



STATE OF NEW HAMPSHIRE
DEPARTMENT OF CORRECTIONS
DIVISION OF ADMINISTRATION

Helen E. Hanks
Commissioner

Robin H. Maddaus
Director

P.O. BOX 1806
CONCORD, NH 03302-1806

603-271-5610 FAX: 1-888-908-6609
TDD Access: 1-800-735-2964
www.nh.gov/nhdoc

July 5, 2018

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

REQUESTED ACTION

Authorize the New Hampshire Department of Corrections to exercise a **retroactive** two-year contract renewal option, Amendment Agreement #1, to PO # 1051378, with Catholic Medical Center (VC# 177240), 100 McGregor Street, Manchester, NH 03102, to increase the contract amount by \$1,900,000.00 from \$1,900,000.00 to \$3,800,000.00, for the provision of Inpatient & Outpatient Hospital/Medical Services, effective upon Governor and Executive Council approval for the period beginning July 1, 2018 through June 30, 2020. The original contract, Agreement, was approved by Governor and Executive Council on June 29, 2016, Item #64. 100% General Funds.

Funding for this contract is available in account, Medical-Dental: 02-46-46-465010-8234-101-500729, as follows with the authority to adjust encumbrances in each of the State fiscal years through the Budget Office, if needed and justified. Funding for SFY 2020 is contingent upon the availability and continued appropriation of funds.

Original Contract, Agreement: Catholic Medical Center				
Account	Description	SFY 17	SFY 18	Total
02-46-46-465010-8234-101-500729	Medical - Dental	950,000.00	950,000.00	1,900,000.00
Amendment Agreement # 1				
Account	Description	SFY 19	SFY 20	Total
02-46-46-465010-8234-101-500729	Medical - Dental	950,000.00	950,000.00	1,900,000.00
Total Contract Amount:				\$ 3,800,000.00

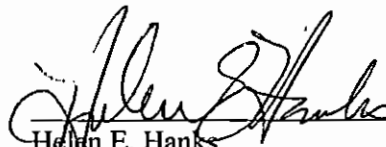
EXPLANATION

This contract is **retroactive** due to administrative delays in obtaining contract documents from the Contractor. This contract is for the provision of Inpatient & Outpatient Hospital/Medical Services for the residents of the Concord Area consisting of the NH State Prison for Men (NHSP-M), Secure Psychiatric Unit (SPU), Residential

Treatment Unit (RTU), NH Correctional Facility for Women (NHCF-W) and the Community Corrections of Concord and Manchester, NH.

The New Hampshire Department of Corrections utilizes hospital services for short-term medical treatment for residents having an acute illness or injury that is beyond the scope of primary care services provided by the medical staff within the prison facility. These services include inpatient surgery, medical services and outpatient procedures such as ambulatory surgery, diagnostic and emergency services.

Respectfully Submitted,



Helen E. Hanks
Commissioner



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**Helen E. Hanks
Commissioner**

**Robin Maddaus
Director**

AMENDMENT AGREEMENT # 1

This amendment is between the State of New Hampshire, acting by and through the STATE OF NEW HAMPSHIRE, DEPARTMENT OF CORRECTIONS ("State" or "Department"), and Catholic Medical Center ("Contractor"), a New Hampshire Nonprofit Corporation with a place of business at 100 McGregor Street, Manchester, NH 03102.

WHEREAS, the State and Contractor entered into an agreement with an effective date of Jun 29, 2016 for Inpatient & Outpatient Hospital/Medical Services, Agreement 2016-64 ("Agreement").

WHEREAS, the State and Contractor have agreed to make changes to the Completion, Price Limitation and Scope of Services of the Agreement; and

WHEREAS, pursuant to Section 18 of the Agreement, the Agreement may be amended only by an instrument in writing signed by the parties and after approval of such amendment by the N.H. Governor and Executive Council.

NOW THEREFORE, in consideration of the foregoing and the mutual covenants and conditions contained in the Agreement and set forth herein, the parties hereto agree as follows:

1. Form P-37, General Provisions, Block 1.7, Completion Date, to read: June 30, 2020.
2. Form P-37, General Provisions, Block 1.8, Price Limitation, to read: "\$3,800,000.00" a total increase of \$1,900,000.00;
3. To amend the Contractor's original response to NHDQC RFP 16-10-GFMED by deleting the Exhibit A, Scope of Services, inserted after page 29 of 33 of the original Contract, titled "Inpatient and Outpatient Hospital/Medical Services" of the Agreement.

and inserting in its place

the Contractor's response to NHDQC RFP 16-10-GFMED by adding the attached Exhibit A, Scope of Services, titled "Inpatient and Outpatient Hospital/Medical Services, Amendment #1."

4. That all other provisions of the Agreement shall remain in full force and effect.

**THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK.
SIGNATURE PAGE FOLLOWS.**

SIGNATURE PAGE TO AMENDMENT AGREEMENT #1 TO: Inpatient & Outpatient Hospital/Medical Services Agreement 2016-64.

STATE OF NEW HAMPSHIRE DEPARTMENT OF CORRECTIONS

By: [Signature]
Name: Helen E. Hanks
Title: Commissioner
Date:

CATHOLIC MEDICAL CENTER
By: [Signature]
Name: Joseph Pepe, MD
Title: President & Chief Executive Officer
Date:

STATE OF New Hampshire
COUNTY OF Hillsborough

On this 13th day of June 20 18, before me, Jay Bellemore, the undersigned officer, personally appeared Joseph Pepe, MD, known to me (or satisfactorily proven) to be the person

whose name is signed above and acknowledged that he/she executed this document in the capacity indicated above.

In witness thereof, I hereto set my hand and official seal.

[Signature]
Notary Public/Justice of the Peace

JOY C. BELLEMARE
Notary Public - New Hampshire
My Commission Expires September 13, 2022



My Commission Expires: September 13, 2022

[Signature]
Approval by N.H. Attorney General
(Form, Substance and Execution)

7/12/18
Date

Approved by the N.H. Governor and Executive Council

_____ Date

Exhibit A
Scope of Services

RE: RFP Title: Inpatient and Outpatient Hospital/Medical Services, Amendment #1.
RFP Number: NHDOC RFP 16-01-GFMED
Contractor's Organizational Name: Catholic Medical Center ["Contractor" or "CMC"]

1. Description of Services:

1.1 Inpatient Hospital Services

1.1.1. Inpatient Coefficient – \$7507.45 which represents 110% of the Catholic Medical Center's ["CMC"] FFY 2018 Medicare Coefficient

1.1.2. RSA 623-C:2: CMC is requesting the Senate mandated maximum reimbursement. CMC's bid is 110% of Medicare compared with 110% allowed under this Amendment.

1.1.3. The rate is significantly less than currently available to any commercial contracts at CMC.

1.2 Emergency Services

1.2.1. Reimbursement – CMC is proposing an overall reimbursement rate for these services at 110% of Medicare. CMC is now capable of billing through our updated system at 110% of Medicare, therefore we do not need to translate into a percent of charge. In addition to the Emergency room services, CMC does offer an Urgent care center located in Bedford.

RSA 623-C:2: CMC is requesting the Senate mandated maximum reimbursement. CMC's bid is 110% of Medicare compared with 110% allowed under this Amendment.

1.2.2. The rate is significantly less than currently available to any commercial contracts at CMC.

1.3 Outpatient Hospital Services

1.3.1. Outpatient Laboratory and Radiology NH Fee Schedules – 110% of the NH 2018 Medicare Laboratory and Radiology Fee Schedules.

National Level II Codes (including all pharmaceuticals) –110% of Medicare reimbursement for all outpatient, non-fee schedule, services.

1.3.1.a. RSA 623-C:2: CMC is requesting the Senate mandated maximum reimbursement. CMC's bid is 110% of Medicare compared with 110% allowed under this Amendment.

1.3.2. All Other Outpatient Services –110% of Medicare reimbursement for all outpatient, non-fee schedule, services.

1.3.2.a. RSA 623-C:2: CMC is requesting the Senate mandated maximum reimbursement. CMC's bid is 110% of Medicare compared with 110% allowed under this Amendment.

1.3.2.b. The rate is significantly less than currently available to any commercial contracts at CMC.

1.4 Rate Adjustments

1.4.1. The second year rate adjustment will be tied to the most recent annual Medical Consumer Price Index (CPI) for the Boston-Brockton-Nashua region. These will be determined through the federal government BLS website as of May for a July 1st implementation.

Likewise, for year two, the percent of Medicare will be adjusted such that CMC's annual July 1st rate increases do not yield an increase in reimbursement by the NH Department of Corrections (NHDOC) in excess of the annual Medical CPI for the Boston-Brockton-Nashua region. This will be determined through the federal government Bureau of Labor Statistics (BLS) website as of May for a July 1st implementation.

The inpatient Diagnosis Related Group (DRG) coefficient will increase on July 1st of year two by the annual Medical CPI for the Boston-Cambridge-Newton region. This will be determined through the federal government BLS website as of May for a July 1st implementation.

Additionally, each October 1st, the Medicare DRG tables, including updated weights and DRGs will be employed. In the event Medicare makes adjustments to DRGs and/or weights outside the typical annual October 1st updates, such changes shall apply to the reimbursement terms under the proposal.

1.5 Hospital Claim Processing: Process and attach a sample claim

1.5.1. CMC calculates estimated claims reimbursement using internal contract management software. CMC will utilize the standard CMS 1500 and UB-04 claims forms for submission.

1.5.2. CMC understands that the NHDOC reserves the right to audit any claims and/or seek clarification.

1.6 Physician Services:

1.6.1. A listing of current providers, including specialties, is enclosed with this Amendment.

Primary Care – Family Practice and Internal Medicine

Cardiology – Medical, Interventionists and Electro physiologists

Cardiothoracic Surgeons

OB/GYN – While not listed on the attached as they are not employed by CMC, CMC will bill for OB/GYN services out of its Pregnancy Care Center.

General Surgery

Rates – 110% of the NH 2018 Medicare Fee Schedule

RSA 623-C:2: CMC is requesting the Senate mandated maximum reimbursement. CMC's bid is 110% of Medicare compared with 110% allowed under this Amendment.

1.6.2. The rate is significantly less than currently available to any commercial contracts at CMC.

1.6.3. Non-Hospital Based Community Physicians – From 2003 - 2014, CMC has been committed to working with the NHDOC to ensure comprehensive physician coverage. On occasion, when the NHDOC has experienced access issues with respect to certain specialties, CMC would place calls to such specialists to assist the NHDOC in its efforts to arrange for such specialty care.

1.7 Physician Claims Processing:

CMC will bill physician claims at 110% of the Medicare rate in a timely manner to the NHDOC consistent with industry standard.

1.8 Other Considerations

1.8.1. Not applicable

1.8.2. Inpatient Rehab PAF –110% of Medicare Reimbursement. Medicare reimburses inpatient rehabilitation on a case-mix basis (CMG) basis.

Because CMC does not have the ability to price inpatient rehabilitation services at a CMG rate, CMC is proposing using 110% of the Medicare rate, for these services.

Clarification response to NHDOC RFP 16-01-GFMED

1.9 Other Considerations:

1.9.1. CMC will provide access to other service not already listed, including outpatient rehabilitation services, including PT/OT and SLP services at our outpatient locations. CMC will propose these services at 110% of the Medicare allowable rate. The locations are listed below:



Main Location, Outpatient Rehabilitation Services at Dartmouth Commons
769 South Main Street, Suite 201
Manchester, NH 03102
tel: 603.641.6700

Hooksett Medical Park Physical Therapy
27 Londonderry Turnpike
Hooksett, NH 03106
Mon-Thu 7 AM -7 PM; Fri 7 AM -4 PM
tel: 603.314.5970
fax: 603.314.5971

CMC Outpatient Physical Therapy at Bedford
188 Route, Suite 101
Bedford, NH 03110
tel: 603.314.4560

CMC does not offer Radiation Therapy.

CMC will provide access to chemotherapy. CMC is in collaboration currently with another provider so the NHDOC may be billed separately from that provider.

CMC can offer IV therapy and the insertion of PICC lines or access ports for the provision of IV fluid or IV treatment modalities at 110% of the Medicare allowable rate at the hospital.

Urgent Care: CMC does offer an Urgent Care location
Bedford Medical Park,
5 Washington Place, Suite IB
Bedford, NH 03110
tel: 603.314.4567

CMC will collaborate with the NHDOC to ensure appropriate and dignified access for all patients utilizing this service. The hours are:

Weekdays-Mon-Fri: 8 AM-8 PM
Weekends-Sat-Sun: 9 AM-5 PM
Holidays: 9 AM-2 PM

CMC does not anticipate charging additional for further services, if so; it will be discussed with the NHDOC



State of New Hampshire

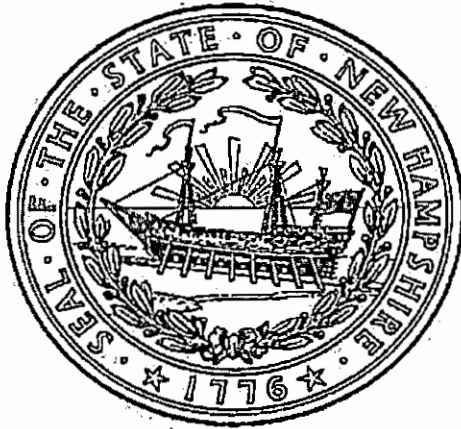
Department of State

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

Certificate Number : 0004093991



IN TESTIMONY WHEREOF,

I hereto set my hand and cause to be affixed
the Seal of the State of New Hampshire,
this 8th day of May A.D. 2018.

A handwritten signature in cursive script, appearing to read "William M. Gardner".

William M. Gardner
Secretary of State

Business Information

Business Details

Business Name:	CATHOLIC MEDICAL CENTER	Business ID:	62116
Business Type:	Domestic Nonprofit Corporation	Business Status:	Good Standing
Business Creation Date:	11/07/1974	Name in State of Incorporation:	Not Available
Date of Formation in Jurisdiction:	11/07/1974		
Principal Office Address:	100 McGregor Street, Manchester, NH, 03102, USA	Mailing Address:	100 McGregor Street, Manchester, NH, 03102, USA
Citizenship / State of Incorporation:	Domestic/New Hampshire		
		Last Nonprofit Report Year:	2015
		Next Report Year:	2020
Duration:	Perpetual		
Business Email:	NONE	Phone #:	603-663-8760
Notification Email:	NONE	Fiscal Year End Date:	NONE

Principal Purpose

S.No	NAICS Code	NAICS Subcode
1	OTHER / To establish and operate an acute care hospital in the City of Manchester, NH without pecuniary gain and without distinction as to race, color, creed, sex or ability to pay. See amended Art II 12/30/16.	

Page 1 of 1, records 1 to 1 of 1

Certificate of Authority # 1

(Corporation or LLC- Non-specific, open-ended)

Corporate Resolution

I, Matthew J. Keury, hereby certify that I am duly elected Clerk/Secretary of
(Name)

Catholic Medical Center . I hereby certify the following is a true copy of a
(Name of Corporation or LLC)

vote taken at a meeting of the Board of Directors/shareholders, duly called and held on April
(Month)

21, 20 2016 at which a quorum of the Directors/shareholders were present and voting.
(Day) (Year)

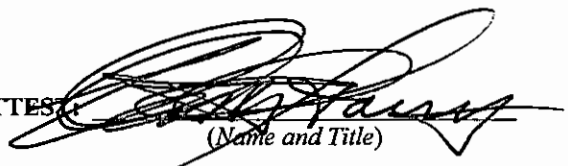
VOTED: That Joseph Pepe, MD, President & CEO (may list more than one person) is duly authorized to
(Name and Title)

enter into contracts or agreements on behalf of Catholic Medical Center with
(Name of Corporation or LLC)

the State of New Hampshire and any of its agencies or departments and further is authorized to execute any documents which may in his/her judgment be desirable or necessary to effect the purpose of this vote.

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 to which this certificate is attached. 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: June 13, 2018

ATTEST: 
(Name and Title)
Secretary



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
05/31/2018

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 715651-ALL-GU-18-18 Non MD	CONTACT NAME: _____	
	PHONE (A/C, No, Ext): _____	FAX (A/C, No): _____
E-MAIL ADDRESS: _____		
INSURER(S) AFFORDING COVERAGE		NAIC #
INSURER A : Pro Select Insurance Company		
INSURER B : Arch Specialty Insurance Company		21199
INSURER C : _____		
INSURER D : _____		
INSURER E : _____		
INSURER F : _____		

COVERAGES CERTIFICATE NUMBER: NYC-010296032-02 **REVISION NUMBER:** 7

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	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC OTHER: _____			002NH000016052	07/01/2018	10/01/2018	EACH OCCURRENCE	\$ 1,000,000
							DAMAGE TO RENTED PREMISES (Ea occurrence)	\$ 50,000
							MED EXP (Any one person)	\$ 5,000
							PERSONAL & ADV INJURY	\$ 1,000,000
							GENERAL AGGREGATE	\$ 3,000,000
							PRODUCTS - COMP/OP AGG	\$ 3,000,000
								\$
	AUTOMOBILE LIABILITY						COMBINED SINGLE LIMIT (Ea accident)	\$
	<input type="checkbox"/> ANY AUTO <input type="checkbox"/> OWNED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS ONLY <input type="checkbox"/> NON-OWNED AUTOS ONLY <input type="checkbox"/> AUTOS ONLY						BODILY INJURY (Per person)	\$
							BODILY INJURY (Per accident)	\$
							PROPERTY DAMAGE (Per accident)	\$
								\$
B	<input checked="" type="checkbox"/> UMBRELLA LIAB <input type="checkbox"/> OCCUR <input type="checkbox"/> EXCESS LIAB <input checked="" type="checkbox"/> CLAIMS-MADE DED RETENTION \$			UHL0050896-05	07/01/2018	10/01/2018	EACH OCCURRENCE	\$ 5,000,000
							AGGREGATE	\$ 5,000,000
								\$
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) 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	\$

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)
State of New Hampshire is included as additional insured where required by written contract.

CERTIFICATE HOLDER State of New Hampshire Department of Corrections P.O. Box 1806 Concord, NH 03302	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 <i>Elizabeth Stapleton</i>
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CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
07/12/2018

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	CONTACT NAME: _____		
	PHONE (A/C, No, Ext): _____	FAX (A/C, No): _____	
E-MAIL ADDRESS: _____			
CN109021768-ALL-GAWXP-18-19 INSURED CMC HEALTHCARE SYSTEM 100 MCGREGOR STREET MANCHESTER, NH 03102	INSURER(S) AFFORDING COVERAGE		NAIC #
	INSURER A : N/A		N/A
	INSURER B : Safety National Casualty Corp.		15105
	INSURER C : N/A		N/A
	INSURER D :		
	INSURER E :		
INSURER F :			

COVERAGES **CERTIFICATE NUMBER:** NYC-010318409-01 **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 SUBR INSD WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
	COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC OTHER: _____					EACH OCCURRENCE \$ DAMAGE TO RENTED PREMISES (Ea occurrence) \$ MED EXP (Any one person) \$ PERSONAL & ADV INJURY \$ GENERAL AGGREGATE \$ PRODUCTS - COMP/OP AGG \$ OTHER \$	
	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> OWNED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS ONLY <input type="checkbox"/> NON-OWNED AUTOS ONLY					COMBINED SINGLE LIMIT (Ea accident) \$ BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ OTHER \$	
	<input type="checkbox"/> UMBRELLA LIAB <input type="checkbox"/> OCCUR <input type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE DED RETENTION \$					EACH OCCURRENCE \$ AGGREGATE \$ OTHER \$	
B	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N N	N/A	SP 4058916	07/01/2018	10/01/2019	<input checked="" type="checkbox"/> PER STATUTE <input type="checkbox"/> OTHER 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 State of New Hampshire Department of Corrections PO 1806 Concord, NH 03302	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 <i>Elizabeth Stapleton</i>
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Catholic Medical Center

Manchester, NH

has been Accredited by

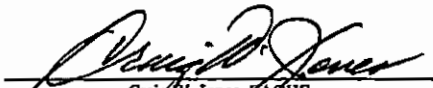


The Joint Commission

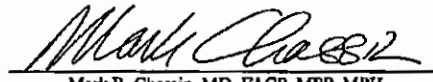
Which has surveyed this organization and found it to meet the requirements for the
Hospital Accreditation Program

January 12, 2018

Accreditation is customarily valid for up to 36 months.


Craig W. Jones, FACHE
Chair, Board of Commissioners

ID #5467
Print/Reprint Date: 04/20/2018


Mark R. Chassin, MD, FACP, MPP, MPH
President

The Joint Commission is an independent, not-for-profit national body that oversees the safety and quality of health care and other services provided in accredited organizations. Information about accredited organizations may be provided directly to The Joint Commission at 1-800-994-6610. Information regarding accreditation and the accreditation performance of individual organizations can be obtained through The Joint Commission's web site at www.jointcommission.org.





STATE OF NEW HAMPSHIRE
DEPARTMENT OF HEALTH AND HUMAN SERVICES
OFFICE OF LEGAL AND REGULATORY SERVICES
HEALTH FACILITIES ADMINISTRATION
129 PLEASANT STREET, CONCORD, NH 03301
ANNUAL LICENSE CERTIFICATE

Under provisions of New Hampshire Revised Statutes Annotated Chapter RSA 151, this annual license certificate is issued to:

Name: CATHOLIC MEDICAL CENTER
Located at: 100 MCGREGOR STREET
MANCHESTER NH 03102

To Operate: Hospital

This annual license certificate is effective under the conditions and for the period stated below:

License#: 00646

Effective Date: 01/01/2018

Expiration Date: 12/31/2018

Administrator: JOSEPH PEPE, MD

Medical Director: WILLIAM GOODMAN, MD

Number of Beds: 330

1.
Comments:

1. CRIM WAIVER 802.17(c)(1&2)

A handwritten signature in black ink, appearing to read "Michael D. Goy".

Manager, Bureau of Licensing and Certification

**Catholic Medical Center
2018 Board of Trustees**

John G. Cronin, Esq., Chair
Cronin, Bisson & Zalinsky, P.C.

Powen Hsu, M.D.
New Era Medicine

Maria Mongan, Immediate Past Chair
Manchester, NH

Susan M. Kinney
Saint Anselm College

Neil Levesque, Vice Chair
NH Institute of Politics

John J. Munoz, MD
President of CMC Medical Staff
Manchester Urology Associates, PA

Matthew Kfoury, Secretary
Central Paper Company

Diane Murphy Quinlan, Esq.
Bishop's Delegate for Health Care
Diocese of Manchester

Donald St. Germain, Treasurer
St. Mary's Bank

Fr. Patrick Sullivan O.S.B, RN
St. Anselm College / Abbey

Joseph Pepe, MD, President/CEO
Catholic Medical Center

Rick Botnick
Botnick 5 / Ventures Inc.

Robert A. Catania, MD
Surgical Care Group

Carolyn G. Claussen, MD
Willowbend Family Practice

Pamela Diamantis
Curbstone Financial Management Corp

Katie L. Dionne
Saint Anselm College

Louis I. Fink, MD
New England Heart & Vascular Institute

**Catholic Medical Center
Key Personnel & Salaries**

Position	CY 12 Salary	CY 16 Salary
Chief Executive Officer	\$495,192	\$535,600
Chief Financial Officer	\$423,816	\$360,506
Chief Information Officer	\$296,437	\$215,009
Chief Nursing Officer	\$257,640	\$235,206
VP Operations/Emergency Services	\$193,180	\$187,533
VP Surgical Services	\$201,731	N/A
VP Physician Practices	\$213,101	\$236,812
VP Strategy/General Counsel	\$302,093	\$350,189
Chief Quality Officer	\$147,920	N/A
Chief Medical Officer	N/A	\$429,562



**CATHOLIC MEDICAL CENTER HEALTHCARE SYSTEM
JOB DESCRIPTION**



CATHOLIC MEDICAL CENTER HEALTHCARE SYSTEM MISSION STATEMENT
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.

EFFECTIVE DATE: 11/12
EXEMPTION STATUS: Exempt
POSITION TITLE: Executive Vice President, Chief Financial Officer
DEPARTMENT/SERVICE: Finance
REPORTS TO: President/CEO

POSITION SUMMARY:

The EVP, CFO is responsible for the development, interpretation, coordination and administration of the system's policies on finance, accounting, insurance, investments, financing, internal controls and auditing. The position is also responsible for the maintenance of records and procedures required to adequately safeguard the assets of the system. The EVP, CFO participates in strategic planning, compatible with the system's objectives and financial business plan.

Under the overall direction of the President/CEO, and within established departmental policies and procedures, the incumbent performs the following functions:

PRINCIPAL DUTIES AND RESPONSIBILITIES:

1. Develops, interprets, coordinates and administers the corporate policies on finance, investments, insurance, accounting systems, internal controls and auditing. Maintains knowledge of national, state and local economic conditions and determines their impact on current operations. Keeps abreast of all regulatory activities which may influence the fiscal management of the system.
2. Prepares and presents consolidated, system-wide, operating and capital budgets to the Board of Trustees for their review and approval, in conjunction with the CEO.
3. Reviews each service provider's business plan and correlates the plans with operating budgets for appropriateness. Provides a corporate-wide review process of actual performance against budget to ensure that operations are maintained within allocated funding levels. Develops and maintains a corporate-wide auditing system.
4. Prepares and presents to management and the Board of Trustees periodic reports outlining the corporation's financial position in all areas by assets, liabilities, income, and expenses.
5. Prepares and files all federal, state and local financial reports.

6. Prepares and ensures the distribution of any dividends, cash distribution or other remuneration due investors for the for-profit corporations. Files required financial information with the Office of the Secretary of State.
7. Reviews and provides for current and adequate insurance protection to guard CMC from liability and/or loss.
8. Researches and acquires funding for various corporate ventures and initiatives.
9. Evaluates the system's rate structures and recommends changes, when needed.
10. Evaluates for management and the Board of Trustees, the system's objectives and programs as they relate to third-party reimbursement.
11. Negotiates agreements with health maintenance organizations, preferred provider organizations, and outside groups contracting for healthcare services.
12. Oversees the medical records and admissions functions.
13. Participates in the functions and activities of the CMC Executive Management Team, including but not limited to serving on committees and task forces, preparing reports as requested, and representing administration as needed or requested.
14. Works within policies, procedures and protocols as they relate to the job. Participates in appropriate role in disasters, fire drills, fires and other emergency situations according to location.
15. Exercises care in the operation and use of equipment and reference materials. Maintains work area in an orderly manner.
16. Is responsible for complying with and enforcing all established organizational and departmental policies and procedures.
17. Ensures confidentiality of employee, legal, budget, and company matters. Maintains good communications; establishes and maintains positive working relationships with employees, regulatory agencies, vendors, the public and among the hospital organizations.
18. Performs similar or related duties as required or directed.

KNOWLEDGE, SKILLS AND ABILITIES

Individuals must possess the following knowledge, skills and abilities or be able to explain and demonstrate that the individual can perform the essential functions of the job, with or without reasonable accommodation, using some other combination of skills and abilities and to possess the necessary physical requirements, with or without the aid of mechanical devices to safely perform the essential functions of the job:

1. Ability to bend the body downward and forward by bending spine at the waist. Ability to extend hand(s) and arm(s) in any direction. Ability to stand for sustained periods of time. Ability to move about on foot to accomplish tasks, particularly for long periods of time. Ability to raise objects from a lower to a higher position or moving objects horizontally from position to position.
2. Ability to pick, pinch, type or otherwise work primarily with fingers rather than the whole hand or arm as in handling.
3. Ability to express or exchange ideas by means of the spoken word. Incumbent must convey detailed questions to elicit information from others.
4. Ability to exert up to 10 pounds of force occasionally and or a negligible amount of force frequently or constantly to lift, carry, push, pull or otherwise move objects.
5. The incumbent is subject to both environmental conditions and activities that occur inside and outside.
6. Visual acuity sufficient for work which deals largely with preparing data and figures, accounting, and extensive reading.
7. The ability to plan and perform complex work which involves new or constantly changing problems where there is little accepted method or procedure. Involves participation in the formulation and carrying out of policies, objectives and programs for major divisions or functions. Considerable ingenuity and exceptional judgment required to deal with factors not easily evaluated, interpret results and make decisions carrying a great deal of responsibility. Direct and coordinate the work of subordinate supervision in order to attain objectives.

OSHA RATING: Category II (No exposure to blood borne pathogens)

PHI ACCESS: Limited

WORK SCHEDULE:

- Generally works Monday through Friday day shift; expectation of evening, night, weekend scheduled or unscheduled requirements; periodic overnight travel for meetings, educational programs, etc.

QUALIFICATIONS:

Education:

- Bachelors Degree or a combination of related education, knowledge and related experience; Masters Degree in a related healthcare or business discipline preferred.

Experience:

- Sufficient previous experience as a Senior Level Manager in healthcare.



**CATHOLIC MEDICAL CENTER HEALTHCARE SYSTEM
JOB DESCRIPTION**



CATHOLIC MEDICAL CENTER HEALTHCARE SYSTEM MISSION STATEMENT

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.

EFFECTIVE DATE: June, 2014
EXEMPTION STATUS: Exempt
POSITION TITLE: VP, CIO
DEPARTMENT/SERVICE: IS Executive
REPORTS TO: Executive Vice President / CFO

POSITION SUMMARY:

Responsible for all information and communication systems for the Health System Network, including voice and data communications networks, information systems business and clinical applications, and other related technologies as adopted by service lines and departments. Must ensure the continuous delivery of available and responsive systems, and timely and accurate data throughout Catholic Medical Center and its affiliates as appropriate. As a member of the senior management team, formulates plans for maximizing the use of information technology in support of corporate business objectives. Participates with senior management in a proactive manner to build strategic plans for the organization through the effective collection, organization and delivery of critical information to insure that information resources and services are in place to support established business plans. Manages a complex infrastructure supporting a diverse user base, utilizing applications provided by multiple vendors, including custom written and designed applications. The user community resides across multiple locations. The network operates 24x7x365, supporting over 250 individual applications

PRINCIPAL DUTIES AND RESPONSIBILITIES:

Under the general direction of the Executive Vice President/CFO and within established policies and procedures, the incumbent performs the following functions:

1. Directs and manages the information and communication technologies and services for fiscal, operational, clinical and decision-support uses for CMC and its affiliates.
2. Provides strategic and tactical planning, development, evaluation, and coordination of the information and technology systems for the health care network.
3. Facilitates communication between staff, management, vendors, and other technology resources within the organization.
4. Responsible for the management of multiple information and communications systems and projects, including voice, data, imaging, and office automation.

5. Plans, develops, implements, maintains and continuously enhances all network hardware and software for the corporation.
6. Responsible for minimizing the investment required to produce established service levels. This requires the incumbent to maintain contact with suppliers and leasers of equipment and supplies, and to maintain a current knowledge and awareness of technology, equipment, prices and terms of agreements. The incumbent subsequently evaluates all factors, performs appropriate cost/benefit analysis and favors alternatives that minimize costs commensurate with acceptable risks. Defines, develops, designs and implements plans and strategies to maintain state-of-the-art solutions.
7. Designs, implements, and evaluates the systems that support end users in the productive use of computer hardware and software.
8. Develops and updates an information systems strategic plan for meeting current and future needs of CMC and its affiliates.
9. Coordinates the core steering group, and insures that it functions as a mechanism which improves the overall value of IT consistent with CMC priorities.
10. Serves as the principal developer of corporate policies and standards aimed at minimizing costs and maximizing controls related to the acquisition, implementation and operation of information and communication systems.
11. Coordinates allocation of resources to provide high levels of service for development of new technology solutions to support CMC strategies and priorities.
12. Provides periodic reports of IT activity, status, and costs to senior management, executive management, the board of directors, and various committees as required.
13. Provides leadership to multidisciplinary task forces and committees in defining and acquiring technology solutions to meet business requirements and CMC strategic priorities.
14. Participates in formal and informal CMC task forces and meetings involving planning, quality improvement, and other matters of priority to the Executive Management Team.
15. Ascertains, establishes and offers education and training programs for existing and future users.
16. Prepares, presents and administers plans, capital and operating budgets for the information services group. The incumbent has responsibility for monitoring IT activities and costs as they relate to the overall utilization of resources required to meet corporate I/S targets.
17. Interviews and selects candidates for employment. Orients, trains, supervises, directs, schedules and assigns work of subordinates. Outlines scope of authority as well as job responsibilities of employees under supervision. Initiates and approves personnel actions including, but not limited to, hiring, transferring, suspending, discharging, assigning, rewarding,

disciplining or adjusting of grievances involving assigned personnel. Prepares and conducts formal/informal performance evaluations and recommends merit increases.

18. Negotiates all hardware, software and integration contracts, soliciting involvement and participation of other management team members as appropriate.
19. Provides direction and monitoring of progress on major EDP/IS projects, including the rapid mobilization of resources to diminish implementation time lines and organizational impacts.
20. Develops and implements user-training programs.
21. Develops, implements and monitors the federal meaningful use requirements related to health information technology to ensure successful timely compliance with the financial incentives.
22. Interacts with senior management in determining systems needs, changes, improvements, and subsequently provides direction for new systems from project inception through installation and functional operation.
23. Develops and executes plans and programs to inform and communicate with users.
24. The incumbent must take a corporate view of systems and problems, and generate strategies that are consistent with the strategic goals of CMC, and in the best interest of the overall system.
25. Participates in the functions and activities of the CMC Senior Management Team, including but not limited to serving on committees and task forces, preparing reports as requested, and representing administration as needed or requested.
26. Maintains professional growth and development through seminars, workshops, and professional affiliations to keep abreast of latest trends in field of expertise.
27. Exercises care in the use and operation of equipment and reference materials. Maintains work area in a clean and organized manner.
28. Ensures confidentiality of employee, legal, client/patient, budget and all company matters.
29. Participates in appropriate role in disaster and fire drills, fires, and other emergency situations.
30. Performs similar or related duties as requested or directed.

KNOWLEDGE, SKILLS AND ABILITIES

Individuals must possess the following knowledge, skills and abilities or be able to explain and demonstrate that the individual can perform the essential functions of the job, with or without reasonable accommodation, using some other combination of skills and abilities and to possess the necessary physical requirements, with or without the aid of mechanical devices to safely perform the essential functions of the job:

1. Physical requirements include the ability to extend hand(s) and arm(s) in any direction; raise objects from a lower to a higher position or move objects horizontally from position to position; pick, pinch, type or otherwise work primarily with fingers rather than the whole hand or arm; apply pressure to an object with fingers and palm; sustain substantial movement of wrists, hands and/or fingers.
2. Ability to express or exchange ideas by means of the spoken word.
3. Ability to receive detailed information through oral communication and to make fine discriminations in sound.
4. Ability to exert up to 10 pounds of force occasionally and/or a negligible amount of force frequently or constantly to lift, carry, push, pull or otherwise move objects.
5. Visual acuity sufficient for work which deals largely with preparing and analyzing data and figures, accounting, transcription, computer terminal work, and extensive reading.
6. Ability to endure periods of heavy workload or stress. Ability to work with frequent interruptions and respond appropriately to unexpected situations.
7. Ability to transport self to and from off-site locations.
8. Requires the ability to plan and perform complex work which involves new or constantly changing problems where there is little accepted method or procedure. Involves participation in the formulation and carrying out of policies, objectives and programs for major divisions or functions. Considerable ingenuity and exceptional judgment required to deal with factors not easily evaluated, interpret results and make decisions carrying a great deal of responsibility. Direct and coordinate the work of subordinate supervision in order to attain objectives.

OSHA RATING: Category II (No exposure to blood borne pathogens)

PHI ACCESS: Limited

WORK SCHEDULE:

- Generally Monday through Friday, days; occasional requirements to cover special events, periodic overnight travel, etc.

QUALIFICATIONS:

Education:

- Bachelor's degree in a related field required.
- Advanced degree (MBA, Master of Health Care Administration, Master of Computer Science) preferred.

Experience:

- A minimum of fifteen years information systems management experience preferably in the application and delivery of information system technologies in a health care environment.

- System integration experience implementing systems which involve multiple vendors and multidisciplinary teams under specific schedules and budgets with committed deliverables.
- Must have a strong background and experience with project management methodologies including a successful track record of large scale information systems project implementations. Must understand and be capable of coordinating a healthcare business strategy to the application of information technology. Must be capable of anticipating the information technology needs of the organization as a result of the strategic initiatives which have been established.
- The successful candidate will have strong skills in information technology components including but not limited to local and wide area network topologies, hardware components, voice communication technologies including tariffs and regulatory considerations. Knowledge of computer hardware and data base architectures, including relational, basic, objected based technologies, and electronic data exchange, programming languages, and fourth and fifth generation tools. The candidate must have a strong understanding of the personal computer industry, the trends that drive it as well as the IT industry in general.
- The candidate must have a background in business and clinical systems, including experience in their implementation in a hospital system with a strong ambulatory presence. Merger, conversion, and consolidation experience is a must.
- The individual must be capable of evaluating the effectiveness of the I/S staff across a variety of disciplines including communications, systems development, operations, people management , strategic planning, and personal computer deployment and use.
- Strong planning and accounting skills including the ability to construct strategic plans, analyze cash flows, along with the long term implications of capital and expense expenditures.
- Strong communication skills including the ability to interact with executive level management, physicians, community business leaders, patients, employees and agencies. The ability to speak in a public forum, present ideas, and generate acceptance of concepts and strategies.
- Training and experience in contract law, and contract management, including the preparation and management of system integration contracts which have fixed time frames, penalties, and deliverables. Training and experience in the preparation and development of software license agreements.
- Training and experience in the development of I/T lease arrangements including step leases, capital leases, operating leases, and technology exchange leases.

Standard of Business Conduct

Individuals are required to refrain from participating in any activities that could be construed as fraud and abuse. Requires the ability to follow Catholic Medical Center's Standards of Business Conduct in any instance where you feel there is suspicion of fraud or abuse, or a violation of the law. The Standards of Business Conduct requires that suspicion or knowledge of any person(s) in violation of the Code be reported to the Corporate Compliance Officer. The extent to which you comply with the requirements contained within the Code will be a factor in evaluating your overall job performance.



**CATHOLIC MEDICAL CENTER HEALTHCARE SYSTEM
JOB DESCRIPTION**



CATHOLIC MEDICAL CENTER HEALTHCARE SYSTEM MISSION STATEMENT

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.

EFFECTIVE DATE: August, 2013
EXEMPTION STATUS: Exempt
POSITION TITLE: SVP, Clinical Operations / CNO
DEPARTMENT/SERVICE: Chief Nurse Officer
REPORTS TO: Executive VP, CFO

POSITION SUMMARY:

Administers the interpretation and implementation of the standards of nursing practice throughout CMC, assures that competent, compassionate standards are uniformly applied in the provision of patient care across all service lines. Plans, organizes, implements and evaluates supportive and evaluative services that provide to all patient care and hospital areas mechanisms to achieve a clinical environment that provides for the comfort and safety of all patients.

Supervises and directs patient care services leadership toward attainment of identified short- and long-term goals and objectives; executes strategies and plans designed to achieve said objectives and collaborating with other hospital executives to meet organizational goals and objectives.

Provides for an efficient and effective mechanism of communication that assures consistency across all service lines and within all hospital departments. Assists the Chief Executive Officer in the administration of the hospital.

PRINCIPAL DUTIES AND RESPONSIBILITIES:

Under the general direction of the Executive VP, CFO and within established CMC and departmental policies and procedures, the incumbent performs the following functions:

- 1. Interprets and oversees the implementation and evaluation of uniform quality standards for nursing practice that are approved by recognized experts and other accreditation agencies.
- 2. Identifies and articulates the vision and strategic direction for the delivery of patient care and the discipline of Nursing across all patient care settings, directs and collaborates on the implementation of strategies to achieve them.
- 3. Creates an environment in which collaboration is valued and excellence in clinical care, education, and research is promoted and achieved.

4. Establishes vision and is accountable for programs which support the nursing profession such as professional recognition programs, nursing leadership development, nursing research and nursing tuition programs.
5. Oversees the development of educational programs that will assist with the interpretation of the standards of practice and their application to direct patient care.
6. Partners with PI and Chief Quality Officer to promote patient safety and quality patient care.
7. Partners with Office of Catholic Identity to ensure the Ethical and Religious Directives of the Catholic Church are evident in provision of patient care
8. Serves as the senior spokesperson for Nursing. Advises the senior leadership, the medical staff, board and individual clinical facilities and other internal and external groups by providing input about the implications of decisions and change on the quality of patient care, on nursing practice, and on nursing care provider
9. Develops and ensures a safe and effective patient care environment through participation in institutional planning, product evaluation, and evaluation of new systems and programs that impact nursing care in the organization.
10. Disseminates information to responsible departments and promotes communication exchange
11. Assures the provision of a clinical environment for students in nursing and other related health fields. Assures that the educational objectives of the students and the placement within the organization are consistent. Ensures that the State Board of Nursing receives the student affiliation schedules.
12. Assures compliance for the JC, HCFA and other State and Federal regulatory bodies.
13. Maintains an appropriate patient classification system. Assures that the appropriate numbers and classification of personnel are assigned to provide patient care. Reviews, with the appropriate executive, any discrepancies that exist.
14. Assures that the appropriate contractual agreements are current and meet insurance and legal requirements for the use of outside nursing agencies. Assures that appropriate orientation and evaluation of the agency nurses are completed and kept on file.
15. Maintains a system for assuring that the licenses of the nursing personnel are current. Maintains communication with the State Board of Nursing and communicates any changes or disciplinary action necessary to the nursing personnel.
16. Promotes and fosters an inter-professional approach to patient care, and the coordination of care among disciplines.
17. Interviews and selects candidates for employment. Orients, trains, supervises, directs, schedules and assigns work of subordinate staff whether through own efforts or by delegation to subordinate supervisory staff.

18. Outlines scope of authority as well as job responsibilities of employees under supervision. Initiates and approves personnel actions including, but not limited to, hiring, transferring, suspending, discharging; assigning, rewarding, disciplining or adjusting of grievances involving assigned personnel. Prepares and conducts formal/informal performance evaluations and recommends merit increases.
19. Provides leadership and direction for the development of strategies to promote the recruitment, retention, and recognition of excellence in Nursing; including but not limited to the oversight and recommendations regarding compensation and benefit programs for nursing staff
20. Prepares or directs preparation of departmental budgets and works within established budgetary guidelines. Reviews specifications and coordinates purchase of equipment, technology, services and/or manpower to achieve cost-effective acquisitions to meet the needs and goals of the departments and subsidiary companies. Evaluates results of purchases and monitors contractual agreements to ensure value is received.
21. Oversees the Nursing Shared Governance Structure and leads the Nursing Leadership Council
22. Serves as the administrative liaison as a voting member to medical staff, Joint Conference, Ethic Board Committees, and other board committees as requested. Attends and serves on professional/civic service organizations as a CMC representative.
23. Maintains professional growth and development through seminars, workshops, and professional affiliations to keep abreast of latest trends in field of expertise.
24. Exercises care in the use and operation of CMC equipment and reference materials.
25. Ensures confidentiality of employee, legal, budget and CMC matters.
26. Performs similar or related duties as requested or directed.

KNOWLEDGE, SKILLS AND ABILITIES

Individuals must possess the following knowledge, skills and abilities or be able to explain and demonstrate that the individual can perform the essential functions of the job, with or without reasonable accommodation, using some other combination of skills and abilities and to possess the necessary physical requirements, with or without the aid of mechanical devices to safely perform the essential functions of the job:

1. Ability to exert up to 10 pounds of force occasionally and/or a negligible amount of force frequently or constantly to lift, carry, push, pull or otherwise move objects.
2. Ability to endure periods of heavy workload or stress. Ability to work with frequent interruptions and respond appropriately to unexpected situations.
3. Ability to transport self to and from off-site locations.

4. Ability to plan and perform diversified duties requiring an extensive knowledge of a particular field and the use of a wide range of procedures. Involves the exercise of judgment in the analysis of facts and conditions regarding individual problems or transactions to determine what actions should be taken, modifying or adapting standard procedures to meet different conditions, making decisions based on precedent and policy.

OSHA RATING: Category II (No exposure to blood borne pathogens)

PHI ACCESS: Limited

WORK SCHEDULE:

- Generally Monday through Friday, days; occasional requirements to cover special events, periodic overnight travel, etc.

QUALIFICATIONS:

Education:

- Graduate of an N.L.N. approved nursing program.
- Masters Degree in Nursing required.

Experience:

- Minimum of seven (7) or more years of experience in Nursing Administration at the executive level.

Licensure/Certification:

- Current registration in the State of New Hampshire as a Registered Nurse.
- Nursing Administration certification strongly preferred.

Standard of Business Conduct

Individuals are required to refrain from participating in any activities that could be construed as fraud and abuse. Requires the ability to follow Catholic Medical Center's Standards of Business Conduct in any instance where you feel there is suspicion of fraud or abuse, or a violation of the law. The Standards of Business Conduct requires that suspicion or knowledge of any person(s) in violation of the Code be reported to the Corporate Compliance Officer. The extent to which you comply with the requirements contained within the Code will be a factor in evaluating your overall job performance.

**CATHOLIC MEDICAL CENTER
JOB DESCRIPTION**

REVISED:

EFFECTIVE DATE: 08/11

EXEMPTION STATUS: Exempt

POSITION TITLE: Executive Director of Emergency Services and Disaster Management

DEPARTMENT/SERVICE: Emergency Department

REPORTS TO: Senior Vice President Chief Operating Officer

PRIMARY PURPOSE

Responsible for planning, directing and managing the provision of all emergency services for Catholic Medical Center. Maintains relationships with physicians, staff, hospital departments, EMS and other organizations that refer patients to Catholic Medical Center. The Division of Emergency Services includes the Emergency Department, EMS Disaster Management, Trauma, Stroke Services, and Respiratory Service.

DUTIES AND RESPONSIBILITIES

Under the general direction of the SVP/COO and within established policies and procedures, the incumbent performs the following functions:

Emergency Department Essential Functions:

1. Develops productive, influential relationships within the service area with physicians, EMS, HMO management, government officials, vendors, and other individuals or representatives of companies necessary to conduct the affairs of the business of Emergency Services.
2. Ensures the highest possible level of patient care, maintains the patient care focus of the service and is an advocate and leader in maintaining and promoting customer satisfaction.
3. Establishes the Emergency Services line as a recognized community resource known for providing excellent care. Maintains high visibility profile in the organization and at the local and state level.
4. Develops and monitors budgets and ensures the efficient fiscal solvency of all direct reporting departments.
5. Ensures that daily operations are in compliance with all laws and guidelines of federal, state and local accrediting agencies and regulators. Implements and interprets all policies, procedures, rules and regulations affecting the operations of Emergency Services.
6. Participates in the development and negotiation of Emergency Services contracts and monitors the contract results and viability.
7. Implements and manages an organizational structure which effectively delivers the required services to the communities served and provides an appropriate structure for the organization's employees.

8. Works collaboratively with all areas of CMC management to assure quality, diversified and price competitive services which are supported by the emergency room physicians and local medical staffs.

9. Interviews and selects candidates for employment. Orients as appropriate. Outlines scope of authority and job responsibilities of employees under supervision. Initiates personnel actions. Prepares and conducts formal/informal performance evaluations and recommends merit awards for employees under supervision.

10. Maintains an effective marketing network that supports all aspects of emergency services for CMC.

11. Responsible for the successful operation of the Trauma and Stroke programs.

Disaster Management Essential Functions:

1. Ensures CMC is in compliance with all Homeland Security, Federal, State, NHHA and The Joint Commission emergency management requirements. Accountable for the compliance and revision of the CMC Disaster Plan as mandated by the preceding organizations. Represents CMC at all Disaster Preparedness meetings at the local, state and federal levels.
2. Manages federally allocated ASPR funds for required purchases of emergency/disaster related equipment. Submits quarterly balance sheets to New Hampshire Homeland Security office and provides documentation for federal and state audits.
3. Chairs the CMC Disaster Management Committee. Provides required education for the CMC Incident Command System and for the CMC management team.
4. Plans, organizes, and enacts all required disaster drills to meet federal, state and local requirements. Applies for federal training money by writing grant proposals, preparing master scenario event lists and after-action reports.
5. Establishes and maintains all memorandums of understanding for emergency management partners supply agreements. Responsible for the distribution/safekeeping of pandemic/epidemic prophylaxis for the CMC organization.
6. Assures maintenance and safekeeping of all acquired vehicles and stored supplies.
7. Maintains all required Emergency Preparedness certifications.

Emergency Medical Services Essential Functions:

1. Maintains CMC participation in the State of New Hampshire EMS Registry to include all files, records, licenses, and contracts for CMC as a medical resource hospital.
2. Ensures quality reviews of EMS transports actions.
3. Develops quarterly paramedic and EMT education programs.
4. Facilitate EMS relationships for The New England Heart Institute.
5. Ensure Stark Law compliance with all EMS exchange of medical supplies and pharmaceutical supplies. Maintains all compliance records as mandated.
6. Performs duties of CMC liaison for the State of New Hampshire EMS Institute.

Secondary Functions:

1. Maintains professional growth and development through seminars, workshops, and professional affiliations to keep abreast of the latest trends in field of expertise.
2. Participates in committee meetings. Attends and serves on professional/civic service organizations as the hospital representative.
3. Participates in appropriate role in disasters, fire drills, fires and other emergency situations.
4. Exercises care in the use and operation of equipment and reference materials. Maintains work area in a clean and organized manner.
5. Performs similar or related duties as requested or directed.

KNOWLEDGE, SKILLS AND ABILITIES

Individual must possess the knowledge, skills and abilities listed or be able to explain and demonstrate that the individual can perform the essential functions of the job, with or without reasonable accommodation, using some other combination of skills and abilities and to possess the necessary physical requirements with or without the aid of mechanical devices to safely perform the essential functions of the job.

1. Ability to designate patient care delivery in a manner that is appropriate to patient's age, physical ability and intellectual development. Must demonstrate proficiency in assessing treatment and responses and adapting care to meet the needs of the patient population served.
2. Physical requirements include the ability to extend hand(s) and arm(s) in any direction; pick, pinch, type or otherwise work primarily with fingers. Essential functions involve sitting most of the time. Walking and standing may be required.
3. Ability to express or exchange ideas by means of the spoken word. Essential functions include activities in which incumbent must convey detailed or important spoken instructions to patients, physicians, families and other employees.
4. Ability to receive detailed information through oral communication and to make fine discriminations in sound.
5. Ability to exert up to 10 pounds of force occasionally and/or a negligible amount of force frequently or constantly to lift, carry, push, pull, or otherwise move objects.
6. Ability to wear safety glasses, gloves, gowns, masks and other safety equipment as necessary.
7. Visual acuity sufficient for work which deals largely with preparing and analyzing data and figures, accounting, transcription, computer terminal work, extensive reading, and visual inspection involving small parts/devices.
8. Ability to endure periods of heavy workload and stress.
9. Ability to work with frequent interruptions and respond appropriately to unexpected situations.
10. Ability to travel to meetings and conferences which are held off-site.

11. The ability to plan and perform complex work which involves new or constantly changing problems where there is little accepted method or procedure. Involves participation in the formulation and carrying out of policies, objectives and programs for major divisions or functions. Considerable ingenuity and exceptional judgment required to deal with factors not easily evaluated, interpret results and make decisions carrying a great deal of responsibility. Direct and coordinate the work of subordinate supervision in order to attain objectives.

OSHA RATING: Category I (Exposure to blood borne pathogens)

ACCESS TO PHI: Complete

WORK SCHEDULE:

- Generally Monday through Friday, days. Evenings and weekends as necessary.

QUALIFICATIONS:

Education:

- Bachelor of Science Degree in nursing. Masters Degree in Management of Administration preferred.

Experience:

- At least three years of management experience in operations, program planning and strategic development for emergency services. Demonstrated leadership ability.

Standard of Business Conduct

Individuals are required to refrain from participating in any activities that could be construed as fraud and abuse. Requires the ability to follow Catholic Medical Center's Standards of Business Conduct in any instance where you feel there is suspicion of fraud or abuse, or a violation of the law. Requires that suspicion or knowledge of any persons violation of the Code be reported to the Corporate Compliance Officer. The extent to which you comply with the requirements contained within the Code will be a factor in evaluating your overall job performance.

Statement of Other Duties:

This document describes the major duties, responsibilities, and authorities of this job, and is not intended to be a complete list of all tasks and functions. It should be understood, therefore, that incumbents may be asked to perform job-related duties beyond those explicitly described.

This job description supersedes all other versions.

Review/Approvals:

Signature of Director and/or VP

Date

Signature of Human Resources Representative

Date

**CATHOLIC MEDICAL CENTER
JOB DESCRIPTION**

TITLE:	Vice President Patient & Physician Support Services	COMPENSATION APPROVAL: _____
DEPARTMENT:	Administration	EFFECTIVE: _____ / _____ / _____
REPORTS TO:	CEO, President, & SVP, COO	APPROVAL: _____

PRIMARY PURPOSE

The Vice President, Patient and Physician Support Services, is responsible for the administrative direction including planning, organizing, budgeting, implementing, evaluating and ensuring the efficient, economic, and quality performance of all assigned departments/areas of responsibility to support or provide quality health care services, assures that standards are uniformly applied in the provision of patient care across services lines. Accountable for the following departments: Admissions, Health Information Management, Social Work/Case Management, Pastoral Care, Patient Complaint Program, Quality Management (Hospital and Medical Staff), Credentialing, CME, Attendant Services, Risk Management, Corporate Compliance, the Medical Management Program, CMC Medical Director, and the Physician Advisor for Medical Management.

DUTIES AND RESPONSIBILITIES

Under the direction of the Chief Executive Officer and SVP, COO, and within established organizational and departmental policies and procedures, JCAHO standards, and all-applicable state and federal regulations, the incumbent performs the following functions:

Primary Functions:

1. Provides leadership, direction and general management to the department directors and programs including, but not limited to, developing goals and objectives, establishing and implementing policies and procedures for the operational and long-range planning of services of Catholic Medical Center.
2. Develops collaborative, influential relationships with the medical staff, third party payors, community agencies, nursing homes, and the QIO to assure efficient systems and resource utilization along the continuum to provide the consistent delivery of high quality services to patients, the community, and medical staff.
3. Assists in maintaining a hospital-wide Quality Management Program that evaluates the quality of care provided to patients and meets the requirements of accrediting agencies, including the Medical Staff. Serves as the Senior Management representative to the Board of Directors for the Quality Management Committee.
4. Responsible for the Patient Complaint Program supporting the rights of patients, addressing their needs and ethical concerns, and evaluating patient satisfaction.
5. Assures that the Admission Department supports the financial and informational needs of all departments to have correct demographic and billing information. Assures systems are in place for bed placement throughout the hospital, including pre-admissions and direct admissions.
6. Assures the provision of Social Work/Case Management services meet resource management, discharge planning, medical management (including physician profiling, clinical resource utilization, nursing unit profiles, avoidable days), patient rights, ethics and legal requirements of Catholic Medical Center and its subsidiaries. Identifies opportunities for improvements with length of stay reduction, practice variation, and cost savings processes without compromising quality patient care.
7. Assures the provision of Pastoral Care services to patients, family members and staff.
8. Provides leadership and overall direction for Quality Management, Medical Staff Support Services, CME, the Medical Staff, including medical staff committees, (i.e., Credentials Committee, Medical Executive Committee, Professional Health Committee) and Peer Review. Assures appropriate processes and systems are in place

for the credentialing of medical staff members (initial appointments and reappointments), and serves as the Senior Manager responsible for medical staff quality, risk management functions, corporate compliance and patient complaints.

9. Assures the Health Information Management Department meets the needs of Catholic Medical Center, physicians, payors and hospital-wide departments in accordance with state, federal and JCAHO regulations. Provides leadership and direction for appropriate education of medical staff and hospital employees including compliance, coding, documentation, and reimbursement functions.
10. Provides direction for system wide programs, policies, and procedures to ensure compliance with applicable federal and state laws (i.e. CMS and Medicaid) and JCAHO for all CMC employees, medical staff and volunteers.
11. Provides facilitation for process improvement within departments in order to impact on overall cost, quality and satisfaction for patient care.
12. Provides support to all hospital departments to assist them in the provision of patient care.
13. Interviews and selects candidates for employment. Orients, trains, supervises, directs, schedules and assigns work of subordinate staff whether through own efforts or by delegation to subordinate supervisory staff. Outlines scope of authority as well as job responsibilities of employees under supervision. Initiates and approves personnel actions including, but not limited to, hiring, transferring, suspending, discharging, assigning, rewarding, disciplining or adjusting of grievances involving assigned personnel. Prepares and conducts formal/informal performance evaluations and recommends merit increases.
14. Prepares or directs preparation of departmental budgets and works within established budgetary guidelines. Reviews specifications and coordinates purchase of equipment, technology, services and/or manpower to achieve cost-effective acquisitions to meet the needs and goals of departments and subsidiary companies. Evaluates results of purchases and monitors contractual agreements to ensure value is received.
15. Keeps the Chief Executive Officer/COO informed of all events, activities, or problems, which will, or may have, a significant effect on hospital operations.
16. Assures appropriate policies, procedures and guidelines are in place with managed care contracting impacting on financial reimbursement, quality medical management and satisfaction including capitated contracts.
17. Participates in Strategic Planning functions of the hospital, including the management, organization, participation and timely completion of special projects assigned by the CEO.
18. Provides direction and participation in the development of organization-wide management educational activities.
19. Attends Executive Committee of the Medical Staff and other medical staff committees as needed. Facilitates and/or chairs medical staff work teams to assure that the planning and development of services is completed.
20. Works closely with members of the medical staff, their elected officers and department chairs/chiefs to resolve issues, advance new and improved clinical programs, and ensure quality of care.
21. Works with medical staff members to maintain and improve performance in financial, utilization and patient/payor satisfaction matters.
22. Develops and maintains effective relations with internal and external constituents.
23. Provides educational activities and written communication to physicians related to the following: policies and procedures that affect their practices directly, initiatives within the organization as well as current market activities in the surrounding geographic market.

Secondary Functions:

Administration/Vice President Patient & Physician Support Services

10/07/03

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1. Attends/participates and serves on professional/civic service organizations as a Catholic Medical Center Senior Management representative.
2. Works within policies, procedures and protocols as they relate to the job. Participates in appropriate role in disasters, fire drills, fires and other emergency situations according to location.
3. Maintains professional growth and development through seminars, workshops, and professional affiliations to keep abreast of latest trends in field of expertise.
4. Serves as the administrative liaison to Medical Staff, Ethics Board Committees, Quality Management Committee, and other board committees as requested.
5. Exercises care in the use and operation of Catholic Medical Center equipment and reference materials.
6. Ensures confidentiality of employee, legal, budget and Catholic Medical Center matters.
7. Performs similar or related duties as requested or directed.

Knowledge, Skills and Abilities

Individuals must possess the knowledge, skills, and abilities listed or be able to explain and demonstrate that the individual can perform the essential functions of the job, with or without reasonable accommodation, using some other combination of skills and abilities and to possess the necessary physical requirements with or without the aid of mechanical devices to safely perform the essential functions of the job.

1. Ability to deliver patient care in a manner that is appropriate to patient's age, physical ability and intellectual development. Must demonstrate proficiency in assessing treatment and responses and adapting care to meet the needs of the patient population served; neonatal, pediatric, adolescent, adult and/or geriatric.
2. Physical requirements include ability to extend hand(s) and arm(s) in any direction; raise objects from a lower to a higher position or move objects horizontally from position to position; pick, pinch, type, or otherwise work primarily with fingers rather than the whole hand or arm; apply pressure to an object with fingers and palm; sustain substantial movement of wrists, hands and/or fingers.
3. Ability to express or exchange ideas by means of the spoken word. Essential functions include activities in which incumbent must convey detailed or important spoken instructions to employees, physicians, patients, families, and external contacts.
4. Ability to receive detailed information through oral communication and to make fine discrimination in sound.
5. Ability to exert up to 10 pounds of force occasionally and/or a negligible amount of force frequently or constantly to lift, carry, push, pull or otherwise move objects.
6. Visual acuity sufficient for work which deals largely with preparing and analyzing data and figures, accounting, transcription, computer terminal work, and extensive reading.
7. Ability to endure periods of heavy workload or stress. Ability to work with frequent interruptions and respond appropriately to unexpected situations.
8. Ability to transport self to and from off-site locations.
9. Ability to plan and perform complex work which involves new or constantly changing problems where there is little accepted method or procedure. Involves participation in the formulation and carrying out of policies, objectives and programs for major divisions or functions. Considerable ingenuity and exceptional judgment required to deal with factors not easily evaluated, interpret results and make decisions carrying a great deal of responsibility. Direct and coordinate the work of subordinate supervision in order to attain objectives.

10. Working knowledge of hospital organization, management, and operations. Basic knowledge of hospital accounting and finance, JCAHO standards, state and local government regulations, and human resources principles.
11. Ability to plan and perform diversified duties requiring an extensive knowledge of a particular field and the use of a wide range of procedures. Involves the exercise of judgment in the analysis of facts and conditions regarding individual problems or transactions to determine what actions should be taken, modifying or adapting standard procedures to meet different conditions, making decisions based on precedent and policy.
12. Ability to receive training and guidelines from supervisor before assuming program responsibilities. Functions independently following training.
13. Familiarity with database, spreadsheet and word processing software.
14. Ability to interact effectively with people of varied educational, socioeconomic and ethnic backgrounds, skill levels and value systems. Ability to work closely and professionally with representatives of regulatory, civic, and service organizations, healthcare professionals and members of the medical staff.
15. Individuals are required to refrain from participating in any activities that could be construed as fraud and abuse. Requires the ability to follow Catholic Medical Center's Standards of Business Conduct in any instance where you feel there is suspicion of fraud or abuse, or a violation of the law. Responsible for detecting offenses by employees within ones department. Requires that suspicion or knowledge of any person(s) violation of the Code be reported to the Corporate Compliance Officer. The extent to which you comply with the requirements contained within the Code will be a factor in evaluating your overall job performance.

OSHA RATING: 2
ACCESS TO PHI: Limited
WORK SCHEDULE: Generally Monday through Friday, day shift; expectation of evening, night, weekend scheduled or unscheduled requirements; Periodic overnight travel for meetings, educational programs, etc. Ability to take Administrative On-call.

QUALIFICATIONS:

Education: Masters Degree in Hospital or Health Care Administration or Business
Experience: Minimum of seven years experience in a management position in health care, including Operations, program planning and strategic development.



**CATHOLIC MEDICAL CENTER HEALTHCARE SYSTEM
JOB DESCRIPTION**



CATHOLIC MEDICAL CENTER HEALTHCARE SYSTEM MISSION STATEMENT

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.

EFFECTIVE DATE: November, 2012

EXEMPTION STATUS: Exempt

POSITION TITLE: Senior Vice President, Operations / Strategic Development

DEPARTMENT/SERVICE: General Counsel

REPORTS TO: President/CEO

POSITION SUMMARY:

The Senior Vice President of Operations and Strategic Development is responsible for overseeing long-term strategic initiatives of the Hospital both internal and external to the institution. The Senior Vice President of Operations and Strategic Development participates in all strategic development and planning, including the management, organization and implementation of special projects assigned by the President/Chief Executive Officer. The Senior VP Operations/ Strategic Development will also function as the General Counsel. General Counsel is responsible for overseeing and directing all of the legal affairs of Catholic Medical Center and its affiliated entities and subsidiaries. The General Counsel is responsible for protecting the organization from legal and regulatory risk.

Under the overall direction of the President/CEO, and within established departmental policies and procedures, the incumbent performs the following functions:

PRINCIPAL DUTIES AND RESPONSIBILITIES:

1. Responsible for overseeing long-term strategic initiatives both internal and external to CMC.
2. Participates in all strategic development and planning, including the management, organization and implementation of special projects assigned by the President/CEO.
3. Responsible for overseeing Vice President of Strategy.
4. Serves as General Counsel to the CEO and the Board of Trustees on matters affecting Catholic Medical Center and its affiliated entities and subsidiaries. Maintains knowledge of federal and state laws and regulations and determines their impact on the organization's operations and strategic initiatives. Keeps abreast of all legal and regulatory activities which may influence the operations of the system.
5. Maintains, develops and reviews policies, procedures and practices to ensure compliance with federal and state laws and regulations. Develops, recommends and implements changes to existing policies, procedures and programs as necessary.

6. Responsible for overseeing Vice President of Human Resources and the Human Resources department as it relates to employment, compensation, benefits administrations, employee/labor relations, policies and procedures, organization development and training and employee records. Outlines scope of authority and job descriptions of employees under supervision; initiates personnel actions, including but not limited to hiring, transferring, suspending, discharging, assigning rewards and disciplinary of adjusting of grievances involving assigned personnel. Prepares and conducts formal and informal performance evaluations and recommends appropriate merit awards for employees under supervision.
7. Responsible for overseeing the Quality department, including the Data Center.
8. Responsible for overseeing and participation in all strategic planning initiatives, including identifying and pursuing opportunities to grow the organization through strategic transactions.
9. Responsible for Community Relations and Governmental Affairs. Responsible for maintaining strong relationships with community and business leaders to enhance the goodwill and reputation of the organization through regular and active participation in community events and service on appropriate non-profit boards.
10. Keeps the CEO informed of all legal and regulatory events, activities or issues which may have a significant effect on hospital operations.
11. Manages and oversees all legal and regulatory actions which may be brought against the organization, including hiring and overseeing outside legal counsel.
12. Prepares and presents to management and the Board of Trustees regular reports outlining the organization's legal and regulatory affairs.
13. Manages and oversees all the organization's governmental affairs and relations at federal, state and local levels. Responsible for maintaining strong relationships with governmental leaders and elected officials for the benefit of the organization.
14. Oversees corporate compliance and risk management for the organization.
15. Maintains personal and professional training and development. Keeps abreast of changes and maintains status in the field. Maintains professional affiliations, attends outside seminars and conferences, and confers with peers at other hospitals and organizations.
16. Serves as management representative to the Board of Trustees on appropriate committees. Serves as representative of the hospital and /or CEO on various affiliated boards of the organization.
17. Participates in the functions and activities of the Catholic Medical Center Executive Management Team, including but not limited to assigned operations of the Hospital, serving on committees and task forces, preparing reports as requested, and representing administration as needed or requested.

18. Works within policies, procedures and protocols as they relate to the job. Participates in appropriate role in disasters, fire drills, and other emergency situations according to location.
19. Exercises care in the operation and use of equipment and reference materials. Maintains work area in an orderly manner.
20. Is responsible for complying with and enforcing all established organizational and department policies and procedures.
21. Ensures confidentiality of employee, legal, budget and company matters. Maintains good communications; establishes and maintains positive working relationships with employees, regulatory agencies, vendors, the public and among the hospital organizations.
22. Performs similar or related duties and required or directed.

KNOWLEDGE, SKILLS AND ABILITIES

Individuals must possess the following knowledge, skills and abilities or be able to explain and demonstrate that the individual can perform the essential functions of the job, with or without reasonable accommodation, using some other combination of skills and abilities and to possess the necessary physical requirements, with or without the aid of mechanical devices to safely perform the essential functions of the job:

1. Ability to bend the body downward and forward by bending spine at the waist. Ability to extend hand(s) and arm(s) in any direction. Ability to stand for sustained periods of time. Ability to move about on foot to accomplish tasks, particularly for long periods of time. Ability to raise objects from a lower to a higher position or moving objects horizontally from position to position.
2. Ability to pick, pinch, type or otherwise work primarily with fingers rather than the whole hand or arm as in handling.
3. Ability to express or exchange ideas by means of the spoken word. Incumbent must convey detailed questions to elicit information from others.
4. Ability to exert up to 10 pounds of force occasionally and or a negligible amount of force frequently or constantly to lift, carry, push, pull or otherwise move objects.
5. The incumbent is subject to both environmental conditions and activities that occur inside and outside.
6. Visual acuity sufficient for work which deals largely with preparing data and figures, accounting, and extensive reading.
7. The ability to plan and perform complex work which involves new or constantly changing problems where there is little accepted method or procedure. Involves participation in the formulation and carrying out of policies, objectives and programs for major divisions or functions. Considerable ingenuity and exceptional judgment required to deal with factors not easily evaluated, interpret

results and make decisions carrying a great deal of responsibility. Direct and coordinate the work of subordinate supervision in order to attain objectives.

OSHA RATING: Category II (No exposure to blood borne pathogens)

PHI ACCESS: Limited

WORK SCHEDULE:

- Generally works Monday through Friday day shift; expectation of evening, night, weekend scheduled or unscheduled requirements; periodic overnight travel for meetings, educational programs, etc.

QUALIFICATIONS:

Education:

- Juris Doctorate Degree required.

Experience:

- Significant previous experience as a senior level executive, and/or counsel for a healthcare organization.

Standard of Business Conduct

Individuals are required to refrain from participating in any activities that could be construed as fraud and abuse. Requires the ability to follow Catholic Medical Center's Standards of Business Conduct in any instance where you feel there is suspicion of fraud or abuse, or a violation of the law. The Standards of Business Conduct requires that suspicion or knowledge of any person(s) in violation of the Code be reported to the Corporate Compliance Officer. The extent to which you comply with the requirements contained within the Code will be a factor in evaluating your overall job performance.



**CATHOLIC MEDICAL CENTER HEALTHCARE SYSTEM
JOB DESCRIPTION**



CATHOLIC MEDICAL CENTER HEALTHCARE SYSTEM MISSION STATEMENT

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.

EFFECTIVE DATE: October, 2012

POSITION TITLE: Executive Medical Director of Catholic Medical Center Health Systems

DEPARTMENT/SERVICE: Administration

REPORTS TO: SRVP/Operations / NEHI & Physician Practices

COMPENSATION: See Contract

POSITION SUMMARY

Executive Medical Director at Catholic Medical Center Health Systems (CMCHS) is responsible for advancing new and improved clinical programs, ensuring low cost, high quality of care and improving performance in financial, utilization and patient/family/payer satisfaction matters.

PRINCIPAL DUTIES AND RESPONSIBILITIES

Under the general direction of the SRVP/ Operations/NEHI & Physician Practices, within established departmental policies and procedures and all applicable laws, through own actions or by delegating to appropriate co-workers, the incumbent, performs the following functions:

1. Cooperates and participates in the development of overall strategic vision and plan for the hospital system with an emphasis on physician integration and aligning hospital and physician interests as well as creating value.
2. Works closely with the SRVP/ Operations / NEHI & Physician Practices in developing and maintaining internal and external stakeholder relationships and programs and initiatives.
3. Works closely with the Chief Medical Officer (CMO) and the administration to help the hospital and its medical staff be more effective and efficient in providing care and develop lines of communication and flow of information between administration and the medical staff with the help of physician leaders.
4. With the CMO and CMC Medical Directors, serves as a resource to the medical staff in regard to compliance and consistency in credentialing, reappointments, risk, quality, bylaws, policies, rules and regulations.
5. Works in coordination with the CMO and others in administration to resolve grievances relating to the medical staff interactions with patients, families, nurses, hospital staff and administration.

6. Assists the CMO and the medical staff in the process of risk/quality and corrective actions by education and communication.
7. Supports the medical staff elements of The Joint Commission (TJC), Centers for Medicare and Medicaid (CMS) and well as other accreditation and regulatory bodies.
8. Identifies and encourages future physician leaders.
9. Meets with and supports current medical staff leaders including elected medical staff and appointed medical directors to provide mentoring, guidance, education, and coordination of services.
10. Participates in the functions and activities of the CMC Management Team, including but not limited to serving on committees and task forces and performs other duties as physician leader when requested or needed.
11. Participates in appropriate role in disasters, fire drills, fires and other emergency situations according to location.
12. Responsible for compliance and enforcement of all established organizational and department policies and procedures.
13. Ensures confidentiality of employees, legal, budgetary, and company matters. Maintain good communications; establishes and maintains positive working relationships with employees, physicians, regulatory agencies, vendors, consultants, and the public.
14. Performs similar or related duties as required or directed.

KNOWLEDGE, SKILLS AND ABILITIES

Individuals must possess the knowledge, skills and abilities listed or be able to explain and demonstrate that the individual can perform the essential functions of the job, with or without reasonable accommodation, using some other combination of skills and abilities and possess the necessary physical requirements with or without the aid of mechanical devices, to safely perform the essential functions of the job.

1. Physical requirements include the ability to raise objects from a lower to a higher position or to move objects horizontally from position to position; the ability to extend hand(s) and arm(s) in any direction; pick, pinch, type or otherwise primarily work with fingers; Perceiving attributes of objects such as size, shape, temperature or texture by touching with skin, particularly that of fingertips; use upper extremities to exert force in order to draw, haul or tug objects in a sustained motion; to press against something with steady force in order to thrust forward, downward or outward; apply pressure to an object with the fingers and palm; ability to substantially move wrists, hands and/or fingers; bending body downward and forward by bending spine at the waist; bending body downward and forward by bending leg and spine; ability to bend legs at knee to come to rest on the knee or knees.

2. Ability to express or exchange ideas by means of the spoken word. Essential functions include activities in which incumbent must convey detailed or important spoken instructions to patients, physicians, families and other employees.
3. Ability to receive detailed information through oral communication and to make fine discriminations in sound.
4. Ability to exert up to 20 pounds of force occasionally, and/or a negligible amount of force constantly to move objects.
5. The incumbent is subject to hazards including a variety of physical conditions such as proximity to moving mechanical parts and electrical currents or exposure to chemicals.
6. The incumbent is subject to normal inside environmental conditions.
7. The incumbent is not substantially exposed to adverse environmental conditions.
8. Visual acuity sufficient for work which deals largely with preparing data and figures, accounting, transcription, computer terminal operation and extensive reading.
9. Requires the ability to plan and perform diversified duties requiring an extensive knowledge of a particular field and the use of a wide range of procedures. Involves the exercise of judgment in the analysis of facts and conditions regarding individual problems or transactions to determine what actions should be taken within the limits of standard practice.

OSHA RATING: Category II (No exposure to blood borne pathogens)

PHI ACCESS: Complete

QUALIFICATIONS

Education:

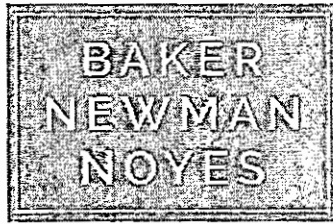
- MD or DO degree

Experience:

- A minimum of 15 years as a Clinical Physician and experience as a Physician Leader such as Medical Director, President of the Medical Staff or Chair of the Department.

Standard of Business Conduct

Individuals are required to refrain from participating in any activities that could be construed as fraud and abuse. Requires the ability to follow Catholic Medical Center's Standards of Business Conduct in any instance where you feel there is suspicion of fraud or abuse, or a violation of the law. The Standards of Business Conduct requires that suspicion or knowledge of any person(s) in violation of the Code be reported to the Corporate Compliance Officer. The extent to which you comply with the requirements contained within the Code will be a factor in evaluating your overall job performance.



CMC Healthcare System, Inc.

**Audited Consolidated Financial Statements
and Other Financial Information**

*Fifteen-Month Period Ended September 30, 2017
With Independent Auditors' Report*

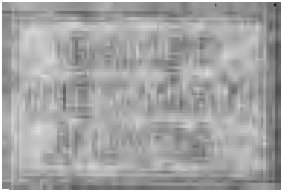
CMC HEALTHCARE SYSTEM, INC.

**AUDITED CONSOLIDATED FINANCIAL STATEMENTS
AND OTHER FINANCIAL INFORMATION**

Fifteen-Month Period Ended September 30, 2017

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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 sheet as of September 30, 2017, and the related consolidated statements of operations, changes in net assets and cash flows for the fifteen-month period 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 audit. We conducted our audit 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.

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, 2017, and the results of its operations, changes in its net assets and its cash flows for the fifteen-month period then ended in accordance with accounting principles generally accepted in the United States of America.

Baker Newman & Noyes LLC

Manchester, New Hampshire
February 13, 2018

CMC HEALTHCARE SYSTEM, INC.

CONSOLIDATED BALANCE SHEET

September 30, 2017

ASSETS

Current assets:	
Cash and cash equivalents	\$ 78,044,572
Short-term investments	27,221,800
Accounts receivable, less allowance for doubtful accounts of \$20,432,260	49,498,177
Inventories	3,406,820
Other current assets	<u>12,376,492</u>
Total current assets	170,547,861
Property, plant and equipment, net	113,877,283
Other assets:	
Intangible assets and other	16,583,310
Assets whose use is limited:	
Pension and insurance obligations	16,777,534
Board designated and donor restricted investments and restricted grants	116,555,520
Held by trustee under revenue bond agreements	<u>51,479,065</u>
	<u>184,812,119</u>
Total assets	<u>\$485,820,573</u>

LIABILITIES AND NET ASSETS

Current liabilities:	
Accounts payable and accrued expenses	\$ 36,101,613
Accrued salaries, wages and related accounts	20,111,571
Amounts payable to third-party payors	14,351,322
Current portion of long-term debt	<u>12,114,527</u>
Total current liabilities	82,679,033
Accrued pension and other liabilities, less current portion	137,337,130
Long-term debt, less current portion	<u>119,685,392</u>
Total liabilities	339,701,555
Net assets:	
Unrestricted	136,393,011
Temporarily restricted	924,871
Permanently restricted	<u>8,801,136</u>
Total net assets	146,119,018
	<hr/>
Total liabilities and net assets	<u>\$485,820,573</u>

See accompanying notes.

CMC HEALTHCARE SYSTEM, INC.

CONSOLIDATED STATEMENT OF OPERATIONS

Fifteen-Month Period Ended September 30, 2017

Net patient service revenues, net of contractual allowances and discounts	\$530,258,031
Provision for doubtful accounts	<u>(22,167,913)</u>
Net patient service revenues less provision for doubtful accounts	508,090,118
Other revenue	21,992,554
Disproportionate share funding	<u>16,102,280</u>
Total revenues	546,184,952
Expenses:	
Salaries, wages and fringe benefits	297,460,532
Supplies and other	180,805,525
New Hampshire Medicaid enhancement tax	23,129,419
Depreciation and amortization	17,807,326
Interest	<u>2,937,514</u>
Total expenses	<u>522,140,316</u>
Income from operations	24,044,636
Nonoperating gains (losses):	
Investment income	3,278,100
Net realized gains on sale of investments	3,381,479
Loss on extinguishment of debt	(105,628)
Unrestricted contributions	650,656
Development costs	(510,487)
Other nonoperating loss	<u>(435,634)</u>
Total nonoperating gains, net	<u>6,258,486</u>
Excess of revenues and gains over expenses	30,303,122
Unrealized appreciation on investments	9,184,714
Change in fair value of interest rate swap agreement	422,469
Assets released from restriction used for capital	90,299
Pension-related changes other than net periodic pension cost	<u>21,451,059</u>
Increase in unrestricted net assets	61,451,663
Unrestricted net assets at beginning of period	<u>74,941,348</u>
Unrestricted net assets at end of period	<u>\$136,393,011</u>

See accompanying notes.

CMC HEALTHCARE SYSTEM, INC.

CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS

Fifteen-Month Period Ended September 30, 2017

	<u>Unrestricted</u> <u>Net Assets</u>	<u>Temporarily</u> <u>Restricted</u> <u>Net Assets</u>	<u>Permanently</u> <u>Restricted</u> <u>Net Assets</u>	<u>Total</u> <u>Net Assets</u>
Balances at June 30, 2016	\$ 74,941,348	\$ 395,655	\$ 7,844,432	\$ 83,181,435
Excess of revenues and gains over expenses	30,303,122	—	—	30,303,122
Restricted investment income	—	2,784	54,487	57,271
Changes in interest in perpetual trust	—	—	725,549	725,549
Restricted contributions	—	721,906	114,032	835,938
Unrealized appreciation on investments	9,184,714	—	113,580	9,298,294
Change in fair value of interest rate swap agreement	422,469	—	—	422,469
Assets released from restriction used for operations	—	(105,175)	(50,944)	(156,119)
Assets released from restriction used for capital	90,299	(90,299)	—	—
Pension-related changes other than net periodic pension cost	<u>21,451,059</u>	<u>—</u>	<u>—</u>	<u>21,451,059</u>
	<u>61,451,663</u>	<u>529,216</u>	<u>956,704</u>	<u>62,937,583</u>
Balances at September 30, 2017	<u>\$136,393,011</u>	<u>\$ 924,871</u>	<u>\$ 8,801,136</u>	<u>\$146,119,018</u>

See accompanying notes.

CMC HEALTHCARE SYSTEM, INC.

CONSOLIDATED STATEMENT OF CASH FLOWS

Fifteen-Month Period Ended September 30, 2017

Operating activities:	
Increase in net assets	\$ 62,937,583
Adjustments to reconcile increase in net assets to net cash provided by operating activities:	
Depreciation and amortization	17,807,326
Pension-related changes other than net periodic pension cost	(21,451,059)
Restricted gifts and investment income	(893,209)
Net realized gains on sales of investments	(3,381,479)
Increase in interest in perpetual trust	(725,549)
Loss on extinguishment of debt	105,628
Unrealized appreciation on investments	(9,298,294)
Changes in fair value of interest rate swap agreements	(943,169)
Bond discount/premium and issuance cost amortization	(212,639)
Changes in operating assets and liabilities:	
Accounts receivable, net	86,338
Inventories	(207,510)
Other current assets	(5,051,127)
Other assets	(639,999)
Accounts payable and accrued expenses	13,428,959
Accrued salaries, wages and related accounts	4,622,044
Amounts payable to third-party payors	1,482,033
Accrued pension and other liabilities	9,468,957
Net cash provided by operating activities	<u>67,134,834</u>
Investing activities:	
Purchases of property, plant and equipment	(34,607,687)
Payments received from note receivable	800,600
Net change in assets held by trustee under revenue bond agreements	(47,534,017)
Proceeds from sales of investments	71,477,070
Purchases of investments	(80,331,380)
Net cash used by investing activities	<u>(90,195,414)</u>
Financing activities:	
Payments on long-term debt	(15,793,182)
Proceeds from issuance of long-term debt	74,013,417
Payments on capital leases	(1,248,314)
Bond issuance costs	(756,631)
Restricted gifts and investment income	893,209
Net cash provided by financing activities	<u>57,108,499</u>
Increase in cash and cash equivalents	34,047,919
Cash and cash equivalents at beginning of period	<u>43,996,653</u>
Cash and cash equivalents at end of period	<u>\$ 78,044,572</u>

See accompanying notes.

CMC HEALTHCARE SYSTEM, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Fifteen-Month Period Ended September 30, 2017

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), CMC Ancillary Health Services, LLC (CAHS) (dissolved in September 2017), 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 fifteen-month period ended September 30, 2017 do not include the accounts and activity of GraniteOne, HH and MCH.

2. Significant Accounting Policies

Fiscal Year Change

Effective July 1, 2016, the System changed its fiscal year end from June 30 to September 30. For the period from July 1, 2016 to September 30, 2017, the System has elected to present fifteen-month statements of operations, changes in net assets and cash flows, and related footnote information.

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, CAHS, AHS, DMA and St. Peter's Home, Inc. Significant intercompany accounts and transactions have been eliminated in consolidation.

CMC HEALTHCARE SYSTEM, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Fifteen-Month Period Ended September 30, 2017

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 (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, DMA and CAHS, 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.

Enterprises, DMA and CAHS (dissolved in September 2017) are for-profit organizations and, in accordance with federal and state tax laws, file income tax returns, as applicable. There was no provision for income taxes for the fifteen-month period ended September 30, 2017. 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

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, development costs, realized gains and losses on the sales of securities and property and equipment, unrestricted investment income, loss on extinguishment of debt, 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.

CMC HEALTHCARE SYSTEM, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Fifteen-Month Period Ended September 30, 2017

2. Significant Accounting Policies (Continued)

Of the System's \$522,140,316 total expenses reported for the fifteen-month period ended September 30, 2017, an estimated \$7,200,000 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, 2017.

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 \$76,000,000 at September 30, 2017 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 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 period 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.

CMC HEALTHCARE SYSTEM, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Fifteen-Month Period Ended September 30, 2017

2. Significant Accounting Policies (Continued)

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 period 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.

Related Party Activity

The Medical Center has engaged in various transactions with GraniteOne, HH and MCH. The Medical Center recognized approximately \$2.4 million in revenue from these related parties from the date of affiliation, December 30, 2016, through September 30, 2017, which is reflected within other revenues in the accompanying consolidated statements of operations. The Medical Center also incurred approximately \$251,000 in expenses from transactions with these related parties from the date of affiliation, December 30, 2016, through September 30, 2017, which is reflected within operating expenses in the accompanying consolidated statements of operations. As of September 30, 2017, the System has a net amount due from these related parties of approximately \$865,000, which is reflected within other current assets in the accompanying 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. At September 30, 2017, the Medical Center has outstanding construction commitments totaling approximately \$11.7 million for expansion of various Medical Center departments, including the emergency department and intensive care unit, as well as renovations to the electrophysiology and cardiac catheterization labs.

CMC HEALTHCARE SYSTEM, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Fifteen-Month Period Ended September 30, 2017

2. Significant Accounting Policies (Continued)

Conditional Asset Retirement Obligations

The System recognizes the fair value of a liability for legal obligations associated with asset retirements in the period 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 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 statement of operations.

As of September 30, 2017, \$1,214,222 of conditional asset retirement obligations are included within accrued pension and other liabilities in the accompanying consolidated balance sheet.

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 fifteen-month period ended September 30, 2017. The net carrying value of goodwill is \$4,490,154 at September 30, 2017 and is reflected within intangible assets and other in the accompanying balance sheet.

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.

CMC HEALTHCARE SYSTEM, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Fifteen-Month Period Ended September 30, 2017

2. Significant Accounting Policies (Continued)

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 \$8,868,571 for the fifteen-month period ended September 30, 2017.

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 fifteen-month period ended September 30, 2017.

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 \$595,080 for the fifteen-month period ended September 30, 2017 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.

CMC HEALTHCARE SYSTEM, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Fifteen-Month Period Ended September 30, 2017

2. Significant Accounting Policies (Continued)

Classification of Net Assets

Gifts are reported as either temporarily or permanently restricted support if they are received with donor stipulations that limit the use of donated assets. Temporarily restricted net assets are those whose use by the System has been limited by donors to a specific time period or purpose. When a donor restriction expires (i.e., when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified as unrestricted net assets and reported in the consolidated statement of operations as either net assets released from restrictions used for operations (for noncapital-related items and included in other revenue) or as net assets released from restrictions used for capital (for capital-related items).

Permanently restricted net assets have been restricted by donors to be maintained by the System in perpetuity. Income earned on permanently restricted net assets, to the extent not restricted by the donor, including net unrealized appreciation or depreciation on investments, is included in the consolidated statement of operations as unrestricted resources or as a change in temporarily restricted net assets in accordance with donor-intended purposes or applicable law.

Donor-restricted contributions whose restrictions are met within the same period as received are reported as unrestricted contributions in the accompanying consolidated financial statements.

Investments and Investment Income

Investments are carried at fair value in the accompanying consolidated financial statements. See Note 7 for further discussion regarding fair value measurements. 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 excess of revenues and gains over expenses unless the investments are classified as trading securities or losses are considered other-than-temporary. Interest and dividend income on unrestricted investments, unrestricted investment income on permanently restricted investments and unrestricted net realized gains/losses are reported as nonoperating gains/losses.

Derivative Instruments

Derivatives are recognized as either assets or liabilities in the consolidated balance sheet 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 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 5.

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 permanently restricted net assets at the fair value of the trust at the date of receipt. Income distributions from the trusts are reported as investment income that increase unrestricted net assets, unless restricted by the donor. Annual changes in the fair value of the trusts are recorded as increases or decreases to permanently restricted net assets.

CMC HEALTHCARE SYSTEM, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Fifteen-Month Period Ended September 30, 2017

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 (unrestricted) 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.

Temporarily restricted 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.

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, including its appreciation, intact.

Federal Grant Revenue and Expenditures

Revenues and expenses under federal grant programs are recognized as the related expenditure is incurred.

CMC HEALTHCARE SYSTEM, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Fifteen-Month Period Ended September 30, 2017

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 periods.

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, 2017, the System recorded a liability of \$12,303,356 related to estimated professional liability losses covered under this policy. At September 30, 2017, the System also recorded a receivable of \$8,819,106 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 sheet.

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 \$2,868,377 at September 30, 2017 have been discounted at 1.25% and, in management's opinion, provide an adequate reserve for loss contingencies. At September 30, 2017, \$1,253,352 and \$1,615,025 is recorded within accounts payable and accrued expenses and accrued pension and other liabilities, respectively, in the accompanying consolidated balance sheet. The System has also recorded \$248,541 and \$403,774 within other current assets and intangible assets and other, respectively, in the accompanying consolidated balance sheet to limit the accrued losses to the retention amount at September 30, 2017.

Health Insurance

The System has 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 System is insured above a stop-loss amount of \$325,000 on individual claims. Estimated unpaid claims, and those claims incurred but not reported, at September 30, 2017 of \$4,203,703 are reflected in the accompanying consolidated balance sheet within accounts payable and accrued expenses.

Advertising Costs

The System expenses advertising costs as incurred, and such costs totaled approximately \$1,701,000 for the fifteen-month period ended September 30, 2017.

CMC HEALTHCARE SYSTEM, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Fifteen-Month Period Ended September 30, 2017

2. **Significant Accounting Policies (Continued)**

Recent Accounting Pronouncements

In May 2014, the Financial Accounting Standards Board (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, 2018. 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)* (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, 2019, 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 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 August 2016, the FASB issued ASU No. 2016-14, *Presentation of Financial Statements for Not-for-Profit Entities (Topic 958)* (ASU 2016-14). Under ASU 2016-14, the existing three-category classification of net assets (i.e., unrestricted, temporarily restricted and permanently restricted) will be replaced with a simplified model that combines temporarily restricted and permanently restricted into a single category called "net assets with donor restrictions". ASU 2016-14 also enhances certain disclosures regarding board designations, donor restrictions and qualitative information regarding management of liquid resources. In addition to reporting expenses by functional classifications, ASU 2016-14 will also require the financial statements to provide information about expenses by their nature, along with enhanced disclosures about the methods used to allocate costs among program and support functions. ASU 2016-14 is effective for the System's fiscal year ending September 30, 2019, with early adoption permitted. The System is currently evaluating the impact of the pending adoption of ASU 2016-14 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, 2019, 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.

CMC HEALTHCARE SYSTEM, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Fifteen-Month Period Ended September 30, 2017

2. **Significant Accounting Policies (Continued)**

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 and outside a subtotal of income from operations, if one is presented. ASU 2017-07 is effective for the System on October 1, 2018, with early adoption permitted. The System is currently evaluating the impact of the pending adoption of ASU 2017-07 on its consolidated financial statements.

Subsequent Events

Management of the System evaluated events occurring between September 30, 2017 and February 13, 2018, the date the consolidated financial statements were available to be issued.

3. **Net Patient Service Revenue**

The following summarizes net patient service revenue for the fifteen-month period ended September 30, 2017:

Gross patient service revenue	\$ 1,531,737,782
Less contractual allowances	(1,001,479,751)
Less provision for doubtful accounts	<u>(22,167,913)</u>
Net patient service revenue	<u>\$ 508,090,118</u>

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 period that such amounts become known. The percentage of net patient service revenues earned from the Medicare and Medicaid programs was 36% and 5%, respectively, for the fifteen-month period ended September 30, 2017.

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 14).

CMC HEALTHCARE SYSTEM, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Fifteen-Month Period Ended September 30, 2017

3. **Net Patient Service Revenue (Continued)**

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 fifteen-month period ended September 30, 2017 from third-party payors and uninsured patients are as follows:

	<u>Third-Party Payors</u>	<u>Uninsured Patients</u>	<u>Total All Payors</u>
Net patient service revenue, net of contractual allowance and discounts	99.15%	0.85%	100.0%

An estimated breakdown of patient service revenues, net of contractual allowances, discounts and provision for doubtful accounts recognized for the fifteen-month period ended September 30, 2017 from major payor sources, is as follows:

	<u>Gross Patient Service Revenues</u>	<u>Contractual Allowances and Discounts</u>	<u>Provision for Doubtful Accounts</u>	<u>Net Patient Service Revenues Less Provision for Doubtful Accounts</u>
Private payors (includes coinsurance and deductibles)	\$ 568,278,862	\$ (263,178,931)	\$ (10,143,416)	\$ 294,956,515
Medicaid	162,431,298	(134,490,719)	(774,771)	27,165,808
Medicare	770,579,025	(585,144,615)	(3,764,372)	181,670,038
Self-pay	<u>30,448,597</u>	<u>(18,665,486)</u>	<u>(7,485,354)</u>	<u>4,297,757</u>
	<u>\$1,531,737,782</u>	<u>\$(1,001,479,751)</u>	<u>\$ (22,167,913)</u>	<u>\$ 508,090,118</u>

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 fifteen-month period ended September 30, 2017, there were no significant adjustments recorded for changes to prior year estimates.

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% and 5.45%, respectively, of the Medical Center's net patient service revenues in State fiscal years 2017 and 2016 with certain exclusions. The amount of tax incurred by the Medical Center for the fifteen-month period ended September 30, 2017 was \$23,129,419.

CMC HEALTHCARE SYSTEM, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Fifteen-Month Period Ended September 30, 2017

3. Net Patient Service Revenue (Continued)

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 \$16,102,280 for the fifteen-month period ended September 30, 2017, 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 exposure based on the audit results to date.

Electronic Health Records Incentive Payments

The CMS Electronic Health Records (EHR) incentive programs provide a financial incentive for the "meaningful use" of certified EHR technology to achieve health and efficiency goals. To qualify for incentive payments, eligible organizations must successfully demonstrate meaningful use of certified EHR technology through various stages defined by CMS. The System filed certain meaningful use attestations with CMS. Revenue totaling \$120,535 associated with these meaningful use attestations is recorded as other revenue for the fifteen-month period ended September 30, 2017.

4. Property, Plant and Equipment

The major categories of property, plant and equipment at September 30, 2017 are as follows:

	<u>Useful Lives</u>	
Land and land improvements	2-40 years	\$ 3,060,081
Buildings and improvements	2-40 years	115,779,720
Fixed equipment	3-25 years	43,526,110
Movable equipment	3-25 years	118,387,764
Construction in progress		<u>9,065,141</u>
		289,818,816
Less accumulated depreciation and amortization		<u>175,941,533</u>
Net property, plant and equipment		<u>\$113,877,283</u>

Depreciation expense amounted to \$17,751,719 for the fifteen-month period ended September 30, 2017.

The cost of equipment under capital leases was \$7,844,527 at September 30, 2017. Accumulated amortization of the leased equipment at September 30, 2017 was \$6,367,077. Amortization of assets under capital leases is included in depreciation and amortization expense.

CMC HEALTHCARE SYSTEM, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Fifteen-Month Period Ended September 30, 2017

5. Long-Term Debt and Note Payable

Long-term debt at September 30, 2017 consists of the following:

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	\$ 24,995,000
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	22,845,000
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	8,455,000
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	<u>61,115,000</u>

	117,410,000
Note payable – see below	8,082,093
Capitalized lease obligations	1,727,577
Unamortized original issue premiums/discounts	5,871,018
Unamortized debt issuance costs	<u>(1,290,769)</u>
	131,799,919
Less current portion	<u>(12,114,527)</u>

\$119,685,392

In May 2006, the Medical Center, in connection with the Authority, issued \$32,910,000 of tax-exempt fixed rate revenue bonds (Series 2006). 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 proceeds of the Series 2006 bond issue were used to advance refund \$9,010,000 of Series 2002A Bonds, to provide funding for renovating additional space and equipment at the Medical Center, and to provide a portion of the funding for the construction of a parking garage. As described below, the Series 2006 Bonds were refunded by the Series 2015A and 2015B 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, 2017. 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.

CMC HEALTHCARE SYSTEM, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Fifteen-Month Period Ended September 30, 2017

5. Long-Term Debt and Note Payable (Continued)

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, 2017.

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.

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. As a result of this refunding, the remaining portion of the unamortized bond issuance costs and original issue discount related to the Series 2006 Bonds were included in the loss on extinguishment of debt, which totaled \$105,628 for the fifteen-month period ended September 30, 2017.

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, 2017.

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.

Interest paid by the System totaled \$3,666,187 for the fifteen-month period ended September 30, 2017.

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:

2018	\$ 12,114,527
2019	4,131,199
2020	3,924,080
2021	2,394,864
2022	2,470,000
Thereafter	<u>102,185,000</u>
	<u>\$127,219,670</u>

CMC HEALTHCARE SYSTEM, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Fifteen-Month Period Ended September 30, 2017

5. Long-Term Debt and Note Payable (Continued)

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 \$129,397,571 at September 30, 2017.

MOB LLC Note 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%) (2.64% at September 30, 2017) and principal due on a monthly basis, with all payments to be made no later than April 1, 2018.

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 pays a fixed rate equal to 5.21%, and receives a variable rate of the one-month LIBOR rate (1.23% at September 30, 2017). Payments under the swap agreement began April 1, 2008 and the agreement will terminate April 1, 2018.

The fair value of the MOB LLC interest rate swap agreement amounted to a liability of \$184,767 as of September 30, 2017, which amount has been included within accrued pension and other liabilities in the accompanying consolidated balance sheet. The decrease in the fair value of this derivative of \$520,700 have been included within nonoperating investment income for the fifteen-month period ended September 30, 2017.

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 unrestricted net assets. 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 (0.86% at September 30, 2017). 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 \$40,101 as of September 30, 2017, which amount has been included within accrued pension and other liabilities in the accompanying consolidated balance sheet. The decrease in the fair value of this derivative of \$422,469 has been included within the consolidated statement of changes in net assets as a change in unrestricted net assets for the fifteen-month period ended September 30, 2017.

CMC HEALTHCARE SYSTEM, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Fifteen-Month Period Ended September 30, 2017

6. 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 fifteen-month period ended September 30, 2017 was \$5,916,100.

Estimated future minimum lease payments under noncancelable operating leases are as follows:

2018	\$ 3,959,206
2019	3,138,556
2020	3,091,861
2021	3,047,966
2022	3,074,549
Thereafter	<u>11,654,455</u>
	<u>\$27,966,593</u>

7. Investments and Assets Whose Use is Limited

Investments and assets whose use is limited are comprised of the following at September 30, 2017:

	<u>Fair Value</u>	<u>Cost</u>
Cash and cash equivalents	\$ 11,619,660	\$ 11,619,660
U.S. federated treasury obligations	51,777,577	51,776,760
Marketable equity securities	40,021,449	33,576,238
Fixed income securities	58,895,772	58,989,604
Private investment funds	<u>49,719,461</u>	<u>26,245,350</u>
	<u>\$212,033,919</u>	<u>\$182,207,612</u>

Investment income and realized gains/losses and unrealized appreciation are summarized as follows for the fifteen-month period ended September 30, 2017:

Unrestricted:	
Nonoperating investment income	\$ 3,278,100
Realized gains on sales of investments, net	3,381,479
Change in unrealized appreciation on investments	<u>9,184,714</u>
	<u>\$15,844,293</u>
Restricted:	
Investment income	\$ 57,271
Change in unrealized appreciation on investments	113,580
Changes in interest in perpetual trust	<u>725,549</u>
	<u>\$ 896,400</u>

CMC HEALTHCARE SYSTEM, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Fifteen-Month Period Ended September 30, 2017

7. Investments and Assets Whose Use is Limited (Continued)

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.

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, 2017.

The following is a description of the valuation methodologies used:

CMC HEALTHCARE SYSTEM, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Fifteen-Month Period Ended September 30, 2017

7. **Investments and Assets Whose Use is Limited (Continued)**

U.S. Federated 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.

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.

CMC HEALTHCARE SYSTEM, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Fifteen-Month Period Ended September 30, 2017

7. Investments and Assets Whose Use is Limited (Continued)

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, 2017:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>Assets</u>				
Cash and cash equivalents	\$ 11,619,660	\$ —	\$ —	\$ 11,619,660
U.S. federated treasury obligations	51,777,577	—	—	51,777,577
Marketable equity securities	40,021,449	—	—	40,021,449
Fixed income securities	<u>58,895,772</u>	<u>—</u>	<u>—</u>	<u>58,895,772</u>
	<u>\$162,314,458</u>	<u>\$—</u>	<u>\$—</u>	162,314,458
Investments measured at net asset value:				
Private investment funds				<u>49,719,461</u>
Total assets at fair value				<u>\$212,033,919</u>
<u>Liabilities</u>				
Interest rate swap agreements	<u>\$—</u>	<u>\$—</u>	<u>\$(224,868)</u>	<u>\$(224,868)</u>

The following table presents the liabilities carried at fair value as of September 30, 2017 that are classified within Level 3 of the fair value hierarchy. The table reflects gains and losses for the fifteen-month period ended September 30, 2017. Additionally, both observable and unobservable inputs may be used to determine the fair value of positions that the System has classified within the Level 3 category. As a result, the unrealized gains and losses for liabilities within Level 3 may include changes in fair value that were attributable to both observable and unobservable inputs.

	<u>Fair Value Measurement Using Significant Unobservable Inputs (Level 3) Interest Rate Swap Agreements</u>
Balance at June 30, 2016	\$ (1,168,037)
Unrealized gains (fifteen months)	<u>943,169</u>
Balance at September 30, 2017	<u>\$(224,868)</u>

There were no significant transfers between Levels 1, 2 or 3 for the fifteen-month period ended September 30, 2017.

CMC HEALTHCARE SYSTEM, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Fifteen-Month Period Ended September 30, 2017

7. Investments and Assets Whose Use is Limited (Continued)

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, 2017:

<u>Category</u>	<u>Fair Value</u>	<u>Unfunded Commitments</u>	<u>Redemption Frequency</u>	<u>Notice Period</u>
Private investment funds	\$45,944,002	\$ —	Daily/monthly	2-30 day notice
Private investment funds	3,775,459	—	Quarterly/annually	30-95 day notice*

* One fund is subject to a one year lock. After the lock period, this fund allows redemptions quarterly, with certain restrictions.

Investment Strategies

U.S. Federated 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 5 for disclosure of the fair value of long-term debt.

CMC HEALTHCARE SYSTEM, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Fifteen-Month Period Ended September 30, 2017

8. 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 fifteen-month period ended September 30, 2017, and a statement of funded status of the plans as of September 30, 2017 is as follows:

	<u>Catholic Medical Center Pension Plan</u>	<u>Pre-1987 Supplemental Executive Retirement Plan</u>	<u>New Hampshire Medical Laboratories Retirement Income Plan</u>
Changes in benefit obligations:			
Projected benefit obligations at beginning of period	\$ (285,649,322)	\$ (4,960,874)	\$ (3,087,001)
Service cost	(1,875,000)	-	(31,250)
Interest cost	(13,358,019)	(188,099)	(133,977)
Benefits paid	7,727,640	525,514	186,412
Actuarial gain (loss)	7,498,521	56,173	(13,840)
Expenses paid	<u>1,455,402</u>	<u>-</u>	<u>17,258</u>
Projected benefit obligations at end of period	(284,200,778)	(4,567,286)	(3,062,398)
Changes in plan assets:			
Fair value of plan assets at beginning of period	164,351,991	-	1,990,228
Actual return on plan assets	26,316,252	-	313,303
Employer contributions	-	525,514	45,000
Benefits paid	(7,727,640)	(525,514)	(186,412)
Expenses paid	<u>(1,455,402)</u>	<u>-</u>	<u>(17,258)</u>
Fair value of plan assets at end of period	<u>181,485,201</u>	<u>-</u>	<u>2,144,861</u>
Funded status of plan at September 30, 2017	<u>\$ (102,715,577)</u>	<u>\$ (4,567,286)</u>	<u>\$ (917,537)</u>
Amounts recognized in the consolidated balance sheet consist of:			
Current liability	\$ -	\$ (406,730)	\$ -
Noncurrent liability	<u>(102,715,577)</u>	<u>(4,160,556)</u>	<u>(917,537)</u>
Net amount recognized	<u>\$ (102,715,577)</u>	<u>\$ (4,567,286)</u>	<u>\$ (917,537)</u>

The net loss for the defined benefit pension plans that will be amortized from unrestricted net assets into net periodic benefit cost over the next fiscal year is \$3,610,397.

The current portion of accrued pension costs included in the above amounts for the System amounted to \$406,730 at September 30, 2017 and has been included in accounts payable and accrued expenses.

CMC HEALTHCARE SYSTEM, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Fifteen-Month Period Ended September 30, 2017

8. Retirement Benefits (Continued)

The amounts recognized in unrestricted net assets for the fifteen-month period ended September 30, 2017 consist of:

	<u>Catholic Medical Center Pension Plan</u>	<u>Pre-1987 Supplemental Executive Retirement Plan</u>	<u>New Hampshire Medical Laboratories Retirement Income Plan</u>
Amounts recognized in the consolidated balance sheet – total plan:			
Unrestricted net assets:			
Net loss	\$ <u>(125,765,807)</u>	\$ <u>(2,404,753)</u>	\$ <u>(1,721,261)</u>
Net amount recognized	\$ <u>(125,765,807)</u>	\$ <u>(2,404,753)</u>	\$ <u>(1,721,261)</u>

Net periodic pension cost includes the following components for the fifteen-month period ended September 30, 2017:

	<u>Catholic Medical Center Pension Plan</u>	<u>Pre-1987 Supplemental Executive Retirement Plan</u>	<u>New Hampshire Medical Laboratories Retirement Income Plan</u>
Service cost	\$ 1,875,000	\$ –	\$ 31,250
Interest cost	13,358,019	188,099	133,977
Expected return on plan assets	(16,602,547)	–	(196,994)
Amortization of actuarial loss	<u>3,818,773</u>	<u>180,554</u>	<u>80,864</u>
Net periodic pension cost	\$ <u>2,449,245</u>	\$ <u>368,653</u>	\$ <u>49,097</u>

Other changes in plan assets and benefit obligations recognized in unrestricted net assets for the fifteen-month period ended September 30, 2017 consist of:

	<u>Catholic Medical Center Pension Plan</u>	<u>Pre-1987 Supplemental Executive Retirement Plan</u>	<u>New Hampshire Medical Laboratories Retirement Income Plan</u>
Net gain	\$ (17,212,226)	\$ (56,173)	\$ (102,469)
Amortization of actuarial loss	<u>(3,818,773)</u>	<u>(180,554)</u>	<u>(80,864)</u>
Net amount recognized	\$ <u>(21,030,999)</u>	\$ <u>(236,727)</u>	\$ <u>(183,333)</u>

CMC HEALTHCARE SYSTEM, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Fifteen-Month Period Ended September 30, 2017

8. Retirement Benefits (Continued)

The investments of the plans are comprised of the following at September 30, 2017:

	<u>Target Allocation</u>	<u>Catholic Medical Center Pension Plan</u>	<u>Pre-1987 Supplemental Executive Retirement Plan</u>	<u>New Hampshire Medical Laboratories Retirement Income Plan</u>
Marketable equity securities	70.0%	68.2%	0.0%	68.2%
Fixed income securities	20.0	21.8	0.0	21.8
Other	<u>10.0</u>	<u>10.0</u>	<u>0.0</u>	<u>10.0</u>
	<u>100.0%</u>	<u>100.0%</u>	<u>0.0%</u>	<u>100.0%</u>

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, 2017 are as follows:

	<u>Catholic Medical Center Pension Plan</u>	<u>Pre-1987 Supplemental Executive Retirement Plan</u>	<u>New Hampshire Medical Laboratories Retirement Income Plan</u>
Discount rate	3.79%	3.22%	3.52%
Rate of compensation increase	N/A	N/A	N/A

The weighted-average assumptions used to determine the defined benefit pension plan net periodic benefit costs for the fifteen-month period ended September 30, 2017 are as follows:

	<u>Catholic Medical Center Pension Plan</u>	<u>Pre-1987 Supplemental Executive Retirement Plan</u>	<u>New Hampshire Medical Laboratories Retirement Income Plan</u>
Discount rate	3.69%* / 4.16%**	2.94%* / 3.53%**	3.31%* / 3.86%**
Rate of compensation increase	N/A	N/A	N/A
Expected long-term return on plan assets	7.50%	N/A	7.50%

* For the period July 1, 2016 through December 31, 2016

** For the period January 1, 2017 through September 30, 2017

CMC HEALTHCARE SYSTEM, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Fifteen-Month Period Ended September 30, 2017

8. Retirement Benefits (Continued)

The expected employer contributions for the fiscal year ending September 30, 2018 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:

	<u>Catholic Medical Center Pension Plan</u>	<u>Pre-1987 Supplemental Executive Retirement Plan</u>	<u>New Hampshire Medical Laboratories Retirement Income Plan</u>
2018	\$ 7,546,821	\$ 413,226	\$175,144
2019	8,424,072	402,760	182,048
2020	9,243,714	391,690	191,865
2021	9,993,575	379,983	198,282
2022	10,825,867	367,603	198,134
2023 - 2027	66,073,687	1,625,955	969,103

The System contributed \$525,514 and \$45,000 to the Pre-1987 Supplemental Executive Retirement Plan and the New Hampshire Medical Laboratories Retirement Income Plan, respectively, for the fifteen-month period ended September 30, 2017. No contributions were made to the Catholic Medical Center Pension Plan for the fifteen-month period ended September 30, 2017. The System plans to make any necessary contributions during the upcoming fiscal 2018 year to ensure the plans continue to be adequately funded given the current market conditions.

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, 2017:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Cash and cash equivalents	\$ 2,809,453	\$ -	\$ -	\$ 2,809,453
Marketable equity securities	50,254,753	-	-	50,254,753
Fixed income securities	<u>40,034,145</u>	-	-	<u>40,034,145</u>
	<u>\$93,098,351</u>	<u>\$ -</u>	<u>\$ -</u>	93,098,351
Investments measured at net asset value:				
Private investment funds				<u>90,531,711</u>
Total assets at fair value				<u>\$183,630,062</u>

CMC HEALTHCARE SYSTEM, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Fifteen-Month Period Ended September 30, 2017

9. Community Benefits

The System rendered charity care in accordance with its formal charity care policy, which, at established charges, amounted to \$21,425,474 for the fifteen-month period ended September 30, 2017. 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 \$1,170,700 for the fifteen-month period ended September 30, 2017.

10. 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 for the fifteen-month period ended September 30, 2017:

Health care services	\$414,608,323
General and administrative	<u>107,531,993</u>
	<u>\$522,140,316</u>

11. 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, 2017:

Medicare	43%
Medicaid	12
Commercial insurance and other	23
Patients (self pay)	8
Anthem Blue Cross	<u>14</u>
	<u>100%</u>

12. 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.

CMC HEALTHCARE SYSTEM, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Fifteen-Month Period Ended September 30, 2017

12. Endowments (Continued)

At September 30, 2017, the endowment net asset composition by type of fund consisted of the following:

	<u>Unrestricted Net Assets</u>	<u>Temporarily Restricted Net Assets</u>	<u>Permanently Restricted Net Assets</u>	<u>Total</u>
Donor-restricted funds	\$ -	\$ 924,871	\$ 8,801,136	\$ 9,726,007
Board-designated funds	<u>102,045,292</u>	<u>-</u>	<u>-</u>	<u>102,045,292</u>
Total funds	<u>\$102,045,292</u>	<u>\$ 924,871</u>	<u>\$ 8,801,136</u>	<u>\$111,771,299</u>

Changes in endowment net assets consisted of the following for the fifteen-month period ended September 30, 2017:

	<u>Unrestricted Net Assets</u>	<u>Temporarily Restricted Net Assets</u>	<u>Permanently Restricted Net Assets</u>	<u>Total</u>
Balance at June 30, 2016	\$ 89,078,010	\$ 395,655	\$ 7,844,432	\$ 97,318,097
Investment return:				
Investment income	1,580,962	2,784	54,487	1,638,233
Net appreciation (realized and unrealized)	<u>11,296,021</u>	<u>-</u>	<u>839,129</u>	<u>12,135,150</u>
Total investment gain	12,876,983	2,784	893,616	13,773,383
Contributions	-	721,906	114,032	835,938
Appropriation for operations	-	(105,175)	(50,944)	(156,119)
Appropriation for capital	<u>90,299</u>	<u>(90,299)</u>	<u>-</u>	<u>-</u>
Balance at September 30, 2017	<u>\$102,045,292</u>	<u>\$ 924,871</u>	<u>\$ 8,801,136</u>	<u>\$111,771,299</u>

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 System to retain as a fund of perpetual duration. There were no such deficiencies as of September 30, 2017.

CMC HEALTHCARE SYSTEM, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Fifteen-Month Period Ended September 30, 2017

13. Investments in Joint Ventures

AAS has a 50% ownership interest in the Bedford Ambulatory Surgical Center. AAS accounts for its investment in this joint venture under the equity method. Selected financial information relating to this entity at September 30, 2017 is not shown as such amounts are not significant to the consolidated financial statements.

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 10% ownership interest in this joint venture.

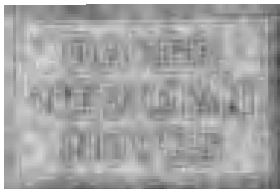
14. Commitments and Contingencies

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.



**INDEPENDENT AUDITORS' REPORT
ON OTHER FINANCIAL INFORMATION**

Board of Trustees
CMC Healthcare System, Inc.

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying consolidating information is presented for purposes of additional analysis rather than to present the financial position and results of operations 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 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 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 13, 2018

CMC HEALTHCARE SYSTEM, INC.

CONSOLIDATING BALANCE SHEET

September 30, 2017

ASSETS

	Catholic Medical Center	Physician Practice Associates	Alliance Enterprises	Alliance Resources	Alliance Ambu- latory Services	CMC Ancillary Health Services	Alliance Health Services	Doctors Medical Association	Saint Peter's Home	Elimi- nations	Consolidated
Current assets:											
Cash and cash equivalents	\$ 74,375,121	\$ 446,050	\$ 1,826,925	\$ 14,958	\$ 313,934	\$ -	\$ 257,283	\$ 74,677	\$ 735,624	\$ -	\$ 78,044,572
Short-term investments	27,221,800	-	-	-	-	-	-	-	-	-	27,221,800
Accounts receivable, net	48,382,452	-	-	-	-	-	1,115,725	-	-	-	49,498,177
Inventories	3,406,820	-	-	-	-	-	-	-	-	-	3,406,820
Other current assets	<u>10,811,607</u>	<u>(33,989)</u>	<u>400,698</u>	<u>44,171</u>	<u>-</u>	<u>-</u>	<u>1,100,440</u>	<u>2,640</u>	<u>50,925</u>	<u>-</u>	<u>12,376,492</u>
Total current assets	164,197,800	412,061	2,227,623	59,129	313,934	-	2,473,448	77,317	786,549	-	170,547,861
Property, plant and equipment, net	88,995,604	-	9,211,951	14,300,636	-	-	152,648	-	1,216,444	-	113,877,283
Other assets:											
Intangible assets and other	10,565,281	-	-	-	6,018,029	-	-	-	-	-	16,583,310
Assets whose use is limited:											
Pension and insurance obligations	16,777,534	-	-	-	-	-	-	-	-	-	16,777,534
Board designated and donor restricted investments and restricted grants held by trustee under revenue bond agreements	<u>109,089,743</u>	<u>870</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,464,907</u>	<u>-</u>	<u>116,555,520</u>
	<u>51,479,065</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>51,479,065</u>
	<u>177,346,342</u>	<u>870</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,464,907</u>	<u>-</u>	<u>184,812,119</u>
Total assets	<u>\$441,105,027</u>	<u>\$ 412,931</u>	<u>\$11,439,574</u>	<u>\$14,359,765</u>	<u>\$6,331,963</u>	<u>\$ -</u>	<u>\$2,626,096</u>	<u>\$ 77,317</u>	<u>\$9,467,900</u>	<u>\$ -</u>	<u>\$485,820,573</u>

LIABILITIES AND NET ASSETS

	<u>Catholic Medical Center</u>	<u>Physician Practice Associates</u>	<u>Alliance Enterprises</u>	<u>Alliance Resources</u>	<u>Alliance Ambu- latory Services</u>	<u>CMC Ancillary Health Services</u>	<u>Alliance Health Services</u>	<u>Doctors Medical Association</u>	<u>Saint Peter's Home</u>	<u>Elimi- nations</u>	<u>Consolidated</u>
Current liabilities:											
Accounts payable and accrued expenses	\$ 34,262,471	\$ 58,933	\$ 91,103	\$ 181,248	\$ 915	\$ -	\$1,437,681	\$ 169	\$ 69,093	\$ -	\$ 36,101,613
Accrued salaries, wages and related accounts	16,806,732	3,137,621	-	-	-	-	-	-	167,218	-	20,111,571
Amounts payable to third-party payors	14,351,322	-	-	-	-	-	-	-	-	-	14,351,322
Due to (from) affiliates	1,405,890	(1,327,400)	(7,138)	(49,804)	-	-	8,823	(30,349)	(22)	-	-
Current portion of long-term debt	4,032,434	-	8,082,093	-	-	-	-	-	-	-	12,114,527
Total current liabilities	70,858,849	1,869,154	8,166,058	131,444	915	-	1,446,504	(30,180)	236,289	-	82,679,033
Accrued pension and other liabilities, less current portion	127,995,993	7,395,522	1,483,033	70,509	-	-	392,073	-	-	-	137,337,130
Long-term debt, less current portion	119,689,425	-	(4,033)	-	-	-	-	-	-	-	119,685,392
Total liabilities	318,544,267	9,264,676	9,645,058	201,953	915	-	1,838,577	(30,180)	236,289	-	339,701,555
Net assets (deficit):											
Unrestricted	112,834,753	(8,851,745)	1,794,516	14,157,812	6,331,048	-	787,519	107,497	9,231,611	-	136,393,011
Temporarily restricted	924,871	-	-	-	-	-	-	-	-	-	924,871
Permanently restricted	8,801,136	-	-	-	-	-	-	-	-	-	8,801,136
Total net assets (deficit)	122,560,760	(8,851,745)	1,794,516	14,157,812	6,331,048	-	787,519	107,497	9,231,611	-	146,119,018
Total liabilities and net assets	\$441,105,027	\$ 412,931	\$11,439,574	\$14,359,765	\$6,331,963	\$ -	\$2,626,096	\$ 77,317	\$9,467,900	\$ -	\$485,820,573

CMC HEALTHCARE SYSTEM, INC.

CONSOLIDATING STATEMENT OF OPERATIONS

Fifteen-Month Period Ended September 30, 2017

	Catholic Medical Center	Physician Practice Associates	Alliance Enterprises	Alliance Resources	Alliance Ambu- latory Services	CMC Ancillary Health Services	Alliance Health Services	Doctors Medical Association	Saint Peter's Home	Elimi- nations	Consolidated
Net patient service revenues, net of contractual allowances and discounts	\$510,501,749	\$ -	\$ -	\$ -	\$ -	\$ 21,625	\$19,734,657	\$ -	\$ -	\$ -	\$ 530,258,031
Provision for doubtful accounts	(20,323,526)	-	-	-	-	2,065	(1,846,452)	-	-	-	(22,167,913)
Net patient service revenues less provision for doubtful accounts	490,178,223	-	-	-	-	23,690	17,888,205	-	-	-	508,090,118
Other revenue	14,057,731	28,215,793	2,556,487	924,256	2,768,872	-	716,478	183,929	3,593,808	(31,024,800)	21,992,554
Disproportionate share funding	16,102,280	-	-	-	-	-	-	-	-	-	16,102,280
Total revenues	520,338,234	28,215,793	2,556,487	924,256	2,768,872	23,690	18,604,683	183,929	3,593,808	(31,024,800)	546,184,952
Expenses:											
Salaries, wages and fringe benefits	242,508,428	60,356,707	49,097	-	-	-	18,642,826	-	3,483,295	(27,579,821)	297,460,532
Supplies and other	172,086,487	2,559,999	998,599	903,715	400	-	7,186,931	151,464	362,909	(3,444,979)	180,805,525
New Hampshire Medicaid enhancement tax	23,129,419	-	-	-	-	-	-	-	-	-	23,129,419
Depreciation and amortization	16,503,495	-	464,356	531,644	-	-	55,934	-	251,897	-	17,807,326
Interest	2,239,473	-	698,041	-	-	-	-	-	-	-	2,937,514
Total expenses	456,467,302	62,916,706	2,210,093	1,435,359	400	-	25,885,691	151,464	4,098,101	(31,024,800)	522,140,316
Income (loss) from operations	63,870,932	(34,700,913)	346,394	(511,103)	2,768,472	23,690	(7,281,008)	32,465	(504,293)	-	24,044,636
Nonoperating gains (losses):											
Investment income	2,382,404	-	520,700	30	1,503	-	-	-	373,463	-	3,278,100
Net realized gains (losses) on sale of investments	3,411,638	-	-	-	-	-	-	-	(30,159)	-	3,381,479
Loss on extinguishment of debt	(105,628)	-	-	-	-	-	-	-	-	-	(105,628)
Unrestricted contributions	650,656	-	-	-	-	-	-	-	-	-	650,656
Development costs	(510,487)	-	-	-	-	-	-	-	-	-	(510,487)
Other nonoperating loss	(371,400)	-	(64,234)	-	-	-	-	-	-	-	(435,634)
Total nonoperating gains, net	5,457,183	-	456,466	30	1,503	-	-	-	343,304	-	6,258,486
Excess (deficiency) of revenues over expenses	69,328,115	(34,700,913)	802,860	(511,073)	2,769,975	23,690	(7,281,008)	32,465	(160,989)	-	30,303,122
Unrealized appreciation (depreciation) on investments	9,431,144	-	-	-	-	-	-	-	(246,430)	-	9,184,714
Change in fair value of interest rate swap agreement	422,469	-	-	-	-	-	-	-	-	-	422,469
Assets released from restriction used for capital	90,299	-	-	-	-	-	-	-	-	-	90,299
Pension-related changes other than net periodic pension cost	11,518,425	9,749,301	183,333	-	-	-	-	-	-	-	21,451,059
Net transfers (to) from affiliates	(47,699,785)	34,475,500	45,000	9,751,000	(2,700,000)	(270,099)	6,400,000	-	(1,616)	-	-
Increase (decrease) in unrestricted net assets	\$ 43,090,667	\$ 9,523,888	\$1,031,193	\$9,239,927	\$ 69,975	\$(246,409)	\$ (881,008)	\$ 32,465	\$ (409,035)	\$ -	\$ 61,451,663



STATE OF NEW HAMPSHIRE
DEPARTMENT OF CORRECTIONS
DIVISION OF ADMINISTRATION

William L. Wrenn
Commissioner

P.O. BOX 1806
CONCORD, NH 03302-1806
603-271-5610 FAX: 603-271-5639
TDD Access: 1-800-735-2964

June 1, 2016

Her Excellency, Governor Margaret Wood Hassan
and the Honorable Executive Council
State House
Concord, New Hampshire 03301

G & C
Pending _____
Approved JUNE 29, 2016
Item # #64

REQUESTED ACTION

Authorize the NH Department of Corrections to enter into a contract with Catholic Medical Center (VC# 177240), 100 McGregor Street, Manchester, NH 03102, in the amount of \$1,900,000.00, for the provision of Inpatient & Outpatient Hospital/Medical Services for the Concord and Southern, NH areas for the NH Department of Corrections effective for the period beginning July 1, 2016 or upon Governor and Executive Council approval, whichever is later, through June 30, 2018, with an option to renew for one (1) additional period of up to two (2) years subject to Governor and Executive Council approval. 100% General Funds.

Funds for this contract are available in account, Medical-Dental: 02-46-46-465010-8234-101-500729, as follows with the authority to adjust encumbrances in each of the State fiscal years through the Budget Office, if needed and justified. Funding for SFY 2018 are contingent upon the availability and continued appropriation of funds.

Catholic Medical Center				
Account	Description	SFY 17	SFY 18	Total
02-46-46-465010-8234-101-500729	Medical - Dental	950,000.00	950,000.00	1,900,000.00
Total Contract Amount				\$ 1,900,000.00

EXPLANATION

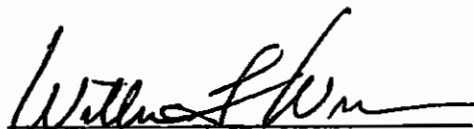
This contract is for the provision of Inpatient & Outpatient Hospital/Medical Services for inmates of the Concord Area consisting of the NH State Prison for Men (NHSP-M), Secure Psychiatric Unit (SPU), Residential Treatment Unit and Community Corrections of Concord, NH and the Southern areas consisting of the NH Correctional Facility for Women (NHCF-W), Goffstown, NH and Community Corrections, Manchester, NH.

The NH Department of Corrections utilizes hospital services for short-term medical treatment for inmates having an acute illness or injury that is beyond the scope of primary care services provided by the current medical staff within the prison facility. The hospital contract includes inpatient surgery, medical services and outpatient procedures such as ambulatory surgery, diagnostic and emergency services.

The RFP was posted on the NH Department of Corrections website: <http://www.nh.gov.nhdoc/business/rfp.html> for six (6) consecutive weeks and notified four (4) potential vendors of the RFP posting. As a result of the issuance of the RFP, one (1) potential vendor responded by submitting their proposal for the Concord and Southern areas. After the review of the proposals, in accordance with the RFP Terms and Conditions, the NH Department of Corrections awarded the contract to Catholic Medical Center in the amount of \$1,900,000.00

This RFP was scored utilizing a consensus methodology by a five (5) person evaluation committee for the purposes of preserving the privacy of the evaluators. The evaluation committee consisted of NH Department of Corrections employees: Helen Hanks, Assistant Commissioner; Paula Mattis, Non-Medical Director, Division of Medical & Forensic Services; Bernadette Campbell, Deputy Director, Division of Medical & Forensic Services; Joyce Leeka, Medical Operations Administrator, Division of Medical & Forensic Services and Jennifer Lind, Contract & Grant Administrator, Division of Administration.

Respectfully Submitted,

A handwritten signature in black ink, appearing to read "William L. Wrenn", written over a horizontal line.

William L. Wrenn
Commissioner



STATE OF NEW HAMPSHIRE
DEPARTMENT OF CORRECTIONS
DIVISION OF ADMINISTRATION

P.O. BOX 1806
CONCORD, NH 03302-1806

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TDD Access: 1-800-735-2964

William L. Wrenn
Commissioner

Helen Hanks Assistant
Commissioner

**Inpatient and Outpatient Hospital/Medical Services
RFP Bid Evaluation and Summary
NHDOC 16-01-GFMED**

Proposal Receipt and Review:

- Proposals will be reviewed to initially determine if minimum submission requirements have been met. The review will verify that the proposal was received before the date and time specified, with the correct number of copies, the presence of all required signatures, and that the proposal is sufficiently responsive to the needs outlined in the RFP to permit a complete evaluation. A proposal that fails to satisfy either submission requirements or minimum standard may be rejected without further consideration and not included in the evaluation process.
- The Department will select a group of personnel to act as an evaluation team. Upon receipt, the proposal information will be disclosed to the evaluation committee members only. Proposal(s) will not be publicly opened.
- The Department reserves the right to waive any irregularities, minor deficiencies and informalities that it considers not material to the proposal.
- The Department may cancel the procurement and make no award, if that is determined to be in the State's best interest.

Proposal Evaluation Criteria:

- Proposal(s) will be evaluated and considered with regard to the solution and services proposed, estimated cost, claims processing, physician services, other services at discounted rate, financial statements/stability and no other costs by Vendor. Awards will be made to the responsive Vendor(s) whose proposals are deemed to be the most advantageous to the State, taking into consideration all evaluation factors of NHDOC RFP 16-01 RFP.
 - a. Total Estimated Cost – 720 points
 - b. Claims Processing – 30 points
 - c. Physician Services – 150 points
 - d. Other Services at Discounted Rate – 50 points
 - e. Financial Statements/Stability – 40 points
 - f. No Other Costs by Vendor – 10 points

Evaluation Team Members:

- a. Helen Hanks, Assistant Commissioner, NH Department of Corrections;
- b. Paula Mattis, Non-Medical Director, Division of Medical & Forensic Services, NH Department of Corrections;
- c. Bernadette Campbell, BS, PT, Deputy Director, Division of Medical & Forensic Services, NH Department of Corrections;
- d. Joyce Leeka, Medical Operations Administrator, Division of Medical & Forensic Services, NH Department of Corrections; and
- e. Jennifer Lind, Contract & Grant Administrator, Division of Administration, NH Department of Corrections.

Promoting Public Safety through Integrity, Respect, Professionalism, Collaboration and Accountability



STATE OF NEW HAMPSHIRE
 DEPARTMENT OF CORRECTIONS
 DIVISION OF ADMINISTRATION

William L. Wrenn
 Commissioner

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Helen Hanks
 Assistant Commissioner

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**Inpatient and Outpatient Hospital/Medical Services
 RFP Scoring Matrix
 NHDOC 16-01-GFMED**

Respondents:

- Catholic Medical Center, 100 McGregor Street, Manchester, NH 03102

Scoring Matrix Criteria:

- Proposals were evaluated based on the proven ability of the respondents to satisfy the provisions set forth in the Scope of Services in the most cost-effective manner.
 1. Cost – 720 points
 2. Claims Processing – 30 points
 3. Physician Services – 150 points
 4. Other Services at Discounted Rate – 50 points
 5. Financial Stability – 40 points
 6. No Other Costs by Vendor – 10 points

<i>Evaluation Criteria</i>	<i>RFP Weight Point Value</i>	<i>Catholic Medical Center</i>
Total Estimated Cost	720	685
Claims Processing	30	30
Physician Services	150	150
Other Services at Discounted Rate	50	50
Financial Stability	40	40
No Other Costs by Vendor	10	10
Total Score	1000	965

Contract Award: Catholic Medical Center, 100 McGregor Street, Manchester, NH 03102

Promoting Public Safety through Integrity, Respect, Professionalism, Collaboration and Accountability



**STATE OF NEW HAMPSHIRE
DEPARTMENT OF CORRECTIONS
DIVISION OF ADMINISTRATION**

P.O. BOX 1806
CONCORD, NH 03302-1806
603-271-5610 FAX: 603-271-5639
TDD Access: 1-800-735-2964

**William L. Wrenn
Commissioner**

**Helen Hanks
Assistant Commissioner**

**Inpatient and Outpatient Hospital/Medical Services
RFP Evaluation Committee Member Qualifications
NHDOC 16-01-GFMED**

Helen Hanks, MM, Assistant Commissioner:

Mrs. Hanks has served as the Assistant Commissioner since October 1, 2014 prior to this appointment she was the Director of the Medical & Forensic Services Division starting in 2011. Hanks has made her career specific to the area of mental health and health care delivery since 1998 working with community mental health centers and Managed Behavioral Care organizations prior to her employment at the NH Department of Corrections. She has broad and specific knowledge of the correctional mental health system and behavioral health system, Laaman consent decree and Holliday Court Order, and the special needs of seriously mentally ill patients and inmates confined in the SPU, RTU and prison environments. Mrs. Hanks has a Bachelor of Science in Psychology from Plymouth State College with a Pre-Law minor and a Master of Management in Healthcare from Brandeis University.

Paula Mattis, Non-Medical Director, Division of Medical & Forensic Services:

Ms. Mattis recently joined the NH Department of Corrections serving as the Non-Medical Director, Division of Medical & Forensic Services. Her professional history includes seven years as Administrator of Community Integration at the State of New Hampshire, New Hampshire Hospital, four years as Chief Operating Officer and three years as Acting CEO. Prior to this appointment, Ms. Mattis was President and Chief Executive Officer of the Animal Rescue League of New Hampshire. Ms. Mattis received her Bachelor of Arts degree with honors in Psychology (major) and Sociology (minor) from the University of Texas and a Master's of Social Work, specializing in Community Mental Health from the University of Illinois.

Bernadette Campbell, BS, PT, Deputy Director, Division of Medical & Forensic Services:

Ms. Campbell is the Deputy Director for the Division of Medical & Forensic Services for the NH Department of Corrections. In this capacity, Ms. Campbell's role is to administer and supervise allied health services for the Division of Medical & Forensic Services and is responsible to ensure public and institutional safety for all sites through staff and contract monitoring and evaluation. Ms. Campbell is a graduate of UMass Lowell and has involvement with the Department for over twenty-eight years, most recently in the capacity of Director of Rehabilitation Services. Ms. Campbell's past experience has included ownership of a physical therapy clinic as well as vast acute care hospital experience.

Joyce Leeka, RHIA, Medical Operations Administrator, Division of Medical & Forensic Services:

Ms. Leeka is the Operations Administrator for the Medical/Forensic Services Division for the NH Department of Corrections. In this capacity Ms. Leeka is the subject matter expert for Health Information Management. This includes medical privacy (HIPAA), record management, Electronic Health Records and medical coding and billing to include the new ICD-10-CM system. Ms. Leeka is the Utilization Management Administrator for medical ancillary services and the Division's Contract Administrator. Ms. Leeka is a graduate of the University of Central Florida and has held positions of HIM Director, QI/UM

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Director and UM Coordinator in a variety of hospitals on both the east and west coasts. Ms. Leeka has also worked as a consultant in the areas of QI and long-term care. Ms. Leeka has past experience teaching ICD-9 coding, medical terminology to business office staff, DRG orientation to nursing staff and coordinated hospital-wide discharge planning activities.

Jennifer Lind, MBA, CMA, Contract/Grant Administrator, Division of Administration:

Ms. Lind has served as the Contract/Grant Administrator since 2010. Ms. Lind is responsible for the development of the Department's request for proposals (RFPs), contracts and grants management. Ms. Lind's current responsibilities include all aspects of the RFP delivery from project management, data collection, drafting and cross function collaboration; procurement functions and management of the Department's medical, programmatic and maintenance contracts and provides managerial oversight to the Grant Division for the Department. Prior to Ms. Lind's promotion to the Contract/Grant Administrator, she held the Program Specialist IV, Contract Specialist position and the Grant Program Coordinator position of the Department. Prior to her employment with the Department, Ms. Lind held the position of Assistant Grants Administrator at the Community College System of New Hampshire for ten years. Ms. Lind received her Bachelors of Science in Accounting from Franklin Pierce College and a Master's of Management with a Healthcare Administration concentration from New England College. Ms. Lind has supplemented her education from prior experience in the pre-hospital care setting and has maintained her Certified Medical Assistant license since 1998.



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Commissioner**

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Assistant Commissioner**

**Inpatient and Outpatient Hospital/Medical Services
Bidders List
NHDOC RFP 16-01-GFMED**

Catholic Medical Center
Andrea Rathbon,
Director of Managed Care & Accountable Care
Network
100 McGregor Street
Manchester, NH 03102
(o) 603-663-6383
(e) arathbon@cmc-nh.org
(w) <https://www.catholicmedicalcenter.org>

Catholic Medical Center
Thomas Coate,
Director, Managed Care Contracting and Provider
Analytics
100 McGregor Street
Manchester, NH 03102
(o) 603-663-6383
(e) tcoate@cmc-nh.org
(w) <https://www.catholicmedicalcenter.org>

Concord Hospital
Scott Sloane
VP Finance
250 Pleasant Street
Concord, NH 03301
(o) 603-230-6059
(e) ssloane@crhc.org
(w) <http://www.concordhospital.org>

Dartmouth-Hitchcock Medical Center
Lynn Guillette
Director of Value-Based Reimbursement Models,
Finance
One Medical Center Drive
Lebanon, NH 03756
(o) 603-653-1255
(e) lynn.m.guillette@hitchcock.org
(w) <http://www.dartmouth-hitchcock.org>

Elliot Hospital
Eva Martel
Director of Managed Care
One Elliot Way
Manchester, NH 03103
(o) 603-663-6181
(e) emartel@elliot-hs.org
(w) <http://elliothospital.org/website>

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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 NH Department of Corrections		1.2 State Agency Address 105 Pleasant Street, Concord, NH 03301	
1.3 Contractor Name Catholic Medical Center		1.4 Contractor Address 100 McGregor St., Manchester NH 03102	
1.5 Contractor Phone Number 603-663-6383	1.6 Account Number 02-46-46-465010 8234-101-500729	1.7 Completion Date June 30, 2018	1.8 Price Limitation \$ 1,900,000.00
1.9 Contracting Officer for State Agency William L. Wrenn, Commissioner		1.10 State Agency Telephone Number 603-271-5601	
1.11 Contractor Signature <i>[Signature]</i>		1.12 Name and Title of Contractor Signatory Joseph Pepe, MD - President & CEO	
1.13 Acknowledgment: State of NH, County of Hillsborough On 4/21/16, before the undersigned officer, personally appeared the person identified in block 1.12, or satisfactorily proven to be the person whose name is signed in block 1.11, and acknowledged that s/he executed this document in the capacity indicated in block 1.12.			
1.14 Signature of Notary Public or Justice of the Peace <i>[Signature]</i>			
1.13 Name and Title of Notary or Justice of the Peace D. C. Welsh, Executive Assistant - Notary			
1.14 State Agency Signature <i>[Signature]</i> Date: 6/2/16		1.15 Name and Title of State Agency Signatory William L. Wrenn, Commissioner	
1.16 Approval by the N.H. Department of Administration, Division of Personnel (if applicable) By: _____ Director, On: _____			
1.17 Approval by the Attorney General (Form, Substance and Execution) (if applicable) By: <i>[Signature]</i> On: 6/3/16			
1.18 Approval by the Governor and Executive Council (if applicable) By: <i>[Signature]</i> DEPUTY SECRETARY OF STATE JUN 29 2016			

2. EMPLOYMENT OF CONTRACTOR/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 A 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 1.18, 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 1.14 ("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, and 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 terminate this Agreement immediately upon giving the Contractor notice of such termination. The State shall not be required to transfer funds from any other account 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 B 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 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 opportunity laws. This may include the requirement to utilize auxiliary aids and services to ensure that persons with communication disabilities, including vision, hearing and speech, can communicate with, receive information from, and convey information to the Contractor. In addition, the Contractor shall comply with all applicable copyright 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 If this Agreement is funded in any part by monies of the United States, the Contractor shall comply with all the provisions of Executive Order No. 11246 ("Equal Employment Opportunity"), as supplemented by the regulations of the United States Department of Labor (41 C.F.R. Part 60), and with any rules, regulations and guidelines as the State of New Hampshire or the United States issue to implement these regulations. The Contractor further 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 I.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.

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 remedied, 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 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 treat the Agreement as breached and pursue any of its remedies at law or in equity, or both.

9. DATA/ACCESS/CONFIDENTIALITY/PRESERVATION.

9.1 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.

9.2 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.

9.3 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.

10. **TERMINATION.** In the event of an early termination of this Agreement for any reason other than the completion of the Services, the Contractor shall 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 A.

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.** The Contractor shall not assign, or otherwise transfer any interest in this Agreement without the prior written notice and consent of the State. None of the Services shall be subcontracted by the Contractor without the prior written notice and consent of the State.

13. **INDEMNIFICATION.** The Contractor shall defend, indemnify and hold harmless the State, its officers and employees, from and against any and all losses suffered by the State, its officers and employees, and any and all claims, liabilities or penalties asserted against the State, its officers and employees, by or on behalf of any person, on account of, based or resulting from, arising out of (or which may be claimed to arise out of) the acts or omissions of the Contractor. 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 maintain in force, and shall require any subcontractor or assignee to obtain and maintain in force, the following insurance:


14.1.1 comprehensive 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; and

14.1.2 special cause of loss coverage form covering all property subject to subparagraph 9.2 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.

Contractor Initials

Date


5/21/16

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 thirty (30) days prior to the expiration date of each of the insurance policies. The certificate(s) of insurance and any renewals thereof shall be attached and are incorporated herein by reference. Each certificate(s) of insurance shall contain a clause requiring the insurer to provide the Contracting Officer identified in block 1.9, or his or her successor, no less than thirty (30) days prior written notice of cancellation or modification of the policy.

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. 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. WAIVER OF BREACH. 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.

17. 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.

18. 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.

19. CONSTRUCTION OF AGREEMENT AND TERMS.

This Agreement shall be 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.

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 provisions set forth in the attached EXHIBIT C 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 relating hereto.



4/21/16

SECTION B: Scope of Services, Exhibit A

1. Description of Services:

The Contractor shall provide Inpatient and Outpatient Hospital/Medical Services and professional medical services for all services as specified in Exhibit A, Scope of Services, for each regional area proposal submission for the NH Department of Corrections to include but not limited to:

1.1. Inpatient Hospital Services:

- 1.1.1. The NH Department of Corrections is seeking proposals for inpatient services to be reimbursed on a "Diagnosis Related Group" (DRG) methodology. Specifically, the Contractor is asked to acknowledge the payment methodology and provide a DRG coefficient for evaluation. Such payment methodology will allow recognition of case mix and still provide an all inclusive rate for inpatient Hospital Services.
- 1.1.2. In developing the DRG rate, the Contractor should review the provisions of amended RSA 623-C:2 enacted as of July 1, 2013 requiring hospitals providing inpatient services to this population to accept fees not greater than one hundred ten percent (110%) of the Medicare allowable rate.
- 1.1.3. NH Department of Corrections requests the Contractor to comment on the competitiveness of the DRG coefficient provided as it relates to RSA 623-C:2, I and II, private commercial payment and other public sources of third party payment.
- 1.1.4. If the NH Department of Corrections inmate's (patient's) medical care is covered by Medicaid, pursuant to RSA 151, or the licensed health care provider, or both, shall be paid at the NH Medicaid rate for services provided. The NH Department of Corrections will assist in applying for this reimbursement as allowed by rules and regulations of the NH Medicaid program in effect on the date of service.
- 1.1.5. The NH Department of Corrections reserves the right to retrospectively audit any and all claims submitted for conformance to the contracted rate and medically appropriate claim designation, i.e. inpatient, outpatient, emergency or observation status. Such auditing function may be performed by employees of the Department, NH Administrative Services, Health and Human Services or contracted service. The Contractor shall be expected to provide itemized copies of invoices and access to clinical records substantiating billing status.
- 1.1.6. Observation stays shall be defined as (twenty-three point fifty-nine) 23.59 hours or less and any hospital stay of greater value will be billed as inpatient status.

1.2. Emergency Services:

- 1.2.1. Indicate the Contractor's acceptable reimbursement level for Emergency Services as a percentage discount off the hospital billed charge. At a minimum, the Contractor shall adhere to the requirements of the amended RSA 623-C:2 requiring that the hospital rate does not exceed 110% of the Medicare allowable amount for these services. The Contractor shall indicate the availability of an Urgent Care facility and/or service as part of the Emergency Services requirement.
- 1.2.2. NH Department of Corrections requests the Contractor to comment on the competitiveness of the discount provided as it relates to the requirements of the amended RSA 623-C:2 effective July 1, 2013, private commercial payment and other public sources of third party payment.

1.3. Outpatient Hospital Services:

- 1.3.1. The NH Department of Corrections is seeking proposals for outpatient services to be reimbursed as a percentage of the 2016 relevant NH Medicare Fee Schedule and indicate the percentage (%) multiplier. The following NH Medicare Fee Schedules are to be used:

Promoting Public Safety through Integrity, Respect, Professionalism, Collaboration and Accountability

NH 2016 Medicare Fee Schedule	Percentage (%) Multiplier
Outpatient Laboratory	105%
Outpatient Radiology	105%
National Level II Codes (HCPCS)	105%

- a.) The NH Department of Corrections requests the Contractor to comment on the competitiveness of the discount provided as it relates to the requirements of the amended RSA 623-C:2 effective July 1, 2013, private commercial payment and other public sources of third party payment.
- 1.3.2. All other outpatient services not covered by the NH Medicare Fee Schedules above shall be paid as a percentage of the facility charge structure. Please indicate the percentage discount off the hospital's billed charge.
- a.) The NH Department of Corrections requests the Contractor to comment on the competitiveness of the discount provided as it relates to the requirements of the amended RSA 623-C:2 effective July 1, 2013, private commercial payment and other public sources of third party payment.
- b.) The Contractor shall provide a complete list of all affiliated facilities that routinely provide services not covered under the Contractor's tax ID number. The Contractor shall provide written confirmation the affiliated facilities will accept the contracted rate or will be reimbursed under the provisions of RSA 623-C:2.
- c.) The Contractor shall provide a complete list of all services, procedures provided by affiliated facilities not covered under the contracted reimbursement rate.

1.4. Rate Adjustments:

1.4.1. The NH Department of Corrections requests a two-year rate proposal and agreement because of the need to properly appropriate funds over the biennium. If the Contractor proposes an annual adjustment to the rates, please indicate what the adjustment will be, how notification will occur, and the rationale for such adjustment. If extended for two (2) years, NH Department of Corrections will agree to hospital reimbursement rates by the most recently published Boston-Brockton-Nashua, MA-NH-ME-CT Medical Consumer Price Index (BMCPI) for the remaining two (2) year period provided that such an adjustment does not violate the intent of RSA 623-C:2 when compared to the then current Medicare fee schedule.

1.4.2. *Please note:* During the term of the agreement with any selected Contractor, NH Department of Corrections will require by Agreement that the Contractor provide written notification of any charge master increases prior to the effective date of such change. The percentage of charges for these services will be offset to preserve the same level of reimbursement prior to the charge increase. In the event that the notification is not provided in advance or in accordance with the terms of the Agreement, NH Department of Corrections reserves the right to recover any overpayments at any time.

1.5. Hospital Claim Processing:

1.5.1. The NH Department of Corrections lacks electronic claims system capacity. For Hospitals Services, the NH Department of Corrections will require the Contractor to invoice the discounted amount of services rendered to inmates. Claims are to be

**Scope of Services
Exhibit A**

provided in the industry standard format, (CMS1500, UB-04) but should indicate the amount expected to be reimbursed. For inpatient admissions, the submitted UB-04 shall reflect the DRG and DRG rate expected for reimbursement. The Contractor is asked in this section to describe the method by which it will address this request, provide a sample format and may be asked to speak to this issue in more detail during any finalist presentation. This section is a requirement for any qualified bidder.

1.5.2. *Please note:* The NH Department of Corrections reserves the right to audit any claims and/or seek clarification on any payments that result from this process at anytime. The Contractor should be able to defend its pricing methodology and properly detail any internal process controls for ensuring accurate pricing of claims (RSA 623-C:2(g)).

1.6. Physician Services:

1.6.1. The NH Department of Corrections seeks to include professional medical services in this RFP. In particular, it seeks to access services for employed physicians to be reimbursed at a discounted level. The Contractor should indicate its willingness to provide discounted professional services for its employed physicians and provide the following:

- Listing of the employed physicians and relevant specialty;
- Level of reimbursement expressed as a percentage of the 2016 NH Medicare physician fee schedule not to exceed 110% of Medicare; and
- NH Department of Corrections requests the Contractor to comment on the competitiveness of the discount as it relates to billed charges, commercial third party payments and other public program third party payer reimbursements (i.e. Medicaid, Veterans Administration, etc).

1.6.2. The NH Department of Corrections seeks to include other non-hospital based community physicians in its professional services network. Please indicate how the facility may assist the NH Department of Corrections in reaching out to other community physicians. Non-hospital based physician staff will be reimbursed at a rate not exceed 125% of the NH Medicare physician fee schedule per the amended RSA 623-C:2 effective July 1, 2013. Please comment on the expected success of this effort, ways to ensure a successful effort and other ideas that will enhance the ability of the NH Department of Corrections to access non-hospital based physician staff.

1.7. Physician Services Claims Processing:

The Contractor should validate that Physician Service claims will be provided to the NH Department of Corrections in a timely manner and consistent with the industry format (CMS1500). Claims for Physician Services will be processed by the NH Department of Corrections by applying the negotiated percentage of the 2016 NH Medicare Fee Schedule to the service, regardless of amount billed. The NH Department of Corrections requests that the Contractor invoice at 110% of Medicare rate for employed Physician Services. No payments of services rendered under this methodology will exceed the 110% Medicare amount.

1.8. Other Considerations:

1.8.1. The NH Department of Corrections is interested in access to other necessary services that the Contractor may be willing to provide at a discounted rate under the 125% of Medicare rate. Please indicate in this section if any other such services are available. Items of interest include but are not limited to on-campus (NH Department of Corrections facilities) rehabilitation services: Physical Therapy (PT), Occupational Therapy (OT), Speech Therapy (ST) and Respiratory Therapy

Promoting Public Safety through Integrity, Respect, Professionalism, Collaboration and Accountability

**Scope of Services
Exhibit A**

(RT), Oncology, Radiation Therapy, Chemotherapy, or alternative to hospital based rehabilitation services. The Contractor shall indicate the availability and services offered for IV therapy to include insertion of PICC lines or other access ports for the provision of IV fluid or IV treatment modalities.

- 1.8.2. For inpatient rehabilitation services, Contractors shall provide pricing based on Medicare's Case Mix Groups (CMG) utilizing the payment on-account factor (PAF or % of charge) for 2016. The NH Department of Corrections is seeking a rate not to exceed 110% of Medicare per RSA-623-C:2.
- 1.8.3. As an evaluation tool, transportation/security costs will be calculated and factored in to the total cost of Hospital Services. Transports shall be done with a minimum of two (2) NH Department of Corrections Correctional Officers at an average rate of \$56.78 per hour and a per mile cost of \$0.54 based upon the Internal Revenue Service announcement for 2016.
- 1.8.4. The \$0.54 per mile rate shall fluctuate based upon the Internal Revenue Service announcements per Calendar Year for the life of the Contract and any renewals thereof.

2. Terms of Contract:

A Contract awarded by the NH Department of Corrections as a result of this RFP is expected to be effective for the period beginning July 1, 2016 upon approval of Governor and Executive Council (G&C) whichever is later through June 30, 2018, with an option to renew for one (1) additional period of up to two (2) years, only after the approval of the Commissioner of the NH Department of Corrections and the Governor and Executive Council.

3. Service Locations:

The Contractor shall provide Inpatient and Outpatient Hospital/Medical Services and professional medical services for the following locations listed below. Concord Area: NH State Prison for Men (NHSP-M), Secure Psychiatric Unit (SPU), Residential Treatment Unit, and Community Corrections (Shea Farm, North End House and CTWC), Concord, NH and Southern Area: NH State Prison for Women (NHSP-W), Goffstown, NH and Community Corrections (Calumet House) locations requiring these services are marked with an X:

Concord Area - NH DOC Northern Correctional Facility Location		
X NH State Prison for Men	281 North State Street	Concord, NH 03301
X SPU/RTU	281 North State Street	Concord, NH 03301
X Community Corrections	281 North State Street	Concord, NH 03301
Southern Area - NH DOC Southern Correctional Facility Location		
X NH State Prison for Women	317 Mast Road	Goffstown, NH 03045
X Community Corrections	126 Lowell Street	Manchester, NH 03104

4. Average Projected Inmate Population:

Service Area	Average Projected Inmate Population
Concord Area	1549
Southern Area*	130
Community Corrections	314

*(Southern includes women housed at Strafford County due to overflow)

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Vendor Initials:

5. Estimated Annual Inmate Transports for Calendar Year 2015:

Service Area	Estimated Annual Inmate Transports
Concord Area	2192
Southern Area	386

** (Based on Offender Management data of medical transports)

6. General Service Provisions:

- 6.1. Rules and Regulations: The Contractor agrees to comply with all rules and regulations of the NH Department of Corrections. The Contractor shall adhere to Department's confidentiality policy and procedure directives.
- 6.2. Additional Facilities: Upon agreement of both parties, additional facilities belonging to the NH Department of Corrections may be added to the contract. If it is necessary to increase the price limitation of the Contract this provision will require Governor and Executive Council approval.
- 6.3. Licenses, Credentials and Certificates: The Contractor shall ensure that NH State licensed professionals provide the services required. The Contractor and its staff shall possess the credentials, licenses and/or certificates required by law and regulations to provide the services required.
- 6.4. Change of Ownership: In the event that the Contractor should change ownership for any reason whatsoever, the NH Department of Corrections shall have the option of continuing under the Contract with the Contractor or its successors or assigns for the full remaining term of the Contract, continuing under the Contract with the Contractor or, its successors or, assigns for such period of time as determined necessary by the NH Department of Corrections, or terminating the Contract.
- 6.5. Contractor Designated Liaison: The Contractor shall designate a representative to act as a liaison between the Contractor and the Department of for the duration of the Contract and any renewals thereof. The Contractor shall, within five (5) days after the award of the Contract: submit a written identification and notification to NH Department of Corrections of the name, title, address, telephone & fax number, of its organization as a duly authorized representative to whom all correspondence, official notices and requests related to the Contractor's performance under the Contract.
 - 6.5.1. Any written notice to the Contractor shall be deemed sufficient when deposited in the U.S. mail, postage prepaid and addressed to the person designated by the Contractor under this paragraph.
 - 6.5.2. The Contractor shall have the right to change or substitute the name of the individual described above as deemed necessary provided that any such change is not effective until the Commissioner of the NH Department of Corrections actually receives notice of this change.
 - 6.5.3. Changes of the named Liaison by the Contractor must be made in writing and forwarded to NH Department of Corrections, Medical Operations Administrator, or designee, P.O. Box 1806, Concord, NH 03302.
- 6.6. Contractor Liaison's Responsibilities: The Contractor's designated liaison shall be responsible for:
 - 6.6.1. Representing the Contractor on all matters pertaining to the Contract and any renewals thereof. Such a representative shall be authorized and empowered to represent the Contractor regarding all aspects of the Contract and any renewals thereof;
 - 6.6.2. Monitoring the Contractor's compliance with the terms of the Contract and any renewals thereof;

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- 6.6.3. Receiving and responding to all inquiries and requests made by NH Department of Corrections in the time frames and format specified by NH Department of Corrections in this RFP and in the Contract and any renewals thereof; and
- 6.6.4. Meeting with representatives of NH Department of Corrections on a periodic or as-needed basis to resolve issues which may arise.
- 6.7. **NH Department of Corrections Contract Liaison Responsibilities:** The NH Department of Corrections' Commissioner, or designee, shall act as liaison between the Contractor and NH Department of Corrections for the duration of the Contract and any renewals thereof. NH Department of Corrections reserves the right to change its representative, at its sole discretion, during the term of the Contract, and shall provide the Contractor with written notice of such change. NH Department of Corrections representative shall be responsible for:
 - 6.7.1. Representing the NH Department of Corrections on all matters pertaining to the Contract. The representative shall be authorized and empowered to represent the NH Department of Corrections regarding all aspects of the Contract, subject to the approval of the Governor and Executive Council of the State of New Hampshire, where needed;
 - 6.7.2. Monitoring compliance with the terms of the Contract;
 - 6.7.3. Responding to all inquiries and requests related to the Contract made by the Contractor, under the terms and in the time frames specified by the Contract;
 - 6.7.4. Meeting with the Contractor's representative on a periodic or as-needed basis and resolving issues which arise; and
 - 6.7.5. Informing the Contractor of any discretionary action taken by NH Department of Corrections pursuant to the provisions of the Contract.
- 6.8. **Notification of Services:** The NH Department of Corrections designee, Medical Operations Administrator, or designee, shall contact the Contractor when service is needed. A list of NH Department of Corrections, Medical Service Personnel Coordinators will be provided to the Contractor upon award of a Contract(s).
- 6.9. **Reporting Requirements:** The NH Department of Corrections shall, at its sole discretion:
 - 6.9.1. The Contractor shall provide, at a minimum, quarterly reports on outpatient volume by the Department's facility and inpatient volume by DRG shall be required. Descriptions of reports or sample reports should be provided as an attachment to the RFP response.
 - 6.9.2. The Contractor shall provide any and all reports as requested on an as needed basis according to a schedule and format to be determined by the NH Department of Corrections including but not limited to:
 - a.) Quarterly summary of the cost by product line by DRG for inpatient and product line by primary diagnosis for outpatient services;
 - b.) Length of stay information;
 - c.) Breakdowns of inpatient and outpatient billings by Current Procedural Terminology (CPT) and Healthcare Common Procedure Coding System (HCPCS) codes;
 - d.) Quarterly summary of Charges to Reimbursement reporting by inpatient and outpatient services;
 - e.) Quarterly summary of Inpatient Cases by Department (Cost Centers) and Outpatient Cases by Department (Cost Centers); and
 - f.) Billings are to be provided in a format consistent with Medicare and Medicaid billings on industry standard forms (CMS1500, UB-04).
 - 6.9.3. Request the Contractor to provide proof of any and all permits to perform inpatient and outpatient hospital/medical services as required by authorities having local,

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Scope of Services
Exhibit A

- state and/or federal jurisdiction at any time during the life of the Contract and any renewals thereof.
- 6.9.4. It is the intent of NH Department of Corrections to work with any Contractor to provide any reporting required that meets the NH Department of Corrections needs.
- 6.9.5. The NH Department of Corrections welcomes suggestions from prospective Contractors that would result in a more efficient administration of any Contract resulting from this RFP.
- 6.9.6. Any information requested would be specific to the NH Department of Corrections inmates only.
- 6.9.7. Reports and/or information requests shall be forwarded to NH Department of Corrections, Medical Operations Administrator, or designee, P.O. Box 1806, Concord, NH 03302.
- 6.10. **Performance Evaluation:** The NH Department of Corrections shall, at its sole discretion monitor and evaluate the Contractor's compliance with the Terms and Conditions and adherence to the Scope of Services of the Contract for the life of the Contract and any renewals thereof.
- 6.10.1. The NH Department of Corrections Bureau of Quality Improvement, Compliance and Research Director may meet with the Contractor at a minimum of twice a year to assess the performance of the Contractor relative to the Contractor's compliance with the Contract as set forth in the approved Contract document.
- 6.10.2. Review reports submitted by the Contractor. NH Department of Corrections shall determine the acceptability of the reports. If they are not deemed acceptable, NH Department of Corrections shall notify the Contractor and explain the deficiencies.
- 6.10.3. Request additional reports the NH Department of Corrections deems necessary for the purposes of monitoring and evaluating the performance of the Vendor under the Contract.
- 6.10.4. Perform periodic programmatic and financial review of the Contractor's performance or responsibilities. This may include, but limited to, on-site inspections audits conducted by the NH Department of Corrections or its agent of the Contractor's records. The audits may, at a minimum, include a review of the following:
- a.) Claims and financial administration;
 - b.) Program operations;
 - c.) Financial reports;
 - d.) Staff qualifications;
 - e.) Clinical protocols; and
 - f.) Individual medical records.
- 6.10.5. Give the Contractor prior notice of any on-site visit by the NH Department of Corrections or its agents to conduct an audit and further notify the Contractor of any records which the NH Department of Correction or its agent may wish to review.
- 6.10.6. Inform the Contractor of any dissatisfaction with the Contractor's performance and include requirements for corrective action.
- 6.10.7. The Contractor understands and agrees that the NH Department of Corrections reserves the right to amend the claims process for Hospital and Professional Services as outlined in Exhibit A. The NH Department of Corrections continues to work on alternative mechanisms to expedite the claims process and provide useful real time data to NH Department of Corrections. Any such change to the claims process will be provided with written notice in advance of the required change.

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- 6.11. Performance Measures: The NH Department of Corrections shall, at its sole discretion:
- 6.11.1. Inform the Contractor of any dissatisfaction with the Contractor's performance and include requirements for corrective action;
 - 6.11.2. Terminate the Contract, if NH Department of Corrections determines that the Contractor is:
 - a.) Not in compliance with the terms of the Contract;
 - b.) Has lost or has been notified of intention to lose their certification/licensure/permits; and
 - c.) Terminate the contract as otherwise permitted by law.
7. Other Contract Provisions:
- 7.1. Modifications to the Contract: In the event of any dissatisfaction with the Contractor's performance, the NH Department of Corrections will inform the Contractor of any dissatisfaction and will include requirements for corrective action.
 - 7.1.1. The Department of Corrections has the right to terminate the Contract, if the NH Department of Corrections determines that the Contractor is:
 - a.) Not in compliance with the terms of the Contract; or
 - b.) As otherwise permitted by law or as stipulated within this Contract.
 - 7.2. Coordination of Efforts: The Contractor shall fully coordinate his or her activities in the performance of the Contract with those of the NH Department of Corrections. As the work of the Contractor progresses, advice and information on matters covered by the Contract shall be made available by the Contractor to NH Department of Corrections as requested by NH Department of Corrections throughout the effective period of the Contract.
8. Bankruptcy or Insolvency Proceeding Notification:
- 8.1. Upon filing for any bankruptcy or insolvency proceeding by or against the Contractor, whether voluntary or involuntary, or upon the appointment of a receiver, trustee, or assignee for the benefit of creditors, the Contractor must notify the NH Department of Corrections immediately.
 - 8.2. Upon learning of the actions herein identified, the NH Department of Corrections reserves the right at its sole discretion to either cancel the Contract in whole or in part, or, re-affirm the Contract in whole or in part.
9. Embodiment of the Contract:
- 9.1. The Contract between the NH Department of Corrections and the Contractor shall consist of:
 - 9.1.1. Request for Proposal (RFP) and any amendments thereto;
 - 9.1.2. Proposal submitted by the Vendor in response to the RFP; and/or
 - 9.1.3. Negotiated document (Contract) agreed to by and between the parties that is ratified by a "meeting of the minds" after careful consideration of all of the terms and conditions and that which is approved by the Governor and Executive Council of the State of New Hampshire.
 - 9.2. In the event of a conflict in language between the documents referenced above, the provisions and requirements set forth and/or referenced in the negotiated document noted in 9.1.3. shall govern.
 - 9.3. The NH Department of Corrections reserves the right to clarify any contractual relationship in writing with the concurrence of the Contractor, and such written clarification shall govern in case of conflict with the applicable requirements stated in the RFP or the Vendor's Proposal and/or the result of a Contract.

10. Cancellation of Contract:

- 10.1. The Department of Corrections may cancel the Contract at any time for breach of Contractual obligations by providing the Contractor with a written notice of such cancellation.
- 10.2. Should the NH Department of Corrections exercise its right to cancel the Contract for such reasons, the cancellation shall become effective on the date as specified in the notice of cancellation sent to the Contractor.
- 10.3. The NH Department of Corrections reserves the right to terminate the Contract without penalty or recourse by giving the Contractor a written notice of such termination at least sixty (60) days prior to the effective termination date.
- 10.4. The NH Department of Corrections reserves the right to cancel this Contract for the convenience of the State with no penalties by giving the Contractor sixty (60) days notice of said cancellation.

11. Contractor Transition:

NH Department of Corrections, at its discretion, in any Contract resulting from this RFP, may require the Contractor to work cooperatively with any predecessor and/or successor Vendor to assure the orderly and uninterrupted transition from one Vendor to another.

12. Audit Requirement:

Contractor agrees to comply with any recommendations arising from periodic audits on the performance of this contract, providing they do not require any unreasonable hardship, which would normally affect the value of the Contract.

13. Additional Items/Locations:

Upon agreement of both party's additional equipment and/or other facilities belonging to the NH Department of Corrections may be added to the Contract. In the same respect, equipment and/or facilities listed as part of the provision of services of the Contract may be deleted as well.

14. Information:

- 14.1. In performing its obligations under the Contract, the Contractor may gain access to information of the inmates/patients, including confidential information. The Contractor shall not use information developed or obtained during the performance of, or acquired or developed by reason of the Contract, except as is directly connected to and necessary for the Vendor's performance under the Contract.
- 14.2. The Contractor agrees to maintain the confidentiality of and to protect from unauthorized use, disclosure, publication, reproduction and all information of the inmate/patient that becomes available to the Contractor in connection with its performance under the Contract.
- 14.3. In the event of unauthorized use or disclosure of the inmates/patients information, the Contractor shall immediately notify the NH Department of Corrections.
- 14.4. All material developed or acquired by the Contractor, due to work performed under the Contract, shall become the property of the State of New Hampshire. No material or reports prepared by the Contractor shall be released to the public without the prior written consent of NH Department of Corrections.
- 14.5. All financial, statistical, personnel and/or technical data supplied by NH Department of Corrections to the Contractor are confidential. The Contractor is required to use reasonable care to protect the confidentiality of such data. Any use, sale or offering of this data in any form by the Contractor; or any individual or entity in the Contractor's charge or employ, will be considered a violation of the contract and may result in contract termination. In addition, such conduct may be reported to the State Attorney General for possible criminal prosecution.

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15. Public Records:

NH RSA 91-A guarantees access to public records. As such, all responses to a competitive solicitation are public records unless exempt by law. Any information submitted as part of a bid in response to this Request for Proposal or Request for Bid (RFB) or Request for Information (RFI) may be subject to public disclosure under RSA 91-A. In addition, in accordance with RSA 9-F:1, any contract entered into as a result of this RFP (RFB or RFI) will be made accessible to the public online via the website: Transparent NH <http://www.nh.gov/transparentnh/>. Accordingly, business financial information and proprietary information such as trade secrets, business and financial models and forecasts, and proprietary formulas may be exempt from public disclosure under RSA 91-A:5, IV. If a Bidder believes that any information submitted in response to a Request for Proposal, Bid or Information, should be kept confidential as financial or proprietary information, the Bidder must specifically identify that information in a letter to the State Agency. Failure to comply with this section may be grounds for the complete disclosure of all submitted material not in compliance with this section.

If you believe any information being submitted in response to a request for proposal, bid or information should be kept confidential as financial or proprietary information; you must specifically identify that information in a letter to the agency, and should mark/stamp the materials as such. Marking of the entire Proposal or entire sections of the Proposal (e.g. pricing) as confidential will neither be accepted nor honored. Notwithstanding any provision of this RFP to the contrary, Contractor pricing will be subject to disclosure upon approval of the contract by Governor and Council.

Generally, each Proposal shall become public information upon the approval of Governor and Council of the resulting contract, as determined by the State, including but not limited to, RSA Chapter 91-A (Right to Know Law). The State will endeavor to maintain the confidentiality of portions of the Proposal that are clearly and properly marked confidential. If a request is made to the State to view portions of a Proposal that the Contractor has properly and clearly marked confidential, the State will notify the Contractor of the request and of the date and the State plans to release the records. A designation by the Contractor of information it believes exempt does not have the effect of making such information exempt. The State will determine the information it believes is properly exempted from disclosure. By submitting a Proposal, Contractors agree that unless the Contractor obtains a court order, at its sole expense, enjoining the release of the requested information, the State may release the requested information on the date specified in the State's notice without any liability to the Contractors.

16. Special Notes:

- 16.1. The headings and footings of the sections of this document are for convenience only and shall not affect the interpretation of any section.
- 16.2. The NH Department of Corrections reserves the right to require use of a third party administrator during the life of the Contract and any renewals thereof.
- 16.3. Locations per contract year may be increased/decreased and or reassigned to alternate facilities during the Contract term at the discretion of the Department. Locations may be added and/or deleted after the awarding of a Contract at the discretion of the Department and upon mutual agreement of the Commissioner of the Department of Corrections and the Contractor.

**Scope of Services
Exhibit A**

- 16.4. In the event that the NH Department of Corrections wishes to add or remove facilities at which the Contractor is to provide services, it shall:
- 16.4.1. Give the Contractor fourteen (14) days written notice of the proposed change; and
 - 16.4.2. Secure the Contractor's written agreement to the proposed changes.
- 16.5. Notwithstanding the foregoing, or any provision of this Agreement to the contrary, in no event shall changes to facilities be allowed that modify the "Completion Date" or "Price Limitation" of the Agreement.
- 16.6. Contractor must comply with the Prison Rape Elimination Act (PREA) of 2003 (Federal Law 42 U.S.C.15601 et. seq.), with all applicable Federal PREA standards, and with all State policies and standards related to PREA for preventing, detecting, monitoring, investigating, and eradicating any form of sexual abuse within facilities/programs/offices owned, operated, or contracted. Contractor acknowledges that, in addition to self-monitoring requirements, the State will conduct compliance monitoring of PREA standards which may require an outside independent audit.

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17. 2015 Inpatient Cases by Major Diagnostic Categories, Primary Diagnosis:

Major Diagnostic Categories	Cases	Major Diagnostic Categories	Cases
Systems, Diseases & Disorders		Symptoms & Ill-Defined Conditions	
Circulatory System	14	General Symptoms	6
Digestive System	15	Head and Neck	3
Endocrine System	4	Gangrene	1
Infectious Diseases	1	Shortness of Breath	5
Integumentary System	3	Chest Pain	20
Mental Disorders	1	Abdominal Pain	7
Musculoskeletal System	3	Abnormal EKG	1
Neoplasms	4	Fracture-Hip	2
Nervous System	1	Fracture-Tibula/Fibula	1
Renal/Urinary System	2	Concussion	1
Respiratory System	2	Open Wound-Head	1
		Superficial Injury-Head	2
		Foreign Body-Digestive	4
		Overdose	8
		Supervision of Pregnancy	1
		Chemotherapy	3
Subtotal Systems, Diseases & Disorder Cases	60	Subtotal Symptoms & Ill-Defined Cases	56
Total 2015 Inpatient Cases by Major Diagnostic Categories: 116			

18. 2015 Emergency Room Cases by Top Ten Diagnostic Categories:

Top Ten Diagnostic Categories	Cases
Abdominal Pain	18
Cellulitis/Abscess	13
Chest Pain (non-cardiac)	18
Foreign Body – Digestive Tract	15
Headache	10
Injury-Head/Face/Neck	44
Open Wound – Head	30
Open Wound – Upper Extremity	36
Other Emergency Room Visits	106
Over Doses	10
Superficial and Other Injuries	31
Total 2015 Emergency Room Cases by Top Ten Diagnostic Categories	331

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19. 2015 Outpatient Cases by CPT/HCPCS:

CPT/HCPCS Categories	Cases	CPT/HCPCS Categories	Cases
Outpatient Surgery		Outpatient Other	
Cardiovascular	9	Chemotherapy	14
Digestive	70	Doppler Echocardiography	6
General	1	Duplex Scans	2
Integumentary	16	Echocardiography	15
Male Genital	1	EEG	2
Musculoskeletal	20	Extremity Arterial Studies	4
Nervous System	2	Lab/Pathology	61
Respiratory	5	Left Heart Catheterization	1
Subtotal Outpatient Surgery	124	Other Outpatient Hospital Visits	14
		Penile Vascular Study	1
Outpatient Radiology		Phlebotomy	1
CT	64	PICC Insertions	2
DEXA Scans	2	Pulmonary Testing	4
Fluoroscopy	2	Speech Pathology	6
Mammography	11	Stress Test	1
MRI	38	Venous Studies	2
Plain Films	63	Wound Management	7
Nuclear Medicine	14		
Radiation Services	10		
Ultrasound	43		
Subtotal Outpatient Radiology	247		
Subtotal Cases	371	Subtotal Cases	143
Total 2015 Outpatient Cases by CPT/HCPCS: 514			

The remainder of this page is intentionally blank.

Exhibit A
Scope of Services

RE: RFP Title: Inpatient and Outpatient Hospital/Medical Services
RFP Number: NHDOC RFP 14-10-GFMED
Vendor's Organizational Name: Catholic Medical Center

1. Description of Services:

1.1 Inpatient Hospital Services

1.1.1. Inpatient Coefficient - \$6593.75 which represents 105% of the Catholic Medical Center's ["CMC"] FFY 2016 Medicare Coefficient.

1.1.2. RSA 623-C:2: CMC is bidding below the Senate mandated maximum reimbursement. CMC's bid is 105% of Medicare compared with 110% allowed under this amendment.

1.1.3. The rate is significantly less than currently available to any commercial contracts at CMC.

1.2 Emergency Services

1.2.1. Reimbursement – CMC is proposing an overall reimbursement rate for these services at 105% of Medicare, which is 41.48% of charges. This was calculated by determining the effective PAF for all emergency services for Medicare for the period of July 1, 2015 through December 31, 2015. The applicable PAF for Emergency Services for CMC is 39.5%. In addition to the Emergency room services, CMC does offer an Urgent care center located in Bedford.

RSA 623-C:2: CMC is bidding below the Senate mandated maximum reimbursement. CMC's bid is 105% of Medicare compared with 110% allowed under this amendment.

1.2.2. The rate is significantly less than currently available to any commercial contracts at CMC.

1.3 Outpatient Hospital Services

1.3.1. Outpatient Laboratory and Radiology NH Fee Schedules – 105% of the NH 2016 Medicare Laboratory and Radiology Fee Schedules.

National Level II Codes (including all pharmaceuticals) – 23.84% PAF which represents 105% of Medicare reimbursement for all outpatient, non fee schedule, services.

1.3.1.a. RSA 623-C:2: CMC is bidding below the Senate mandated maximum reimbursement. CMC's bid is 105% of Medicare compared with 110% allowed under this amendment

1.3.2. All Other Outpatient Services – 23.84% PAF which represents 105% of Medicare reimbursement for all outpatient, non fee schedule, services.

1.3.2.a. CMC is bidding below the Senate mandated maximum reimbursement. CMC's bid is 105% of Medicare compared with 110% allowed under this amendment. The rate is significantly less than currently available to any commercial contracts at CMC.

1.4 Rate Adjustments

1.4.1. The second year rate adjustment will be tied to the most recent annual Medical CPI for the Boston-Brockton-Nashua region. These will be determined through the federal government BLS website as of May for a July 1st implementation.

Likewise, for year two, the PAF will be adjusted such that CMC's annual July 1st rate increases do not yield an increase in reimbursement by the DOC in excess of the annual Medical CPI for the Boston-Brockton-Nashua region. This will be determined through the federal government BLS website as of May for a July 1st implementation.

The inpatient DRG coefficient will increase on July 1st of year two by the annual Medical CPI for the Boston-Brockton-Nashua region. This will be determined through the federal government BLS website as of May for a July 1st implementation.

Additionally, each October 1st, the Medicare DRG tables, including updated weights and DRGs will be employed. In the event Medicare makes adjustments to DRGs and/or weights outside the typical annual October 1st updates, such changes shall apply to the reimbursement terms under the proposal.

1.5 Hospital Claim Processing: Process and attach a sample claim

1.5.1. CMC calculates estimated claims reimbursement using internal contract management software. Since this is a custom feature, the format of the submission will be finalized after the DOC selects the finalist for the RFP. CMC will utilize the standard CMS 1500 and UB-04 claims forms for submission.

1.5.2. CMC understands that the DOC reserves the right to audit any claims and/or seek clarification.

1.6 Physician Services:

1.6.1. A listing of current providers, including specialties, is enclosed with this RFP.

Primary Care – Family Practice and Internal Medicine

Cardiology – Medical, Interventionists and Electro physiologists

Cardiothoracic Surgeons

OB/GYN – While not listed on the attached as they are not employed by CMC, CMC will bill for OB/GYN services out of its Pregnancy Care Center.

General Surgery

Rates – 110% of the NH 2016 Medicare Fee Schedule

CMC is bidding at the Senate mandated maximum reimbursement. CMC's bid is 110% of Medicare compared with 110% allowed under this amendment. The rate is significantly less than currently available to any commercial contracts at CMC.

1.6.2. Non-Hospital Based Community Physicians – From 2003 - 2014, CMC has been committed to working with the DOC to ensure comprehensive physician coverage. On occasion, when the DOC has experienced access issues with respect to certain specialties, CMC would place calls to such specialists to assist the DOC in its efforts to arrange for such specialty care. Overall, the process has been highly successful and CMC commits to continuing these efforts should it be awarded the contract under this RFP.

1.7 Physician Claims Processing:

CMC will bill physician claims at 110% of the Medicare rate in a timely manner to the DOC consistent with industry standard.

1.8 Other Considerations

1.8.1. Not applicable

1.8.2. Inpatient Rehab PAF – 59.67% which represents 105% of Medicare Reimbursement. Medicare reimburses inpatient rehabilitation on a CMG basis. The effective PAF, payment on account factor, (or % of charge) for CMC's inpatient rehabilitation Medicare business is 56.8% for the period of July 1, 2015 through December 31, 2015.

Because CMC does not have the ability to price inpatient rehabilitation services at a CMG rate, CMC is proposing using 105% of the effective Medicare PAF, 59.67%, for these services.

Clarification response to NHDOC RFP 16-01-GFMED

1.8: Other Considerations:

1.8.1.: CMC will provide access to other service not already listed, including outpatient rehabilitation services, including PT/OT and SLP services at our outpatient locations. CMC will propose these services at 110% of the Medicare allowable rate. The locations are listed below:

Main Location, Outpatient Rehabilitation Services at Dartmouth Commons

769 South Main Street, Suite 201

Manchester NH 03102

603.641.6700

Hooksett Medical Park Physical Therapy

27 Londonderry Turnpike

Hooksett NH 03106

Mon-Thu 7 AM–7 PM ; Fri 7 AM–4 PM

tel 603.314.5970

fax 603.314.5971

CMC Outpatient Physical Therapy at Bedford

188 Route Suite 101

Bedford, NH 03110

603.314.4560

CMC does not offer Radiation Therapy.

CMC will provide access to chemotherapy. CMC is in collaboration currently with another provider so the NH DOC may be billed separately from that provider.

CMC can offer IV therapy and the insertion of PICC lines or access ports for the provision of IV fluid or IV treatment modalities at 110% of the Medicare allowable rate at the hospital.

Urgent Care: CMC does offer an Urgent Care location, Bedford Medical Park, 5 Washington Place, Suite 1B, Bedford, NH 03110, tel: 603.314.4567. CMC will collaborate with the NH DOC to ensure appropriate and dignified access for all patients utilizing this service. The hours are:

Weekdays—Mon-Fri: 8 AM–8 PM

Weekends—Sat-Sun: 9 AM–5 PM

Holidays—9 AM–2 PM


CMC does not anticipate charging additional for further services, if so; it will be discussed with the NH DOC.

SECTION C: Estimated Budget/Method of Payment, Exhibit B

1. Signature Page

The Vendor proposes to provide Inpatient and Outpatient Hospital/Medical Services for the New Hampshire Department of Corrections (NHDOC) in conformance with all terms and conditions of this RFP and the Vendor provides pricing information as an Attachment to this proposal for providing such products and services in accordance with the provisions and requirements specified in this RFP document.

The pricing information quoted by the Vendor as an attachment to this document represents the total price(s) for providing any and all service(s) according to the provisions and requirements of the RFP, which shall remain in effect through the end of this procurement process and throughout the contracting process until the contract completion date as listed on the State Contract form P/37, section 1.7 - Completion Date.


4/21/16

 AUTHORIZED SIGNATURE DATE

Joseph Pepe MD - President & CEO

 NAME AND TITLE OF SIGNOR (Please Type)

THE VENDOR ASSUMES ALL RISKS THAT ACTUAL FUTURE FIGURES MAY VARY FROM POPULATION PRESENTED AS PART OF THIS RFP.

If the NH Department of Corrections determines it is in the best interest of the State, it may seek a **"BEST AND FINAL OFFER"** (BAFO) from vendors submitting acceptable and/or potentially acceptable proposals. The **"BEST AND FINAL OFFER"** would provide a Vendor the opportunity to amend or change its original proposal to make it more acceptable to the State. NH Department of Corrections reserves the right to exercise this option.

Financial responsibility for preparation of proposals is the sole responsibility of the Vendor. The solicitation of the Request for Proposals shall not commit the NH Department of Corrections to award a Contract(s).

Financial commitment by the NH Department of Corrections will not occur until such time as the Governor and the Executive Council of the State of New Hampshire approve a Contract(s).

2. Method of Payment:

- 2.1. Invoices shall be sent to the NH Department of Corrections, Financial Services, P.O. Box 1806, Concord, NH 03302-1806.
- 2.2. The NH Department of Corrections may make adjustments to the payment amount identified on a Contractor's invoice per RSA 623-C:2. The NH Department of Corrections shall suspend payment to an invoice if an invoice is not submitted in accordance with the instructions established by the NH Department of Corrections.
- 2.3. The NH Department of Corrections Bureau of Financial Services may issue payment to the Contractor within thirty (30) days of receipt of an approved invoice. Invoices shall be itemized by facility using industry standard forms (CMS 1500 and UB-04) and contain the following identifying information:
 - 2.3.1. invoice date and number;
 - 2.3.2. facility name and associated Contractor account number (if applicable) representing facility name;
 - 2.3.3. inmate name, inmate identification (ID) number, date of birth (DOB), date of service (DOS) and all other applicable fields per the industry standard form;
 - 2.3.4. itemized service/product total charge per service/product type;
 - 2.3.5. NH Department of Corrections prefers the Contractor to provide the associated adjustments per RSA 623-C:2 on claims submitted.
- 2.4. As an evaluation tool, transportation/security costs will be calculated and factored in to the total cost of Hospital Services. Transports shall be done with a minimum of two (2) NH Department of Corrections Correctional Officers at an average rate of \$56.78 per hour and a per mile cost of \$0.54 based upon the Internal Revenue Service announcement for 2016.
- 2.5. The \$0.54 per mile rate shall fluctuate based upon the Internal Revenue Service announcements per Calendar Year for the life of the Contract and any renewals thereof.
- 2.6. Payment shall be made to the name and address identified in the Contract as the "Contractor" unless: (a) the Contractor has authorized a different name and mailing address in writing or; (b) authorized a different name and mailing address in an official State of New Hampshire Contractor Registration Application Form; or (c) unless a court of law specifies otherwise. The Contractor shall not invoice federal tax. The State's tax-exempt certificate number is 026000618W.
- 2.7. The Contractor's shall follow the State's Fiscal Year Calendar for budgeting purpose. Original Contract Period shall commence on July 1, 2016 and end on June 30, 2018.

3. Appropriation of Funding

- 3.1. The Contractor shall agree that funds expended, if applicable, for the purpose of the Contract must be appropriated by the General Court of the State of New Hampshire for each State fiscal year included within the Contract period. Therefore, the Contract shall automatically terminate without penalty or termination costs if such funds are not fully appropriated.
 - 3.1.1. In the event that funds are not fully appropriated for the Contract, the Contractor shall not prohibit or otherwise limit NH Department of Corrections the right to pursue and contract for alternate solutions and remedies as deemed necessary for the conduct of State government affairs.
 - 3.1.2. The requirements stated in this paragraph shall apply to any amendment/renewal or the execution of any option to extend the Contract.

Section D: Special Provisions, Exhibit C

1. Special Provisions:

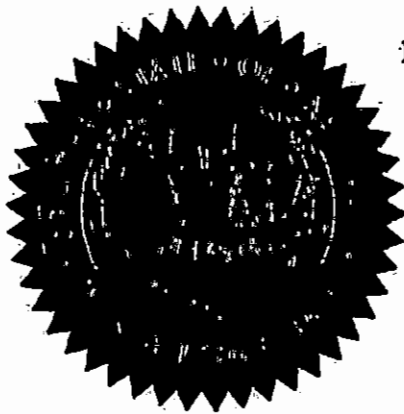
- 1.1. There are no additional provisions set forth in this Exhibit, Special Provisions, to be incorporated as part of this Contract.

The remainder of this page is intentionally blank.

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 formed November 7, 1974. I further certify that it is in good standing as far as this office is concerned, having filed the return(s) and paid the fees required by law.



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 May A.D. 2015

A handwritten signature in cursive script, appearing to read "William M. Gardner".

William M. Gardner
Secretary of State

Corporation Division

Search

- By Business Name
- By Business ID
- By Registered Agent
- Annual Report
- File Online
- Guidelines
- Name Availability
- Name Appeal Process

Filed Documents

Date: 6/1/2016 (Annual Report History, View Images, etc.)

Business Name History

Name	Name Type
CATHOLIC MEDICAL CENTER	Legal
CATHOLIC MEDICAL CENTER	Prev Legal
CATHOLIC MEDICAL CENTER HOSPITAL	Prev Legal

Non-Profit Corporation - Domestic - Information

Business ID: 62116
Status: Good Standing
Entity Creation Date: 11/7/1974
Principal Office Address: 100 McGregor St
 Attn Corporate Compliance
 Manchester NH 03102
Principal Mailing Address: No Address
Expiration Date: Perpetual
Last Annual Report Filed Date: 12/30/2015 4:30:00 PM
Last Annual Report Filed: 2015

Registered Agent

Agent Name:
Office Address: No Address
Mailing Address: No Address

Important Note: The status reflected for each entity on this website only refers to the status of the entity's filing requirements with this office. It does not necessarily reflect the disciplinary status of the entity with any state agency. Requests for disciplinary information should be directed to agencies with licensing or other regulatory authority over the entity.

CERTIFICATE OF VOTE

I, Neil Levesque, Officer and Secretary, of Catholic Medical Center, do hereby certify that:

1. I am the duly elected Secretary of the Board of Directors of Catholic Medical Center, a non profit corporation;
2. The following are true copies of two resolutions duly adopted at a meeting of the Board of Directors of the Corporation, duly held on April 21, 2016.

RESOLVED: That this corporation enters into a Request for Proposal (RFP) with the State of New Hampshire, acting through its Department of Corrections, Division of Administration, for the provision of Inpatient and Outpatient Hospital Medical Services.

RESOLVED: That the President & CEO is hereby authorized on behalf of this Corporation to enter into said Request for Proposal (RFP) 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 resolutions have not been amended or revoked and remain in full force and effect as of April 21, 2016.
4. Joseph Pepe, MD is the duly elected President and CEO of the Corporation.

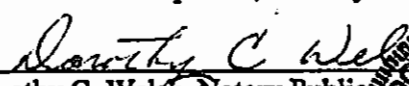
IN WITNESS WHEREOF, I have hereunto set my hand as the Officer of Secretary of the corporation this April 21, 2016.



Neil Levesque, Secretary

STATE OF NEW HAMPSHIRE
COUNTY OF HILLSBOROUGH

The foregoing instrument was acknowledged before me this April 21, 2016 by Dorothy Welsh.



Dorothy C. Welsh, Notary Public
My Commission Expires: May 2019





CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
06/27/2017

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 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 715651-ALL-GAWXP-17-18	CONTACT NAME: PHONE (A/C, No, Ext): E-MAIL ADDRESS:		FAX (A/C, No):
	INSURER(S) AFFORDING COVERAGE		
INSURED CMC HEALTHCARE SYSTEM 100 MCGREGOR STREET MANCHESTER, NH 03102	INSURER A: Pro Select Insurance Company		NAIC #
	INSURER B: Safety National Casualty Corp.		15105
	INSURER C: Arch Specialty Insurance Company		21199
	INSURER D:		
	INSURER E:		
INSURER F:			

COVERAGES **CERTIFICATE NUMBER:** NYC-007841686-14 **REVISION NUMBER:** 10

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 SUBR INSD WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC OTHER:		002NH000016052	07/01/2017	07/01/2018	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 50,000 MED EXP (Any one person) \$ 5,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 3,000,000 PRODUCTS - COMP/OP AGG \$ 3,000,000
	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> NON-OWNED AUTOS					COMBINED SINGLE LIMIT (Ea accident) \$ BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$
C	<input checked="" type="checkbox"/> UMBRELLA LIAB <input type="checkbox"/> OCCUR <input type="checkbox"/> EXCESS LIAB <input checked="" type="checkbox"/> CLAIMS-MADE DED \$ RETENTION \$		UHL0050896-05	07/01/2017	07/01/2018	EACH OCCURRENCE \$ 5,000,000 AGGREGATE \$ 5,000,000
B	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	<input type="checkbox"/> Y <input checked="" type="checkbox"/> N <input type="checkbox"/> N/A	SP 4053316 *SIR \$750,000	07/01/2017	07/01/2018	<input checked="" type="checkbox"/> PER STATUTE <input type="checkbox"/> 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 STATE OF NH DEPARTMENT OF CORRECTIONS P.O. BOX 1806 CONCORD, NH 03302	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. Susan Molloy <i>Susan Molloy</i>
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CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
06/30/2015

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 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.cerrequest@Marsh.com Fax: 212-948-4377 715851-GAUWP-15-16	CONTACT NAME: _____ PHONE (A/C, No, Ext): _____ FAX (A/C, No): _____ E-MAIL ADDRESS: _____													
	<table border="1"> <thead> <tr> <th>INSURER(S) AFFORDING COVERAGE</th> <th>NAIC #</th> </tr> </thead> <tbody> <tr> <td>INSURER A : Pro Select Insurance Company</td> <td></td> </tr> <tr> <td>INSURER B : N/A</td> <td>N/A</td> </tr> <tr> <td>INSURER C : Arch Specialty Insurance Company</td> <td>21199</td> </tr> <tr> <td>INSURER D : Safety National Casualty Corp.</td> <td>15105</td> </tr> <tr> <td>INSURER E :</td> <td></td> </tr> <tr> <td>INSURER F :</td> <td></td> </tr> </tbody> </table>	INSURER(S) AFFORDING COVERAGE	NAIC #	INSURER A : Pro Select Insurance Company		INSURER B : N/A	N/A	INSURER C : Arch Specialty Insurance Company	21199	INSURER D : Safety National Casualty Corp.	15105	INSURER E :		INSURER F :
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INSURER D : Safety National Casualty Corp.	15105													
INSURER E :														
INSURER F :														

COVERAGES **CERTIFICATE NUMBER:** NYC-007841688-11 **REVISION NUMBER:** 10

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(SUBR) INSD WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC <input type="checkbox"/> OTHER: _____		2-22596GL	07/01/2015	07/01/2016	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 50,000 MED EXP (Any one person) \$ 5,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 3,000,000 PRODUCTS - COMPOP-AGG \$ 3,000,000 \$ _____
	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> NON-OWNED AUTOS					COMBINED SINGLE LIMIT (Ea accident) \$ _____ BODILY INJURY (Per person) \$ _____ BODILY INJURY (Per accident) \$ _____ PROPERTY DAMAGE (Per accident) \$ _____ \$ _____
C	<input checked="" type="checkbox"/> UMBRELLA LIAB <input type="checkbox"/> OCCUR <input type="checkbox"/> EXCESS LIAB <input checked="" type="checkbox"/> CLAIMS-MADE DED _____ RETENTION \$ _____		UHL0050898-03	07/01/2015	07/01/2016	EACH OCCURRENCE \$ 5,000,000 AGGREGATE \$ 5,000,000 \$ _____
D	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N <input checked="" type="checkbox"/> N <input type="checkbox"/> N/A	SP 4053316 *SIR \$750,000	07/01/2015	07/01/2016	PER STATUTE <input type="checkbox"/> OTH-ER <input type="checkbox"/> E.L. EACH ACCIDENT \$ 1,000,000 E.L. DISEASE - EA EMPLOYEE \$ 1,000,000 E.L. DISEASE - POLICY LIMIT \$ 1,000,000

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CERTIFICATE HOLDER STATE OF NH DEPARTMENT OF CORRECTIONS P.O. BOX 1806 CONCORD, NH 03302	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. Susan Molloy <i>Susan Molloy</i>
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NH Department of Corrections
Jennifer Lind, Contracts Administrator
Main Building –Gov. Hugh J. Gallen State Office
Park South Complex
105 Pleasant Street – Room 324, 3rd Floor
Concord, NH 03301

June 3, 2016

Re: Request for certificate of insurance

Dear Ms. Lind,

This letter is in response to the NHDOC request for an updated certificate of insurance related to services CMC will provide under the contract beginning July 1, 2016.

CMC provided our current certificate of insurance with our proposal response that has an expiration date of June 30, 2016. We are currently completing the insurance binding process and will continue to be insured when the NHDOC contract begins. I anticipate obtaining the new certificate by June 28, 2016. I want to assure all involved in this process that CMC is currently insured and will continue to be insured for the life of our contract with the State of NH.

Sincerely,

A handwritten signature in black ink, appearing to read 'Kathy Hebert-Morello'. The signature is written in a cursive, flowing style.

Kathy Hebert-Morello
Risk Manager

**New Hampshire Department of Corrections
Division of Administration
Contract/Grant Unit**

Comprehensive General Liability Insurance Acknowledgement Form

The New Hampshire Office of the Attorney General requires that the Request for Proposal (RFP) package inform all proposal submitters of the State of New Hampshire's general liability insurance requirements. The limits of liability required are dependent upon your corporation's legal formation, and the annual total amount of contract work with the State of New Hampshire.

Please select only ONE of the checkboxes below that best describes your corporation's legal formation and annual total amount of contract work with the State of New Hampshire:

Insurance Requirement for (1) - 501(c) (3) contractors whose annual gross amount of contract work with the State does not exceed \$500,000, per RSA 21-I:13, XIV, (Supp. 2006): The general liability insurance requirements of standard state contracts for contractors that qualify for nonprofit status under section 501(c)(3) of the Internal Revenue Code and whose annual gross amount of contract work with the state does not exceed \$500,000, is comprehensive general liability insurance in amounts of not less than \$1,000,000 per claim or occurrence and \$2,000,000 in the aggregate. *These amounts may NOT be modified.*

- The contractor certifies that it IS a 501(c) (3) contractor whose annual total amount of contract work with the State of New Hampshire does not exceed \$500,000.

Insurance Requirement for (2) - All other contractors who do not qualify for RSA 21-I:13, XIV, (Supp. 2006), Agreement P-37 General Provisions, 14.1 and 14.1.I. Insurance and Bond, shall apply: The Contractor shall, at its sole expense, obtain and maintain in force, and shall require any subcontractor or assignee to obtain and maintain in force, both for the benefits of the State, the following insurance: comprehensive general liability insurance against all claims of bodily injury, death or property damage, in amounts of not less than \$250,000 per claim and \$2,000,000 per incident or occurrence. *These amounts MAY be modified if the State of NH determines contract activities are a risk of lower liability.*

- (2) The contractor certifies it does NOT qualify for insurance requirements under RSA 21-I:13, XIV (Supp. 2006).

Please indicate your current comprehensive general liability coverage limits below, sign, date and return with your proposal package.

\$ 1M Per Claim \$ 3M Per Incident/Occurrence \$ 3M General Aggregate

Signature & Title

Date

This acknowledgement must be returned with your proposal.

NH DEPARTMENT OF CORRECTIONS
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. 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. "Designated Record Set" shall have the same meaning as the term "designated record set" in 45 CFR Section 164.501.
- b. "Data Aggregation" shall have the same meaning as the term "data aggregation" in 45 CFR Section 164.501.
- c. "Health Care Operations" shall have the same meaning as the term "health care operations" in 45 CFR Section 164.501.
- d. "HIPAA" means the Health Insurance Portability and Accountability Act of 1996, Public Law 104-191.
- e. "Individual" shall have the same meaning as the term "individual" in 45 CFR Section 164.501 and shall include a person who qualifies as a personal representative in accordance with 45 CFR Section 164.501(g).
- f. "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.
- g. "Protected Health Information" shall have the same meaning as the term "protected health information" in 45 CFR Section 164.501, limited to the information created or received by Business Associate from or on behalf of Covered Entity.
- h. "Required by Law" shall have the same meaning as the term "required by law" in 45 CFR Section 164.501.
- i. "Secretary" shall mean the Secretary of the Department of Health and Human Services or his/her designee.
- j. "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.
- k. 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.

(2) 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, the Business Associate shall not, and shall ensure that its directors, officers, employees and agents, do 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 immediately notify Business Associate 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 on the 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. Business Associate shall report to the designated Privacy Officer of Covered Entity, in writing, any use or disclosure of PHI in violation of the Agreement, including any security incident involving Covered Entity data, of which it becomes aware, within two (2) business days of becoming aware of such unauthorized use or disclosure or security incident.

b. Business Associate shall use administrative, physical and technical safeguards that reasonably and appropriately protect the confidentiality, integrity and availability of protected health information, in electronic or any other form, that it creates, receives, maintains or transmits under this Agreement, in accordance with the Privacy and Security Rules, to prevent the use or disclosure of PHI other than as permitted by the Agreement.

c. 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.

d. 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)b and (3)k herein. 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 provision #13 of this Agreement for the purpose of use and disclosure of protected health information.

e. 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.

f. 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.

g. 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.

h. 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.

i. 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.

j. 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.

k. 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 standard provision #10 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, as 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 and 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 k, the defense and indemnification provisions of section 3.d and standard contract provision #13, shall survive the termination of the Agreement.

IN WITNESS WHEREOF, the parties hereto have duly executed this HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY ACT BUSINESS ASSOCIATE AGREEMENT.

NH Department of Corrections
State of New Hampshire Agency Name

William L. Wrenn
Signature of Authorized Representative

William L. Wrenn
Authorized DOC Representative Name

Commissioner
Authorized DOC Representative Title

6/2/16
Date

Catholic Medical Center
Contractor Name

[Signature]
Contractor Representative Signature

Joseph Pepe, MD
Authorized Contractor Representative Name

President + CEO
Authorized Contractor Representative Title

4/21/16
Date

NH DEPARTMENT OF CORRECTIONS
ADMINISTRATIVE RULES

COR 307 Items Considered Contraband. Contraband shall consist of:

- a) Any substance or item whose possession is unlawful for the person or the general public possessing it including but not limited to:
 - (1) narcotics
 - (2) controlled drugs or
 - (3) automatic or concealed weapons possessed by those not licensed to have them.
- b) Any firearm, simulated firearm, or device designed to propel or guide a projectile against a person, animal or target.
- c) Any bullets, cartridges, projectiles or similar items designed to be projected against a person, animal or target.
- d) Any explosive device, bomb, grenade, dynamite or dynamite cap or detonating device including primers, primer cord, explosive powder or similar items or simulations of these items.
- e) Any drug item, whether medically prescribed or not, in excess of a one day supply or in such quantities that a person would suffer intoxication or illness if the entire available quantity were consumed alone or in combination with other available substances.
- f) Any intoxicating beverage.
- g) Sums of money or negotiable instruments in excess of \$100.00.
- h) Lock-picking kits or tools or instruments on picking locks, making keys or obtaining surreptitious entry or exit
- i) The following types of items in the possession of an individual who is not in a vehicle, (but shall not be contraband if stored in a secured vehicle):
- j) Knives and knife-like weapons, clubs and club-like weapons,
 - (1) tobacco, alcohol, drugs including prescription drugs unless prior approval is granted in writing by the facility Warden/designee, or Director/designee,
 - (2) maps of the prison vicinity or sketches or drawings or pictorial representations of the facilities, its grounds or its vicinity,
 - (3) pornography or pictures of visitors or prospective visitors undressed,
 - (4) cell phones and radios capable of monitoring or transmitting on the police band in the possession of other than law enforcement officials,
 - (5) identification documents, licenses and credentials not in the possession of the person to whom properly issued,
 - (6) ropes, saws, grappling hooks, fishing line, masks, artificial beards or mustaches, cutting wheels or string rope or line impregnated with cutting material or similar items to facilitate escapes,
 - (7) balloons, condoms, false-bottomed containers or other containers which could facilitate transfer of contraband.

COR 307.02 Contraband on prison grounds is prohibited. The possession, transport, introduction, use, sale or storage of contraband on the prison grounds without prior approval of the commissioner of corrections or his designee is prohibited under the provision of RSA 622:24 and RSA 622:25.

COR 307.03 Searches and Inspections Authorized.

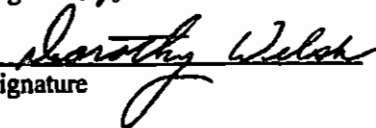
- a) Any person or property on state prison grounds shall be subject to search to discover contraband...
Travel onto prison grounds shall constitute implied consent to search for contraband. In such cases where implied consent exists, the visitor will be given a choice of either consenting to the search or immediately leaving the prison grounds. Nothing in this rule however, prevents non-consensual searches in situations where probable cause exists to believe that the visitor is or had attempted to introduce contraband into the prison pursuant to the law of New Hampshire concerning search, seizure and arrest.
- b) All motor vehicles parked on prison grounds shall be locked and have the keys removed. Custodial personnel shall check to insure that vehicles are locked and shall visually inspect the plain-view interior of the vehicles. Vehicles discovered unlocked shall be searched to insure that no contraband is present. Contraband discovered during searches shall be confiscated for evidence, as shall contraband discovered during plain-view inspections.
- c) All persons entering the facilities to visit with residents or staff, or to perform services at the facilities or to tour the facilities shall be subject to having their persons checked. All items and clothing carried into the institution shall be searched for contraband.

Joseph Pepe, MD
Name


Signature

4/21/16
Date

Dorothy Walsh
Witness Name


Signature

4/21/16
Date

NH DEPARTMENT OF CORRECTIONS
RULES OF CONDUCT FOR PERSONS PROVIDING CONTRACT SERVICES

1. Engaging in any of the following activities with persons under departmental control is strictly prohibited:
 - a. Any contact, including correspondence, other than in the performance of your services for which you have been contracted.
 - b. Giving or selling of anything
 - c. Accepting or buying anything
2. Any person providing contract services who is found to be under the influence of intoxicants or drugs will be removed from facility grounds and barred from future entry to the NH Department of Corrections property.
3. Possession of any item considered to be contraband as defined in the New Hampshire code of Administrative Rules, COR 307 is a violation of the rules and the laws of the State of New Hampshire and may result in legal action under RSA 622:24 or other statutes.
4. In the event of any emergency situation, i.e., fire, disturbance, etc., you will follow the instructions of the escorting staff or report immediately to the closest available staff.
5. All rules, regulations and policies of the NH Department of Corrections are designed for the safety of the staff, visitors and residents, the security of the facility and an orderly flow of necessary movement and activities. If unsure of any policy and procedure, ask for immediate assistance from a staff member.
6. Harassment and discrimination directed toward anyone based on sex, race, creed, color, national origin or age are illegal under federal and state laws and will not be tolerated in the work place. Maintenance of a discriminatory work environment is also prohibited. Everyone has a duty to observe the law and will be subject to removal for failing to do so.
7. During the performance of your services you are responsible to the facility administrator, and by your signature below, agree to abide by all the rules, regulations, policies and procedures of the NH Department of Corrections and the State of New Hampshire.
8. In lieu of Contracted staff participating in the Corrections Academy, the Vendor through the Commissioner or his designees will establish a training/orientation facilitated by the Vendor to supplement this requirement and appropriate orient Vendor staff to the rules, regulations, policies and procedures of the Department of Corrections and the State of New Hampshire.

Joseph Pepe, MD
Name

Signature

Date

Dorothy Welsh
Witness Name

Signature

Date

4/21/16

4/21/16


NH DEPARTMENT OF CORRECTIONS
CONFIDENTIALITY OF INFORMATION AGREEMENT

I understand and agree that all employed by the organization/agency I represent must abide by all rules, regulations and laws of the State of New Hampshire and the NH Department of Corrections that relate to the confidentiality of records and all other privileged information.

I further agree that all employed by or subcontracted through the organization I represent are not to discuss any confidential or privileged information with family, friends or any persons not professionally involved with the NH Department of Corrections. If inmates or residents of the NH Department of Corrections, or, anyone outside of the NH Department of Corrections' employ approaches any of the our organization's employees or subcontractors and requests information, the staff/employees of the organization I represent will immediately contact their supervisor, notify the NH Department of Corrections, and file an incident report or statement report with the appropriate NH Department of Corrections representative.

Any violation of the above may result in immediate termination of any and all contractual obligations.

Joseph Pepe, MD
Name


Signature

4/21/16
Date

Dorothy Welsh
Witness Name


Signature

4/21/16
Date



**STATE OF NEW HAMPSHIRE
DEPARTMENT OF CORRECTIONS
DIVISION OF ADMINISTRATION**

**William L. Wrenn
Commissioner**

P.O. BOX 1806
CONCORD, NH 03302-1806

**Doreen Wittenberg
Director**

603-271-5610 FAX: 603-271-5639
TDD Access: 1-800-735-2964

**PRISON RAPE ELIMINATION ACT
ACKNOWLEDGEMENT FORM**

The Prison Rape Elimination Act (PREA) of 2003 (with Final Rule August 2012) is a federal law established to address the elimination and prevention of sexual assault and sexual harassment within correctional systems and detention facilities. This Act applies to all correctional facilities, including prisons, jails, juvenile facilities and community corrections residential facilities. PREA incidents involve the following conduct:

- Resident-on-resident sexual assault
- Resident-on-resident abusive sexual contact
- Staff sexual misconduct
- Staff sexual harassment, assault of a resident

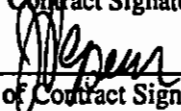
The act aimed to curb prison rape through a "zero-tolerance" policy, as well as through research and information gathering. The NH Department of Corrections has zero tolerance relating to the sexual assault/rape of offenders and recognizes these offenders as crime victims. Due to this recognition and adherence to the federal Prison Rape Elimination Act (PREA) of 2003, the NH Department of Corrections extends the "zero tolerance" to the following:

- Contractor/subcontractor misconduct
- Contractor/subcontractor harassment, assault of a resident

As a Contractor and/or Subcontractor of the NH Department of Corrections, I acknowledge that I have been provided information on the Prison Rape Elimination Act of 2003 Public Law 108-79—Sept. 4, 2003 and have been informed that as a Contractor and/or Subcontractor of the NH Department of Corrections, sexual conduct between Contractor and/or Subcontractor and offenders is prohibited. Sexual harassment or sexual misconduct involving an offender can be a violation of NH RSA 632-A:2, 632-A:3 and 632-A:4, Chapter 632-A: Sexual Assault and Related Offenses, and result in criminal prosecution.

As a Contractor and/or Subcontractor of the NH Department of Corrections, I understand that I shall inform all employees of the Contractor and/or Subcontractor to adhere to all policies concerning PREA, RSA 632-A:2, RSA 632-A:3, RSA 632-A:4 and departmental policies including NHDOC PPD 5.19 - PREA; NHDOC Administrative Rules, Conduct and Confidentiality Information regarding my conduct, reporting of incidents and treatment of those under the supervision of the NH Department of Corrections. (Ref. RSA Chapter 632-A, NHDOC PPD 5.19 and Administrative Rules, Rules of Conduct for Persons Providing Contract Services, Confidentiality of Information Agreement).

Name (print): Joseph Pepe, MD Date: 4/21/14
(Name of Contract Signatory)

Signature: 
(Signature of Contract Signatory)

Catholic Medical Center

Manchester, NH

has been Accredited by



The Joint Commission

Which has surveyed this organization and found it to meet the requirements for the
Hospital Accreditation Program

December 5, 2014

Accreditation is customarily valid for up to 36 months.

Rebecca J. Pachla, MD

Rebecca J. Pachla, MD
Chair, Board of Commissioners

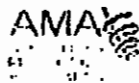
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Print/Reprint Date: 11/16/2015

Mark R. Chassin, MD, FACP, MPP, MPH

Mark R. Chassin, MD, FACP, MPP, MPH
President

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STATE OF NEW HAMPSHIRE
DEPARTMENT OF HEALTH AND HUMAN SERVICES
OFFICE OF OPERATIONS SUPPORT
HEALTH FACILITIES ADMINISTRATION
129 PLEASANT STREET, CONCORD, NH 03301

ANNUAL LICENSE CERTIFICATE

Under provisions of New Hampshire Revised Statutes Annotated Chapter RSA 151, this annual license certificate is issued to:

Name: CATHOLIC MEDICAL CENTER
Located at: 100 MCGREGOR STREET
MANCHESTER NH 03102

To Operate: Hospital

This annual license certificate is effective under the conditions and for the period stated below:

License#: [REDACTED]

Effective Date: 01/01/2016

Expiration Date: 12/31/2016

Administrator: JOSEPH PEPE, MD

Medical Director: WILLIAM GOODMAN, MD

Number of Beds: 330

EFFECTIVE 9/11/15 NEW MEDICAL DIRECTOR IS WILLIAM
GOODMAN

A handwritten signature in cursive script, appearing to read "May P. Costello".

Senior Division Director

Provider Last Name	Provider First Name	License Type	Practice Name	Practice Location Street Address Line 1	Practice Location Street Address Line 2	Practice Location City Name	Practice Location Zip Code	Telephone Number
Allen	David	PA-C	New England Heart Center	100 McGregor Street		Manchester	03102	(603) 663-6894
Argie	William	PA-C	Willowbend Family Practice	5 Washington Place	Suite 1A	Bedford	03110	603-663-8060
Arguello	Roger	PA-C	New England Heart Center	100 McGregor Street		Manchester	03102	603-669-0413
Bahus	Marissa	MD	Granite State Internal Medicine	188 Rt 101		Bedford	03102	603-314-4700
Baribeau	Yvon	MD	Cardiothoracic Surgical Associates	100 McGregor Street	Suite B600A	Manchester	03102	(603) 663-6340
Baruja-Baquer	Cesar	MD	Amoskeag Primary Care	1650 Elm St	Suite 302	Manchester	03101	603-623-3343
Beaudette	Steven	MD	New England Heart Center	100 McGregor Street		Manchester	03102	(603) 663-6894
Berry	Craig	MD	New England Heart Center	100 McGregor Street		Manchester	03102	(603) 663-6894
Bleakley	Jeffrey	MD	New England Heart Center	100 McGregor Street		Manchester	03102	(603) 663-6894
Blight	Victoria	APRN	Willowbend Family Practice	5 Washington Place	Suite 1A	Bedford	03110	(603) 663-8060
Boothby	Kathy	APRN	Obesity Treatment Center	769 South Main Street	3rd Floor	Manchester	03102	603-663-7377
Bottazzi	Tracey	APRN	Willowbend Family Practice	5 Washington Place	Suite 1A	Bedford	03110	(603) 663-8060
Bragdon	Sarah	APRN	Urgent Care at Bedford	5 Washington Place	Suite 1B	Bedford	03110	(603) 314-4567
Brokaw	Bruce	PA-C	New England Heart Center	100 McGregor Street		Manchester	03102	603-669-0413
Burchett	Gloria	APRN	New England Heart Center	100 McGregor Street		Manchester	03102	603-669-0413
Calegari	Jeffrey	MD	Granite State Internal Medicine	188 Rt 101		Bedford	03110	(603) 314-4700
Caparelli	David	MD	Cardiothoracic Surgical Associates	100 McGregor Street	Suite B600A	Manchester	03102	603-663-6340
Capen	Adrienne	PA-C	New England Heart Center	100 McGregor Street		Manchester	03102	(603) 663-6894
Capodilupo	Robert	MD	New England Heart Center	100 McGregor Street		Manchester	03102	(603) 663-6894
Carrier	Charles	MD	Queen City Medical Associates	775 South Main Street	Suite 300	Manchester	03102	(603) 625-6198
Case	Jessica	PA-C	Surgical Care Group	87 McGregor Street	Suite 3100	Manchester	03102	603-627-1887
Castor	Belinda	MD	Queen City Medical Associates	775 South Main Street	Suite 300	Manchester	03102	(603) 625-6198
Catania	Robert	MD	Surgical Care Group	87 McGregor Street	Suite 3100	Manchester	03102	(603) 627-1887
Catania	Robert	MD	Obesity Treatment Center	769 South Main Street	3rd Floor	Manchester	03102	(603) 663-7377
Champion	Christie	APRN	New England Heart Center	100 McGregor Street		Manchester	03102	(603) 663-6894
Chrisemer	Jennifer	APRN	Amoskeag Primary Care	1650 Elm St	Suite 302	Manchester	03101	(603) 623-6456
Claussen	Brian	MD	Family Physicians of Manchester	57 Webster St	Suite 110	Manchester	03104	(603) 662-6491
Claussen	Carolyn	MD	Willowbend Family Practice	5 Washington Place	Suite 1A	Bedford	03110	(603) 663-8060
Cline	Kendra	APRN	Lakeview Internal Medicine	27 Londonderry Turnpike		Hooksett	03106	603-314-5980
Cutterbuck	William	MD	Surgical Care Group	87 McGregor Street	Suite 3100	Manchester	03102	(603) 627-1887
Cochrane	Christine	DO	Webster Street Internal Medicine	57 Webster St		Manchester	03104	(603) 668-6489
Cohen	Andrew	MD	New England Heart Center	100 McGregor Street		Manchester	03102	(603) 663-6894
Compagna	Roberta	APRN	Webster Street Internal Medicine	57 Webster St		Manchester	03104	(603) 668-6489
Condodemetrak	Stephanie	APRN	Goffstown Primary Care	17A Tatro Dr	Suite 201	Goffstown	03045	(603) 314-4500
Corrigan	Debra	APRN	Family Physicians of Manchester	57 Webster St	Suite 110	Manchester	03104	603-622-6491
Daley	Marilyn	APRN	New England Heart Center	100 McGregor Street		Manchester	03102	(603) 663-6894
Danes	Stratton	MD	Surgical Care Group	87 McGregor Street	Suite 3100	Manchester	03102	(603) 627-1887
Davis	Alison	APRN	New England Heart Center	100 McGregor Street		Manchester	03102	(603) 663-6894
DeLuca	Anne	APRN	Hooksett Primary Care	11 Kimball Dr	Unit 132	Hooksett	03106	603-663-1990
Denysyk	Ruslan	PA-C	New England Heart Center	100 McGregor Street		Manchester	03102	(603) 663-6894
DeSantis	Megan	PA-C	Surgical Care Group	87 McGregor Street	Suite 3100	Manchester	03103	(603) 627-1887
Devine	Judith	MD	Urgent Care at Bedford	5 Washington Place	Suite 1B	Bedford	03110	603-314-4567
Dewey	Robert	MD	New England Heart Center	100 McGregor Street		Manchester	03102	(603) 663-6894
DiPardo	Carole	PA-C	Cardiothoracic Surgical Associates	100 McGregor Street	Suite B600A	Manchester	03102	603-663-6340

Doberstein	Kara	APRN	Amoskeag Primary Care	1650 Elm St	Suite 302	Manchester	03101	(603) 623-6456
Dolron	Michael	PA-C	Family Physicians of Manchester	57 Webster St	Suite 110	Manchester	03104	(603) 662-6491
Dumais	Jessica	APRN	Willowbend Family Practice	5 Washington Place	Suite 1A	Bedford	03110	(603) 663-8060
Eddinger	Jonathan	MD	New England Heart Center	100 McGregor Street		Manchester	03102	(603) 663-6894
Feo	Leandro	MD	Surgical Care Group	87 McGregor Street	Suite 3100	Manchester	03102	(603) 627-1887
Fink	Louis	MD	New England Heart Center	100 McGregor Street		Manchester	03102	(603) 663-6894
Finn	Jeanne	APRN	New England Heart Center	100 McGregor Street		Manchester	03102	(603) 663-6894
Fitzpatrick	Philip	MD	New England Heart Center	100 McGregor Street		Manchester	03102	(603) 663-6894
Flynn	James	MD	New England Heart Center	100 McGregor Street		Manchester	03102	(603) 663-6894
Fogg	Catherine	APRN	Queen City Medical Associates	775 South Main Street	Suite 300	Manchester	03102	(603) 625-6198
Furey	Patricia	MD	Surgical Care Group	87 McGregor Street	Suite 3100	Manchester	03102	(603) 627-1887
Gallagher	Heather	PA-C	Urgent Care at Bedford	5 Washington Place	Suite 1B	Bedford	03110	(603) 314-4567
Gauthier	Melissa	APRN	Obesity Treatment Center	769 South Main Street	3rd Floor	Manchester	03102	(603) 663-7377
Gilbert	Rachael	PA-C	Surgical Care Group	87 McGregor Street	Suite 3100	Manchester	03102	(603) 627-1887
Goldberg	David	MD	New England Heart Center	100 McGregor Street		Manchester	03102	(603) 663-6894
Gott	Jonathan	PA-C	Queen City Medical Associates	775 South Main Street	Suite 300	Manchester	03102	(603) 625-6198
Graff	William	MD	New England Heart Center	100 McGregor Street		Manchester	03102	(603) 663-6894
Haas Rueda	Vonda	PA-C	Amoskeag Primary Care	1650 Elm St	Suite 302	Manchester	03101	(603) 623-6456
Hanlon	Stephen	MD	New England Heart Center	100 McGregor Street		Manchester	03102	(603) 663-6894
Haugh	Connor	MD	New England Heart Center	100 McGregor Street		Manchester	03102	(603) 663-6894
Hawes	Zoe	APRN	New England Heart Center	100 McGregor Street		Manchester	03102	(603) 663-6894
Hill	Emily	PA-C	Surgical Care Group	87 McGregor Street	Suite 3100	Manchester	03102	(603) 627-1887
Hochgraf	Scott	MD	Urgent Care at Bedford	5 Washington Place	Suite 1B	Bedford	03110	(603) 314-4567
Houston	Nicole	APRN	Cardiothoracic Surgical Associates	100 McGregor Street	Suite B600A	Manchester	03102	603-663-6340
Iman	Toufic	MD	Surgical Care Group	87 McGregor Street	Suite 3100	Manchester	03102	603-627-1887
Jameson	Jennifer	MD	Urgent Care at Bedford	5 Washington Place	Suite 1B	Bedford	03110	(603) 314-4567
Joffe	Samuel	MD	New England Heart Center	100 McGregor Street		Manchester	03102	(603) 663-6894
Kicza-Klasmier	Kim	APRN	CMC-Mobile Community Health	195 McGregor St	LL2	Manchester	03102	(603) 663-8716
Kim	Jamie	MD	New England Heart Center	100 McGregor Street		Manchester	03102	(603) 663-6894
Kinbrook	Michelle	MD	Family Health and Wellness Center at Bedford	188 Rt 101		Bedford	03110	603-663-8052
Klagges	Amy	PA-C	Family Physicians of Manchester	57 Webster St	Suite 110	Manchester	03104	603-622-6491
Kleczkowski	Alicia	APRN	Webster Street Internal Medicine	57 Webster St		Manchester	03104	(603) 668-6489
Klementowicz	Peter	MD	New England Heart Center	100 McGregor Street		Manchester	03102	(603) 663-6894
Koshy	Ajay	MD	Amoskeag Primary Care	1650 Elm St	Suite 302	Manchester	03101	(603) 623-6456
Lampman	Kristyna	APRN	Webster Street Internal Medicine	57 Webster St		Manchester	03104	(603) 668-6489
Larkin	Robert	MD	Webster Street Internal Medicine	57 Webster St		Manchester	03104	(603) 668-6489
LeBlanc	Amy	PA-C	New England Heart Center	100 McGregor Street		Manchester	03102	(603) 663-6894
LeBlanc	Scott	MD	Webster Street Internal Medicine	57 Webster St		Manchester	03104	(603) 668-6489
LeGacy	Alyson	APRN	Pain Clinic	89 McGregor Street		Manchester	03102	603-314-4700
Liebling	Mark	MD	New England Heart Center	100 McGregor Street		Manchester	03102	(603) 663-6894
Lungulescu	Ovidiu	MD	Lakeview Internal Medicine	27 Londonderry Turnpike		Hooksett	03106	(603) 314-5980
MacGregor	Jill	APRN	Family Health and Wellness Center at Bedford	188 Route 101		Bedford	03110	(603) 663-8052
Maher	Jeanne-Marie	MD	New England Heart Center	100 McGregor Street		Manchester	03102	603-669-0413
Mahon	Paula	MD	CMC-Mobile Community Health (Families in Transit)	177 Lake Avenue		Manchester	03103	603-663-8718
Mahon	Paula	MD	CMC - New Horizons	199 Manchester Street		Manchester	03103	603-663-8718
Mahon	Patrick	MD	Surgical Care Group	87 McGregor Street	Suite 3100	Manchester	03102	(603) 627-1887
Mangum	Joseph	PA-C	Urgent Care at Bedford	5 Washington Place	Suite 1B	Bedford	03110	(603) 314-4567
Manson	Jo Anne	PA-C	New England Heart Center	100 McGregor Street		Manchester	03102	(603) 663-6894
Matth	Michael	MD	Willowbend Family Practice	5 Washington Place	Suite 1A	Bedford	03110	(603) 663-8060

Mazza	Daniel	DO	Urgent Care at Bedford	5 Washington Place	Suite 1B	Bedford	03110	(603) 314-4567
McMahon	Haley	PA-C	Urgent Care at Bedford	5 Washington Place	Suite 310	Manchester	03110	603-314-4567
McOsker	Jamie	PA-C	Cardiothoracic Surgical Associates	100 McGregor Street	Suite B600A	Manchester	03102	(603) 663-6340
Meyer	Pamela	APRN	Surgical Care Group	87 McGregor Street	Suite 3100	Manchester	03102	603-627-1887
Michaud	Steven	MD	Goffstown Primary Care	17A Tatro Dr	Suite 201	Goffstown	03045	(603) 314-4500
Molloy	Anne	APRN	Granite State Internal Medicine	188 Rt 101		Bedford	03110	(603) 314-4700
Neves	Holly	APRN	Family Health and Wellness Center at Bedford	188 Rt 101		Bedford	03110	603-663-8052
O'Leary	Meaghan	APRN	Surgical Care Group	87 McGregor Street	Suite 3100	Manchester	03102	(603) 627-1887
Olsen	Alison	PA-C	Surgical Care Group	87 McGregor Street	Suite 3100	Manchester	03102	603-627-1887
Olsen	Alison	PA-C	Obesity Treatment Center	769 South Main Street	3rd Floor	Manchester	03102	(603) 663-7377
Oswald	Jill	APRN	Family Health and Wellness Center at Bedford	189 Route 101		Bedford	03110	(603) 663-8052
Packard	Jennifer	MD	Family Health and Wellness Center at Bedford	189 Route 101		Bedford	03110	(603) 663-8052
Pelletier	Holly	PA-C	Family Physicians of Manchester	57 Webster St	Suite 110	Manchester	03104	(603) 662-6491
Pendleton	David	PA-C	Queen City Medical Associates	775 South Main Street	Suite 300	Manchester	03102	(603) 625-6198
Perez	Alfredo	MD	Hooksett Primary Care	11 Kimball Dr	Unit 132	Hooksett	03106	(603) 663-1990
Perron	Brittany	PA-C	Cardiothoracic Surgical Associates	100 McGregor Street	B600A	Manchester	03102	603-663-6340
Perry	Danielle	PA-C	Urgent Care at Bedford	5 Washington Place	Suite 1B	Bedford	03110	603-314-4567
Petrin	Carmen	APRN	New England Heart Center	100 McGregor Street		Manchester	03102	(603) 663-6894
Philbin	Daniel	MD	New England Heart Center	100 McGregor Street		Manchester	03102	(603) 663-6894
Preis	Ido	MD	New England Heart Center	100 McGregor Street		Manchester	03102	(603) 663-6894
Rothstein	James	MD	Surgical Care Group	87 McGregor Street	Suite 3100	Manchester	03102	603-627-1887
Sawyer	Christina	APRN	Granite State Internal Medicine	188 Rt 101		Bedford	03110	(603) 314-4700
Scott	Lynn	APRN	New England Heart Center	100 McGregor Street		Manchester	03102	(603) 663-6894
Scull	Melissa	MD	Queen City Medical Associates	775 South Main Street	Suite 300	Manchester	03102	(603) 625-6198
Shumway	Jayne	APRN	Cardiothoracic Surgical Associates	100 McGregor Street	B600A	Manchester	03102	603-663-6340
Sirois	Jennifer	MD	Granite State Internal Medicine	188 Rt 101		Bedford	03110	(603) 314-4700
Shyne	Tai	APRN	Goffstown Primary Care	17A Tatro Dr	Suite 201	Goffstown	03045	(603) 314-4500
Snow	Deborah	MD	Obesity Treatment Center	769 South Main Street	3rd Floor	Manchester	03102	(603) 663-7377
Spector	Lawrence	APRN	Highlander Way Internal Medicine	1 Highlander Way		Manchester	03103	(603) 314-5900
Stahl	Keith	MD	Family Health and Wellness Center at Bedford	188 Route 101		Bedford	03110	(603) 663-8052
St. Onge	Carole	APRN	Catholic Medical Center - Wound Clinic	88 McGregor Street	Suite 101B	Manchester	03102	603-663-6000
Synan	Thomas	MD	Granite State Internal Medicine	188 Rt 101		Bedford	03110	(603) 314-4700
Taras	Malgorzata	MD	Highlander Way Internal Medicine	1 Highlander Way		Manchester	03103	(603) 314-5900
Thompson	Jennifer	APRN	New England Heart Center	100 McGregor Street		Manchester	03102	(603) 663-6894
Tibbs	Heather	PA-C	New England Heart Center	100 McGregor Street		Manchester	03102	(603) 663-6894
Tombasco	Monica	APRN	Urgent Care at Bedford	5 Washington Place	Suite 1B	Bedford	03110	603-314-4567
Tomolonis	Richard	MD	Surgical Care Group	87 McGregor Street	Suite 3100	Manchester	03102	(603) 627-1887
Uhlenhake	Jill	PA-C	Surgical Care Group	87 McGregor Street	Suite 3100	Manchester	03105	(603) 627-1887
VanBuren	Daniel	MD	New England Heart Center	100 McGregor Street		Manchester	03102	(603) 663-6894
Westbrook	Benjamin	MD	Cardiothoracic Surgical Associates	100 McGregor Street	Suite B600A	Manchester	03102	(603) 663-6340
Windler	William	MD	Urgent Care at Bedford	5 Washington Place	Suite 1B	Bedford	03110	603-314-4567
Wood	Michael	MD	Obesity Treatment Center	769 South Main Street	3rd Floor	Manchester	03102	(603) 663-7377
Wu	Andrew	MD	Surgical Care Group	87 McGregor Street	Suite 3100	Manchester	03102	(603) 627-1887
Wu	Andrew	MD	Obesity Treatment Center	769 South Main Street	3rd Floor	Manchester	03102	(603) 663-7377
Ziemba	Kristine	APRN	New England Heart Center	100 McGregor Street		Manchester	03102	(603) 663-6894

**Catholic Medical Center
Board of Directors – 2016**

Maria Mongan, *Chair*

████████████████████
Manchester, NH 03104

Rick Botnick, *Immediate Past Chair*

Botnick 5 / Ventures Inc.

80 Ross Ave

Manchester, NH 03103

John G. Cronin, Esq., *Vice Chair*

Cronin, Bisson & Zalinsky, P.C.

722 Chestnut Street

Manchester, NH 03104

Joseph Pepe, MD, *President/CEO*

Catholic Medical Center

100 McGregor Street

Manchester, NH 03102

Neil Levesque, *Secretary*

NH Institute of Politics

100 Saint Anselm Drive # 1802

Manchester, NH 03102-1310

Richard E. Ashooh, *Treasurer*

UNH School of Law

Warren B. Rudman Center

2 White Street

Concord, NH 03301

Catholic Medical Center Board of Directors – 2016

Robert A. Catania, MD
[REDACTED]
Bedford, NH 03110

Carolyn G. Claussen, MD
Willowbend Family Practice
5 Washington Place, Suite 1A
Bedford, NH 03110

Jeannette M. Davila
[REDACTED]
Bedford, NH 03110

Pamela Diamantis
Curbstone Financial Management Corp
741 Chestnut St
Manchester, NH 03104

Harry E. Dumay, Ph.D.
Saint Anselm College
100 Saint Anselm Drive
Manchester, NH 03102

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100 McGregor Street
Manchester, NH 03102

Powen Hsu, M.D.
New Era Medicine
87 McGregor Street, Suite 3200
Manchester, NH 03102

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1066 Front Street
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President of CMC Medical Staff
NH NeuroSpine Institute
4 Hawthorne Drive
Bedford, NH 03110

Paul Moore, Esq.
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Bedford, NH 03110

Diane Murphy Quinlan, Esq.
Bishop's Delegate for Health Care
Diocese of Manchester
153 Ash St, PO Box 310
Manchester, NH 03105-0310

Keith A. Stahl, MD
Family Health & Wellness Center
188 Route 101
Bedford, NH 03110

Donald St. Germain
St. Mary's Bank
200 McGregor Street
Manchester, NH 03102

Fr. Patrick Sullivan O.S.B, RN
St. Anselm College / Abbey
100 St. Anselm Drive
Manchester, NH 03102-1310

**Catholic Medical Center
Board of Directors – 2016**

Board Counsel:

Alexander J. Walker, Jr., Esq
SVP, Operations & Strategic Development
Catholic Medical Center
100 McGregor Street
Manchester, NH 03102
603.663.6040

Executive Assistant / Board Liaison:

Dorothy Welsh
Catholic Medical Center
100 McGregor Street
Manchester, NH 03102
603.663.6552
e-mail: dwelsh@cmc-nh.org

<u>Position</u>	<u>CY12 Salary</u>	<u>CY16 Salary</u>
Chief Executive Officer	495,192	535,600
Chief Financial Officer	423,816	360,506
Chief Information Officer	296,437	215,009
Chief Nursing Officer	257,640	235,206
VP Operations/Emergency Services	193,180	187,533
VP Surgical Services	201,731	n/a
VP Physician Practices	213,101	236,812
VP Strategy/General Counsel	302,093	350,189
Chief Quality Officer	147,920	n/a
Chief Medical Officer	n/a	429,562



**CATHOLIC MEDICAL CENTER HEALTHCARE SYSTEM
JOB DESCRIPTION**



CATHOLIC MEDICAL CENTER HEALTHCARE SYSTEM MISSION STATEMENT
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.

EFFECTIVE DATE: 11/12
EXEMPTION STATUS: Exempt
POSITION TITLE: Executive Vice President, Chief Financial Officer
DEPARTMENT/SERVICE: Finance
REPORTS TO: President/CEO

POSITION SUMMARY:

The EVP, CFO is responsible for the development, interpretation, coordination and administration of the system's policies on finance, accounting, insurance, investments, financing, internal controls and auditing. The position is also responsible for the maintenance of records and procedures required to adequately safeguard the assets of the system. The EVP, CFO participates in strategic planning, compatible with the system's objectives and financial business plan.

Under the overall direction of the President/CEO, and within established departmental policies and procedures, the incumbent performs the following functions:

PRINCIPAL DUTIES AND RESPONSIBILITIES:

- 1. Develops, interprets, coordinates and administers the corporate policies on finance, investments, insurance, accounting systems, internal controls and auditing. Maintains knowledge of national, state and local economic conditions and determines their impact on current operations. Keeps abreast of all regulatory activities which may influence the fiscal management of the system.
- 2. Prepares and presents consolidated, system-wide, operating and capital budgets to the Board of Trustees for their review and approval, in conjunction with the CEO.
- 3. Reviews each service provider's business plan and correlates the plans with operating budgets for appropriateness. Provides a corporate-wide review process of actual performance against budget to ensure that operations are maintained within allocated funding levels. Develops and maintains a corporate-wide auditing system.
- 4. Prepares and presents to management and the Board of Trustees periodic reports outlining the corporation's financial position in all areas by assets, liabilities, income, and expenses.
- 5. Prepares and files all federal, state and local financial reports.

6. Prepares and ensures the distribution of any dividends, cash distribution or other remuneration due investors for the for-profit corporations. Files required financial information with the Office of the Secretary of State.
7. Reviews and provides for current and adequate insurance protection to guard CMC from liability and/or loss.
8. Researches and acquires funding for various corporate ventures and initiatives.
9. Evaluates the system's rate structures and recommends changes, when needed.
10. Evaluates for management and the Board of Trustees, the system's objectives and programs as they relate to third-party reimbursement.
11. Negotiates agreements with health maintenance organizations, preferred provider organizations, and outside groups contracting for healthcare services.
12. Oversees the medical records and admissions functions.
13. Participates in the functions and activities of the CMC Executive Management Team, including but not limited to serving on committees and task forces, preparing reports as requested, and representing administration as needed or requested.
14. Works within policies, procedures and protocols as they relate to the job. Participates in appropriate role in disasters, fire drills, fires and other emergency situations according to location.
15. Exercises care in the operation and use of equipment and reference materials. Maintains work area in an orderly manner.
16. Is responsible for complying with and enforcing all established organizational and departmental policies and procedures.
17. Ensures confidentiality of employee, legal, budget, and company matters. Maintains good communications; establishes and maintains positive working relationships with employees, regulatory agencies, vendors, the public and among the hospital organizations.
18. Performs similar or related duties as required or directed.

KNOWLEDGE, SKILLS AND ABILITIES

Individuals must possess the following knowledge, skills and abilities or be able to explain and demonstrate that the individual can perform the essential functions of the job, with or without reasonable accommodation, using some other combination of skills and abilities and to possess the necessary physical requirements, with or without the aid of mechanical devices to safely perform the essential functions of the job:

1. Ability to bend the body downward and forward by bending spine at the waist. Ability to extend hand(s) and arm(s) in any direction. Ability to stand for sustained periods of time. Ability to move about on foot to accomplish tasks, particularly for long periods of time. Ability to raise objects from a lower to a higher position or moving objects horizontally from position to position.
2. Ability to pick, pinch, type or otherwise work primarily with fingers rather than the whole hand or arm as in handling.
3. Ability to express or exchange ideas by means of the spoken word. Incumbent must convey detailed questions to elicit information from others.
4. Ability to exert up to 10 pounds of force occasionally and or a negligible amount of force frequently or constantly to lift, carry, push, pull or otherwise move objects.
5. The incumbent is subject to both environmental conditions and activities that occur inside and outside.
6. Visual acuity sufficient for work which deals largely with preparing data and figures, accounting, and extensive reading.
7. The ability to plan and perform complex work which involves new or constantly changing problems where there is little accepted method or procedure. Involves participation in the formulation and carrying out of policies, objectives and programs for major divisions or functions. Considerable ingenuity and exceptional judgment required to deal with factors not easily evaluated, interpret results and make decisions carrying a great deal of responsibility. Direct and coordinate the work of subordinate supervision in order to attain objectives.

OSHA RATING: Category II (No exposure to blood borne pathogens)

PHI ACCESS: Limited

WORK SCHEDULE:

- Generally works Monday through Friday day shift; expectation of evening, night, weekend scheduled or unscheduled requirements; periodic overnight travel for meetings, educational programs, etc.

QUALIFICATIONS:

Education:

- Bachelors Degree or a combination of related education, knowledge and related experience; Masters Degree in a related healthcare or business discipline preferred.

Experience:

- Sufficient previous experience as a Senior Level Manager in healthcare.

Standard of Business Conduct

Individuals are required to refrain from participating in any activities that could be construed as fraud and abuse. Requires the ability to follow Catholic Medical Center's Standards of Business Conduct in any instance where you feel there is suspicion of fraud or abuse, or a violation of the law. The Standards of Business Conduct requires that suspicion or knowledge of any person(s) in violation of the Code be reported to the Corporate Compliance Officer. The extent to which you comply with the requirements contained within the Code will be a factor in evaluating your overall job performance.

SIGNATURES

I have been given a copy of this position description, and have read and will comply with the expectations and requirements outlined in this position description. I understand that receipt of this position description is not meant to be constructed as or constitute a contract of employment.

Employee Name: _____

Employee Signature: _____ Date: _____

Manager Name: _____

Manager Signature: _____ Date: _____

Disclaimer:

The above information on this description has been designed to indicate the general nature and level of work performed by employees within this classification. It is not designed to contain or be interpreted as a comprehensive inventory of all duties, responsibilities, and qualifications required of employees assigned to this job.

This job description supersedes all other versions.



**CATHOLIC MEDICAL CENTER HEALTHCARE SYSTEM
JOB DESCRIPTION**



CATHOLIC MEDICAL CENTER HEALTHCARE SYSTEM MISSION STATEMENT

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.

EFFECTIVE DATE: June, 2014
EXEMPTION STATUS: Exempt
POSITION TITLE: VP, CIO
DEPARTMENT/SERVICE: IS Executive
REPORTS TO: Executive Vice President / CFO

POSITION SUMMARY:

Responsible for all information and communication systems for the Health System Network, including voice and data communications networks, information systems business and clinical applications, and other related technologies as adopted by service lines and departments. Must ensure the continuous delivery of available and responsive systems, and timely and accurate data throughout Catholic Medical Center and its affiliates as appropriate. As a member of the senior management team, formulates plans for maximizing the use of information technology in support of corporate business objectives. Participates with senior management in a proactive manner to build strategic plans for the organization through the effective collection, organization and delivery of critical information to insure that information resources and services are in place to support established business plans. Manages a complex infrastructure supporting a diverse user base, utilizing applications provided by multiple vendors, including custom written and designed applications. The user community resides across multiple locations. The network operates 24x7x365, supporting over 250 individual applications

PRINCIPAL DUTIES AND RESPONSIBILITIES:

Under the general direction of the Executive Vice President/CFO and within established policies and procedures, the incumbent performs the following functions:

1. Directs and manages the information and communication technologies and services for fiscal, operational, clinical and decision-support uses for CMC and its affiliates.
2. Provides strategic and tactical planning, development, evaluation, and coordination of the information and technology systems for the health care network.
3. Facilitates communication between staff, management, vendors, and other technology resources within the organization.
4. Responsible for the management of multiple information and communications systems and projects, including voice, data, imaging, and office automation.

5. Plans, develops, implements, maintains and continuously enhances all network hardware and software for the corporation
6. Responsible for minimizing the investment required to produce established service levels. This requires the incumbent to maintain contact with suppliers and leasers of equipment and supplies, and to maintain a current knowledge and awareness of technology, equipment, prices and terms of agreements. The incumbent subsequently evaluates all factors, performs appropriate cost/benefit analysis and favors alternatives that minimize costs commensurate with acceptable risks. Defines, develops, designs and implements plans and strategies to maintain state-of-the-art solutions.
7. Designs, implements, and evaluates the systems that support end users in the productive use of computer hardware and software.
8. Develops and updates an information systems strategic plan for meeting current and future needs of CMC and its affiliates.
9. Coordinates the core steering group, and insures that it functions as a mechanism which improves the overall value of IT consistent with CMC priorities.
10. Serves as the principal developer of corporate policies and standards aimed at minimizing costs and maximizing controls related to the acquisition, implementation and operation of information and communication systems.
11. Coordinates allocation of resources to provide high levels of service for development of new technology solutions to support CMC strategies and priorities.
12. Provides periodic reports of IT activity, status, and costs to senior management, executive management, the board of directors, and various committees as required.
13. Provides leadership to multidisciplinary task forces and committees in defining and acquiring technology solutions to meet business requirements and CMC strategic priorities.
14. Participates in formal and informal CMC task forces and meetings involving planning, quality improvement, and other matters of priority to the Executive Management Team.
15. Ascertains, establishes and offers education and training programs for existing and future users.
16. Prepares, presents and administers plans, capital and operating budgets for the information services group. The incumbent has responsibility for monitoring IT activities and costs as they relate to the overall utilization of resources required to meet corporate I/S targets.
17. Interviews and selects candidates for employment. Orients, trains, supervises, directs, schedules and assigns work of subordinates. Outlines scope of authority as well as job responsibilities of employees under supervision. Initiates and approves personnel actions including, but not limited to, hiring, transferring, suspending, discharging, assigning, rewarding,

disciplining or adjusting of grievances involving assigned personnel. Prepares and conducts formal/informal performance evaluations and recommends merit increases.

18. Negotiates all hardware, software and integration contracts, soliciting involvement and participation of other management team members as appropriate.
19. Provides direction and monitoring of progress on major EDP/IS projects, including the rapid mobilization of resources to diminish implementation time lines and organizational impacts.
20. Develops and implements user-training programs.
21. Develops, implements and monitors the federal meaningful use requirements related to health information technology to ensure successful timely compliance with the financial incentives.
22. Interacts with senior management in determining systems needs, changes, improvements, and subsequently provides direction for new systems from project inception through installation and functional operation.
23. Develops and executes plans and programs to inform and communicate with users.
24. The incumbent must take a corporate view of systems and problems, and generate strategies that are consistent with the strategic goals of CMC, and in the best interest of the overall system.
25. Participates in the functions and activities of the CMC Senior Management Team, including but not limited to serving on committees and task forces, preparing reports as requested, and representing administration as needed or requested.
26. Maintains professional growth and development through seminars, workshops, and professional affiliations to keep abreast of latest trends in field of expertise.
27. Exercises care in the use and operation of equipment and reference materials. Maintains work area in a clean and organized manner.
28. Ensures confidentiality of employee, legal, client/patient, budget and all company matters.
29. Participates in appropriate role in disaster and fire drills, fires, and other emergency situations.
30. Performs similar or related duties as requested or directed.

KNOWLEDGE, SKILLS AND ABILITIES

Individuals must possess the following knowledge, skills and abilities or be able to explain and demonstrate that the individual can perform the essential functions of the job, with or without reasonable accommodation, using some other combination of skills and abilities and to possess the necessary physical requirements, with or without the aid of mechanical devices to safely perform the essential functions of the job:

1. Physical requirements include the ability to extend hand(s) and arm(s) in any direction; raise objects from a lower to a higher position or move objects horizontally from position to position; pick, pinch, type or otherwise work primarily with fingers rather than the whole hand or arm; apply pressure to an object with fingers and palm; sustain substantial movement of wrists, hands and/or fingers.
2. Ability to express or exchange ideas by means of the spoken word.
3. Ability to receive detailed information through oral communication and to make fine discriminations in sound.
4. Ability to exert up to 10 pounds of force occasionally and/or a negligible amount of force frequently or constantly to lift, carry, push, pull or otherwise move objects.
5. Visual acuity sufficient for work which deals largely with preparing and analyzing data and figures, accounting, transcription, computer terminal work, and extensive reading.
6. Ability to endure periods of heavy workload or stress. Ability to work with frequent interruptions and respond appropriately to unexpected situations.
7. Ability to transport self to and from off-site locations.
8. Requires the ability to plan and perform complex work which involves new or constantly changing problems where there is little accepted method or procedure. Involves participation in the formulation and carrying out of policies, objectives and programs for major divisions or functions. Considerable ingenuity and exceptional judgment required to deal with factors not easily evaluated, interpret results and make decisions carrying a great deal of responsibility. Direct and coordinate the work of subordinate supervision in order to attain objectives.

OSHA RATING: Category II (No exposure to blood borne pathogens)

PHI ACCESS: Limited

WORK SCHEDULE:

- Generally Monday through Friday, days; occasional requirements to cover special events, periodic overnight travel, etc.

QUALIFICATIONS:

Education:

- Bachelor's degree in a related field required.
- Advanced degree (MBA, Master of Health Care Administration, Master of Computer Science) preferred.

Experience:

- A minimum of fifteen years information systems management experience preferably in the application and delivery of information system technologies in a health care environment.

- System integration experience implementing systems which involve multiple vendors and multidisciplinary teams under specific schedules and budgets with committed deliverables.
- Must have a strong background and experience with project management methodologies including a successful track record of large scale information systems project implementations. Must understand and be capable of coordinating a healthcare business strategy to the application of information technology. Must be capable of anticipating the information technology needs of the organization as a result of the strategic initiatives which have been established.
- The successful candidate will have strong skills in information technology components including but not limited to local and wide area network topologies, hardware components, voice communication technologies including tariffs and regulatory considerations. Knowledge of computer hardware and data base architectures, including relational, basic, objected based technologies, and electronic data exchange, programming languages, and fourth and fifth generation tools. The candidate must have a strong understanding of the personal computer industry, the trends that drive it as well as the IT industry in general.
- The candidate must have a background in business and clinical systems, including experience in their implementation in a hospital system with a strong ambulatory presence. Merger, conversion, and consolidation experience is a must.
- The individual must be capable of evaluating the effectiveness of the I/S staff across a variety of disciplines including communications, systems development, operations, people management , strategic planning, and personal computer deployment and use.
- Strong planning and accounting skills including the ability to construct strategic plans, analyze cash flows, along with the long term implications of capital and expense expenditures.
- Strong communication skills including the ability to interact with executive level management, physicians, community business leaders, patients, employees and agencies. The ability to speak in a public forum, present ideas, and generate acceptance of concepts and strategies.
- Training and experience in contract law, and contract management, including the preparation and management of system integration contracts which have fixed time frames, penalties, and deliverables. Training and experience in the preparation and development of software license agreements.
- Training and experience in the development of I/T lease arrangements including step leases, capital leases, operating leases, and technology exchange leases.

Standard of Business Conduct

Individuals are required to refrain from participating in any activities that could be construed as fraud and abuse. Requires the ability to follow Catholic Medical Center's Standards of Business Conduct in any instance where you feel there is suspicion of fraud or abuse, or a violation of the law. The Standards of Business Conduct requires that suspicion or knowledge of any person(s) in violation of the Code be reported to the Corporate Compliance Officer. The extent to which you comply with the requirements contained within the Code will be a factor in evaluating your overall job performance.

SIGNATURES

I have been given a copy of this position description, and have read and will comply with the expectations and requirements outlined in this position description. I understand that receipt of this position description is not meant to be constructed as or constitute a contract of employment.

Employee Name: _____

Employee Signature: _____ Date: _____

Manager Name: _____

Manager Signature: _____ Date: _____

Disclaimer:

The above information on this description has been designed to indicate the general nature and level of work performed by employees within this classification. It is not designed to contain or be interpreted as a comprehensive inventory of all duties, responsibilities, and qualifications required of employees assigned to this job.

This job description supersedes all other versions.



**CATHOLIC MEDICAL CENTER HEALTHCARE SYSTEM
JOB DESCRIPTION**



CATHOLIC MEDICAL CENTER HEALTHCARE SYSTEM MISSION STATEMENT

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.

EFFECTIVE DATE: August, 2013

EXEMPTION STATUS: Exempt

POSITION TITLE: SVP, Clinical Operations / CNO
DEPARTMENT/SERVICE: Chief Nurse Officer
REPORTS TO: Executive VP, CFO

POSITION SUMMARY:

Administers the interpretation and implementation of the standards of nursing practice throughout CMC, assures that competent, compassionate standards are uniformly applied in the provision of patient care across all service lines. Plans, organizes, implements and evaluates supportive and evaluative services that provide to all patient care and hospital areas mechanisms to achieve a clinical environment that provides for the comfort and safety of all patients.

Supervises and directs patient care services leadership toward attainment of identified short- and long-term goals and objectives; executes strategies and plans designed to achieve said objectives and collaborating with other hospital executives to meet organizational goals and objectives.

Provides for an efficient and effective mechanism of communication that assures consistency across all service lines and within all hospital departments. Assists the Chief Executive Officer in the administration of the hospital.

PRINCIPAL DUTIES AND RESPONSIBILITIES:

Under the general direction of the Executive VP, CFO and within established CMC and departmental policies and procedures, the incumbent performs the following functions:

1. Interprets and oversees the implementation and evaluation of uniform quality standards for nursing practice that are approved by recognized experts and other accreditation agencies.
2. Identifies and articulates the vision and strategic direction for the delivery of patient care and the discipline of Nursing across all patient care settings, directs and collaborates on the implementation of strategies to achieve them.
3. Creates an environment in which collaboration is valued and excellence in clinical care, education, and research is promoted and achieved.

4. Establishes vision and is accountable for programs which support the nursing profession such as professional recognition programs, nursing leadership development, nursing research and nursing tuition programs.
5. Oversees the development of educational programs that will assist with the interpretation of the standards of practice and their application to direct patient care.
6. Partners with PI and Chief Quality Officer to promote patient safety and quality patient care.
7. Partners with Office of Catholic Identity to ensure the Ethical and Religious Directives of the Catholic Church are evident in provision of patient care
8. Serves as the senior spokesperson for Nursing. Advises the senior leadership, the medical staff, board and individual clinical facilities and other internal and external groups by providing input about the implications of decisions and change on the quality of patient care, on nursing practice, and on nursing care provider
9. Develops and ensures a safe and effective patient care environment through participation in institutional planning, product evaluation, and evaluation of new systems and programs that impact nursing care in the organization.
10. Disseminates information to responsible departments and promotes communication exchange
11. Assures the provision of a clinical environment for students in nursing and other related health fields. Assures that the educational objectives of the students and the placement within the organization are consistent. Ensures that the State Board of Nursing receives the student affiliation schedules.
12. Assures compliance for the JC, HCFA and other State and Federal regulatory bodies.
13. Maintains an appropriate patient classification system. Assures that the appropriate numbers and classification of personnel are assigned to provide patient care. Reviews, with the appropriate executive, any discrepancies that exist.
14. Assures that the appropriate contractual agreements are current and meet insurance and legal requirements for the use of outside nursing agencies. Assures that appropriate orientation and evaluation of the agency nurses are completed and kept on file.
15. Maintains a system for assuring that the licenses of the nursing personnel are current. Maintains communication with the State Board of Nursing and communicates any changes or disciplinary action necessary to the nursing personnel.
16. Promotes and fosters an inter-professional approach to patient care, and the coordination of care among disciplines.
17. Interviews and selects candidates for employment. Orients, trains, supervises, directs, schedules and assigns work of subordinate staff whether through own efforts or by delegation to subordinate supervisory staff.

18. Outlines scope of authority as well as job responsibilities of employees under supervision. Initiates and approves personnel actions including, but not limited to, hiring, transferring, suspending, discharging, assigning, rewarding, disciplining or adjusting of grievances involving assigned personnel. Prepares and conducts formal/informal performance evaluations and recommends merit increases.
19. Provides leadership and direction for the development of strategies to promote the recruitment, retention, and recognition of excellence in Nursing; including but not limited to the oversight and recommendations regarding compensation and benefit programs for nursing staff
20. Prepares or directs preparation of departmental budgets and works within established budgetary guidelines. Reviews specifications and coordinates purchase of equipment, technology, services and/or manpower to achieve cost-effective acquisitions to meet the needs and goals of the departments and subsidiary companies. Evaluates results of purchases and monitors contractual agreements to ensure value is received.
21. Oversees the Nursing Shared Governance Structure and leads the Nursing Leadership Council
22. Serves as the administrative liaison as a voting member to medical staff, Joint Conference, Ethic Board Committees, and other board committees as requested. Attends and serves on professional/civic service organizations as a CMC representative.
23. Maintains professional growth and development through seminars, workshops, and professional affiliations to keep abreast of latest trends in field of expertise.
24. Exercises care in the use and operation of CMC equipment and reference materials.
25. Ensures confidentiality of employee, legal, budget and CMC matters.
26. Performs similar or related duties as requested or directed.

KNOWLEDGE, SKILLS AND ABILITIES

Individuals must possess the following knowledge, skills and abilities or be able to explain and demonstrate that the individual can perform the essential functions of the job, with or without reasonable accommodation, using some other combination of skills and abilities and to possess the necessary physical requirements, with or without the aid of mechanical devices to safely perform the essential functions of the job:

1. Ability to exert up to 10 pounds of force occasionally and/or a negligible amount of force frequently or constantly to lift, carry, push, pull or otherwise move objects.
2. Ability to endure periods of heavy workload or stress. Ability to work with frequent interruptions and respond appropriately to unexpected situations.
3. Ability to transport self to and from off-site locations.

4. Ability to plan and perform diversified duties requiring an extensive knowledge of a particular field and the use of a wide range of procedures. Involves the exercise of judgment in the analysis of facts and conditions regarding individual problems or transactions to determine what actions should be taken, modifying or adapting standard procedures to meet different conditions, making decisions based on precedent and policy.

OSHA RATING: Category II (No exposure to blood borne pathogens)

PHI ACCESS: Limited

WORK SCHEDULE:

- Generally Monday through Friday, days; occasional requirements to cover special events, periodic overnight travel, etc.

QUALIFICATIONS:

Education:

- Graduate of an N.L.N. approved nursing program.
- Masters Degree in Nursing required.

Experience:

- Minimum of seven (7) or more years of experience in Nursing Administration at the executive level.

Licensure/Certification:

- Current registration in the State of New Hampshire as a Registered Nurse.
- Nursing Administration certification strongly preferred.

Standard of Business Conduct

Individuals are required to refrain from participating in any activities that could be construed as fraud and abuse. Requires the ability to follow Catholic Medical Center's Standards of Business Conduct in any instance where you feel there is suspicion of fraud or abuse, or a violation of the law. The Standards of Business Conduct requires that suspicion or knowledge of any person(s) in violation of the Code be reported to the Corporate Compliance Officer. The extent to which you comply with the requirements contained within the Code will be a factor in evaluating your overall job performance.

SIGNATURES

I have been given a copy of this position description, and have read and will comply with the expectations and requirements outlined in this position description. I understand that receipt of this position description is not meant to be constructed as or constitute a contract of employment.

Employee Name: _____

Employee Signature: _____ Date: _____

Manager Name: _____

Manager Signature: _____ Date: _____

Disclaimer:

The above information on this description has been designed to indicate the general nature and level of work performed by employees within this classification. It is not designed to contain or be interpreted as a comprehensive inventory of all duties, responsibilities, and qualifications required of employees assigned to this job.

This job description supersedes all other versions.

**CATHOLIC MEDICAL CENTER
JOB DESCRIPTION**

REVISED:

EFFECTIVE DATE: 08/11

EXEMPTION STATUS: Exempt

POSITION TITLE: Executive Director of Emergency Services and Disaster Management

DEPARTMENT/SERVICE: Emergency Department

REPORTS TO: Senior Vice President Chief Operating Officer

PRIMARY PURPOSE

Responsible for planning, directing and managing the provision of all emergency services for Catholic Medical Center. Maintains relationships with physicians, staff, hospital departments, EMS and other organizations that refer patients to Catholic Medical Center. The Division of Emergency Services includes the Emergency Department, EMS Disaster Management, Trauma, Stroke Services, and Respiratory Service.

DUTIES AND RESPONSIBILITIES

Under the general direction of the SVP/COO and within established policies and procedures, the incumbent performs the following functions:

Emergency Department Essential Functions:

1. Develops productive, influential relationships within the service area with physicians, EMS, HMO management, government officials, vendors, and other individuals or representatives of companies necessary to conduct the affairs of the business of Emergency Services.
2. Ensures the highest possible level of patient care, maintains the patient care focus of the service and is an advocate and leader in maintaining and promoting customer satisfaction.
3. Establishes the Emergency Services line as a recognized community resource known for providing excellent care. Maintains high visibility profile in the organization and at the local and state level.
4. Develops and monitors budgets and ensures the efficient fiscal solvency of all direct reporting departments.
5. Ensures that daily operations are in compliance with all laws and guidelines of federal, state and local accrediting agencies and regulators. Implements and interprets all policies, procedures, rules and regulations affecting the operations of Emergency Services.
6. Participates in the development and negotiation of Emergency Services contracts and monitors the contract results and viability.
7. Implements and manages an organizational structure which effectively delivers the required services to the communities served and provides an appropriate structure for the organization's employees.

8. Works collaboratively with all areas of CMC management to assure quality, diversified and price competitive services which are supported by the emergency room physicians and local medical staffs.
9. Interviews and selects candidates for employment. Orients as appropriate. Outlines scope of authority and job responsibilities of employees under supervision. Initiates personnel actions. Prepares and conducts formal/informal performance evaluations and recommends merit awards for employees under supervision.
10. Maintains an effective marketing network that supports all aspects of emergency services for CMC.
11. Responsible for the successful operation of the Trauma and Stroke programs.

Disaster Management Essential Functions:

1. Ensures CMC is in compliance with all Homeland Security, Federal, State, NHHA and The Joint Commission emergency management requirements. Accountable for the compliance and revision of the CMC Disaster Plan as mandated by the preceding organizations. Represents CMC at all Disaster Preparedness meetings at the local, state and federal levels.
2. Manages federally allocated ASPR funds for required purchases of emergency/disaster related equipment. Submits quarterly balance sheets to New Hampshire Homeland Security office and provides documentation for federal and state audits.
3. Chairs the CMC Disaster Management Committee. Provides required education for the CMC Incident Command System and for the CMC management team.
4. Plans, organizes, and enacts all required disaster drills to meet federal, state and local requirements. Applies for federal training money by writing grant proposals, preparing master scenario event lists and after-action reports.
5. Establishes and maintains all memorandums of understanding for emergency management partners supply agreements. Responsible for the distribution/safekeeping of pandemic/epidemic prophylaxis for the CMC organization.
6. Assures maintenance and safekeeping of all acquired vehicles and stored supplies.
7. Maintains all required Emergency Preparedness certifications.

Emergency Medical Services Essential Functions:

1. Maintains CMC participation in the State of New Hampshire EMS Registry to include all files, records, licenses, and contracts for CMC as a medical resource hospital.
2. Ensures quality reviews of EMS transports actions.
3. Develops quarterly paramedic and EMT education programs.
4. Facilitate EMS relationships for The New England Heart Institute.
5. Ensure Stark Law compliance with all EMS exchange of medical supplies and pharmaceutical supplies. Maintains all compliance records as mandated.
6. Performs duties of CMC liaison for the State of New Hampshire EMS Institute.

Secondary Functions:

1. Maintains professional growth and development through seminars, workshops, and professional affiliations to keep abreast of the latest trends in field of expertise.
2. Participates in committee meetings. Attends and serves on professional/civic service organizations as the hospital representative.
3. Participates in appropriate role in disasters, fire drills, fires and other emergency situations.
4. Exercises care in the use and operation of equipment and reference materials. Maintains work area in a clean and organized manner.
5. Performs similar or related duties as requested or directed.

KNOWLEDGE, SKILLS AND ABILITIES

Individual must possess the knowledge, skills and abilities listed or be able to explain and demonstrate that the individual can perform the essential functions of the job, with or without reasonable accommodation, using some other combination of skills and abilities and to possess the necessary physical requirements with or without the aid of mechanical devices to safely perform the essential functions of the job.

1. Ability to designate patient care delivery in a manner that is appropriate to patient's age, physical ability and intellectual development. Must demonstrate proficiency in assessing treatment and responses and adapting care to meet the needs of the patient population served.
2. Physical requirements include the ability to extend hand(s) and arm(s) in any direction; pick, pinch, type or otherwise work primarily with fingers. Essential functions involve sitting most of the time. Walking and standing may be required.
3. Ability to express or exchange ideas by means of the spoken word. Essential functions include activities in which incumbent must convey detailed or important spoken instructions to patients, physicians, families and other employees.
4. Ability to receive detailed information through oral communication and to make fine discriminations in sound.
5. Ability to exert up to 10 pounds of force occasionally and/or a negligible amount of force frequently or constantly to lift, carry, push, pull, or otherwise move objects.
6. Ability to wear safety glasses, gloves, gowns, masks and other safety equipment as necessary.
7. Visual acuity sufficient for work which deals largely with preparing and analyzing data and figures, accounting, transcription, computer terminal work, extensive reading, and visual inspection involving small parts/devices.
8. Ability to endure periods of heavy workload and stress.
9. Ability to work with frequent interruptions and respond appropriately to unexpected situations.
10. Ability to travel to meetings and conferences which are held off-site.

11. The ability to plan and perform complex work which involves new or constantly changing problems where there is little accepted method or procedure. Involves participation in the formulation and carrying out of policies, objectives and programs for major divisions or functions. Considerable ingenuity and exceptional judgment required to deal with factors not easily evaluated, interpret results and make decisions carrying a great deal of responsibility. Direct and coordinate the work of subordinate supervision in order to attain objectives.

OSHA RATING: Category I (Exposure to blood borne pathogens)

ACCESS TO PHI: Complete

WORK SCHEDULE:

- Generally Monday through Friday, days. Evenings and weekends as necessary.

QUALIFICATIONS:

Education:

- Bachelor of Science Degree in nursing. Masters Degree in Management of Administration preferred.

Experience:

- At least three years of management experience in operations, program planning and strategic development for emergency services. Demonstrated leadership ability.

Standard of Business Conduct

Individuals are required to refrain from participating in any activities that could be construed as fraud and abuse. Requires the ability to follow Catholic Medical Center's Standards of Business Conduct in any instance where you feel there is suspicion of fraud or abuse, or a violation of the law. Requires that suspicion or knowledge of any persons violation of the Code be reported to the Corporate Compliance Officer. The extent to which you comply with the requirements contained within the Code will be a factor in evaluating your overall job performance.

Statement of Other Duties:

This document describes the major duties, responsibilities, and authorities of this job, and is not intended to be a complete list of all tasks and functions. It should be understood, therefore, that incumbents may be asked to perform job-related duties beyond those explicitly described.

This job description supersedes all other versions.

Review/Approvals:

Signature of Director and/or VP

Date

Signature of Human Resources Representative

Date

**CATHOLIC MEDICAL CENTER
JOB DESCRIPTION**

TITLE:	Vice President Patient & Physician Support Services	COMPENSATION APPROVAL: _____
DEPARTMENT:	Administration	EFFECTIVE: ____/____/____
REPORTS TO:	CEO, President, & SVP, COO	APPROVAL: _____

PRIMARY PURPOSE

The Vice President, Patient and Physician Support Services, is responsible for the administrative direction including planning, organizing, budgeting, implementing, evaluating and ensuring the efficient, economic, and quality performance of all assigned departments/areas of responsibility to support or provide quality health care services, assures that standards are uniformly applied in the provision of patient care across services lines. Accountable for the following departments: Admissions, Health Information Management, Social Work/Case Management, Pastoral Care, Patient Complaint Program, Quality Management (Hospital and Medical Staff), Credentialing, CME, Attendant Services, Risk Management, Corporate Compliance, the Medical Management Program, CMC Medical Director, and the Physician Advisor for Medical Management.

DUTIES AND RESPONSIBILITIES

Under the direction of the Chief Executive Officer and SVP, COO, and within established organizational and departmental policies and procedures, JCAHO standards, and all-applicable state and federal regulations, the incumbent performs the following functions:

Primary Functions:

1. Provides leadership, direction and general management to the department directors and programs including, but not limited to, developing goals and objectives, establishing and implementing policies and procedures for the operational and long-range planning of services of Catholic Medical Center.
2. Develops collaborative, influential relationships with the medical staff, third party payors, community agencies, nursing homes, and the QIO to assure efficient systems and resource utilization along the continuum to provide the consistent delivery of high quality services to patients, the community, and medical staff.
3. Assists in maintaining a hospital-wide Quality Management Program that evaluates the quality of care provided to patients and meets the requirements of accrediting agencies, including the Medical Staff. Serves as the Senior Management representative to the Board of Directors for the Quality Management Committee.
4. Responsible for the Patient Complaint Program supporting the rights of patients, addressing their needs and ethical concerns, and evaluating patient satisfaction.
5. Assures that the Admission Department supports the financial and informational needs of all departments to have correct demographic and billing information. Assures systems are in place for bed placement throughout the hospital, including pre-admissions and direct admissions.
6. Assures the provision of Social Work/Case Management services meet resource management, discharge planning, medical management (including physician profiling, clinical resource utilization, nursing unit profiles, avoidable days), patient rights, ethics and legal requirements of Catholic Medical Center and its subsidiaries. Identifies opportunities for improvements with length of stay reduction, practice variation, and cost savings processes without compromising quality patient care.
7. Assures the provision of Pastoral Care services to patients, family members and staff.
8. Provides leadership and overall direction for Quality Management, Medical Staff Support Services, CME, the Medical Staff, including medical staff committees, (i.e., Credentials Committee, Medical Executive Committee, Professional Health Committee) and Peer Review. Assures appropriate processes and systems are in place

Administration\ Vice President Patient & Physician Support Services

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for the credentialing of medical staff members (initial appointments and reappointments), and serves as the Senior Manager responsible for medical staff quality, risk management functions, corporate compliance and patient complaints.

9. Assures the Health Information Management Department meets the needs of Catholic Medical Center, physicians, payors and hospital-wide departments in accordance with state, federal and JCAHO regulations. Provides leadership and direction for appropriate education of medical staff and hospital employees including compliance, coding, documentation, and reimbursement functions.
10. Provides direction for system wide programs, policies, and procedures to ensure compliance with applicable federal and state laws (i.e. CMS and Medicaid) and JCAHO for all CMC employees, medical staff and volunteers.
11. Provides facilitation for process improvement within departments in order to impact on overall cost, quality and satisfaction for patient care.
12. Provides support to all hospital departments to assist them in the provision of patient care.
13. Interviews and selects candidates for employment. Orients, trains, supervises, directs, schedules and assigns work of subordinate staff whether through own efforts or by delegation to subordinate supervisory staff. Outlines scope of authority as well as job responsibilities of employees under supervision. Initiates and approves personnel actions including, but not limited to, hiring, transferring, suspending, discharging, assigning, rewarding, disciplining or adjusting of grievances involving assigned personnel. Prepares and conducts formal/informal performance evaluations and recommends merit increases.
14. Prepares or directs preparation of departmental budgets and works within established budgetary guidelines. Reviews specifications and coordinates purchase of equipment, technology, services and/or manpower to achieve cost-effective acquisitions to meet the needs and goals of departments and subsidiary companies. Evaluates results of purchases and monitors contractual agreements to ensure value is received.
15. Keeps the Chief Executive Officer/COO informed of all events, activities, or problems, which will, or may have, a significant effect on hospital operations.
16. Assures appropriate policies, procedures and guidelines are in place with managed care contracting impacting on financial reimbursement, quality medical management and satisfaction including capitated contracts.
17. Participates in Strategic Planning functions of the hospital, including the management, organization, participation and timely completion of special projects assigned by the CEO.
18. Provides direction and participation in the development of organization-wide management educational activities.
19. Attends Executive Committee of the Medical Staff and other medical staff committees as needed. Facilitates and/or chairs medical staff work teams to assure that the planning and development of services is completed.
20. Works closely with members of the medical staff, their elected officers and department chairs/chiefs to resolve issues, advance new and improved clinical programs, and ensure quality of care.
21. Works with medical staff members to maintain and improve performance in financial, utilization and patient/payor satisfaction matters.
22. Develops and maintains effective relations with internal and external constituents.
23. Provides educational activities and written communication to physicians related to the following: policies and procedures that affect their practices directly, initiatives within the organization as well as current market activities in the surrounding geographic market.

Secondary Functions:

Administration/Vice President Patient & Physician Support Services

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1. Attends/participates and serves on professional/civic service organizations as a Catholic Medical Center Senior Management representative.
2. Works within policies, procedures and protocols as they relate to the job. Participates in appropriate role in disasters, fire drills, fires and other emergency situations according to location.
3. Maintains professional growth and development through seminars, workshops, and professional affiliations to keep abreast of latest trends in field of expertise.
4. Serves as the administrative liaison to Medical Staff, Ethics Board Committees, Quality Management Committee, and other board committees as requested.
5. Exercises care in the use and operation of Catholic Medical Center equipment and reference materials.
6. Ensures confidentiality of employee, legal, budget and Catholic Medical Center matters.
7. Performs similar or related duties as requested or directed.

Knowledge, Skills and Abilities

Individuals must possess the knowledge, skills, and abilities listed or be able to explain and demonstrate that the individual can perform the essential functions of the job, with or without reasonable accommodation, using some other combination of skills and abilities and to possess the necessary physical requirements with or without the aid of mechanical devices to safely perform the essential functions of the job.

1. Ability to deliver patient care in a manner that is appropriate to patient's age, physical ability and intellectual development. Must demonstrate proficiency in assessing treatment and responses and adapting care to meet the needs of the patient population served; neonatal, pediatric, adolescent, adult and/or geriatric.
2. Physical requirements include ability to extend hand(s) and arm(s) in any direction; raise objects from a lower to a higher position or move objects horizontally from position to position; pick, pinch, type, or otherwise work primarily with fingers rather than the whole hand or arm; apply pressure to an object with fingers and palm; sustain substantial movement of wrists, hands and/or fingers.
3. Ability to express or exchange ideas by means of the spoken word. Essential functions include activities in which incumbent must convey detailed or important spoken instructions to employees, physicians, patients, families, and external contacts.
4. Ability to receive detailed information through oral communication and to make fine discrimination in sound.
5. Ability to exert up to 10 pounds of force occasionally and/or a negligible amount of force frequently or constantly to lift, carry, push, pull or otherwise move objects.
6. Visual acuity sufficient for work which deals largely with preparing and analyzing data and figures, accounting, transcription, computer terminal work, and extensive reading.
7. Ability to endure periods of heavy workload or stress. Ability to work with frequent interruptions and respond appropriately to unexpected situations.
8. Ability to transport self to and from off-site locations.
9. Ability to plan and perform complex work which involves new or constantly changing problems where there is little accepted method or procedure. Involves participation in the formulation and carrying out of policies, objectives and programs for major divisions or functions. Considerable ingenuity and exceptional judgment required to deal with factors not easily evaluated, interpret results and make decisions carrying a great deal of responsibility. Direct and coordinate the work of subordinate supervision in order to attain objectives.

10. Working knowledge of hospital organization, management, and operations. Basic knowledge of hospital accounting and finance, JCAHO standards, state and local government regulations, and human resources principles.
11. Ability to plan and perform diversified duties requiring an extensive knowledge of a particular field and the use of a wide range of procedures. Involves the exercise of judgment in the analysis of facts and conditions regarding individual problems or transactions to determine what actions should be taken, modifying or adapting standard procedures to meet different conditions, making decisions based on precedent and policy.
12. Ability to receive training and guidelines from supervisor before assuming program responsibilities. Functions independently following training.
13. Familiarity with database, spreadsheet and word processing software.
14. Ability to interact effectively with people of varied educational, socioeconomic and ethnic backgrounds, skill levels and value systems. Ability to work closely and professionally with representatives of regulatory, civic, and service organizations, healthcare professionals and members of the medical staff.
15. Individuals are required to refrain from participating in any activities that could be construed as fraud and abuse. Requires the ability to follow Catholic Medical Center's Standards of Business Conduct in any instance where you feel there is suspicion of fraud or abuse, or a violation of the law. Responsible for detecting offenses by employees within ones department. Requires that suspicion or knowledge of any person(s) violation of the Code be reported to the Corporate Compliance Officer. The extent to which you comply with the requirements contained within the Code will be a factor in evaluating your overall job performance.

OSHA RATING: 2
ACCESS TO PHI: Limited
WORK SCHEDULE: Generally Monday through Friday, day shift; expectation of evening, night, weekend scheduled or unscheduled requirements; Periodic overnight travel for meetings, educational programs, etc. Ability to take Administrative On-call.

QUALIFICATIONS:

Education: Masters Degree in Hospital or Health Care Administration or Business
Experience: Minimum of seven years experience in a management position in health care, including Operations, program planning and strategic development.



CATHOLIC MEDICAL CENTER HEALTHCARE SYSTEM JOB DESCRIPTION



CATHOLIC MEDICAL CENTER HEALTHCARE SYSTEM MISSION STATEMENT

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.

EFFECTIVE DATE: November, 2012

EXEMPTION STATUS: Exempt

POSITION TITLE: Senior Vice President, Operations / Strategic Development

DEPARTMENT/SERVICE: General Counsel

REPORTS TO: President/CEO

POSITION SUMMARY:

The Senior Vice President of Operations and Strategic Development is responsible for overseeing long-term strategic initiatives of the Hospital both internal and external to the institution. The Senior Vice President of Operations and Strategic Development participates in all strategic development and planning, including the management, organization and implementation of special projects assigned by the President/Chief Executive Officer. The Senior VP Operations/ Strategic Development will also function as the General Counsel. General Counsel is responsible for overseeing and directing all of the legal affairs of Catholic Medical Center and its affiliated entities and subsidiaries. The General Counsel is responsible for protecting the organization from legal and regulatory risk.

Under the overall direction of the President/CEO, and within established departmental policies and procedures, the incumbent performs the following functions:

PRINCIPAL DUTIES AND RESPONSIBILITIES:

1. Responsible for overseeing long-term strategic initiatives both internal and external to CMC.
2. Participates in all strategic development and planning, including the management, organization and implementation of special projects assigned by the President/CEO.
3. Responsible for overseeing Vice President of Strategy.
4. Serves as General Counsel to the CEO and the Board of Trustees on matters affecting Catholic Medical Center and its affiliated entities and subsidiaries. Maintains knowledge of federal and state laws and regulations and determines their impact on the organization's operations and strategic initiatives. Keeps abreast of all legal and regulatory activities which may influence the operations of the system.
5. Maintains, develops and reviews policies, procedures and practices to ensure compliance with federal and state laws and regulations. Develops, recommends and implements changes to existing policies, procedures and programs as necessary.

6. Responsible for overseeing Vice President of Human Resources and the Human Resources department as it relates to employment, compensation, benefits administrations, employee/labor relations, policies and procedures, organization development and training and employee records. Outlines scope of authority and job descriptions of employees under supervision; initiates personnel actions, including but not limited to hiring, transferring, suspending, discharging, assigning rewards and disciplinary of adjusting of grievances involving assigned personnel. Prepares and conducts formal and informal performance evaluations and recommends appropriate merit awards for employees under supervision.
7. Responsible for overseeing the Quality department, including the Data Center.
8. Responsible for overseeing and participation in all strategic planning initiatives, including identifying and pursuing opportunities to grow the organization through strategic transactions.
9. Responsible for Community Relations and Governmental Affairs. Responsible for maintaining strong relationships with community and business leaders to enhance the goodwill and reputation of the organization through regular and active participation in community events and service on appropriate non-profit boards.
10. Keeps the CEO informed of all legal and regulatory events, activities or issues which may have a significant effect on hospital operations.
11. Manages and oversees all legal and regulatory actions which may be brought against the organization, including hiring and overseeing outside legal counsel.
12. Prepares and presents to management and the Board of Trustees regular reports outlining the organization's legal and regulatory affairs.
13. Manages and oversees all the organization's governmental affairs and relations at federal, state and local levels. Responsible for maintaining strong relationships with governmental leaders and elected officials for the benefit of the organization.
14. Oversees corporate compliance and risk management for the organization.
15. Maintains personal and professional training and development. Keeps abreast of changes and maintains status in the field. Maintains professional affiliations, attends outside seminars and conferences, and confers with peers at other hospitals and organizations.
16. Serves as management representative to the Board of Trustees on appropriate committees. Serves as representative of the hospital and /or CEO on various affiliated boards of the organization.
17. Participates in the functions and activities of the Catholic Medical Center Executive Management Team, including but not limited to assigned operations of the Hospital, serving on committees and task forces, preparing reports as requested, and representing administration as needed or requested.

18. Works within policies, procedures and protocols as they relate to the job. Participates in appropriate role in disasters, fire drills, and other emergency situations according to location.
19. Exercises care in the operation and use of equipment and reference materials. Maintains work area in an orderly manner.
20. Is responsible for complying with and enforcing all established organizational and department policies and procedures.
21. Ensures confidentiality of employee, legal, budget and company matters. Maintains good communications; establishes and maintains positive working relationships with employees, regulatory agencies, vendors, the public and among the hospital organizations.
22. Performs similar or related duties and required or directed.

KNOWLEDGE, SKILLS AND ABILITIES

Individuals must possess the following knowledge, skills and abilities or be able to explain and demonstrate that the individual can perform the essential functions of the job, with or without reasonable accommodation, using some other combination of skills and abilities and to possess the necessary physical requirements, with or without the aid of mechanical devices to safely perform the essential functions of the job:

1. Ability to bend the body downward and forward by bending spine at the waist. Ability to extend hand(s) and arm(s) in any direction. Ability to stand for sustained periods of time. Ability to move about on foot to accomplish tasks, particularly for long periods of time. Ability to raise objects from a lower to a higher position or moving objects horizontally from position to position.
2. Ability to pick, pinch, type or otherwise work primarily with fingers rather than the whole hand or arm as in handling.
3. Ability to express or exchange ideas by means of the spoken word. Incumbent must convey detailed questions to elicit information from others.
4. Ability to exert up to 10 pounds of force occasionally and or a negligible amount of force frequently or constantly to lift, carry, push, pull or otherwise move objects.
5. The incumbent is subject to both environmental conditions and activities that occur inside and outside.
6. Visual acuity sufficient for work which deals largely with preparing data and figures, accounting, and extensive reading.
7. The ability to plan and perform complex work which involves new or constantly changing problems where there is little accepted method or procedure. Involves participation in the formulation and carrying out of policies, objectives and programs for major divisions or functions. Considerable ingenuity and exceptional judgment required to deal with factors not easily evaluated, interpret

results and make decisions carrying a great deal of responsibility. Direct and coordinate the work of subordinate supervision in order to attain objectives.

OSHA RATING: Category II (No exposure to blood borne pathogens)

PHI ACCESS: Limited

WORK SCHEDULE:

- Generally works Monday through Friday day shift; expectation of evening, night, weekend scheduled or unscheduled requirements; periodic overnight travel for meetings, educational programs, etc.

QUALIFICATIONS:

Education:

- Juris Doctorate Degree required.

Experience:

- Significant previous experience as a senior level executive, and/or counsel for a healthcare organization.

Standard of Business Conduct

Individuals are required to refrain from participating in any activities that could be construed as fraud and abuse. Requires the ability to follow Catholic Medical Center's Standards of Business Conduct in any instance where you feel there is suspicion of fraud or abuse, or a violation of the law. The Standards of Business Conduct requires that suspicion or knowledge of any person(s) in violation of the Code be reported to the Corporate Compliance Officer. The extent to which you comply with the requirements contained within the Code will be a factor in evaluating your overall job performance.

SIGNATURES

I have been given a copy of this position description, and have read and will comply with the expectations and requirements outlined in this position description. I understand that receipt of this position description is not meant to be constructed as or constitute a contract of employment.

Employee Name: _____

Employee Signature: _____ Date: _____

Manager Name: _____

Manager Signature: _____ Date: _____

Disclaimer:

The above information on this description has been designed to indicate the general nature and level of work performed by employees within this classification. It is not designed to contain or be interpreted as a comprehensive inventory of all duties, responsibilities, and qualifications required of employees assigned to this job.

This job description supersedes all other versions.



**CATHOLIC MEDICAL CENTER HEALTHCARE SYSTEM
JOB DESCRIPTION**



CATHOLIC MEDICAL CENTER HEALTHCARE SYSTEM MISSION STATEMENT

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.

EFFECTIVE DATE: October, 2012

POSITION TITLE: Executive Medical Director of Catholic Medical Center Health Systems

DEPARTMENT/SERVICE: Administration

REPORTS TO: SRVP/Operations / NEHI & Physician Practices

COMPENSATION: See Contract

POSITION SUMMARY

Executive Medical Director at Catholic Medical Center Health Systems (CMCHS) is responsible for advancing new and improved clinical programs, ensuring low cost, high quality of care and improving performance in financial, utilization and patient/family/payer satisfaction matters.

PRINCIPAL DUTIES AND RESPONSIBILITIES

Under the general direction of the SRVP/ Operations/NEHI & Physician Practices; within established departmental policies and procedures and all applicable laws, through own actions or by delegating to appropriate co-workers, the incumbent, performs the following functions:

1. Cooperates and participates in the development of overall strategic vision and plan for the hospital system with an emphasis on physician integration and aligning hospital and physician interests as well as creating value.
2. Works closely with the SRVP/ Operations / NEHI & Physician Practices in developing and maintaining internal and external stakeholder relationships and programs and initiatives.
3. Works closely with the Chief Medical Officer (CMO) and the administration to help the hospital and its medical staff be more effective and efficient in providing care and develop lines of communication and flow of information between administration and the medical staff with the help of physician leaders.
4. With the CMO and CMC Medical Directors, serves as a resource to the medical staff in regard to compliance and consistency in credentialing, reappointments, risk, quality, bylaws, policies, rules and regulations.
5. Works in coordination with the CMO and others in administration to resolve grievances relating to the medical staff interactions with patients, families, nurses, hospital staff and administration.

6. Assists the CMO and the medical staff in the process of risk/quality and corrective actions by education and communication.
7. Supports the medical staff elements of The Joint Commission (TJC), Centers for Medicare and Medicaid (CMS) and well as other accreditation and regulatory bodies.
8. Identifies and encourages future physician leaders.
9. Meets with and supports current medical staff leaders including elected medical staff and appointed medical directors to provide mentoring, guidance, education, and coordination of services.
10. Participates in the functions and activities of the CMC Management Team, including but not limited to serving on committees and task forces and performs other duties as physician leader when requested or needed.
11. Participates in appropriate role in disasters, fire drills, fires and other emergency situations according to location.
12. Responsible for compliance and enforcement of all established organizational and department policies and procedures.
13. Ensures confidentiality of employees, legal, budgetary, and company matters. Maintain good communications; establishes and maintains positive working relationships with employees, physicians, regulatory agencies, vendors, consultants, and the public.
14. Performs similar or related duties as required or directed.

KNOWLEDGE, SKILLS AND ABILITIES

Individuals must possess the knowledge, skills and abilities listed or be able to explain and demonstrate that the individual can perform the essential functions of the job, with or without reasonable accommodation, using some other combination of skills and abilities and possess the necessary physical requirements with or without the aid of mechanical devices, to safely perform the essential functions of the job.

1. Physical requirements include the ability to raise objects from a lower to a higher position or to move objects horizontally from position to position; the ability to extend hand(s) and arm(s) in any direction; pick, pinch, type or otherwise primarily work with fingers; Perceiving attributes of objects such as size, shape, temperature or texture by touching with skin, particularly that of fingertips; use upper extremities to exert force in order to draw, haul or tug objects in a sustained motion; to press against something with steady force in order to thrust forward, downward or outward; apply pressure to an object with the fingers and palm; ability to substantially move wrists, hands and/or fingers; bending body downward and forward by bending spine at the waist; bending body downward and forward by bending leg and spine; ability to bend legs at knee to come to rest on the knee or knees.

2. Ability to express or exchange ideas by means of the spoken word. Essential functions include activities in which incumbent must convey detailed or important spoken instructions to patients, physicians, families and other employees.
3. Ability to receive detailed information through oral communication and to make fine discriminations in sound.
4. Ability to exert up to 20 pounds of force occasionally, and/or a negligible amount of force constantly to move objects.
5. The incumbent is subject to hazards including a variety of physical conditions such as proximity to moving mechanical parts and electrical currents or exposure to chemicals.
6. The incumbent is subject to normal inside environmental conditions.
7. The incumbent is not substantially exposed to adverse environmental conditions.
8. Visual acuity sufficient for work which deals largely with preparing data and figures, accounting, transcription, computer terminal operation and extensive reading.
9. Requires the ability to plan and perform diversified duties requiring an extensive knowledge of a particular field and the use of a wide range of procedures. Involves the exercise of judgment in the analysis of facts and conditions regarding individual problems or transactions to determine what actions should be taken within the limits of standard practice.

OSHA RATING: Category II (No exposure to blood borne pathogens)

PHI ACCESS: Complete

QUALIFICATIONS

Education:

- MD or DO degree

Experience:

- A minimum of 15 years as a Clinical Physician and experience as a Physician Leader such as Medical Director, President of the Medical Staff or Chair of the Department.

Standard of Business Conduct

Individuals are required to refrain from participating in any activities that could be construed as fraud and abuse. Requires the ability to follow Catholic Medical Center's Standards of Business Conduct in any instance where you feel there is suspicion of fraud or abuse, or a violation of the law. The Standards of Business Conduct requires that suspicion or knowledge of any person(s) in violation of the Code be reported to the Corporate Compliance Officer. The extent to which you comply with the requirements contained within the Code will be a factor in evaluating your overall job performance.

SIGNATURES

I have been given a copy of this position description, and have read and will comply with the expectations and requirements outlined in this position description. I understand that receipt of this position description is not meant to be constructed as or constitute a contract of employment.

Employee Name: _____

Employee Signature: _____ Date: _____

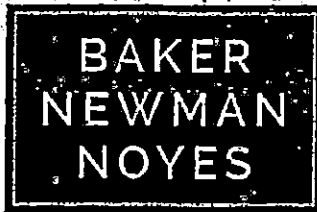
Manager Name: _____

Manager Signature: _____ Date: _____

Disclaimer:

The above information on this description has been designed to indicate the general nature and level of work performed by employees within this classification. It is not designed to contain or be interpreted as a comprehensive inventory of all duties, responsibilities, and qualifications required of employees assigned to this job.

This job description supersedes all other versions.



CMC Healthcare System, Inc.

**Audited Consolidated Financial Statements
and Other Financial Information**

*Years Ended June 30, 2015 and 2014
With Independent Auditors' Report*

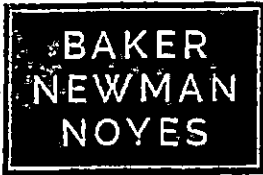
CMC HEALTHCARE SYSTEM, INC.

**AUDITED CONSOLIDATED FINANCIAL STATEMENTS
AND OTHER FINANCIAL INFORMATION**

Years Ended June 30, 2015 and 2014

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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 June 30, 2015 and 2014, 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 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.

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 June 30, 2015 and 2014, 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.

Manchester, New Hampshire
September 22, 2015

Baker Newman & Noyes
Limited Liability Company

CMC HEALTHCARE SYSTEM, INC.

CONSOLIDATED BALANCE SHEETS

June 30, 2015 and 2014

ASSETS

	<u>2015</u>	<u>2014</u>
Current assets:		
Cash and cash equivalents	\$ 40,498,040	\$ 54,632,046
Short-term investments	26,347,421	26,173,541
Accounts receivable, less allowances of \$22,313,634 in 2015 and \$23,528,991 in 2014	39,747,323	30,310,791
Inventories	2,124,292	2,010,411
Other current assets	<u>5,602,808</u>	<u>5,200,218</u>
Total current assets	114,319,884	118,327,007
Property, plant and equipment, net	94,475,346	86,989,397
Other assets:		
Notes receivable, less allowance of \$793,885 in 2015 and \$800,000 in 2014	-	72,648
Unamortized debt issuance costs	753,919	840,257
Intangible assets and other	<u>15,873,415</u>	<u>13,819,980</u>
	16,627,334	14,732,885
Assets whose use is limited:		
Pension and insurance obligations	12,333,513	14,246,337
Board designated and donor restricted investments	99,418,553	98,454,431
Held by trustee under revenue bond agreements	<u>6,126,802</u>	<u>6,080,586</u>
	<u>117,878,868</u>	<u>118,781,354</u>
Total assets	<u>\$343,301,432</u>	<u>\$338,830,643</u>

LIABILITIES AND NET ASSETS

	<u>2015</u>	<u>2014</u>
Current liabilities:		
Accounts payable and accrued expenses	\$ 23,127,002	\$ 18,398,696
Accrued salaries, wages and related accounts	17,336,306	16,167,406
Amounts payable to third-party payors	10,535,852	10,125,881
Current portion of long-term debt	<u>4,158,725</u>	<u>3,501,677</u>
Total current liabilities	55,157,885	48,193,660
Accrued pension and other liabilities, less current portion	99,928,417	77,844,763
Long-term debt, less current portion	<u>73,228,396</u>	<u>74,725,889</u>
Total liabilities	228,314,698	200,764,312
Commitments and contingencies		
Net assets:		
Unrestricted	106,340,093	129,375,771
Temporarily restricted	330,158	528,802
Permanently restricted	<u>8,316,483</u>	<u>8,161,758</u>
Total net assets	114,986,734	138,066,331
Total liabilities and net assets	<u>\$343,301,432</u>	<u>\$338,830,643</u>

See accompanying notes.

CMC HEALTHCARE SYSTEM, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS

Years Ended June 30, 2015 and 2014

	<u>2015</u>	<u>2014</u>
Net patient service revenues, net of contractual allowances and discounts	\$353,523,655	\$337,728,005
Provision for doubtful accounts	<u>(22,761,992)</u>	<u>(24,345,766)</u>
Net patient service revenues less provision for doubtful accounts	330,761,663	313,382,239
Other revenue	16,165,545	15,789,771
Disproportionate share funding	<u>2,452,816</u>	<u>3,136,409</u>
Total revenues	349,380,024	332,308,419
Expenses:		
Salaries, wages and fringe benefits	194,420,537	175,601,678
Supplies and other	117,990,069	114,948,304
New Hampshire Medicaid enhancement tax	14,962,857	13,865,109
Depreciation and amortization	11,770,922	11,045,450
Interest	<u>3,211,000</u>	<u>3,887,160</u>
Total expenses	<u>342,355,385</u>	<u>319,347,701</u>
Income from operations	7,024,639	12,960,718
Nonoperating gains (losses):		
Investment income	2,544,837	2,101,361
Net realized gains on sale of investments	1,118,293	5,197,478
Loss on sale of property and equipment	-	(1,025,395)
Other nonoperating gain (loss)	<u>11,988</u>	<u>(32,485)</u>
Total nonoperating gains, net	<u>3,675,118</u>	<u>6,240,959</u>
Excess of revenues and gains over expenses	10,699,757	19,201,677
Unrealized (depreciation) appreciation on investments	(1,785,737)	7,081,308
Assets released from restriction used for capital	272,000	142,525
Pension-related changes other than net periodic pension cost	<u>(32,221,698)</u>	<u>(239,805)</u>
(Decrease) increase in unrestricted net assets	(23,035,678)	26,185,705
Unrestricted net assets at beginning of year	<u>129,375,771</u>	<u>103,190,066</u>
Unrestricted net assets at end of year	<u>\$106,340,093</u>	<u>\$129,375,771</u>

See accompanying notes.

CMC HEALTHCARE SYSTEM, INC.

CONSOLIDATED STATEMENTS OF CHANGES IN NET ASSETS

Years Ended June 30, 2015 and 2014

	Unrestricted Net Assets	Temporarily Restricted Net Assets	Permanently Restricted Net-Assets	Total Net-Assets
Balances at June 30, 2013	\$103,190,066	\$ 191,861	\$7,281,983	\$110,663,910
Excess of revenues and gains over expenses	19,201,677	—	—	19,201,677
Investment income	—	1,083	3,346	4,429
Changes in interest in perpetual trust	—	—	740,821	740,821
Restricted contributions	—	500,599	—	500,599
Unrealized appreciation on investments	7,081,308	—	135,608	7,216,916
Assets released from restriction used for operations	—	(22,216)	—	(22,216)
Assets released from restriction used for capital	142,525	(142,525)	—	—
Pension-related changes other than net periodic pension cost	<u>(239,805)</u>	<u>—</u>	<u>—</u>	<u>(239,805)</u>
	<u>26,185,705</u>	<u>336,941</u>	<u>879,775</u>	<u>27,402,421</u>
Balances at June 30, 2014	129,375,771	528,802	8,161,758	138,066,331
Excess of revenues and gains over expenses	10,699,757	—	—	10,699,757
Investment income	—	1,137	1,177	2,314
Changes in interest in perpetual trust	—	—	167,919	167,919
Restricted contributions	—	94,278	—	94,278
Unrealized depreciation on investments	(1,785,737)	—	(14,371)	(1,800,108)
Assets released from restriction used for operations	—	(22,059)	—	(22,059)
Assets released from restriction used for capital	272,000	(272,000)	—	—
Pension-related changes other than net periodic pension cost	<u>(32,221,698)</u>	<u>—</u>	<u>—</u>	<u>(32,221,698)</u>
	<u>(23,035,678)</u>	<u>(198,644)</u>	<u>154,725</u>	<u>(23,079,597)</u>
Balances at June 30, 2015	<u>\$106,340,093</u>	<u>\$ 330,158</u>	<u>\$8,316,483</u>	<u>\$114,986,734</u>

See accompanying notes.

CMC HEALTHCARE SYSTEM, INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS

Years Ended June 30, 2015 and 2014

	<u>2015</u>	<u>2014</u>
Operating activities:		
(Decrease) increase in net assets	\$ (23,079,597)	\$ 27,402,421
Adjustments to reconcile (decrease) increase in net assets to net cash provided by operating activities:		
Depreciation and amortization	11,770,922	11,045,450
Pension-related changes other than net periodic pension cost	32,221,698	239,805
Restricted gifts and investment income	(96,592)	(505,028)
Net realized gains on sales of investments	(1,118,293)	(5,197,478)
Increase in interest in perpetual trust	(167,919)	(740,821)
Unrealized depreciation (appreciation) on investments	1,800,108	(7,216,916)
Change in fair values of interest rate swaps	(302,276)	(408,640)
Loss on sale of property and equipment	-	1,025,395
Bond discount/premium amortization	(287,748)	(306,808)
Changes in operating assets and liabilities:		
Accounts receivable, net	(9,436,532)	(3,045,729)
Inventories	(113,881)	(103,466)
Other current assets	(402,590)	(653,933)
Other assets	(2,124,049)	(599,695)
Accounts payable and accrued expenses	4,728,306	1,444,686
Accrued salaries, wages and related accounts	1,168,900	1,977,844
Amounts payable to third-party payors	409,971	(1,219,234)
Accrued pension and other liabilities	<u>(9,866,976)</u>	<u>(7,918,887)</u>
Net cash provided by operating activities	5,103,452	15,218,966
Investing activities:		
Purchases of property, plant and equipment	(16,007,424)	(11,888,199)
Payments received from notes receivable	72,648	74,929
Net change in assets held by trustee under revenue bond agreements	(46,216)	(1,101,525)
Proceeds from sales of investments	51,291,663	38,417,650
Purchases of investments	<u>(51,030,737)</u>	<u>(65,059,288)</u>
Net cash used by investing activities	(15,720,066)	(39,556,433)
Financing activities:		
Payments on long-term debt	(2,740,044)	(1,556,140)
Settlement of interest rate swap	-	(2,327,000)
Payments on capital leases	(873,940)	(687,315)
Restricted gifts and investment income	<u>96,592</u>	<u>505,028</u>
Net cash used by financing activities	<u>(3,517,392)</u>	<u>(4,065,427)</u>
Decrease in cash and cash equivalents	(14,134,006)	(28,402,894)
Cash and cash equivalents at beginning of year	<u>54,632,046</u>	<u>83,034,940</u>
Cash and cash equivalents at end of year	\$ <u>40,498,040</u>	\$ <u>54,632,046</u>
Noncash investing and financing activities:		
Assets acquired under capital lease agreements	\$ <u>3,061,287</u>	\$ <u>399,480</u>

See accompanying notes.

CMC HEALTHCARE SYSTEM, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2015 and 2014

1. Organization

CMC Healthcare System, Inc. (the System) is a not-for-profit organization formed effective July 1, 2001. The System functions as the parent company and sole member of Catholic Medical Center (the Medical Center), Physician Practice Associates, Inc. (PPA), Alliance Enterprises, Inc. (Enterprises), Alliance Resources, Inc. (Resources), Alliance Ambulatory Services, Inc. (AAS), CMC Ancillary Health Services, LLC (CAHS) (newly formed organization in 2015), Alliance Health Services, Inc. (AHS), Doctors Medical Association, Inc. (DMA) and St. Peter's Home, Inc.

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, CAHS, 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 CAHS, are not-for-profit corporations as described in Section 501(c)(3) of the Internal Revenue Code (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.

CMC HEALTHCARE SYSTEM, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2015 and 2014

2. Significant Accounting Policies (Continued)

Enterprises and CAHS are for-profit organizations and, in accordance with federal and state tax laws, file income tax returns. There was no provision for income taxes for each of the years ended June 30, 2015 and 2014. 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.

With few exceptions, the System is no longer subject to income tax examination by the U.S. federal or state tax authorities for years before 2012.

Performance Indicator

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, realized gains and losses on the sales of securities and property and equipment, unrestricted investment income, 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 \$342 million and \$319 million total expenses reported in 2015 and 2014, respectively, an estimated \$6.7 million and \$13.6 million, respectively, 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 as of June 30, 2015 and 2014.

CMC HEALTHCARE SYSTEM, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2015 and 2014

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 \$38,000,000 and \$49,000,000 at June 30, 2015 and 2014, 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 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 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 period 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 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 doubtful accounts to establish an appropriate allowance for doubtful accounts. The decrease in the provision for doubtful accounts in 2015 is driven primarily by revisions made in fiscal year 2014 to the System's charity care policy eligibility. 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 market.

CMC HEALTHCARE SYSTEM, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2015 and 2014

2. Significant Accounting Policies (Continued)

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 period 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 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 statement of operations.

As of June 30, 2015 and 2014, \$1,185,801 and \$1,215,036, respectively, of conditional asset retirement obligations are included within accrued pension and other liabilities in the accompanying consolidated balance sheets.

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 June 30, 2015 and 2014.

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.

CMC HEALTHCARE SYSTEM, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2015 and 2014

2. Significant Accounting Policies (Continued)

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 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. The System made matching contributions under the program of \$6,005,553 and \$5,584,205 for the years ended June 30, 2015 and 2014, 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 June 30, 2015 and 2014.

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. The System recorded compensation expense of \$319,990 and \$60,000 for the years ended June 30, 2015 and 2014, 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.

CMC HEALTHCARE SYSTEM, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2015 and 2014

2. Significant Accounting Policies (Continued)

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 using the straight-line method over the repayment period of the bonds. This approximates the effective interest method. The original issue discount or premium is presented as a component of bonds payable.

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.

Classification of Net Assets

Gifts are reported as either temporarily or permanently restricted support if they are received with donor stipulations that limit the use of donated assets. Temporarily restricted net assets are those whose use by the System has been limited by donors to a specific time period or purpose. When a donor restriction expires (i.e., when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified as unrestricted net assets and reported in the statement of operations as either net assets released from restrictions used for operations (for noncapital-related items and included in other revenue) or as net assets released from restrictions used for capital (for capital-related items).

Permanently restricted net assets have been restricted by donors to be maintained by the System in perpetuity. Income earned on permanently restricted net assets, to the extent not restricted by the donor, including net unrealized appreciation on investments, is included in the consolidated statement of operations as unrestricted resources or as a change in temporarily restricted net assets in accordance with donor-intended purposes or applicable law.

Donor-restricted contributions whose restrictions are met within the same year as received are reported as unrestricted contributions in the accompanying consolidated financial statements.

Investments and Investment Income

Investments are carried at fair value in the accompanying consolidated financial statements. See Note 8 for further discussion regarding fair value measurements. 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 excess of revenues and gains over expenses unless the investments are classified as trading securities or losses are considered other-than-temporary. Interest and dividend income on unrestricted investments, unrestricted investment income on permanently restricted investments and unrestricted net realized gains/losses are reported as nonoperating gains.

CMC HEALTHCARE SYSTEM, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2015 and 2014

2. Significant Accounting Policies (Continued)

Derivative Instruments

Derivatives are recognized as either assets or liabilities in the consolidated balance sheet 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 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 5.

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 permanently restricted net assets at the fair value of the trust at the date of receipt. Income distributions from the trusts are reported as investment income that increase unrestricted net assets, unless restricted by the donor. Annual changes in the fair value of the trusts are recorded as increases or decreases to permanently restricted net assets.

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 (unrestricted) 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.

Temporarily restricted 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.

CMC HEALTHCARE SYSTEM, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2015 and 2014

2. Significant Accounting Policies (Continued)

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, including its appreciation, intact.

Federal Grant Revenue and Expenditures

Revenues and expenses under federal grant programs are recognized as the related expenditure is incurred.

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 periods.

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, 2015 and 2014, the System recorded a liability of \$11,977,416 and \$11,447,463, respectively, related to estimated professional liability losses covered under this policy. At June 30, 2015 and 2014, the System also recorded a receivable of \$8,060,416 and \$7,435,463, 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.

CMC HEALTHCARE SYSTEM, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2015 and 2014

2. Significant Accounting Policies (Continued)

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 \$2,909,142 and \$2,854,873 at June 30, 2015 and 2014, respectively, have been discounted at 1.25% and, in management's opinion, provide an adequate reserve for loss contingencies. At June 30, 2015, \$1,270,628 and \$1,638,514 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 \$266,399 and \$379,572 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 June 30, 2015. At June 30, 2014, \$1,281,770 and \$1,573,103 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 \$285,914 and \$372,777 within other current assets and intangible assets and other, respectively, in the accompanying balance sheets to limit the accrued losses to the retention amount at June 30, 2014.

Health Insurance

The System has 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 System is insured above a stop-loss amount of \$325,000 on individual claims. Estimated unpaid claims, and those claims incurred but not reported at June 30, 2015 and 2014 of \$1,744,516 and \$1,376,638, respectively, are reflected in the accompanying consolidated balance sheets within accounts payable and accrued expenses.

Advertising Costs

The System expenses advertising costs as incurred, and such costs totaled approximately \$794,000 and \$1,092,000 for the years ended June 30, 2015 and 2014, respectively.

Recent Accounting Pronouncements

In April 2015, Financial Accounting Standards Board (FASB) issued ASU No. 2015-03, *Interest – Imputation of Interest: Simplifying the Presentation of Debt Issuance Costs* (ASU 2015-03). ASU 2015-03 simplifies the presentation of debt issuance costs and requires that the debt issuance costs related to a recognized debt liability be presented in the balance sheet as a direct deduction from the carrying amount of that debt liability, consistent with debt discounts. ASU 2015-03 is effective for the System's year ending June 30, 2017, with early adoption permitted. The System is currently evaluating the impact of the pending adoption of ASU 2015-03 on the System's consolidated financial statements.

CMC HEALTHCARE SYSTEM, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2015 and 2014

2. Significant Accounting Policies (Continued)

In May 2015, the FASB issued ASU No. 2015-07, *Fair Value Measurement (Topic 820): Disclosures for Investments in Certain Entities That Calculate Net Asset Value per Share (or Its Equivalent)* (ASU 2015-07). ASU 2015-07 removes the requirement to include investments in the fair value hierarchy for which fair value is measured using the net asset value per share practical expedient under ASC 820. ASU 2015-07 is effective retrospectively for the System's year ending June 30, 2018, with early adoption permitted. The System is currently evaluating the impact of the pending adoption of ASU 2015-07 on the System's consolidated financial statements.

Subsequent Events

Management of the System evaluated events occurring between the end of its fiscal year and September 22, 2015, the date the consolidated financial statements were available to be issued.

3. Net Patient Service Revenue

The following summarizes net patient service revenue for the years ended June 30:

	<u>2015</u>	<u>2014</u>
Gross patient service revenue	\$969,527,343	\$902,145,398
Less contractual allowances	616,003,688	564,417,393
Less provision for doubtful accounts	<u>22,761,992</u>	<u>24,345,766</u>
Net patient service revenue	<u>\$330,761,663</u>	<u>\$313,382,239</u>

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 35% and 5%, respectively, in 2015 and 36% and 4%, respectively, in 2014.

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 14).

CMC HEALTHCARE SYSTEM, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2015 and 2014

3. Net Patient Service Revenue (Continued)

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 June 30, 2015 and 2014 from third-party payors and uninsured patients are as follows:

	<u>Third-Party Payors</u>	<u>Uninsured Patients</u>	<u>Total All Payors</u>
2015			
Patient service revenue, net of contractual allowance and discounts	99.35%	0.65%	100.0%
2014			
Patient service revenue, net of contractual allowance and discounts	98.7%	1.3%	100.0%

An estimated breakdown of patient service revenues, net of contractual allowances, discounts and provision for doubtful accounts recognized in 2015 and 2014 from major payor sources, is as follows:

	<u>Gross Patient Service Revenues</u>	<u>Contractual Allowances and Discounts</u>	<u>Provision for Doubtful Accounts</u>	<u>Net Patient Service Revenues Less Provision for Doubtful Accounts</u>
2015				
Private payors (includes coinsurance and deductibles)	\$ 367,515,720	\$ 164,384,699	\$ 7,659,256	\$ 195,471,765
Medicaid	90,215,052	73,061,175	580,630	16,573,247
Medicare	478,608,649	360,443,314	1,584,964	116,580,371
Self-pay	<u>33,187,922</u>	<u>18,114,500</u>	<u>12,937,142</u>	<u>2,136,280</u>
	<u>\$ 969,527,343</u>	<u>\$ 616,003,688</u>	<u>\$ 22,761,992</u>	<u>\$ 330,761,663</u>
2014				
Private payors (includes coinsurance and deductibles)	\$ 334,759,047	\$ 142,600,503	\$ 6,520,130	\$ 185,638,414
Medicaid	61,199,898	48,401,662	1,874,991	10,923,245
Medicare	446,277,944	331,879,729	1,640,875	112,757,340
Self-pay	<u>59,908,509</u>	<u>41,535,499</u>	<u>14,309,770</u>	<u>4,063,240</u>
	<u>\$ 902,145,398</u>	<u>\$ 564,417,393</u>	<u>\$ 24,345,766</u>	<u>\$ 313,382,239</u>

CMC HEALTHCARE SYSTEM, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2015 and 2014

3. Net Patient Service Revenue (Continued)

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 years ended June 30, 2015 and 2014, favorable adjustments recorded for changes to prior year estimates were approximately \$2,400,000 and \$349,000, respectively.

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 5.5% of the Medical Center's net patient service revenues, with certain exclusions. The amount of tax incurred by the Medical Center for 2015 and 2014 was \$14,962,857 and \$13,865,109, 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 \$2,452,816 in 2015 and \$3,136,409 in 2014.

During 2014, the Centers for Medicare and Medicaid Services (CMS) began an audit of the State's program and the disproportionate share payments made by the State in 2011, the first year 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. At the date of these consolidated financial statements, CMS's audit was still in process, and the System has received no indication of adjustments, if any, that may be made to disproportionate share payments received in prior years. As such, no amounts have been reflected in the accompanying consolidated financial statements related to this contingency.

Electronic Health Records Incentive Payments

The CMS Electronic Health Records (EHR) incentive programs provide a financial incentive for the "meaningful use" of certified EHR technology to achieve health and efficiency goals. To qualify for incentive payments, eligible organizations must successfully demonstrate meaningful use of certified EHR technology through various stages defined by CMS. The System filed certain meaningful use attestations with CMS. Revenue totaling \$1,397,358 and \$2,348,944 associated with these meaningful use attestations is recorded as other revenue for the years ended June 30, 2015 and 2014, respectively.

CMC HEALTHCARE SYSTEM, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2015 and 2014

4. Property, Plant and Equipment

The major categories of property, plant and equipment at June 30 are as follows:

	<u>Useful Lives</u>	<u>2015</u>	<u>2014</u>
Land and land improvements	2-40 years	\$ 2,450,323	\$ 2,475,944
Buildings and improvements	2-40 years	98,255,404	93,524,751
Fixed equipment	3-25 years	42,225,940	43,210,158
Movable equipment	3-25 years	104,692,236	102,989,943
Construction in progress		<u>2,837,272</u>	<u>4,321,603</u>
		250,461,175	246,522,399
Less accumulated depreciation and amortization		<u>155,985,829</u>	<u>159,533,002</u>
Net property, plant and equipment		<u>\$ 94,475,346</u>	<u>\$ 86,989,397</u>

Depreciation expense amounted to \$11,582,762 and \$10,860,481 for the years ended June 30, 2015 and 2014, respectively.

The cost of equipment under capital leases was \$7,844,527 and \$4,783,240 at June 30, 2015 and 2014, respectively. Accumulated amortization of the leased equipment at June 30, 2015 and 2014 was \$3,906,353 and \$2,854,542, respectively. Amortization of assets under capital leases is included in depreciation and amortization expense.

5. Long-Term Debt and Note Payable

Long-term debt at June 30 consists of the following:

	<u>2015</u>	<u>2014</u>
New Hampshire Health and Education Facilities Authority (the Authority) Revenue Bonds:		
Series 2006 bonds with interest ranging from 4.875% to 5.00% per year and principal payable in annual installments ranging from \$430,000 to \$2,680,000 through July 2036	\$30,430,000	\$30,835,000
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	<u>32,065,000</u>	<u>34,250,000</u>
	62,495,000	65,085,000
Note payable – see below	<u>8,456,208</u>	<u>8,606,252</u>
	70,951,208	73,691,252
Capitalized lease obligations	4,285,560	2,098,213
Unamortized original issue premiums/discounts	<u>2,150,353</u>	<u>2,438,101</u>
	77,387,121	78,227,566
Less current portion	<u>(4,158,725)</u>	<u>(3,501,677)</u>
	<u>\$73,228,396</u>	<u>\$74,725,889</u>

CMC HEALTHCARE SYSTEM, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2015 and 2014

5. Long-Term Debt and Note Payable (Continued)

In May 2006, the Medical Center, in connection with the Authority, issued \$32,910,000 of tax-exempt fixed rate revenue bonds (Series 2006). 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 1.25. The Medical Center was in compliance with this covenant for the year ending June 30, 2015. The proceeds of the Series 2006 bond issue were used to advance refund \$9,010,000 of Series 2002A bonds, to provide funding for renovating additional space and equipment at the Medical Center, and to provide a portion of the funding for the construction of a parking garage.

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 for the year ending June 30, 2015. 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.

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. These funds are administered by a trustee, and income earned on certain of these funds is similarly restricted. One of the funds held by the trustee is a debt service reserve fund held solely for the benefit of the Series 2006 bonds. This fund may be used should the Medical Center fail to meet principal and interest payments on the Series 2006 bonds. The reserve fund requirement was \$1,816,565 as of June 30, 2015. The reserve fund requirement was subsequently reduced to \$557,864 as a result of the Series 2006 bonds being partially advanced refunded by the Series 2015A bonds as discussed in Note 15. Any amounts in excess of the requirements of the fund may be transferred at the direction of the Medical Center.

Interest paid by the System totaled \$3,264,825 and \$3,909,154 for the years ended June 30, 2015 and 2014, respectively.

Subsequent to the debt refinancing discussed in Note 15, aggregate principal payments due on the revenue bonds and other debt obligations for each of the five years ending June 30 and thereafter are as follows:

2016	\$ 4,158,725
2017	4,248,463
2018	4,057,560
2019	12,013,416
2020	3,968,602
Thereafter	<u>49,510,000</u>
	<u>\$77,956,766</u>

CMC HEALTHCARE SYSTEM, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2015 and 2014

5. Long-Term Debt and Note Payable (Continued)

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 \$72,751,175 and \$75,023,322 at June 30, 2015 and 2014, respectively.

Pursuant to a Guaranty Agreement dated as of January 1, 1994 by and between Optima Health, Inc. (Optima) and the trustee for Hillcrest Terrace's (Hillcrest) Series 1994 bond issue, later transferred from Optima to the Medical Center, the Medical Center has guaranteed to fund, up to a maximum cumulative amount of \$1,900,000, any deficiencies in Hillcrest's Debt Service Reserve Fund (the Reserve Fund) to the extent that the Reserve Fund value, as defined, is less than \$800,000. The Medical Center has made cumulative payments of \$251,564 as of June 30, 2015 and 2014 under this guarantee. The Medical Center has recorded a liability for the remaining \$1,648,436 as of June 30, 2015 and 2014 within accrued pension and other liabilities in the accompanying consolidated balance sheets based upon management's estimate of future obligations.

MOB LLC Note 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%) (1.584% at June 30, 2015) and principal due on a monthly basis, with all payments to be made no later than April 1, 2018.

Derivatives

The System uses derivative financial instruments principally to manage interest rate risk. During 2005, the Medical Center entered into an interest rate swap agreement to replace an existing agreement signed in 2003. This agreement involved the exchange of fixed rate payments by the Medical Center for variable rate payments from the counterparty without the exchange of the underlying notional amounts. The notional amount for this agreement was \$15,000,000, and the agreement was scheduled to expire in November 2024. Under the provisions of this agreement, interest was to be paid to the counterparty, by the Medical Center, at 67% of USD-LIBOR-BBA through the remainder of the term. On June 11, 2014, the 2005 swap agreement was terminated and the Medical Center paid \$2,354,300 to settle this swap agreement, which included a swap payoff amount of \$2,327,000 along with certain termination fees.

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 pays a fixed rate equal to 5.21%, and receives a variable rate of the one-month LIBOR rate (0.184% at June 30, 2015). Payments under the swap agreement began April 1, 2008 and the agreement will terminate April 1, 2018.

The fair value of the MOB LLC interest rate swap agreement amounted to a liability of \$993,543 and \$1,295,819 as of June 30, 2015 and 2014, respectively, which amounts have been included within accrued pension and other liabilities in the accompanying consolidated balance sheets. The changes in the fair value of this derivative of \$302,276 and \$408,640 have been included within nonoperating investment income for the years ended June 30, 2015 and 2014, respectively.

CMC HEALTHCARE SYSTEM, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2015 and 2014

6. Notes Receivable

During February 1994, Hillcrest, together with the Authority, restructured \$26,000,000 of special obligation revenue bonds (Series 1990). The bondholder consented to an amendment of the Series 1990 bond indenture, which permitted the redemption of the Series 1990 bonds at a price of 85% of the par value thereof, or \$22,100,000. The redemption was accomplished partially with the issuance of \$18,950,000 of Series 1994 revenue bonds to the Authority. The Authority then loaned, under a Loan Agreement and Mortgage, the proceeds thereof to Hillcrest, which proceeds, after payment of certain issuance expenses and accrued interest on the Series 1990 bonds, were used to pay a portion of the redemption price of the Series 1990 bonds. In addition, certain funds deposited into the Series 1990 Reserve Fund were paid to Fidelity Health Alliance, Inc. (the Medical Center's former parent company and one of the organizations which formed Optima and hereinafter referred to as Optima) to repay earlier advances. Optima then loaned \$2,581,528 to Hillcrest pursuant to a subordinated loan agreement. Hillcrest owed Optima \$400,856, which was converted from a current obligation to a long-term obligation and included in the subordinated loan agreement resulting in a total of \$2,982,384 owed to Optima. In conjunction with the disaffiliation from Optima effective July 1, 2000, the subordinated loan became payable to the Medical Center. Hillcrest used a portion of the subordinated loan to pay a portion of the redemption price of the Series 1990 bonds. Also, upon redemption of the Series 1990 bonds, \$1,500,000 from the Series 1990 Reserve Fund was transferred to the Series 1994 Reserve Fund and the remaining amount, \$1,074,000, of the Series 1990 Reserve Fund was used to pay a portion of the redemption price of the Series 1990 bonds. The subordinated loan is subordinated in all respects to the Series 1994 revenue bonds. During 2004, the subordinated loan was restructured by the Medical Center. The principal due was reduced. The new note bears interest at a stated rate of 5% per annum. The balance receivable from Hillcrest is \$879,035 and \$947,577 at June 30, 2015 and 2014, respectively. As of August 31, 2008, Hillcrest defaulted on their debt covenants. As a result, the Medical Center has reserved \$793,885 and \$800,000 at June 30, 2015 and 2014, respectively, against the note receivable in the event of default. As of June 30, 2015, all payments are current.

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. The System has also assumed lease obligations for physician practices that became provider based. Rental expense under all leases for the years ended June 30, 2015 and 2014 was \$5,252,520 and \$5,747,475, respectively.

Estimated future minimum lease payments under noncancelable operating leases are as follows:

2016	\$ 3,087,236
2017	2,651,294
2018	2,585,825
2019	2,371,482
2020	2,328,245
Thereafter	<u>13,424,334</u>
	<u>\$26,448,416</u>

CMC HEALTHCARE SYSTEM, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2015 and 2014

8. Investments and Assets Whose Use is Limited

Investments and assets whose use is limited are comprised of the following at June 30:

	2015		2014	
	Fair Value	Cost	Fair Value	Cost
Cash and cash equivalents	\$ 6,881,077	\$ 6,881,077	\$ 7,135,207	\$ 7,135,207
U.S. federated treasury obligations	6,126,802	6,126,802	6,080,585	6,080,585
Marketable equity securities	32,268,622	27,825,251	31,492,795	25,952,651
Fixed income securities	47,478,003	47,755,164	47,416,164	46,870,479
Private investment funds	<u>51,471,785</u>	<u>33,219,309</u>	<u>52,830,144</u>	<u>34,865,098</u>
	<u>\$144,226,289</u>	<u>\$121,807,603</u>	<u>\$144,954,895</u>	<u>\$120,904,020</u>

Investment income and realized gains and losses and unrealized appreciation (depreciation) is summarized as follows:

	2015	2014
Unrestricted:		
Nonoperating investment income	\$ 2,544,837	\$ 2,101,361
Realized gains on sales of investments, net	1,118,293	5,197,478
Change in unrealized (depreciation) appreciation on investments	<u>(1,785,737)</u>	<u>7,081,308</u>
	<u>\$ 1,877,393</u>	<u>\$14,380,147</u>
Restricted:		
Investment income	\$ 2,314	\$ 4,429
Change in unrealized (depreciation) appreciation on investments	(14,371)	135,608
Changes in interest in perpetual trust	<u>167,919</u>	<u>740,821</u>
	<u>\$ 155,862</u>	<u>\$ 880,858</u>

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.

CMC HEALTHCARE SYSTEM, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2015 and 2014

8. Investments and Assets Whose Use is Limited (Continued)

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.

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).

For the fiscal years ended June 30, 2015 and 2014, the application of valuation techniques applied to similar assets and liabilities has been consistent. The following is a description of the valuation methodologies used:

U.S. 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.

CMC HEALTHCARE SYSTEM, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2015 and 2014

8. Investments and Assets Whose Use is Limited (Continued)

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. These investments are classified as Level 2 or 3, depending on the redemption terms.

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.

The following fair value hierarchy tables present 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.

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
2015				
Cash and cash equivalents	\$ 6,881,077	\$ —	\$ —	\$ 6,881,077
U.S. federated treasury obligations	6,126,802	—	—	6,126,802
Marketable equity securities	32,268,622	—	—	32,268,622
Fixed income securities	47,478,003	—	—	47,478,003
Private investment funds	—	42,682,205	8,789,580	51,471,785
Total assets at fair value	<u>\$92,754,504</u>	<u>\$42,682,205</u>	<u>\$ 8,789,580</u>	<u>\$144,226,289</u>
Interest rate swap	<u>\$ —</u>	<u>\$ —</u>	<u>\$ (993,543)</u>	<u>\$ (993,543)</u>
2014				
Cash and cash equivalents	\$ 7,135,207	\$ —	\$ —	\$ 7,135,207
U.S. federated treasury obligations	6,080,585	—	—	6,080,585
Marketable equity securities	31,492,795	—	—	31,492,795
Fixed income securities	47,416,164	—	—	47,416,164
Private investment funds	—	42,729,029	10,101,115	52,830,144
Total assets at fair value	<u>\$92,124,751</u>	<u>\$42,729,029</u>	<u>\$10,101,115</u>	<u>\$144,954,895</u>
Interest rate swap	<u>\$ —</u>	<u>\$ —</u>	<u>\$ (1,295,819)</u>	<u>\$ (1,295,819)</u>

CMC HEALTHCARE SYSTEM, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2015 and 2014

8. Investments and Assets Whose Use is Limited (Continued)

The following tables present the assets and liabilities carried at fair value as of June 30, 2015 and 2014 that are classified within Level 3 of the fair value hierarchy. The tables reflect gains and losses for the year. Additionally, both observable and unobservable inputs may be used to determine the fair value of positions that the System has classified within the Level 3 category. As a result, the unrealized gains and losses for assets and liabilities within Level 3 may include changes in fair value that were attributable to both observable and unobservable inputs.

	Fair Value Measurement Using Significant Unobservable Inputs (Level 3)	
	Private Investment Funds	Interest Rate Swap
Balance at June 30, 2013	\$12,126,858	\$(4,031,459)
Realized gains	724,352	-
Sales	(3,019,817)	-
Swap termination	-	2,327,000
Unrealized gains	<u>269,722</u>	<u>408,640</u>
Balance at June 30, 2014	10,101,115	(1,295,819)
Realized gains	566,976	-
Sales	(2,000,000)	-
Unrealized gains	<u>121,489</u>	<u>302,276</u>
Balance at June 30, 2015	<u>\$ 8,789,580</u>	<u>\$ (993,543)</u>

There were no significant transfers between Levels 1, 2 or 3 for the years ended June 30, 2015 and 2014.

In 2009, new guidance related to the Fair Value Measurement standard was issued for estimating the fair value of investments in investment companies (limited partnerships) that have a calculated value of their capital account or net asset value (NAV) in accordance with or in a manner consistent with U.S. GAAP. The System is permitted under U.S. GAAP to estimate the fair value of an investment at the measurement date using the reported NAV without further adjustment unless the System expects to sell the investment at a value other than NAV, or if the NAV is not calculated in accordance with U.S. GAAP. The System's investments in private investment funds are recorded at fair value based on the most current NAV.

The System performs additional procedures, including due diligence reviews on its investments in investment companies and other procedures with respect to the capital account or NAV provided, to ensure conformity with U.S. GAAP. The System has assessed factors including, but not limited to, managers' compliance with the Fair Value Measurement standard, price transparency and valuation procedures in place, the ability to redeem at NAV at the measurement date, and existence of certain redemption restrictions at the measurement date.

CMC HEALTHCARE SYSTEM, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2015 and 2014

8. Investments and Assets Whose Use is Limited (Continued)

The guidance also requires additional disclosures to enable users of the financial statements to understand the nature and risk of the System's investments. Furthermore, investments which can be redeemed at NAV by the System on the measurement date or in the near term are classified as Level 2. Investments which cannot be redeemed on the measurement date or in the near term are classified as Level 3. In accordance with this guidance, the table below sets forth additional disclosures for investment funds valued based on net asset value to further understand the nature and risk of the investments by category as of June 30, 2015 and 2014:

<u>Category</u>	<u>Fair Value</u>	<u>Unfunded Commitments</u>	<u>Redemption Frequency</u>	<u>Notice Period</u>
2015				
Private investment funds -Level 2	\$42,682,205	\$ -	Daily/monthly	2-30 day notice
Private investment funds -Level 3	8,789,580	-	Quarterly/annually	1-2 year lockup with 65-95 day notice
2014				
Private investment funds -Level 2	\$42,729,029	\$ -	Daily/monthly	2-30 day notice
Private investment funds -Level 3	10,101,115	-	Quarterly/annually	1-2 year lockup with 60-95 day notice

Investment Strategies

U.S. Federated 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.

CMC HEALTHCARE SYSTEM, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2015 and 2014

8. Investments and Assets Whose Use is Limited (Continued)

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 5 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 June 30, 2015 and 2014, and a statement of funded status of the plans as of June 30 for both years follows:

	Catholic Medical Center Pension Plan		Pre-1987 Supplemental Executive Retirement Plan		New Hampshire Medical Laboratories Retirement Income Plan	
	2015	2014	2015	2014	2015	2014
Changes in benefit obligations:						
Projected benefit obligations						
at beginning of year	\$ (221,842,560)	\$ (201,367,482)	\$ (5,118,270)	\$ (5,136,340)	\$ (2,763,275)	\$ (2,593,904)
Service cost	(700,000)	(625,000)	-	-	(15,000)	(15,000)
Interest cost	(10,007,872)	(9,576,309)	(175,754)	(197,511)	(107,000)	(113,552)
Benefits paid	5,033,040	4,551,682	466,642	489,771	122,078	114,499
Actuarial loss	(22,685,780)	(15,480,194)	(284,460)	(274,190)	(89,029)	(168,114)
Expenses paid	188,309	654,743	-	-	2,350	12,796
Projected benefit obligations						
at end of year	(250,014,863)	(221,842,560)	(5,111,842)	(5,118,270)	(2,849,876)	(2,763,275)
Changes in plan assets:						
Fair value of plan assets						
at beginning of year	172,988,705	143,507,222	-	-	2,166,581	1,914,484
Actual return on						
plan assets	885,682	24,687,908	-	-	10,348	320,392
Employer contributions	10,000,000	10,000,000	466,642	489,771	121,000	59,000
Benefits paid	(5,033,040)	(4,551,682)	(466,642)	(489,771)	(122,078)	(114,499)
Expenses paid	(188,309)	(654,743)	-	-	(2,350)	(12,796)
Fair value of plan assets						
at end of year	178,653,038	172,988,705	-	-	2,173,501	2,166,581
Funded status of plan						
at June 30	\$ (71,361,825)	\$ (48,853,855)	\$ (5,111,842)	\$ (5,118,270)	\$ (676,375)	\$ (596,694)

CMC HEALTHCARE SYSTEM, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2015 and 2014

9. Retirement Benefits (Continued)

	Catholic Medical Center Pension Plan		Pre-1987 Supplemental Executive Retirement Plan		New Hampshire Medical Laboratories Retirement Income Plan	
	2015	2014	2015	2014	2015	2014
Amounts recognized in the consolidated balance sheets consist of:						
Current liability	\$ -	\$ -	\$ (445,591)	\$ (446,695)	\$ -	\$ -
Noncurrent liability	<u>(71,361,825)</u>	<u>(48,853,855)</u>	<u>(4,666,251)</u>	<u>(4,671,575)</u>	<u>(676,375)</u>	<u>(596,694)</u>
Net amount recognized	<u>\$ (71,361,825)</u>	<u>\$ (48,853,855)</u>	<u>\$ (5,111,842)</u>	<u>\$ (5,118,270)</u>	<u>\$ (676,375)</u>	<u>\$ (596,694)</u>

The net loss for the defined benefit pension plans that will be amortized from unrestricted net assets into net periodic benefit cost over the next fiscal year is \$2,639,857.

The current portion of accrued pension costs included in the above amounts for the System amounted to \$445,591 and \$446,695 at June 30, 2015 and 2014, respectively, and has been included in accounts payable and accrued expenses.

In 2015, the System began to use the RP-2014 mortality tables, which in general has longer life expectancies than the older tables used, which had an impact on the projected benefit obligation.

The amounts recognized in unrestricted net assets for the years ended June 30, 2015 and 2014 consist of:

	Catholic Medical Center Pension Plan		Pre-1987 Supplemental Executive Retirement Plan		New Hampshire Medical Laboratories Retirement Income Plan	
	2015	2014	2015	2014	2015	2014
Amounts recognized in the consolidated balance sheets total plan:						
Unrestricted net assets:						
Net loss	<u>\$ (97,927,049)</u>	<u>\$ (66,012,550)</u>	<u>\$ (2,678,302)</u>	<u>\$ (2,538,078)</u>	<u>\$ (1,479,988)</u>	<u>\$ (1,306,677)</u>
Net amount recognized	<u>\$ (97,927,049)</u>	<u>\$ (66,012,550)</u>	<u>\$ (2,678,302)</u>	<u>\$ (2,538,078)</u>	<u>\$ (1,479,988)</u>	<u>\$ (1,306,677)</u>

Net periodic pension cost includes the following components for the years ended June 30, 2015 and 2014:

	Catholic Medical Center Pension Plan		Pre-1987 Supplemental Executive Retirement Plan		New Hampshire Medical Laboratories Retirement Income Plan	
	2015	2014	2015	2014	2015	2014
Service cost	\$ 700,000	\$ 625,000	\$ -	\$ -	\$ 15,000	\$ 15,000
Interest cost	10,007,872	9,576,309	175,754	197,511	107,000	113,552
Expected return on plan assets	(12,253,677)	(10,872,113)	-	-	(149,744)	(140,079)
Amortization of actuarial loss	<u>2,139,276</u>	<u>1,506,242</u>	<u>144,236</u>	<u>128,118</u>	<u>55,114</u>	<u>52,224</u>
Net periodic pension cost	<u>\$ 593,471</u>	<u>\$ 835,438</u>	<u>\$ 319,990</u>	<u>\$ 325,629</u>	<u>\$ 27,370</u>	<u>\$ 40,697</u>

CMC HEALTHCARE SYSTEM, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2015 and 2014

9. Retirement Benefits (Continued)

Other changes in plan assets and benefit obligations recognized in unrestricted net assets for the years ended June 30, 2015 and 2014 consist of:

	Catholic Medical Center Pension Plan		Pre-1987 Supplemental Executive Retirement Plan		New Hampshire Medical Laboratories Retirement Income Plan	
	2015	2014	2015	2014	2015	2014
Net loss (gain)	\$34,053,775	\$ 1,664,398	\$ 284,460	\$ 274,190	\$228,425	\$ (12,199)
Amortization of actuarial loss	(2,139,276)	(1,506,242)	(144,236)	(128,118)	(55,114)	(52,224)
Net amount recognized	<u>\$31,914,499</u>	<u>\$ 158,156</u>	<u>\$ 140,224</u>	<u>\$ 146,072</u>	<u>\$173,311</u>	<u>\$ (64,423)</u>

The investments of the plans are comprised of the following at June 30:

	Target Allocation	Catholic Medical Center Pension Plan		Pre-1987 Supplemental Executive Retirement Plan		New Hampshire Medical Laboratories Retirement Income Plan	
	Fiscal Year	2015	2014	2015	2014	2015	2014
Marketable equity securities	70.0%	70.1%	71.4%	0.0%	0.0%	70.1%	71.4%
Fixed income securities	20.0	20.0	17.1	0.0	0.0	20.0	17.1
Other	10.0	9.9	11.5	0.0	0.0	9.9	11.5
	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>0.0%</u>	<u>0.0%</u>	<u>100.0%</u>	<u>100.0%</u>

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 June 30 are as follows:

	Catholic Medical Center Pension Plan		Pre-1987 Supplemental Executive Retirement Plan		New Hampshire Medical Laboratories Retirement Income Plan	
	2015	2014	2015	2014	2015	2014
Discount rate	4.51%	4.37%	3.74%	3.53%	4.15%	3.97%
Rate of compensation increase	N/A	N/A	N/A	N/A	N/A	N/A

CMC HEALTHCARE SYSTEM, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2015 and 2014

9. Retirement Benefits (Continued)

The weighted-average assumptions used to determine the defined benefit pension plan net periodic benefit costs for the years ended June 30 are as follows:

	Catholic Medical Center Pension Plan		Pre-1987 Supplemental Executive Retirement Plan		New Hampshire Medical Laboratories Retirement Income Plan	
	2015	2014	2015	2014	2015	2014
Discount rate	4.37%	4.82%	3.53%	3.96%	3.97%	4.43%
Rate of compensation increase	N/A	N/A	N/A	N/A	N/A	N/A
Expected long-term return on plan assets	7.50	7.50	N/A	N/A	7.50	7.50

The expected employer contributions for the fiscal year ending June 30, 2016 are not expected to be significant.

The benefits, which reflect expected future service, as appropriate, expected to be paid for the years ending June 30 are:

	Catholic Medical Center Pension Plan	Pre-1987 Supplemental Executive Retirement Plan	New Hampshire Medical Laboratories Retirement Income Plan
2016	\$ 6,599,280	\$ 443,665	\$149,489
2017	7,338,004	432,762	164,312
2018	8,183,597	421,194	171,414
2019	9,047,515	408,949	181,779
2020 - 2024	57,682,517	1,836,779	952,616

The Medical Center contributed \$10,000,000, \$466,642 and \$121,000 to the Catholic Medical Center Pension Plan, the Pre-1987 Supplemental Executive Retirement Plan, and the New Hampshire Medical Laboratories Retirement Income Plan respectively, for the year ended June 30, 2015. The Medical Center plans to make any necessary contributions during the upcoming fiscal 2016 year to ensure the plans continue to be adequately funded given the current market conditions.

CMC HEALTHCARE SYSTEM, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2015 and 2014

9. Retirement Benefits (Continued)

The following fair value hierarchy tables present 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 June 30, 2015 and 2014:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
2015				
Cash and cash equivalents	\$ 1,805,926	\$ —	\$ —	\$ 1,805,926
Marketable equity securities	44,306,877	—	—	44,306,877
Fixed income securities	31,331,124	—	—	31,331,124
Private investment funds	—	89,847,709	13,534,903	103,382,612
Total assets at fair value	\$77,443,927	\$89,847,709	\$13,534,903	\$180,826,539
2014				
Cash and cash equivalents	\$ 5,991,983	\$ —	\$ —	\$ 5,991,983
Marketable equity securities	42,377,063	—	—	42,377,063
Fixed income securities	28,279,873	—	—	28,279,873
Private investment funds	—	85,776,198	12,730,169	98,506,367
Total assets at fair value	\$76,648,919	\$85,776,198	\$12,730,169	\$175,155,286

The following table presents the assets carried at fair values at June 30, 2015 and 2014 that are classified at Level 3 of the fair value hierarchy. The table reflects gains and losses for the year, including gains and losses on assets that were transferred to Level 3 as of June 30, 2015 and 2014. Additionally, both observable and unobservable inputs may be used to determine the fair value of positions that the System has classified within the Level 3 category. As a result, the unrealized gains and losses for assets within Level 3 may include changes in fair value that were attributable to both observable and unobservable inputs.

	<u>Fair Value Measurement Using Significant Unobservable Inputs (Level 3)</u>	
	<u>Private Investment Funds</u>	
	<u>2015</u>	<u>2014</u>
Balance, beginning of year	\$12,730,169	\$11,687,972
Realized gains	16	729
Unrealized gains	814,627	1,061,286
Sales	(9,909)	(19,818)
Balance, end of year	\$13,534,903	\$12,730,169

CMC HEALTHCARE SYSTEM, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2015 and 2014

10. Community Benefits

The System rendered charity care in accordance with its formal charity care policy, which, at established charges, amounted to \$19,649,927 and \$39,047,794 for the years ended June 30, 2015 and 2014, 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 \$716,119 and \$789,719 for the years ended June 30, 2015 and 2014, 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 June 30:

	<u>2015</u>	<u>2014</u>
Health care services	\$273,846,295	\$256,063,051
General and administrative	<u>68,509,090</u>	<u>63,284,650</u>
	<u>\$342,355,385</u>	<u>\$319,347,701</u>

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 June 30:

	<u>2015</u>	<u>2014</u>
Medicare	40%	39%
Medicaid	13	14
Commercial insurance and other	20	18
Patients (self pay)	10	14
Anthem Blue Cross	<u>17</u>	<u>15</u>
	<u>100%</u>	<u>100%</u>

CMC HEALTHCARE SYSTEM, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2015 and 2014

13. 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.

At June 30, 2015 and 2014, the endowment net asset composition by type of fund consisted of the following:

	<u>Unrestricted Net Assets</u>	<u>Temporarily Restricted Net Assets</u>	<u>Permanently Restricted Net Assets</u>	<u>Total</u>
2015				
Donor-restricted funds	\$ —	\$330,158	\$8,316,483	\$ 8,646,641
Board-designated funds	<u>90,771,912</u>	<u>—</u>	<u>—</u>	<u>90,771,912</u>
Total funds	<u>\$90,771,912</u>	<u>\$330,158</u>	<u>\$8,316,483</u>	<u>\$99,418,553</u>
2014				
Donor-restricted funds	\$ —	\$528,802	\$8,161,758	\$ 8,690,560
Board-designated funds	<u>89,763,871</u>	<u>—</u>	<u>—</u>	<u>89,763,871</u>
Total funds	<u>\$89,763,871</u>	<u>\$528,802</u>	<u>\$8,161,758</u>	<u>\$98,454,431</u>

Changes in endowment net assets consisted of the following for the fiscal years ended June 30:

	<u>Unrestricted Net Assets</u>	<u>Temporarily Restricted Net Assets</u>	<u>Permanently Restricted Net Assets</u>	<u>Total</u>
Balance at June 30, 2013	\$77,880,226	\$ 191,861	\$7,281,983	\$85,354,070
Investment return:				
Investment income	939,393	1,083	3,346	943,822
Net appreciation (realized and unrealized)	<u>10,801,727</u>	<u>—</u>	<u>876,429</u>	<u>11,678,156</u>
Total investment gain	<u>11,741,120</u>	<u>1,083</u>	<u>879,775</u>	<u>12,621,978</u>
Contributions	—	500,599	—	500,599
Appropriation for operations	—	(22,216)	—	(22,216)
Appropriation for capital	<u>142,525</u>	<u>(142,525)</u>	<u>—</u>	<u>—</u>
Balance at June 30, 2014	89,763,871	528,802	8,161,758	98,454,431

CMC HEALTHCARE SYSTEM, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2015 and 2014

13. Endowments (Continued)

	<u>Unrestricted Net Assets</u>	<u>Temporarily Restricted Net Assets</u>	<u>Permanently Restricted Net Assets</u>	<u>Total</u>
Investment return:				
Investment income	\$ 1,224,364	\$ 1,137	\$ 1,177	\$ 1,226,678
Net (depreciation) appreciation (realized and unrealized)	<u>(488,323)</u>	<u>—</u>	<u>153,548</u>	<u>(334,775)</u>
Total investment gain	736,041	1,137	154,725	891,903
Contributions	—	94,278	—	94,278
Appropriation for operations	—	(22,059)	—	(22,059)
Appropriation for capital	<u>272,000</u>	<u>(272,000)</u>	<u>—</u>	<u>—</u>
Balance at June 30, 2015	<u>\$90,771,912</u>	<u>\$ 330,158</u>	<u>\$8,316,483</u>	<u>\$99,418,553</u>

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 System to retain as a fund of perpetual duration. There were no such deficiencies as of June 30, 2015 and 2014.

14. 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. 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 regulatory actions unknown or unasserted at this time.

CMC HEALTHCARE SYSTEM, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

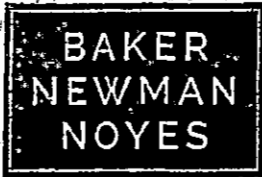
June 30, 2015 and 2014

15. Subsequent Event

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. 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.

The Series 2015B bonds were structured as drawdown bonds. Proceeds will be used together with other monies of the Medical Center to currently refund on July 1, 2016 the full amount of 2006 Bonds then outstanding which were not already advance refunded by the 2015A Bonds. The purchaser has agreed to advance funds available to be drawn through July 2016 up to a maximum principal of \$8,650,000. There is no outstanding principal amount of the Series 2015B Bonds and this will only increase upon a drawdown of the proceeds from the purchaser by the Medical Center. The Medical Center expects to draw the full balance of the 2015B Bonds on July 1, 2016. The following table summarizes the principal amounts outstanding (funds drawn) and the balance of funds available to be drawn as of September 3, 2015, and the maximum principal amount for each of the respective Series 2015 Bonds:

	<u>Principal Amount Outstanding</u>	<u>Balance Available to be Drawn</u>	<u>Maximum Principal Amount</u>
2015 Series A	\$24,070,000	\$ —	\$24,070,000
2015 Series B	<u>—</u>	<u>8,650,000</u>	<u>8,650,000</u>
	<u>\$24,070,000</u>	<u>\$8,650,000</u>	<u>\$32,720,000</u>



Baker Newman & Noyes, LLC
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**INDEPENDENT AUDITORS' REPORT
ON OTHER FINANCIAL INFORMATION**

Board of Trustees
CMC Healthcare System, Inc.

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying consolidating information is presented for purposes of additional analysis rather than to present the financial position and results of operations 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 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 information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Manchester, New Hampshire
September 22, 2015

Baker Newman & Noyes
Limited Liability Company

CMC HEALTHCARE SYSTEM, INC.

CONSOLIDATING BALANCE SHEET

June 30, 2015

ASSETS

	Catholic Medical Center	Physician Practice Associates	Alliance Enterprises	Alliance Resources	Alliance Ambulatory Services	CMC Ancillary Health Services	Alliance Health Services	Doctors Medical Association	Saint Peter's Home	Elimi- nations	Consolidated
Current assets:											
Cash and cash equivalents	\$ 36,179,524	\$ 331,293	\$ 1,722,992	\$ 25,585	\$ 62,797	\$ 94,550	\$1,013,248	\$ 72,000	\$ 996,051	\$ -	\$ 40,498,040
Short-term investments	26,347,421	-	-	-	-	-	-	-	-	-	26,347,421
Accounts receivable, net	38,530,588	-	-	-	-	34,968	1,161,767	-	-	-	39,747,323
Inventories	2,124,292	-	-	-	-	-	-	-	-	-	2,124,292
Other current assets	4,387,258	(44,282)	118,407	(8,011)	-	-	1,184,644	1,197	(14,557)	(21,848)	5,602,808
Total current assets	107,589,083	287,011	1,841,399	17,574	62,797	129,518	3,359,659	73,197	981,494	(21,848)	114,319,884
Property, plant and equipment, net	80,953,109	-	9,140,066	2,507,392	-	-	254,919	-	1,619,860	-	94,475,346
Other assets:											
Unamortized debt issuance costs	731,733	-	22,186	-	-	-	-	-	-	-	753,919
Intangible assets and other	10,207,121	-	-	-	5,666,294	-	-	-	-	-	15,873,415
	10,938,854	-	22,186	-	5,666,294	-	-	-	-	-	16,627,334
Assets whose use is limited:											
Pension and insurance obligations	12,333,513	-	-	-	-	-	-	-	-	-	12,333,513
Board designated and donor restricted investments	92,408,487	-	-	-	-	-	-	7,010,066	-	-	99,418,553
Held by trustee under revenue bond agreements	6,126,802	-	-	-	-	-	-	-	-	-	6,126,802
	110,868,802	-	-	-	-	-	-	7,010,066	-	-	117,878,868
Total assets	\$ 310,349,848	\$ 287,011	\$ 11,003,651	\$ 2,524,966	\$ 5,729,091	\$ 129,518	\$ 3,614,578	\$ 73,197	\$ 9,611,420	\$ (21,848)	\$ 343,301,432

CMC HEALTHCARE SYSTEM, INC.
CONSOLIDATING STATEMENT OF OPERATIONS

Year Ended June 30, 2015

	Catholic Medical Center	Physician Practice Associates	Alliance Enterprises	Alliance Resources	Alliance Ambulatory Services	CMC Ancillary Health Services	Alliance Health Services	Doctors Medical Association	Saint Peter's Home	Elimi- nations	Consolidated
Net patient service revenues, net of contractual allowances and discounts	\$ 338,622,797	\$ -	\$ -	\$ -	\$ -	\$ 125,041	\$ 14,775,817	\$ -	\$ -	\$ -	\$ 353,523,659
Provision for doubtful accounts	(22,168,150)	-	-	-	-	805	(594,647)	-	-	-	(22,761,992)
Net patient service revenues less provision for doubtful accounts	316,454,647	-	-	-	-	125,846	14,181,170	-	-	-	330,761,663
Other revenue	10,153,523	19,732,200	1,964,514	520,279	2,156,804	-	666,498	135,092	2,838,137	(22,001,502)	16,165,545
Disproportionate share funding	2,452,816	-	-	-	-	-	-	-	-	-	2,452,816
Total revenues	329,060,986	19,732,200	1,964,514	520,279	2,156,804	125,846	14,847,668	135,092	2,838,137	(22,001,502)	349,380,024
Expenses:											
Salaries, wages and fringe benefits	163,536,150	33,744,024	27,370	-	-	-	13,845,295	-	2,610,342	(19,342,644)	194,420,537
Supplies and other	111,262,177	1,707,777	821,781	617,299	-	146,616	5,619,898	134,446	338,933	(2,658,858)	117,990,069
New Hampshire Medicaid enhancement tax	14,962,857	-	-	-	-	-	-	-	-	-	14,962,857
Depreciation and amortization	11,031,483	-	370,154	104,243	-	-	48,927	-	216,115	-	11,770,922
Interest	2,639,291	-	571,709	-	-	-	-	-	-	-	3,211,000
Total expenses	303,431,958	35,451,801	1,791,014	721,542	-	146,616	19,514,120	134,446	3,165,390	(22,001,502)	342,358,385
Income (loss) from operations	25,629,028	(15,719,601)	173,500	(201,263)	2,156,804	(20,770)	(4,666,452)	646	(327,253)	-	7,024,639
Nonoperating gains (losses):											
Investment income	1,898,644	-	302,276	11	47	-	-	-	343,859	-	2,544,837
Net realized gains (losses) on sale of investments	1,132,800	-	-	-	-	-	-	-	(14,507)	-	1,118,293
Other nonoperating gain (loss)	-	-	(32,401)	42,875	-	-	-	-	1,514	-	11,988
Total nonoperating gains, net	3,031,444	-	269,875	42,886	47	-	-	-	330,866	-	3,675,118
Excess (deficiency) of revenues and gains over expenses	28,660,472	(15,719,601)	443,375	(158,377)	2,156,851	(20,770)	(4,666,452)	646	3,613	-	10,699,757
Unrealized depreciation on investments	(1,519,111)	-	-	-	-	-	-	-	(266,626)	-	(1,785,737)
Assets released from restriction used for capital	272,000	-	-	-	-	-	-	-	-	-	272,000
Pension-related changes other than net periodic pension cost	(28,985,617)	(3,062,770)	(173,311)	-	-	-	-	-	-	-	(32,221,698)
Net transfers (to) from affiliates	(17,250,683)	15,355,000	(79,000)	200,004	(2,700,000)	150,084	4,325,000	-	(405)	-	-
(Decrease) increase in unrestricted net assets	\$ (18,822,939)	\$ (3,427,371)	\$ 191,064	\$ 41,627	\$ (543,149)	\$ 129,314	\$ (341,452)	\$ 646	\$ (263,418)	\$ -	\$ (23,035,678)

CMC HEALTHCARE SYSTEM, INC.
CONSOLIDATING BALANCE SHEET

June 30, 2014

ASSETS

	Catholic Medical Center	Physician Practice Associates	Alliance Enterprises	Alliance Resources	Alliance Ambulatory Services	Alliance Health Services	Doctors Medical Association	Saint Peter's Home	Elimi- pations	Consolidated
Current assets:										
Cash and cash equivalents	\$ 49,502,444	\$ 375,929	\$ 1,691,041	\$ 119,518	\$ 477,249	\$ 1,343,831	\$ 74,572	\$ 1,047,462	\$ -	\$ 54,632,046
Short-term investments	26,173,541	-	-	-	-	-	-	-	-	26,173,541
Accounts receivable, net	29,270,115	-	-	-	-	1,040,676	-	-	-	30,310,791
Inventories	2,010,411	-	-	-	-	-	-	-	-	2,010,411
Other current assets	4,060,532	(33,568)	78,015	19,912	-	1,082,324	2,181	(9,178)	-	5,200,218
Total current assets	111,017,043	342,361	1,769,056	139,430	477,249	3,466,831	76,753	1,038,284	-	118,327,007
Property, plant and equipment, net	72,977,392	-	9,501,464	2,401,525	-	303,845	-	1,805,171	-	86,989,397
Other assets:										
Notes receivable, net	72,648	-	-	-	-	-	-	-	-	72,648
Unamortized debt issuance costs	810,003	-	30,254	-	-	-	-	-	-	840,257
Intangible assets and other	8,024,989	-	-	-	5,794,991	-	-	-	-	13,819,980
	8,907,640	-	30,254	-	5,794,991	-	-	-	-	14,732,885
Assets whose use is limited:										
Pension and insurance obligations	14,246,337	-	-	-	-	-	-	-	-	14,246,337
Board designated and donor restricted investments	91,473,836	-	-	-	-	-	-	6,980,595	-	98,454,431
Held by trustee under revenue bond agreements	6,080,586	-	-	-	-	-	-	-	-	6,080,586
	111,800,759	-	-	-	-	-	-	6,980,595	-	118,781,354
Total assets	\$304,702,834	\$ 342,361	\$11,300,774	\$2,540,955	\$6,272,240	\$3,770,676	\$ 76,753	\$ 9,824,050	\$ -	\$338,830,643

LIABILITIES AND NET ASSETS

	Catholic Medical Center	Physician Practice Associates	Alliance Enterprises	Alliance Resources	Alliance Ambulatory Services	Alliance Health Services	Doctors Medical Association	Saint Peter's Home	Elimi- nations	Consolidated
Current liabilities:										
Accounts payable and accrued expenses	\$ 15,145,165	\$ 55,354	\$ 250,618	\$ 54,350	\$ 915	\$2,885,370	\$ 6,924	\$ -	\$ -	\$ 18,398,696
Accrued salaries, wages and related accounts	14,188,183	1,782,831	-	-	-	-	-	196,392	-	16,167,406
Amounts payable to third-party payors	10,125,881	-	-	-	-	-	-	-	-	10,125,881
Amounts due to (from) affiliates	1,311,372	(1,271,696)	10,568	(58,437)	-	15,332	(7,090)	(49)	-	-
Current portion of long-term debt	<u>3,351,633</u>	-	<u>150,044</u>	-	-	-	-	-	-	<u>3,501,677</u>
Total current liabilities	44,122,234	566,489	411,230	(4,087)	915	2,900,702	(166)	196,343	-	48,193,660
Accrued pension and other liabilities, less current portion	68,664,176	6,843,641	1,985,480	95,822	-	255,644	-	-	-	77,844,763
Long-term debt, less current portion	<u>66,269,681</u>	-	<u>8,456,208</u>	-	-	-	-	-	-	<u>74,725,889</u>
Total liabilities	179,056,091	7,410,130	10,852,918	91,735	915	3,156,346	(166)	196,343	-	200,764,312
Net assets (deficit):										
Unrestricted	116,956,183	(7,067,769)	447,856	2,449,220	6,271,325	614,330	76,919	9,627,707	-	129,375,771
Temporarily restricted	528,802	-	-	-	-	-	-	-	-	528,802
Permanently restricted	<u>8,161,758</u>	-	-	-	-	-	-	-	-	<u>8,161,758</u>
Total net assets (deficit)	125,646,743	(7,067,769)	447,856	2,449,220	6,271,325	614,330	76,919	9,627,707	-	138,066,331
Total liabilities and net assets	\$304,702,834	\$ 342,361	\$11,300,774	\$2,540,955	\$6,272,240	\$3,770,676	\$ 76,753	\$ 9,824,050	\$ -	\$338,830,643

CMC HEALTHCARE SYSTEM, INC.
CONSOLIDATING STATEMENT OF OPERATIONS

Year Ended June 30, 2014

	Catholic Medical Center	Physician Practice Associates	Alliance Enterprises	Alliance Resources	Alliance Ambulatory Services	Alliance Health Services	Doctors Medical Association	Saint Peter's Home	Elimi- nations	Consolidated
Net patient service revenues, net of contractual allowances and discounts	\$323,608,207	\$ -	\$ -	\$ -	\$ -	\$14,119,798	\$ -	\$ -	\$ -	\$337,728,005
Provision for doubtful accounts	(23,778,708)	-	-	-	-	(567,058)	-	-	-	(24,345,766)
Net patient service revenues less provision for doubtful accounts	299,829,499	-	-	-	-	13,552,740	-	-	-	313,382,239
Other revenue	9,202,827	17,486,207	1,904,010	574,475	2,580,501	833,198	128,602	2,806,070	(19,726,119)	15,789,771
Disproportionate share funding	3,136,409	-	-	-	-	-	-	-	-	3,136,409
Total revenues	312,168,735	17,486,207	1,904,010	574,475	2,580,501	14,385,938	128,602	2,806,070	(19,726,119)	332,308,419
Expenses:										
Salaries, wages and fringe benefits	151,040,530	26,149,068	40,697	-	-	13,080,741	-	2,426,632	(17,135,990)	175,601,678
Supplies and other	108,712,500	1,480,950	789,507	685,081	-	5,444,333	126,014	300,048	(2,590,129)	114,948,304
New Hampshire Medicaid enhancement tax	13,865,109	-	-	-	-	-	-	-	-	13,865,109
Depreciation and amortization	10,312,228	-	370,509	92,196	-	54,926	-	215,591	-	11,045,450
Interest	3,306,829	-	580,331	-	-	-	-	-	-	3,887,160
Total expenses	287,237,196	27,630,018	1,781,044	777,277	-	18,580,000	126,014	2,942,271	(19,726,119)	319,347,701
Income (loss) from operations	24,931,539	(10,143,811)	122,966	(202,802)	2,580,501	(4,194,062)	2,588	(136,201)	-	12,960,718
Nonoperating gains (losses):										
Investment income	1,477,062	-	272,174	14	27	-	-	352,084	-	2,101,361
Net realized gains (losses) on sale of investments	5,242,633	-	-	-	-	-	-	(45,155)	-	5,197,478
(Loss) gain on sale of property and equipment	(43,175)	-	-	(988,787)	-	-	-	6,567	-	(1,025,395)
Other nonoperating loss	-	-	(32,485)	-	-	-	-	-	-	(32,485)
Total nonoperating gains (losses); net	6,676,520	-	239,689	(988,773)	27	-	-	313,496	-	6,240,959
Excess (deficiency) of revenues and gains over expenses	31,608,059	(10,143,811)	362,655	(1,191,575)	2,580,528	(4,194,062)	2,588	177,295	-	19,201,677
Unrealized appreciation on investments	6,901,638	-	-	-	-	-	-	179,670	-	7,081,308
Assets released from restriction used for capital	142,525	-	-	-	-	-	-	-	-	142,525
Pension-related changes other than net periodic pension cost	(1,696,942)	1,375,714	81,423	-	-	-	-	-	-	(239,805)
Net transfers (to) from affiliates	(11,122,616)	8,596,500	42,000	1,419,116	(2,485,000)	3,550,000	-	-	-	-
Increase (decrease) in unrestricted net assets	\$ 25,832,664	\$ (171,597)	\$ 486,078	\$ 227,541	\$ 95,528	\$ (644,062)	\$ 2,588	\$ 356,965	\$ -	\$ 26,185,705