This goal is designed to optimize prudent risk so as to protect and increase the purchasing power of the invested assets, while providing income. It is recognized that this goal may be easily achieved in some periods, while more difficult to achieve in other periods.

To accomplish its investment objectives and to control risk, the Organization's policy is that its portfolio will be diversified across multiple asset classes as follows:

Asset Class	Range
Cash Equivalents	0% - 25%
Domestic Equities	60% - 85%
Domestic Fixed Income (including preferred stock)	15% - 30%

From time to time, the fair value of assets associated with donor-restricted endowment funds may fall below the level of the donors' original gift(s) ("underwater"). There were no deficiencies of this nature that are reported in net assets with donor restrictions as of September 30, 2019 and 2018.

Fair Value Measurement

FASB ASC 820, *Fair Value Measurement*, defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants

on the measurement date. FASB ASC 820 also establishes a fair value hierarchy which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The standard describes three levels of inputs that may be used to measure fair value:

Level 1: Quoted prices (unadjusted) for identical assets or liabilities in active markets that the entity has the ability to access as of the measurement date.

Level 2: Significant other observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active, and other inputs that are observable or can be corroborated by observable market data.

Level 3: Significant unobservable inputs that reflect an entity's own assumptions about the assumptions that market participants would use in pricing an asset or liability.

Assets measured at fair value on a recurring basis are summarized below:

	Fair Value Measurements at September 30, 2019, Using			
	Total	Level 1	Level 2	Level 3
Assets:				
Cash and cash equivalents	$ 1,311,661	$ 1,311,661	$ -	$ -
Certificates of deposit	2,087,398	2,087,398	-	-
Corporate bonds	764,889	-	764,889	-
Marketable equity securities	16,529,543	16,529,543	-	-
Treasury obligations and government securities	4,521,371	4,521,371	-	-
Fixed income mutual funds	5,302,520	5,302,520	-	-
Beneficial interests in perpetual trusts	4,143,100	-	-	4,143,100
Total assets	$ 34,660,482	$ 29,752,493	$ 764,889	$ 4,143,100

	Fair Value Measurements at September 30, 2018, Using			
	Total	Level 1	Level 2	Level 3
Assets:				
Cash and cash equivalents	$ 425,195	$ 425,195	$ -	$ -
Corporate bonds	690,806	-	690,806	-
Marketable equity securities	16,186,788	16,186,788	-	-
Treasury obligations and government securities	4,956,125	4,956,125	-	-
Fixed income mutual funds	4,931,013	4,931,013	-	-
Beneficial interests in perpetual trusts	4,271,283	-	-	4,271,283
Total assets	$ 31,461,210	$ 26,499,121	$ 690,806	$ 4,271,283

The fair value for Level 2 assets is primarily based on quoted market prices of underlying assets, comparable securities, interest rates, and credit risk. Those techniques are significantly affected by the assumptions used, including the discount rate and estimates of future cash flows. Accordingly, the fair value estimates may not be realized in an immediate settlement of the instrument. The fair value of Level 3 assets is based on the quoted market prices of the underlying assets, but these

assets are classified as Level 3 as there is no market in which to trade the beneficial interest itself.

The following is a reconciliation of assets in which significant unobservable inputs (Level 3) were used in determining fair value:

Balance, October 1, 2017	$ 4,116,388
Change in value of trusts	154,895
Balance, September 30, 2018	4,271,283
Change in value of trusts	(128,183)
Balance, September 30, 2019	$ 4,143,100

Investment in Summercrest

VRHC owned a 37% interest in Summercrest Assisted Living, LLC (Summercrest) as of September 30, 2019 and 2018. Summercrest, a long-term care entity in Newport, New Hampshire, opened for operations on March 1, 1998. Summercrest's fiscal year-end is December 31.

The investment in Summercrest is reported in accordance with the equity method, including VRHC's applicable share of the profit or loss based on the financial statement information of Summercrest for the twelve months ended each September 30. As such, $77,740 and $375,161 is included in the statements of operations as part of other nonoperating gains for the years ended September 30, 2019 and 2018, respectively. VRHC received equity distributions in amounts of $77,740 and $450,000 during the years ended September 30, 2019 and 2018, respectively. VRHC made a capital contribution in the amount of $22,200 and $74,839 in 2019 and 2018, respectively.

6. Property and Equipment

A summary of property and equipment follows:

	2019	2018
Land and land improvements	$ 1,275,130	$ 1,367,359
Buildings and improvements	17,513,696	17,532,672
Fixed equipment	14,705,636	14,892,468
Major moveable equipment	14,746,519	14,146,412
Leasehold improvements	723,151	148,235
	48,964,132	48,087,146
Less accumulated depreciation and amortization	35,079,234	34,070,442
	13,884,898	14,016,704
Construction in progress	-	304,345
Property and equipment, net	$ 13,884,898	$ 14,321,049

Depreciation expense for the years ended September 30, 2019 and 2018 was $1,879,128 and $1,880,556, respectively.

7. Borrowings

Long-Term Debt

A summary of long-term debt follows:

	2019	2018
Mortgage notes payable due to USDA-RD in monthly installments of $77,406, including interest, through January 2053. Interest is fixed at 3.25%. Collateralized by real property and investments.	$ 18,890,070	$ 19,199,333
Total long-term debt before unamortized debt issuance costs	18,890,070	19,199,333
Less: unamortized debt issuance costs	321,007	330,633
Total long-term debt	18,569,063	18,868,700
Less current portion	319,469	309,263
Long-term debt, excluding current portion	$ 18,249,594	$ 18,559,437

Scheduled principal repayments on long-term debt are as follows:

Year ending September 30,	
2020	$ 319,469
2021	330,011
2022	340,902
2023	352,151
2024	363,772
Thereafter	17,183,765
	$ 18,890,070

In 2008, the Hospital entered into a new loan agreement with the Business Finance Authority of the State of New Hampshire issuing Revenue Bonds (Valley Regional Hospital Issue), Series 2008, in the amount of $26,260,000. The proceeds were used to advance refund the Series 2003 bonds and for acquiring, renovating, constructing and equipping a capital project with respect to the Hospital's facilities. Interest on the bonds was based on available daily rates as determined by the remarketing agent based on prevailing market conditions, not to exceed 10% per annum. The Hospital could, at any time, exercise an option to convert to a weekly rate or an irrevocably fixed rate. No conversion would be effective unless all bonds had been remarketed and sold. The Hospital could prepay certain of the bonds according to the terms of the loan and trust agreement. The bonds were collateralized by the gross receipts of the Hospital. The bonds were refunded during 2018.

In September 2017, VRHC was awarded a $19,400,000 Community Facility Loan through the USDA-RD. The proceeds of the loan and a required contribution from VRHC of $5.5 million were used to purchase certain land and buildings from the Hospital. The Hospital subsequently refunded its outstanding Series 2008 Revenue Bonds. The Organization was also required to place an additional $5 million in a reserve account as collateral for this loan.

The mortgage note agreements with the USDA-RD require VRHC to fund monthly payments into a cash reserve account until a balance of $928,872 is reached. VRHC continues to fund this reserve account. The reserve may be used for unforeseen damages, approved improvements to property or monthly loan payments when approved. At September 30, 2019 and 2018, the balance was $178,341 and $85,155, respectively.

Letter of Credit and Forbearance Agreement

While interest on the bonds accrued on a daily variable rate, the Hospital was required to maintain a credit facility in an amount not less than the principal amount of the outstanding bonds plus accrued interest for 42 days at the maximum interest rate. To comply with this requirement, the Hospital obtained an irrevocable direct pay letter of credit from Citizens Bank, N.A. (Bank). The letter of credit had an original maturity date of October 1, 2016. Effective September 13, 2016, the Hospital entered into a forbearance agreement with the Bank extending the maturity date to December 31, 2017. The Hospital was required to pay the bank quarterly commitment fees at the annual rate of 1.25% of the maximum amount available under the forbearance agreement. Interest on drawings was paid at 1.85% to 2.10% per annum plus the base rate depending on the number of days the drawing was outstanding. The base rate was equal to the LIBOR rate. The original letter of credit and subsequent forbearance agreements were collateralized by the Hospital's real estate and unrestricted investments. The agreements required the Hospital to satisfy a certain measure of financial performance and placed limits on the incurrence of additional borrowings or capital expenditures. The agreements were terminated upon refunding of the bonds during 2018.

Interest Rate Swaps

The Hospital had entered into interest rate swap agreements with two banks. Under these agreements, the Hospital made or received payments based on the difference between the fixed-rate interest payments and the variable market-indexed payments. Effective January 2, 2018, the interest rate swap agreements were terminated as part of the refunding of the Hospital's outstanding Series 2008 Revenue Bonds.

8. Net Assets with Donor Restrictions

Net assets with donor restrictions are available for the following purposes at September 30:

	2019	2018
Funds with donor restrictions temporary in nature		
Endowment accumulated earnings to support healthcare services	$ 1,498,106	$ 1,465,609
Purchase of equipment, health education, and indigent care	154,137	129,710
	1,652,243	1,595,319
Funds maintained in perpetuity, the income from which is expendable to support healthcare services	4,396,994	4,525,177
Total net assets with donor restrictions	$ 6,049,237	$ 6,120,496

9. Concentrations of Credit Risk

The Hospital is located in Claremont, New Hampshire. The Hospital grants credit without collateral to its patients, most of whom are local residents and are insured under third-party payor agreements. The mix of receivables from patients and third-party payors was as follows:

	2019	2018
Medicare	33%	30%
Medicaid	19	18
Anthem Blue Cross	10	11
Other third-party payors	16	20
Patients	22	21
	100%	100%

The Organization routinely invests its surplus operating funds in money market mutual funds. These funds generally invest in highly liquid U.S. government and agency obligations. Investments in money market funds are not insured or guaranteed by the U.S. government.

10. Commitments and Contingencies

The Organization insures its comprehensive general liability and professional liability exposures on a claims-made basis, including prior acts coverage, with another commercial carrier. This coverage is provided by primary and excess insurance policies subject to shared policy limits with other selected NEAH entities. The policies are renewable on an annual basis and have been renewed through September 30, 2019. The Organization is subject to complaints, claims, and

litigation due to potential claims which arise in the normal course of business. FASB ASC 954-450, *Health Care Entities - Contingencies*, provides clarification to companies in the healthcare industry on the accounting for professional liability and similar insurance. ASC 954-450 states that insurance liabilities should not be presented net of insurance recoveries and that an insurance receivable should be recognized on the same basis as the liabilities, subject to the need for a valuation allowance for uncollectible accounts. The Organization has evaluated its exposure to losses arising from potential claims and has properly accounted for them in the consolidated balance sheets for the years ended September 30, 2019 and 2018.

During 2017, the Hospital signed an agreement with athenahealth, Inc. (Athena) to implement a hospital-wide software solution to include inpatient clinical information systems, revenue and financial management systems, and a supply chain system. The agreement includes automatically extended one-year terms on April 4 of each year. The agreement can be terminated by Athena or the Hospital upon notification of termination at least 90 days prior to the renewal date. The system was placed into service in April 2018 and subsequently, an amendment to the original agreement was added. As of November 1, 2018, the Hospital is no longer utilizing the revenue cycle components included in the original agreement; however, the clinics remain under the original agreement.

Operating Leases

The Hospital leases equipment and buildings under various operating lease agreements. Total lease expense for the years ended September 30, 2019 and 2018 was $447,225 and $511,192, respectively.

The following is a schedule of future minimum lease payments required under operating leases:

Year ending September 30,	
2020	$ 511,300
2021	403,100
2022	222,600
2023	61,500
	$ 1,198,500

11. Savings and Retirement Plan

The Hospital participates in a tax-sheltered annuity plan which was adopted under Section 403(b) of the Code for eligible employees of the Hospital. Under the plan, employees make elective deferrals as allowed under Internal Revenue Service regulations. The Hospital, at its discretion, matches each participating employee contribution up to 3% of annual compensation. The plan expense for the year ended September 30, 2019 was $91,157. No matching contributions were made to the plan in 2018. Effective October 1, 2019, the Hospital ceased matching contributions to the plan.

12. Beneficial Interests in Perpetual Trusts

The Hospital is the beneficiary of three trusts, a portion of the income from which is to be paid to the Hospital in perpetuity. VRH's interest in the trusts is recognized as an asset at the fair value of VRH's percentage of the underlying assets, which totaled $4,143,100 and $4,271,283 as of September 30, 2019 and 2018, respectively. Increases and decreases in the carrying value of this asset are included in net assets with donor restrictions. Distributions from these trusts totaled $107,879 and $147,834 for the years ended September 30, 2019 and 2018, respectively.

13. Related Party Transactions

The Hospital leases certain real property and buildings from, and contracts for management services with, VRHC. The Hospital recorded $2,188,254 and $2,132,213 in lease and management services expenses and VRHC recognized other operating revenue of the same in 2019 and 2018, respectively. These transactions have been eliminated in the consolidation.

14. Functional Expenses

The financial statements report certain categories of expenses that are attributable to more than one program or support function. Therefore, these expenses require an allocation on a reasonable basis that is consistently applied. Employee benefits are allocated based on salaries and occupancy costs are allocated by square footage. Expenses related to these functions were as follows for the year ended September 30:

2019	Healthcare Services	Support Services	Total
Salaries	$ 16,970,627	$ 2,343,381	$ 19,314,008
Employee benefits	4,097,060	522,024	4,619,084
Supplies and other	13,595,443	3,268,045	16,863,488
Insurance	5,167	354,629	359,796
Depreciation and amortization	1,526,306	362,449	1,888,755
Interest	-	619,609	619,609
Medicaid enhancement tax	2,095,434	-	2,095,434
	$ 38,290,037	$ 7,470,137	$ 45,760,174

VALLEY REGIONAL HEALTHCARE, INC. AND SUBSIDIARY

Schedule 1

Consolidating Balance Sheets

September 30, 2019
(With Comparative Totals for September 30, 2018)

ASSETS

	VRHC	VRH	Eliminations	2019 Consolidated	2018 Consolidated
Current assets					
Cash and cash equivalents	$ 751,010	$ 6,091,517	$ -	**$ 6,842,527**	$ 9,522,304
Short-term investments	-	133,063	-	**133,063**	109,713
Patient accounts receivable, net	-	5,195,075	-	**5,195,075**	5,807,459
Due from affiliates	185,194	435,387	620,581	**-**	-
Supplies	-	847,983	-	**847,983**	942,276
Prepaid expenses	18,374	329,215	-	**347,589**	472,171
Other accounts receivable	6,659	1,906,385	-	**1,913,044**	1,166,924
Total current assets	961,237	14,938,625	620,581	**15,279,281**	18,020,847
Assets limited as to use					
Internally designated for capital acquisitions and community service	-	18,151,754	-	**18,151,754**	17,437,182
By loan agreement	178,341	5,244,184	-	**5,422,525**	5,041,280
Restricted cash	3,077	-	-	**3,077**	3,077
Total assets limited as to use	181,418	23,395,938	-	**23,577,356**	22,481,539
Property and equipment, net	11,036,756	2,848,142	-	**13,884,898**	14,321,049
Long-term investments	2,969,216	3,837,747	-	**6,806,963**	4,598,675
Beneficial interests in perpetual trusts	-	4,143,100	-	**4,143,100**	4,271,283
Total assets	$ 15,148,627	$ 49,163,552	$ 620,581	**$ 63,691,598**	$ 63,693,393

VALLEY REGIONAL HEALTHCARE, INC. AND SUBSIDIARY

Consolidating Balance Sheets

September 30, 2019
(With Comparative Totals for September 30, 2018)

LIABILITIES AND NET ASSETS (DEFICIT)

	VRHC	VRH	Eliminations	2019 Consolidated	2018 Consolidated
Current liabilities					
Current portion of long-term debt	$ 319,469	$ -	$ -	**$ 319,469**	$ 309,263
Accounts payable and accrued expenses	105,408	3,051,191	-	**3,156,599**	3,504,491
Accrued compensated absences	20,066	1,041,484	-	**1,061,550**	973,353
Accrued salaries and related amounts	20,903	901,283	-	**922,186**	845,635
Estimated third-party payor settlements	-	3,274,576	-	**3,274,576**	4,398,876
Due to affiliates	446,512	174,069	620,581	**-**	-
Deferred revenue	116,843	111,484	-	**228,327**	214,618
Other current liabilities	10,018	909,438	-	**919,456**	819,491
Total current liabilities	1,039,219	9,463,525	620,581	**9,882,163**	11,065,727
Long-term debt, excluding current portion	18,249,594	-	-	**18,249,594**	18,559,437
Interest rate swaps	-	-	-	**-**	-
Estimated third-party payor settlements, excluding current portion	-	12,198,686	-	**12,198,686**	10,881,038
Total liabilities	19,288,813	21,662,211	620,581	**40,330,443**	40,506,202
Net assets (deficit)					
Without donor restrictions	(4,140,262)	21,452,180	-	**17,311,918**	17,066,695
With donor restrictions	76	6,049,161	-	**6,049,237**	6,120,496
Total net assets (deficit)	(4,140,186)	27,501,341	-	**23,361,155**	23,187,191
Total liabilities and net assets (deficit)	$ 15,148,627	$ 49,163,552	$ 620,581	**$ 63,691,598**	$ 63,693,393

VALLEY REGIONAL HEALTHCARE, INC. AND SUBSIDIARY

Schedule 2

Consolidating Statements of Operations

Year Ended September 30, 2019
(With Comparative Totals for Year Ended September 30, 2018)

	VRHC	VRH	Eliminations	2019 Consolidated	2018 Consolidated
Revenues, gains, and other support without donor restrictions					
Patient service revenue (net of contractual allowances and discounts)	$ 93,813	$ 46,094,935	$ -	**$ 46,188,748**	$ 44,650,894
Less provision for bad debts	6,689	3,563,812	-	**3,570,501**	3,307,887
Net patient service revenue	87,124	42,531,123	-	**42,618,247**	41,343,007
Other revenues	2,293,108	1,981,513	2,188,254	**2,086,367**	1,468,005
Grant revenue	-	175,461	-	**175,461**	64,749
Total revenues, gains, and other support	2,380,232	44,688,097	2,188,254	**44,880,075**	42,875,761
Expenses					
Salaries	519,491	18,794,517	-	**19,314,008**	17,621,967
Employee benefits	146,480	4,472,604	-	**4,619,084**	4,553,368
Supplies and other	888,351	18,163,391	2,188,254	**16,863,488**	17,285,192
Insurance	37,355	322,441	-	**359,796**	433,087
Depreciation and amortization	1,607,379	281,376	-	**1,888,755**	1,888,728
Interest	619,609	-	-	**619,609**	662,251
Medicaid enhancement tax	-	2,095,434	-	**2,095,434**	1,871,255
Total expenses	3,818,665	44,129,763	2,188,254	**45,760,174**	44,315,848
Operating (loss) income	(1,438,433)	558,334	-	**(880,099)**	(1,440,087)
Nonoperating gains (losses)					
Investment income	37,224	300,413	-	**337,637**	1,136,571
Other nonoperating gains (losses), net	77,740	(12,395)	-	**65,345**	226,216
Realized and unrealized gains on interest rate swaps	-	-	-	**-**	226,732
Nonoperating gains, net	114,964	288,018	-	**402,982**	1,589,519
(Deficiency) excess of revenues, gains, other support, and nonoperating gains over expenses	(1,323,469)	846,352	-	**(477,117)**	149,432
Change in net unrealized gains on investments	10,726	711,614	-	**722,340**	491,467
(Decrease) increase in net assets without donor restrictions	$ (1,312,743)	$ 1,557,966	$ -	**$ 245,223**	$ 640,899

BerryDunn

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Board of Trustees
Valley Regional Healthcare, Inc. and Subsidiary

We have audited, in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States, the consolidated financial statements of Valley Regional Healthcare, Inc. and Subsidiary (Organization), which comprise the consolidated balance sheet as of September 30, 2019, and the related consolidated statements of operations, changes in net assets and cash flows for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated January 14, 2020.

Internal Control over Financial Reporting

In planning and performing our audit, we considered the Organization's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Organization's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of the internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization's consolidated financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of consolidated financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Board of Trustees
Valley Regional Healthcare, Inc. and Subsidiary

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Berry Dunn McNeil & Parker, LLC

Manchester, New Hampshire
January 14, 2020

Valley Regional Healthcare

Valley Regional Healthcare/Valley Regional Hospital
Board of Trustees
2020

Trustee	Ex-Officio Trustees
Patricia Putnam, Chair	Deanna Howard, Interim CEO
Terri Decker, Vice Chair	Terri Decker, Representative, Ladies Union Aid Society
James Borchert	Juliann Barrett, MD, President of the Medical Staff
John Tomlinson, MD	Steve LeBlanc, EVP, Dartmouth-Hitchcock Rep.
Cynthia Burr	
Katherine LaJoie	
Tom Sullivan	
Gailyn Thomas, MD	
Scott Bournais	
Eric Crainich	
Bryan Huot	
Lisa Richmond	
Alex Scott	

Deanna S. Howard
[redacted]

Work Experience

1978 – 1986	Upper Connecticut Valley Hospital, Colebrook, NH • Various roles in management
1986 – 2000	Upper Connecticut Valley Hospital, Colebrook, NH • CEO
1994 – 2016	Dartmouth-Hitchcock, Lebanon, NH • VP Regional Development Group (and leased as CEO to UCVH)
2016 – Present	Helms and Company, Concord, NH • Contracted senior consultant • Current position (3/1/19 – present) – Interim CEO/President at Valley Regional Hospital, Claremont, NH

Education

1970	B.S., University of NH
1992	FACHE, American College of Health Executives

Board Memberships (including but not limited to)

- NH Hospital Association including 3-year term as Chair
- Foundation for Healthy Communities
- NH Charitable Foundation, North
- NH Public Radio
- Crotched Mountain Foundation, past Chair – Current member
- Northeastern VT Regional Hospital, Mt. Ascutney Hospital, Valley Regional Hospital
- NH Health and Education Facilities – Current Member
- Society for the Protection of NH Forests, past Chair – Current member

Awards

- NH Hospital Association President's Award
- ACHE Regents Award

Jocelyn F. Caple, MD, MBA

[redacted]

Physician Executive

Driving change by establishing unified sense of purpose among teams.
Strengthening organizations through distinct ability to identify and nurture talent.

Physician leader with extensive experience in healthcare administration, clinical practice, and board involvement. Professional background complemented by ongoing business education; versed in many Quality/PI methods.

- **Persuaded team of physicians to remain with hospital despite organization's struggles, ensuring that patients in underserved community continued to receive quality care.**
- **Preserved hospital's 5-star CMS rating during period of operational upheaval.**
- **Secured strong executive team members: Chief Medical Officer and Senior Director of Quality.**

Change Management | Physician Relations | Medical Affairs | Strategic Planning | Operational Leadership
Internal & External Communications | M&A | Financial Leadership | Negotiations | Regulatory Compliance

Professional Experience

FRISBIE MEMORIAL HOSPITAL, Rochester, NH
Nonprofit healthcare system in underserved community; 1,000+ employees, 112 licensed beds, 30,000 annual visits.
President and CEO (2018 – Present)
Chosen as interim CEO to spearhead turnaround effort; permanently installed as CEO after just 8 months. Oversee C-level staff and VPs across business and clinical functions and work closely with board of directors to establish policies. Enhanced quality of patient care and increased satisfaction by delivering improvements related to ambulatory clinic access, patient throughput, physician productivity, supply chain and revenue cycle.
SCOPE: 300-person medical staff; 79 employed providers; 15 ambulatory practices; $150 million budget.

- **Selected to lead turnaround; drove series of positive changes and stemmed losses, resulting in 5% improvement in financial performance.**
- **Spearheaded profitable sale of hospital; heavily involved in all aspects of complex negotiation process during M&A, including partner selection, due diligence, and integration phase.**
- **Stabilized struggling organization and increased morale, unifying team of physicians and stemming physician turnover during period of transition.**
- **Identified and recruited talent for CMO role, spurring E/R physician's career transition into highly effective administrative healthcare leader.**

Medical Director, Clinical Laboratory (2001 – 2019)
Led all aspects of laboratory operations and administration, ensuring accurate testing and results in compliance with regulatory requirements. SCOPE: 50 technologists/phlebotomists; 400,000+ annual tests

- **Continuously added, eliminated, and refined services, consistently achieving accreditation from the College of American Pathologists.**
- **Modernized numerous aspects of lab, from launching new technology systems to renovating testing space.**

Chief Medical Officer (2016 – 2018)
Advocated on behalf of 79 employed providers to C-suite team while ensuring quality patient care and physician performance. Chaired Quality and Performance Improvement Committee.
SCOPE: Oversaw medical staff office in handling credentialing, insurance, and enrollment for 300 medical staff members.

- **Maintained organization's 5-star CMS rating – realized by just 10% of hospitals in the nation; quality of care also resulted in approximately $800,000 in incentives and $200,000 in penalty avoidance.**
- **Strengthened workforce through ongoing training initiatives and communications efforts.**
- **Fostered improvements in care by identifying, recruiting, and developing Senior Director of Quality, and reorganizing Quality Department.**
- **Modernized physician evaluation and credentialing programs by optimizing digital tools.**

President of Medical Staff (2012 – 2016)
Elected to lead ongoing development and execution of policies and procedures impacting medical staff.

Vice President of Medical Staff (2009 – 2011)
Prepared to serve as President while co-chairing Credentials Committee.

Chair of Pathology (2006 – 2019) **Pathologist** (1997 – 2019)

Additional activities at Frisbie include membership in Infection Control Committee and Tumor Board.

Additional Experience

ROCHESTER BOARD OF HEALTH, Rochester, NH
City Physician (2017 – 2020)

LABCORP, INC., Portsmouth, NH
Co-Director, Flow Cytometry Lab (2002 – 2005)
Medical Director, Clinical Pathology (1999 – 2005)

Additional experience includes serving as Adjunct Professor at The Ohio College of Podiatric Medicine; and as Consulting Pathologist at Wentworth-Douglass Hospital, Portsmouth Regional Hospital, Exeter Hospital, and York Hospital.

Education

MBA
Beta Gamma Sigma Honor Society
Executive MBA program, The Peter T. Paul College of Business and Economics, University of New Hampshire, Durham, NH

Special Fellowship in Cytology and Surgical Pathology; Anatomic and Clinical Pathology Residency; Chief Resident
The Cleveland Clinic Foundation, Cleveland, OH

MD
University of Massachusetts Medical School, Worcester, MA

BA, Ancient Studies
Smith College, Northampton, MA

Professional Development

McAfee Fellow, Physician Executive Leadership Institute Advanced Program – Daniel Hanley Center for Health Leadership
Lean Six Sigma Green Belt, Certificate of Achievement – Villanova University
Mediation Training (40 hours); in accordance with M.G.L. ch.233S23C – Mediation Works Incorporated (MWI)

Board Activity & Professional Affiliations

Benevera Health – Board Member
Strafford Health Alliance (SHA) – Board Member
Foundation for Healthy Communities – Board Member
American College of Healthcare Executives (ACHE) – Member
New Hampshire Medical Society (NHMS) – Member

Additional Qualifications

Diplomate – National Board of Medical Examiners; and American Board of Pathology, AP/CP Certified
Medical Licensure – New Hampshire, Massachusetts, and Maine
Team Leader/Inspector – The CAP Laboratory Accreditation Program

Full clinical CV with publications and presentations available upon request.

CONTRACTOR NAME

Key Personnel

Name	Job Title	Salary	% Paid from this Contract	Amount Paid from this Contract
Deanna Howard	Interim President and CEO		0	
Jocelyn Caple, MD	CMO		0	