



STATE OF NEW HAMPSHIRE

DEPARTMENT OF HEALTH AND HUMAN SERVICES

29 HAZEN DRIVE, CONCORD, NH 03301-6527
 603-271-4612 1-800-852-3345 Ext. 4612
 Fax: 603-271-4827 DD Access: 1-800-735-2964



Nicholas A. Toumpas
 Commissioner

Marcella Jordan Bobinsky
 Acting Director

June 1, 2015

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

REQUESTED ACTION

Authorize the Department of Health and Human Services, Division of Public Health Services, Bureau of Population Health and Community Services, Oral Health Program, to exercise a renewal option and enter into an amendment to an existing agreement with Concord Hospital, Vendor #177653-B011, to provide access to preventive and reparative oral health treatment for individuals participating in the statewide community and school based oral health program, by increasing the price limitation by \$47,000, from \$47,000 to \$94,000, and by extending the completion date from June 30, 2015 to June 30, 2017, effective July 1, 2015 or date of Governor and Executive Council approval, whichever is later. Governor and Executive Council approved the original agreement on June 19, 2013 (Item #93). 44.7% Federal Funds, 55.3% General Funds.

05-95-90-902010-4527 HEALTH AND SOCIAL SERVICES, DEPT OF HEALTH AND HUMAN SVS, HHS: DIVISION OF PUBLIC HEALTH, BUREAU OF POPULATION HEALTH & COMMUNITY SERVICES, ORAL HEALTH PROGRAM

<u>Fiscal Year</u>	<u>Class / Object</u>	<u>Activity Code</u>	<u>Class Title</u>	<u>Current Budget</u>	<u>Increase (Decrease) Amount</u>	<u>Revised Modified Budget</u>
2014	102-500731	90072003	Contracts for Program Services	\$23,500	\$ 0	\$23,500
2015	102-500731	90072003	Contracts for Program Services	\$23,500	\$ 0	\$23,500
2016	102-500731	90072003	Contracts for Program Services	\$ 0	\$23,500	\$23,500
2017	102-500731	90072003	Contracts for Program Services	\$ 0	\$23,500	\$23,500
Total				\$47,000	\$47,000	\$94,000

Funds are anticipated to be available in State Fiscal Years 2016 and 2017, upon the availability and continued appropriation of funds in the future operating budget, with authority to adjust encumbrances between State Fiscal Years through the Budget Office, without further approval from Governor and Executive Council, if needed and justified.

EXPLANATION

Funds in this agreement will be used to continue to provide a statewide program of community and school based oral health services to low income and uninsured children and adults who do not have regular access to oral health care. Services provided include oral health education, oral health assessments, screenings or exams, prophylaxis (cleanings), dental sealants, and assistance in connecting individuals with local oral health professionals for needed treatment to repair decayed teeth.

Oral health problems, such as dental caries (decay) in children and tooth loss in adults, are still common in New Hampshire. Individuals with oral pain and infection end up in hospital emergency departments where treatment is costly and their dental issues remain unresolved. This program is designed to reduce the incidence of decay and tooth loss, and to increase the number of individuals receiving oral health care, through two distinct approaches: community based settings wherein children of all ages and adults 19 years and older access these services; and school based settings wherein second and third grade students additionally receive oral health educational presentations. Through this agreement with Concord Hospital, the community based settings option serves the Merrimack County area.

Should Governor and Executive Council not authorize this Request, the Oral Health Program will be unable to annually serve more than 23,000 children, teens, pregnant women, and adults from low-income, uninsured families living in New Hampshire who need oral health care services, and the Department's statewide efforts to reduce the rate of dental decay and tooth loss in New Hampshire for this targeted population will not occur.

This agreement is one of a total fifteen contracts awarded as the result of a competitive bid process. Thirteen awarded contracts were previously submitted to and approved by the Governor and Executive Council under two separate requests. A remaining contract will be submitted in the coming weeks. A Request for Proposals was posted on the Department of Health and Human Services' web site on January 3, 2013, and again on February 18, 2013. The Bid Summary is attached.

As referenced in the Governor and Executive Council letters that originally approved these agreements, both the Request for Proposals, Renewals Section and the original agreements contained the option to renew for two (2) additional years, contingent upon satisfactory delivery of services, available funding, agreement of the parties and approval of the Governor and Council. Because Concord Hospital has continually well-performed its contractual responsibilities, the Department is exercising this option.

The following measures will be used to evaluate the performance of the agreement for Community-Based oral health services provided by Concord Hospital:

- Number of pediatric clients that receive oral screenings
- Number of adult clients that receive oral screenings
- Percent of clients that receive prophylaxis (cleanings)
- Percent of clients that receive restorative treatment
- Percent of children that receive dental sealants
- Percent of broken dental appointments

Area served: Statewide.

Source of Funds: 44.7% Federal Funds from the Centers for Disease Control and Prevention, Preventive Health and Health Services Block Grant, Catalog of Federal and Domestic Assistance Number, 93.758, Federal Award Identification Number (FAIN) #B01OT009037, and 55.3% General Funds.

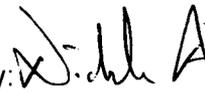
In the event that the Federal Funds become no longer available, General Funds will not be requested to support this program.

Respectfully submitted,



Marcella Jordan Bobinsky
Acting Director

Approved by:



Nicholas A. Toumpas
Commissioner



**State of New Hampshire
Department of Health and Human Services
Amendment #1 to Statewide Community and School Based Oral Health Services Contract**

This 1st Amendment to the Statewide Community and School Based Oral Health Services contract (hereinafter referred to as "Amendment 1") dated this 2nd day of February, 2015, is by and between the State of New Hampshire, Department of Health and Human Services (hereinafter referred to as the "State" or "Department") and Concord Hospital (hereinafter referred to as "the Contractor"), a non-profit corporation with a place of business at 250 Pleasant Street, Concord, NH 03301.

WHEREAS, pursuant to an agreement (the "Contract") approved by the Governor and Executive Council on June 19, 2013, (Item #93), the Contractor agreed to perform certain services based upon the terms and conditions specified in the Contract as amended and in consideration of certain sums specified; and

WHEREAS, the State and the Contractor have agreed to make changes to the scope of work, payment schedules and terms and conditions of the contract; and

WHEREAS, pursuant to the General Provisions, Paragraph 18 of the Agreement, the State may amend the Contract by written agreement of the parties; and

WHEREAS, the State and the Contractor have agreed to extend the term of the agreement and increase the price limitation to support continued delivery of these services;

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

- 1) Amend Form P-37, Subject to read Statewide Community and School Based Oral Health Services
- 2) Amend Form P-37, Block 1.7 to read June 30, 2017
- 3) Amend Form P-37, Block 1.8 to read \$94,000
- 4) Delete Exhibit A and replace with Exhibit A Amendment #1
- 5) Delete Exhibit B and replace with Exhibit B Amendment #1
- 6) Delete Exhibit C and replace with Exhibit C Amendment #1
- 7) Add Exhibit C-1
- 8) Delete Exhibit G and replace with Exhibit G Amendment #1
- 9) Delete Exhibit I and replace with Exhibit I Amendment #1



New Hampshire Department of Health and Human Services
Statewide Community and School Based Oral Health Services

This amendment shall be effective upon the date of Governor and Executive Council approval.

IN WITNESS WHEREOF, the parties have set their hands as of the date written below,

6/5/15
Date

State of New Hampshire
Department of Health and Human Services
[Signature]
Brook Dupee
Bureau Chief

4/2/2015
Date

Concord Hospital
[Signature]
NAME Robert P. Steigmeier
TITLE President & CEO

Acknowledgement:
State of NH, County of Merrimack on April 2nd 2015 before the undersigned officer, personally appeared the person identified above, or satisfactorily proven to be the person whose name is signed above, and acknowledged that s/he executed this document in the capacity indicated above.

Signature of Notary Public or Justice of the Peace

[Signature]
Name and Title of Notary or Justice of the Peace



Contractor Initials: [Signature]
Date: 4/2/15

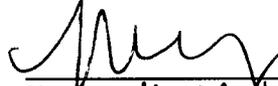
**New Hampshire Department of Health and Human Services
Statewide Community and School Based Oral Health Services**



The preceding Amendment, having been reviewed by this office, is approved as to form, substance, and execution.

OFFICE OF THE ATTORNEY GENERAL

Date 4/9/15


Name: Megan A. Alcorn
Title: Attorney General

I hereby certify that the foregoing Amendment was approved by the Governor and Executive Council of the State of New Hampshire at the Meeting on: _____ (date of meeting)

OFFICE OF THE SECRETARY OF STATE

Date _____

Name: _____
Title: _____

Contractor Initials: AS
Date: 4/2/15



Scope of Services

The Contractor shall provide community-based oral health services as specified herein:

1. General Provisions

1.1. The contractor shall use one of the following models to provide the following services:

- 1.1.1. The "clinic model" that provides on-site comprehensive preventive and/or restorative treatment.
- 1.1.2. The "combination clinic voucher model" that provides preventive treatment at one site and provides care coordination to link clients with restorative treatment at another site.

Oral health care services for the targeted population(s) shall include risk assessment, oral screenings with appropriate referrals, oral health education, early diagnosis of oral diseases, preventive care focused on age appropriate dental sealants, links to restorative treatment and disease management. Resources shall be directed to providing evidence-based oral health interventions.

1.2. Eligibility and Income Determination

- 1.2.1. The Contractor shall provide oral health services to low-income, uninsured, and underinsured children and adults within the defined service area who don't have regular access to oral health care. Low-income children and families are defined as < 185% of the U.S. Department of Health and Human Services (USDHHS), Poverty Guidelines, updated annually and effective as of July 1 of each year, in the State of New Hampshire.
- 1.2.2. If parental permission forms indicate that the child may be eligible for enrollment in Medicaid, the Contractor shall assist the family to complete the most recent version of the Medicaid enrollment form.

1.3. Relevant Policies and Guidelines

The community-based oral health program shall:

- 1.3.1. Require no fee for any Medicaid client.
- 1.3.2. Assist eligible families with Medicaid enrollment directly or through referral.
- 1.3.3. Become a Medicaid provider for qualified clients.
- 1.3.4. Provide a sliding fee scale for children from families without Medicaid, SCHIP or private dental insurance.
- 1.3.5. Assist students in finding a dental home that will provide ongoing comprehensive oral health care.
- 1.3.6. Resources shall be directed to evidence-based interventions.
- 1.3.7. Explore and secure future funding sources.

1.4. Numbers Served

Oral screening services are to be provided to a minimum of 1,100 individuals throughout each year of the contract term.

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Exhibit A Amendment #1

1.5. Culturally and Linguistically Appropriate Standards of Care

The Department of Health and Human Services (DHHS) recognizes that culture and language have considerable impact on how consumers access and respond to public health services. Culturally and linguistically diverse populations experience barriers in efforts to access health services. To ensure equal access to quality health services, the Division of Public Health Services (DPHS) expects that Contractors shall provide culturally and linguistically appropriate services according to the following guidelines:

- 1.5.1. Assess the ethnic/cultural needs, resources and assets of their community.
- 1.5.2. Promote the knowledge and skills necessary for staff to work effectively with consumers with respect to their culturally and linguistically diverse environment.
- 1.5.3. When feasible and appropriate, provide clients of limited English proficiency (LEP) with interpretation services. Persons of LEP are defined as those who do not speak English as their primary language and whose skills in listening to, speaking, or reading English are such that they are unable to adequately understand and participate in the care or in the services provided to them without language assistance.
- 1.5.4. Offer consumers a forum through which families of children served through the program have the opportunity to provide feedback to providers and organizations regarding cultural and linguistic issues that may deserve response.
- 1.5.5. The Contractor shall maintain a program policy that sets forth compliance with Title VI, Language Efficiency and Proficiency Citation 45 CFR 80.3(b) (2). The policy shall describe the way in which the items listed above were addressed and shall indicate the circumstances in which interpretation services are provided and the method of providing service (e.g. trained interpreter, staff person who speaks the language of the client or language line).

1.6. State and Federal Laws

The Contractor is responsible for compliance with all relevant state and federal laws. Special attention is called to the following statutory responsibilities:

- 1.6.1. The Contractor shall report all cases of communicable diseases according to New Hampshire RSA 141-C and He-P 30, effective 01/05.
- 1.6.2. Persons employed by the Contractor shall comply with the reporting requirements of New Hampshire RSA 169:C, Child Protection Act; RSA 161:F46, Protective Services to Adults and RSA 631:6, Assault and Related Offenses.
- 1.6.3. The contractor shall comply with standards developed by the Occupational Safety and Health Administration (OSHA).

1.7. Publications Funded Under Contract

- 1.7.1. The DHHS and/or its funders will retain COPYRIGHT ownership for any and all original materials produced with DHHS contract funding, including, but not limited to, brochures, resource directories, protocols or guidelines, posters, or reports.
- 1.7.2. All documents (written, video, audio) produced, reproduced or purchased under the contract shall have prior approval from DPHS before printing, production, distribution, or use.
- 1.7.3. The Contractor shall credit DHHS on all materials produced under this contract following the instructions outlined in Exhibit C-1 (5).

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Exhibit A Amendment #1

1.8. Subcontractors

If services required to comply with this Exhibit are provided by a subcontracted agency or provider, the DPHS Oral Health Program must be notified in writing, receive a copy of the subcontract or Memorandum of Agreement (MOA), and approve the subcontract (MOA) prior to its initiation. In addition, subcontractors must be held responsible to fulfill all relevant requirements included in this Exhibit.

2. Minimum Scope of Core Services

2.1. Service Requirements

The community-based oral health program shall consist of the following components:

- 2.1.1. Clinical services shall be provided under the supervision of a dentist licensed to practice in New Hampshire.
- 2.1.2. Visual oral screenings or exams by a NH Licensed Dentist or a NH Registered Dental Hygienist with screening results available to clients or to parents of children screened.
- 2.1.3. Oral health educational presentations by health professionals to individuals at chair side or to groups in a classroom setting as part of a health care curriculum.
- 2.1.4. Topical fluoride application as part of a regular preventive routine or, when appropriate, through a school-based fluoride rinse program in schools wishing to participate.
- 2.1.5. A preventive dental program that includes dental sealants and Interim Therapeutic Restorations (ITRs) placed by a Certified Public Health Hygienist for students and adults through a school-based or community-based program that assesses risk of dental disease and tooth eruption.
- 2.1.6. With the exception of orthodontic care, the program shall provide assistance in obtaining restorative care for children and adults without an established dental provider.
- 2.1.7. Oral health data collection to support a knowledge base and dental data surveillance system for use in policy development, assessment, and capacity building at state and local levels.
- 2.1.8. Notice to families without access to dental services that a sliding fee scale is available and that no student will be denied school-based dental services for inability to pay. The sliding fee scale must be updated annually based on USDHHS Poverty guidelines as published in the Federal Register.

Contractors considering clinical or sociological research using clients as subjects must adhere to the legal requirements governing human subjects' research. Contractors must inform the Oral Health Program prior to initiating any research related to this contract.

2.2. Staffing Provisions

The Contractor shall be responsible for compliance with the New Hampshire Dental Practice Act. All dental health professionals shall have the appropriate New Hampshire license and certification. The Contractor shall provide the DPHS Oral Health Program with a resume, a copy of the NH license if appropriate, and job description for any current professional staff in the program and notify the State in writing of any staffing changes, along with a copy of the resume of any new staff hired within one month of date of hire.

2.3. Staffing Changes

- 2.3.1. **New Hires:** The Contractor shall notify the Oral Health Program in writing within one month of hire when a new administrator or coordinator or any staff person essential to carrying out this

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Exhibit A Amendment #1

scope of services is hired to work in the program. A resume of the employee and New Hampshire license if appropriate shall accompany this notification.

- 2.3.2. Vacancies: The Contractor must notify the Oral Health Program in writing if the dentist or dental hygienist positions are vacant for more than one month. This may be done through a budget revision. In addition, the Oral Health Program must be notified in writing if at any time any program funded under this agreement does not have adequate staffing to perform all required services for more than one month.

2.4. Coordination of Services

- 2.4.1. The agency shall make arrangements for coordination of oral health services and exchange of information with other health care providers and agencies. Attach copies of appropriate contractual agreements, memoranda of understanding, or letters of support from the appropriate persons summarizing the nature of the collaboration and indicating the level of support.
- 2.4.2. Agencies that deliver oral health services in communities that are part of a Public Health Region (PHR) should be active participants in the PHR. As appropriate, agencies should participate in community needs assessments, public health performance assessments, and the development of regional public health improvement plans, all of which integrate oral health. Agencies should also engage PHR staff as appropriate to enhance the implementation of community-based public health prevention initiatives being implemented by the agency.

2.5. Meetings and Trainings

The Contractor will be responsible to send staff to meetings and trainings required by the Oral Health Program, including but not limited to the Annual Oral Health Forum and Calibration Clinic for School-Based Hygienists.

3. Quality or Performance Improvement

3.1. Work plans

- 3.1.1. Performance work plans are required bi-annually for this program and are used to monitor achievement of standard measures of performance of the services provided under this contract. The work plans are a key component of the Oral Health Program performance-based contracting system and of this contract.
- 3.1.2. The Contractor shall incorporate required performance measures into quality/performance improvement plan. Reports on Oral Health work plan progress/outcomes shall explain how the program plans for future improvement describing activities that monitor and evaluate the program's progress toward reaching performance measure targets.
- 3.1.3. The Contractor shall submit a performance-based work plan with this application for funding and by July 15th of the second contract year.
- 3.1.4. The Contractor shall comply with minor modifications and/or additions to the work plan and annual report format as requested by the Oral Health Program. The Oral Health Program will provide the Contractor with advance notice of such changes and the Contractor is not expected to incur any substantial costs relative to such changes.

3.2. Data and Reporting Requirements

In addition to performance work plans, the Contractor shall submit to the Oral Health Program the following data used to monitor program performance:

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Exhibit A Amendment #1

- 3.2.1. Work plans and work plan outcome reports according to the schedule and instructions provided by the Oral Health Program. The Oral Health Program shall notify the Contractor at least 30 days in advance of any changes in the submission schedule.
- 3.2.2. In years when contracts or amendments are not required, the DPHS Budget Form, Budget Justification, Sources of Revenue and Program Staff List forms must be completed according to the relevant instructions and submitted as requested by DPHS and, at minimum, by April 30 of each year.
- 3.2.3. The Sources of Revenue report must be resubmitted at any point when changes in revenue threaten the ability of the agency to carry out the planned program.
- 3.2.4. A copy of the Sliding Fee Scale shall be submitted by March 1st of each contract year. The sliding fee scale must be updated annually based on the US DHHS Poverty Guidelines as published in the Federal Register.
- 3.2.5. An annual summary of feedback from school administrators, families and providers obtained during the prior contract year and of the method by which the results were obtained must be submitted with the bi-annual work plan.

3.3. On-Site Reviews

- 3.3.1. The Contractor shall allow a team or person authorized by the Oral Health Program to periodically review the Contractor's systems of governance, administration, data collection and submission, clinical, and financial management in order to assure systems are adequate to provide the contracted services.
- 3.3.2. The Contractor shall make corrective actions as advised by the review team if contracted services are not found to be provided in accordance with this Exhibit.
- 3.3.3. On-Site reviews may be waived or abbreviated at the discretion of the Oral Health Program, upon submission of satisfactory reports of reviews such as the Health and Human Services Administration (HRSA) Office of Performance Review (OPR) or reviews from nationally accredited organizations such as the Joint Commission, the Community Health and Accreditation Program (CHAP) or the Accreditation Association for Ambulatory Health Care (AAA). Abbreviated reviews will focus on any deficiencies found in previous reviews, issues of compliance with this Exhibit, and actions to strengthen performance as outlined in the agency performance work plan.

3.4. Performance Measures

3.4.1. Community-Based Performance Measures:

- A minimum of 100 pediatric clients (ages 0 <19 years) will receive oral screenings
- A minimum of 1,000 adult clients (19 years and older) will receive oral screenings
- Percent of clients receiving prophylaxis (cleanings)
- Percent of clients receiving restorative treatment
- Percent of children receiving dental sealants
- Percent of broken dental appointments

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Method and Conditions Precedent to Payment

1. The total amount of all payments made to the Contractor for costs and expenses incurred in the performance of services during the period of July 1, 2015 and June 30, 2017 shall not exceed:
 - a. \$23,500 in SFY 2016 and \$23,500 in SFY 2017 for oral health initiatives, for a total amount of \$47,000.
 - b. Funding is available as follows:
 - \$21,009 – 44.7% Federal Funds from the Centers for Disease Control and Prevention, CFDA #93.758, Federal Award Identification Number (FAIN), B01OT009037
 - \$25,991 – 55.3% from General Funds
2. The Contractor agrees to use and apply all contract funds from the State for direct and indirect costs and expenses including but not limited to personnel costs and operating expenses related to the Services, as detailed in the attached SFY 2016 and 2017 budgets (Exhibits B-1). Allowable costs and expenses shall be determined by the State in accordance with applicable state and federal laws and regulations. The Contractor agrees not to use or apply such funds for capital additions or improvements, entertainment costs, or any other costs not approved by the State.
3. This is a cost-reimbursement contract based on an approved budget for the contract period. Reimbursement shall be made monthly based on actual costs incurred during the previous month.
4. Invoices shall be submitted by the Contractor to the State in a form satisfactory to the State for each of the Service category budgets. Said invoices shall be submitted within twenty (20) working days following the end of the month during which the contract activities were completed, and the final invoice shall be due to the State no later than sixty (60) days after the contract Completion Date. Said invoice shall contain a description of all allowable costs and expenses incurred by the Contractor during the contract period.
5. Payment will be made by the State agency subsequent to approval of the submitted invoice and if sufficient funds are available in the Service category budget line items submitted by the Contractor to cover the costs and expenses incurred in the performance of services.
6. Notwithstanding paragraph 18 of the General Provisions P-37, an amendment limited to adjustments to amounts between and among account numbers, within the price limitation, may be made by written agreement of both parties and may be made without obtaining approval of the Governor and Executive Council.
7. The Contractor shall have written authorization from the State prior to using contract funds to purchase any equipment with a cost in excess of three hundred dollars (\$300) and with a useful life beyond one year.

[Handwritten Signature]
Date 4/2/15

**Exhibit B-1
Budget**

New Hampshire Department of Health and Human Services

Bidder/Contractor Name: Concord Hospital (Family Health Center)

Statewide Community and School Based Oral
Budget Request for: **Health Services**
(Name of RFP)

Budget Period: 7/1/16 - 6/30/17

Line Item	Direct Incremental	Indirect Fixed	Total	Allocation Method for Indirect/Fixed Cost
1. Total Salary/Wages	\$ 23,500.00	\$ -	\$ 23,500.00	
2. Employee Benefits	\$ -	\$ -	\$ -	
3. Consultants	\$ -	\$ -	\$ -	
4. Equipment:	\$ -	\$ -	\$ -	
Rental	\$ -	\$ -	\$ -	
Repair and Maintenance	\$ -	\$ -	\$ -	
Purchase/Depreciation	\$ -	\$ -	\$ -	
5. Supplies:	\$ -	\$ -	\$ -	
Educational	\$ -	\$ -	\$ -	
Lab	\$ -	\$ -	\$ -	
Pharmacy	\$ -	\$ -	\$ -	
Medical	\$ -	\$ -	\$ -	
Office	\$ -	\$ -	\$ -	
6. Travel	\$ -	\$ -	\$ -	
7. Occupancy	\$ -	\$ -	\$ -	
8. Current Expenses	\$ -	\$ -	\$ -	
Telephone	\$ -	\$ -	\$ -	
Postage	\$ -	\$ -	\$ -	
Subscriptions	\$ -	\$ -	\$ -	
Audit and Legal	\$ -	\$ -	\$ -	
Insurance	\$ -	\$ -	\$ -	
Board Expenses	\$ -	\$ -	\$ -	
9. Software	\$ -	\$ -	\$ -	
10. Marketing/Communications	\$ -	\$ -	\$ -	
11. Staff Education and Training	\$ -	\$ -	\$ -	
12. Subcontracts/Agreements	\$ -	\$ -	\$ -	
13. Other (specific details mandatory):	\$ -	\$ -	\$ -	
	\$ -	\$ -	\$ -	
	\$ -	\$ -	\$ -	
	\$ -	\$ -	\$ -	
	\$ -	\$ -	\$ -	
	\$ -	\$ -	\$ -	
TOTAL	\$ 23,500.00	\$ -	\$ 23,500.00	

Indirect As A Percent of Direct

0.0%

Contractor Initials: _____

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Date: _____

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SPECIAL PROVISIONS

Contractors Obligations: The Contractor covenants and agrees that all funds received by the Contractor under the Contract shall be used only as payment to the Contractor for services provided to eligible individuals and, in the furtherance of the aforesaid covenants, the Contractor hereby covenants and agrees as follows:

1. **Compliance with Federal and State Laws:** If the Contractor is permitted to determine the eligibility of individuals such eligibility determination shall be made in accordance with applicable federal and state laws, regulations, orders, guidelines, policies and procedures.
2. **Time and Manner of Determination:** Eligibility determinations shall be made on forms provided by the Department for that purpose and shall be made and remade at such times as are prescribed by the Department.
3. **Documentation:** In addition to the determination forms required by the Department, the Contractor shall maintain a data file on each recipient of services hereunder, which file shall include all information necessary to support an eligibility determination and such other information as the Department requests. The Contractor shall furnish the Department with all forms and documentation regarding eligibility determinations that the Department may request or require.
4. **Fair Hearings:** The Contractor understands that all applicants for services hereunder, as well as individuals declared ineligible have a right to a fair hearing regarding that determination. The Contractor hereby covenants and agrees that all applicants for services shall be permitted to fill out an application form and that each applicant or re-applicant shall be informed of his/her right to a fair hearing in accordance with Department regulations.
5. **Gratuities or Kickbacks:** The Contractor agrees that it is a breach of this Contract to accept or make a payment, gratuity or offer of employment on behalf of the Contractor, any Sub-Contractor or the State in order to influence the performance of the Scope of Work detailed in Exhibit A of this Contract. The State may terminate this Contract and any sub-contract or sub-agreement if it is determined that payments, gratuities or offers of employment of any kind were offered or received by any officials, officers, employees or agents of the Contractor or Sub-Contractor.
6. **Retroactive Payments:** Notwithstanding anything to the contrary contained in the Contract or in any other document, contract or understanding, it is expressly understood and agreed by the parties hereto, that no payments will be made hereunder to reimburse the Contractor for costs incurred for any purpose or for any services provided to any individual prior to the Effective Date of the Contract and no payments shall be made for expenses incurred by the Contractor for any services provided prior to the date on which the individual applies for services or (except as otherwise provided by the federal regulations) prior to a determination that the individual is eligible for such services.
7. **Conditions of Purchase:** Notwithstanding anything to the contrary contained in the Contract, nothing herein contained shall be deemed to obligate or require the Department to purchase services hereunder at a rate which reimburses the Contractor in excess of the Contractors costs, at a rate which exceeds the amounts reasonable and necessary to assure the quality of such service, or at a rate which exceeds the rate charged by the Contractor to ineligible individuals or other third party funders for such service. If at any time during the term of this Contract or after receipt of the Final Expenditure Report hereunder, the Department shall determine that the Contractor has used payments hereunder to reimburse items of expense other than such costs, or has received payment in excess of such costs or in excess of such rates charged by the Contractor to ineligible individuals or other third party funders, the Department may elect to:
 - 7.1. Renegotiate the rates for payment hereunder, in which event new rates shall be established;
 - 7.2. Deduct from any future payment to the Contractor the amount of any prior reimbursement in excess of costs;

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- 7.3. Demand repayment of the excess payment by the Contractor in which event failure to make such repayment shall constitute an Event of Default hereunder. When the Contractor is permitted to determine the eligibility of individuals for services, the Contractor agrees to reimburse the Department for all funds paid by the Department to the Contractor for services provided to any individual who is found by the Department to be ineligible for such services at any time during the period of retention of records established herein.

RECORDS: MAINTENANCE, RETENTION, AUDIT, DISCLOSURE AND CONFIDENTIALITY:

8. **Maintenance of Records:** In addition to the eligibility records specified above, the Contractor covenants and agrees to maintain the following records during the Contract Period:
- 8.1. **Fiscal Records:** books, records, documents and other data evidencing and reflecting all costs and other expenses incurred by the Contractor in the performance of the Contract, and all income received or collected by the Contractor during the Contract Period, said records to be maintained in accordance with accounting procedures and practices which sufficiently and properly reflect all such costs and expenses, and which are acceptable to the Department, and to include, without limitation, all ledgers, books, records, and original evidence of costs such as purchase requisitions and orders, vouchers, requisitions for materials, inventories, valuations of in-kind contributions, labor time cards, payrolls, and other records requested or required by the Department.
- 8.2. **Statistical Records:** Statistical, enrollment, attendance or visit records for each recipient of services during the Contract Period, which records shall include all records of application and eligibility (including all forms required to determine eligibility for each such recipient), records regarding the provision of services and all invoices submitted to the Department to obtain payment for such services.
- 8.3. **Medical Records:** Where appropriate and as prescribed by the Department regulations, the Contractor shall retain medical records on each patient/recipient of services.
9. **Audit:** Contractor shall submit an annual audit to the Department within 60 days after the close of the agency fiscal year. It is recommended that the report be prepared in accordance with the provision of Office of Management and Budget Circular A-133, "Audits of States, Local Governments, and Non Profit Organizations" and the provisions of Standards for Audit of Governmental Organizations, Programs, Activities and Functions, issued by the US General Accounting Office (GAO standards) as they pertain to financial compliance audits.
- 9.1. **Audit and Review:** During the term of this Contract and the period for retention hereunder, the Department, the United States Department of Health and Human Services, and any of their designated representatives shall have access to all reports and records maintained pursuant to the Contract for purposes of audit, examination, excerpts and transcripts.
- 9.2. **Audit Liabilities:** In addition to and not in any way in limitation of obligations of the Contract, it is understood and agreed by the Contractor that the Contractor shall be held liable for any state or federal audit exceptions and shall return to the Department, all payments made under the Contract to which exception has been taken or which have been disallowed because of such an exception.
10. **Confidentiality of Records:** All information, reports, and records maintained hereunder or collected in connection with the performance of the services and the Contract shall be confidential and shall not be disclosed by the Contractor, provided however, that pursuant to state laws and the regulations of the Department regarding the use and disclosure of such information, disclosure may be made to public officials requiring such information in connection with their official duties and for purposes directly connected to the administration of the services and the Contract; and provided further, that the use or disclosure by any party of any information concerning a recipient for any purpose not directly connected with the administration of the Department or the Contractor's responsibilities with respect to purchased services hereunder is prohibited except on written consent of the recipient, his attorney or guardian.

[Handwritten Signature]
Date 4/2/15



Notwithstanding anything to the contrary contained herein the covenants and conditions contained in the Paragraph shall survive the termination of the Contract for any reason whatsoever.

11. **Reports:** Fiscal and Statistical: The Contractor agrees to submit the following reports at the following times if requested by the Department.
 - 11.1. Interim Financial Reports: Written interim financial reports containing a detailed description of all costs and non-allowable expenses incurred by the Contractor to the date of the report and containing such other information as shall be deemed satisfactory by the Department to justify the rate of payment hereunder. Such Financial Reports shall be submitted on the form designated by the Department or deemed satisfactory by the Department.
 - 11.2. Final Report: A final report shall be submitted within thirty (30) days after the end of the term of this Contract. The Final Report shall be in a form satisfactory to the Department and shall contain a summary statement of progress toward goals and objectives stated in the Proposal and other information required by the Department.
12. **Completion of Services:** Disallowance of Costs: Upon the purchase by the Department of the maximum number of units provided for in the Contract and upon payment of the price limitation hereunder, the Contract and all the obligations of the parties hereunder (except such obligations as, by the terms of the Contract are to be performed after the end of the term of this Contract and/or survive the termination of the Contract) shall terminate, provided however, that if, upon review of the Final Expenditure Report the Department shall disallow any expenses claimed by the Contractor as costs hereunder the Department shall retain the right, at its discretion, to deduct the amount of such expenses as are disallowed or to recover such sums from the Contractor.
13. **Credits:** All documents, notices, press releases, research reports and other materials prepared during or resulting from the performance of the services of the Contract shall include the following statement:
 - 13.1. The preparation of this (report, document etc.) was financed under a Contract with the State of New Hampshire, Department of Health and Human Services, with funds provided in part by the State of New Hampshire and/or such other funding sources as were available or required, e.g., the United States Department of Health and Human Services.
14. **Prior Approval and Copyright Ownership:** All materials (written, video, audio) produced or purchased under the contract shall have prior approval from DHHS before printing, production, distribution or use. The DHHS will retain copyright ownership for any and all original materials produced, including, but not limited to, brochures, resource directories, protocols or guidelines, posters, or reports. Contractor shall not reproduce any materials produced under the contract without prior written approval from DHHS.
15. **Operation of Facilities: Compliance with Laws and Regulations:** In the operation of any facilities for providing services, the Contractor shall comply with all laws, orders and regulations of federal, state, county and municipal authorities and with any direction of any Public Officer or officers pursuant to laws which shall impose an order or duty upon the contractor with respect to the operation of the facility or the provision of the services at such facility. If any governmental license or permit shall be required for the operation of the said facility or the performance of the said services, the Contractor will procure said license or permit, and will at all times comply with the terms and conditions of each such license or permit. In connection with the foregoing requirements, the Contractor hereby covenants and agrees that, during the term of this Contract the facilities shall comply with all rules, orders, regulations, and requirements of the State Office of the Fire Marshal and the local fire protection agency, and shall be in conformance with local building and zoning codes, by-laws and regulations.
16. **Equal Employment Opportunity Plan (EEOP):** The Contractor will provide an Equal Employment Opportunity Plan (EEOP) to the Office for Civil Rights, Office of Justice Programs (OCR), if it has received a single award of \$500,000 or more. If the recipient receives \$25,000 or more and has 50 or

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more employees, it will maintain a current EEO on file and submit an EEO Certification Form to the OCR, certifying that its EEO is on file. For recipients receiving less than \$25,000, or public grantees with fewer than 50 employees, regardless of the amount of the award, the recipient will provide an EEO Certification Form to the OCR certifying it is not required to submit or maintain an EEO. Non-profit organizations, Indian Tribes, and medical and educational institutions are exempt from the EEO requirement, but are required to submit a certification form to the OCR to claim the exemption. EEO Certification Forms are available at: <http://www.ojp.usdoj/about/ocr/pdfs/cert.pdf>.

17. **Limited English Proficiency (LEP):** As clarified by Executive Order 13166, Improving Access to Services for persons with Limited English Proficiency, and resulting agency guidance, national origin discrimination includes discrimination on the basis of limited English proficiency (LEP). To ensure compliance with the Omnibus Crime Control and Safe Streets Act of 1968 and Title VI of the Civil Rights Act of 1964, Contractors must take reasonable steps to ensure that LEP persons have meaningful access to its programs.
18. **Pilot Program for Enhancement of Contractor Employee Whistleblower Protections:** The following shall apply to all contracts that exceed the Simplified Acquisition Threshold as defined in 48 CFR 2.101 (currently, \$150,000)

CONTRACTOR EMPLOYEE WHISTLEBLOWER RIGHTS AND REQUIREMENT TO INFORM EMPLOYEES OF
WHISTLEBLOWER RIGHTS (SEP 2013)

- (a) This contract and employees working on this contract will be subject to the whistleblower rights and remedies in the pilot program on Contractor employee whistleblower protections established at 41 U.S.C. 4712 by section 828 of the National Defense Authorization Act for Fiscal Year 2013 (Pub. L. 112-239) and FAR 3.908.
- (b) The Contractor shall inform its employees in writing, in the predominant language of the workforce, of employee whistleblower rights and protections under 41 U.S.C. 4712, as described in section 3.908 of the Federal Acquisition Regulation.
- (c) The Contractor shall insert the substance of this clause, including this paragraph (c), in all subcontracts over the simplified acquisition threshold.

19. **Subcontractors:** DHHS recognizes that the Contractor may choose to use subcontractors with greater expertise to perform certain health care services or functions for efficiency or convenience, but the Contractor shall retain the responsibility and accountability for the function(s). Prior to subcontracting, the Contractor shall evaluate the subcontractor's ability to perform the delegated function(s). This is accomplished through a written agreement that specifies activities and reporting responsibilities of the subcontractor and provides for revoking the delegation or imposing sanctions if the subcontractor's performance is not adequate. Subcontractors are subject to the same contractual conditions as the Contractor and the Contractor is responsible to ensure subcontractor compliance with those conditions.
When the Contractor delegates a function to a subcontractor, the Contractor shall do the following:
 - 19.1. Evaluate the prospective subcontractor's ability to perform the activities, before delegating the function
 - 19.2. Have a written agreement with the subcontractor that specifies activities and reporting responsibilities and how sanctions/revocation will be managed if the subcontractor's performance is not adequate
 - 19.3. Monitor the subcontractor's performance on an ongoing basis



- 19.4. Provide to DHHS an annual schedule identifying all subcontractors, delegated functions and responsibilities, and when the subcontractor's performance will be reviewed
- 19.5. DHHS shall, at its discretion, review and approve all subcontracts.

If the Contractor identifies deficiencies or areas for improvement are identified, the Contractor shall take corrective action.

DEFINITIONS

As used in the Contract, the following terms shall have the following meanings:

COSTS: Shall mean those direct and indirect items of expense determined by the Department to be allowable and reimbursable in accordance with cost and accounting principles established in accordance with state and federal laws, regulations, rules and orders.

DEPARTMENT: NH Department of Health and Human Services.

FINANCIAL MANAGEMENT GUIDELINES: Shall mean that section of the Contractor Manual which is entitled "Financial Management Guidelines" and which contains the regulations governing the financial activities of contractor agencies which have contracted with the State of NH to receive funds.

PROPOSAL: If applicable, shall mean the document submitted by the Contractor on a form or forms required by the Department and containing a description of the Services to be provided to eligible individuals by the Contractor in accordance with the terms and conditions of the Contract and setting forth the total cost and sources of revenue for each service to be provided under the Contract.

UNIT: For each service that the Contractor is to provide to eligible individuals hereunder, shall mean that period of time or that specified activity determined by the Department and specified in Exhibit B of the Contract.

FEDERAL/STATE LAW: Wherever federal or state laws, regulations, rules, orders, and policies, etc. are referred to in the Contract, the said reference shall be deemed to mean all such laws, regulations, etc. as they may be amended or revised from the time to time.

CONTRACTOR MANUAL: Shall mean that document prepared by the NH Department of Administrative Services containing a compilation of all regulations promulgated pursuant to the New Hampshire Administrative Procedures Act. NH RSA Ch 541-A, for the purpose of implementing State of NH and federal regulations promulgated thereunder.

SUPPLANTING OTHER FEDERAL FUNDS: The Contractor guarantees that funds provided under this Contract will not supplant any existing federal funds available for these services.



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

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

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

- the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. Section 3789d) which prohibits recipients of federal funding under this statute from discriminating, either in employment practices or in the delivery of services or benefits, on the basis of race, color, religion, national origin, and sex. The Act requires certain recipients to produce an Equal Employment Opportunity Plan;
- the Juvenile Justice Delinquency Prevention Act of 2002 (42 U.S.C. Section 5672(b)) which adopts by reference, the civil rights obligations of the Safe Streets Act. Recipients of federal funding under this statute are prohibited from discriminating, either in employment practices or in the delivery of services or benefits, on the basis of race, color, religion, national origin, and sex. The Act includes Equal Employment Opportunity Plan requirements;
- the Civil Rights Act of 1964 (42 U.S.C. Section 2000d, which prohibits recipients of federal financial assistance from discriminating on the basis of race, color, or national origin in any program or activity);
- the Rehabilitation Act of 1973 (29 U.S.C. Section 794), which prohibits recipients of Federal financial assistance from discriminating on the basis of disability, in regard to employment and the delivery of services or benefits, in any program or activity;
- the Americans with Disabilities Act of 1990 (42 U.S.C. Sections 12131-34), which prohibits discrimination and ensures equal opportunity for persons with disabilities in employment, State and local government services, public accommodations, commercial facilities, and transportation;
- the Education Amendments of 1972 (20 U.S.C. Sections 1681, 1683, 1685-86), which prohibits discrimination on the basis of sex in federally assisted education programs;
- the Age Discrimination Act of 1975 (42 U.S.C. Sections 6106-07), which prohibits discrimination on the basis of age in programs or activities receiving Federal financial assistance. It does not include employment discrimination;
- 28 C.F.R. pt. 31 (U.S. Department of Justice Regulations – OJJDP Grant Programs); 28 C.F.R. pt. 42 (U.S. Department of Justice Regulations – Nondiscrimination; Equal Employment Opportunity; Policies and Procedures); Executive Order No. 13279 (equal protection of the laws for faith-based and community organizations); Executive Order No. 13559, which provide fundamental principles and policy-making criteria for partnerships with faith-based and neighborhood organizations;
- 28 C.F.R. pt. 38 (U.S. Department of Justice Regulations – Equal Treatment for Faith-Based Organizations); and Whistleblower protections 41 U.S.C. §4712 and The National Defense Authorization Act (NDAA) for Fiscal Year 2013 (Pub. L. 112-239, enacted January 2, 2013) the Pilot Program for Enhancement of Contract Employee Whistleblower Protections, which protects employees against reprisal for certain whistle blowing activities in connection with federal grants and contracts.

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

Exhibit G- Amendment #1

Certification of Compliance with requirements pertaining to Federal Nondiscrimination, Equal Treatment of Faith-Based Organizations and Whistleblower protections

Contractor Initials

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Date *4/2/15*

New Hampshire Department of Health and Human Services
Exhibit G – Amendment #1



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

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

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

Contractor Name:

4/2/2015
Date

Robert P. Steigmeyer
Name: Robert P. Steigmeyer
Title: President & CEO

Exhibit G- Amendment #1

Contractor Initials *APS*

Certification of Compliance with requirements pertaining to Federal Nondiscrimination, Equal Treatment of Faith-Based Organizations and Whistleblower protections



Exhibit I - Amendment #1

HEALTH INSURANCE PORTABILITY ACT
BUSINESS ASSOCIATE AGREEMENT

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

(1) Definitions.

- a. "Breach" shall have the same meaning as the term "Breach" in section 164.402 of Title 45, Code of Federal Regulations.
- b. "Business Associate" has the meaning given such term in section 160.103 of Title 45, Code of Federal Regulations.
- c. "Covered Entity" has the meaning given such term in section 160.103 of Title 45, Code of Federal Regulations.
- d. "Designated Record Set" shall have the same meaning as the term "designated record set" in 45 CFR Section 164.501.
- e. "Data Aggregation" shall have the same meaning as the term "data aggregation" in 45 CFR Section 164.501.
- f. "Health Care Operations" shall have the same meaning as the term "health care operations" in 45 CFR Section 164.501.
- g. "HITECH Act" means the Health Information Technology for Economic and Clinical Health Act, Title XIII, Subtitle D, Part 1 & 2 of the American Recovery and Reinvestment Act of 2009.
- h. "HIPAA" means the Health Insurance Portability and Accountability Act of 1996, Public Law 104-191 and the Standards for Privacy and Security of Individually Identifiable Health Information, 45 CFR Parts 160, 162 and 164 and amendments thereto.
- i. "Individual" shall have the same meaning as the term "individual" in 45 CFR Section 160.103 and shall include a person who qualifies as a personal representative in accordance with 45 CFR Section 164.501(g).
- j. "Privacy Rule" shall mean the Standards for Privacy of Individually Identifiable Health Information at 45 CFR Parts 160 and 164, promulgated under HIPAA by the United States Department of Health and Human Services.
- k. "Protected Health Information" shall have the same meaning as the term "protected health information" in 45 CFR Section 160.103, limited to the information created or received by Business Associate from or on behalf of Covered Entity.

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Date 4/2/15



Exhibit I Amendment #1

- i. “Required by Law” shall have the same meaning as the term “required by law” in 45 CFR Section 164.103.
- m. “Secretary” shall mean the Secretary of the Department of Health and Human Services or his/her designee.
- n. “Security Rule” shall mean the Security Standards for the Protection of Electronic Protected Health Information at 45 CFR Part 164, Subpart C, and amendments thereto.
- o. “Unsecured Protected Health Information” means protected health information that is not secured by a technology standard that renders protected health information unusable, unreadable, or indecipherable to unauthorized individuals and is developed or endorsed by a standards developing organization that is accredited by the American National Standards Institute.
- p. Other Definitions - All terms not otherwise defined herein shall have the meaning established under 45 C.F.R. Parts 160, 162 and 164, as amended from time to time, and the HITECH Act.

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

- a. Business Associate shall not use, disclose, maintain or transmit Protected Health Information (PHI) except as reasonably necessary to provide the services outlined under Exhibit A of the Agreement. Further, Business Associate, including but not limited to all its directors, officers, employees and agents, shall not use, disclose, maintain or transmit PHI in any manner that would constitute a violation of the Privacy and Security Rule.
- b. Business Associate may use or disclose PHI:
 - I. For the proper management and administration of the Business Associate;
 - II. As required by law, pursuant to the terms set forth in paragraph d. below; or
 - III. For data aggregation purposes for the health care operations of Covered Entity.
- c. To the extent Business Associate is permitted under the Agreement to disclose PHI to a third party, Business Associate must obtain, prior to making any such disclosure, (i) reasonable assurances from the third party that such PHI will be held confidentially and used or further disclosed only as required by law or for the purpose for which it was disclosed to the third party; and (ii) an agreement from such third party to notify Business Associate, in accordance with the HIPAA Privacy, Security, and Breach Notification Rules of any breaches of the confidentiality of the PHI, to the extent it has obtained knowledge of such breach.
- d. The Business Associate shall not, unless such disclosure is reasonably necessary to provide services under Exhibit A of the Agreement, disclose any PHI in response to a request for disclosure on the basis that it is required by law, without first notifying Covered Entity so that Covered Entity has an opportunity to object to the disclosure and to seek appropriate relief. If Covered Entity objects to such disclosure, the Business

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Exhibit I Amendment #1

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

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

(3) Obligations and Activities of Business Associate.

- a. The Business Associate shall notify the Covered Entity's Privacy Officer immediately after the Business Associate becomes aware of any use or disclosure of protected health information not provided for by the Agreement including breaches of unsecured protected health information and/or any security incident that may have an impact on the protected health information of the Covered Entity.
- b. The Business Associate shall immediately perform a risk assessment when it becomes aware of any of the above situations. The risk assessment shall include, but not be limited to:
 - o The nature and extent of the protected health information involved, including the types of identifiers and the likelihood of re-identification;
 - o The unauthorized person used the protected health information or to whom the disclosure was made;
 - o Whether the protected health information was actually acquired or viewed
 - o The extent to which the risk to the protected health information has been mitigated.

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

- c. The Business Associate shall comply with all sections of the Privacy, Security, and Breach Notification Rule.
- d. Business Associate shall make available all of its internal policies and procedures, books and records relating to the use and disclosure of PHI received from, or created or received by the Business Associate on behalf of Covered Entity to the Secretary for purposes of determining Covered Entity's compliance with HIPAA and the Privacy and Security Rule.
- e. Business Associate shall require all of its business associates that receive, use or have access to PHI under the Agreement, to agree in writing to adhere to the same restrictions and conditions on the use and disclosure of PHI contained herein, including the duty to return or destroy the PHI as provided under Section 3 (I). 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

[Handwritten Signature]
Date 4/2/15



Exhibit I Amendment #1

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

- f. Within five (5) business days of receipt of a written request from Covered Entity, Business Associate shall make available during normal business hours at its offices all records, books, agreements, policies and procedures relating to the use and disclosure of PHI to the Covered Entity, for purposes of enabling Covered Entity to determine Business Associate's compliance with the terms of the Agreement.
- g. Within ten (10) business days of receiving a written request from Covered Entity, Business Associate shall provide access to PHI in a Designated Record Set to the Covered Entity, or as directed by Covered Entity, to an individual in order to meet the requirements under 45 CFR Section 164.524.
- h. Within ten (10) business days of receiving a written request from Covered Entity for an amendment of PHI or a record about an individual contained in a Designated Record Set, the Business Associate shall make such PHI available to Covered Entity for amendment and incorporate any such amendment to enable Covered Entity to fulfill its obligations under 45 CFR Section 164.526.
- i. Business Associate shall document such disclosures of PHI and information related to such disclosures as would be required for Covered Entity to respond to a request by an individual for an accounting of disclosures of PHI in accordance with 45 CFR Section 164.528.
- j. Within ten (10) business days of receiving a written request from Covered Entity for a request for an accounting of disclosures of PHI, Business Associate shall make available to Covered Entity such information as Covered Entity may require to fulfill its obligations to provide an accounting of disclosures with respect to PHI in accordance with 45 CFR Section 164.528.
- k. In the event any individual requests access to, amendment of, or accounting of PHI directly from the Business Associate, the Business Associate shall within two (2) business days forward such request to Covered Entity. Covered Entity shall have the responsibility of responding to forwarded requests. However, if forwarding the individual's request to Covered Entity would cause Covered Entity or the Business Associate to violate HIPAA and the Privacy and Security Rule, the Business Associate shall instead respond to the individual's request as required by such law and notify Covered Entity of such response as soon as practicable.
- l. Within ten (10) business days of termination of the Agreement, for any reason, the Business Associate shall return or destroy, as specified by Covered Entity, all PHI received from, or created or received by the Business Associate in connection with the Agreement, and shall not retain any copies or back-up tapes of such PHI. If return or destruction is not feasible, or the disposition of the PHI has been otherwise agreed to in the Agreement, Business Associate shall continue to extend the protections of the Agreement, to such PHI and limit further uses and disclosures of such PHI to those purposes that make the return or destruction infeasible, for so long as Business

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Exhibit I Amendment #1

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

(4) Obligations of Covered Entity

- a. Covered Entity shall notify Business Associate of any changes or limitation(s) in its Notice of Privacy Practices provided to individuals in accordance with 45 CFR Section 164.520, to the extent that such change or limitation may affect Business Associate's use or disclosure of PHI.
- b. Covered Entity shall promptly notify Business Associate of any changes in, or revocation of permission provided to Covered Entity by individuals whose PHI may be used or disclosed by Business Associate under this Agreement, pursuant to 45 CFR Section 164.506 or 45 CFR Section 164.508.
- c. Covered entity shall promptly notify Business Associate of any restrictions on the use or disclosure of PHI that Covered Entity has agreed to in accordance with 45 CFR 164.522, to the extent that such restriction may affect Business Associate's use or disclosure of PHI.

(5) Termination for Cause

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

(6) Miscellaneous

- a. Definitions and Regulatory References. All terms used, but not otherwise defined herein, shall have the same meaning as those terms in the Privacy and Security Rule, amended from time to time. A reference in the Agreement, as amended to include this Exhibit I, to a Section in the Privacy and Security Rule means the Section as in effect or as amended.
- b. Amendment. Covered Entity and Business Associate agree to take such action as is necessary to amend the Agreement, from time to time as is necessary for Covered Entity to comply with the changes in the requirements of HIPAA, the Privacy and Security Rule, and applicable federal and state law.
- c. Data Ownership. The Business Associate acknowledges that it has no ownership rights with respect to the PHI provided by or created on behalf of Covered Entity.
- d. Interpretation. The parties agree that any ambiguity in the Agreement shall be resolved to permit Covered Entity to comply with HIPAA, the Privacy and Security Rule.

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Date 4/2/15



Exhibit I Amendment #1

- e. Segregation. If any term or condition of this Exhibit I or the application thereof to any person(s) or circumstance is held invalid, such invalidity shall not affect other terms or conditions which can be given effect without the invalid term or condition; to this end the terms and conditions of this Exhibit I are declared severable.
- f. Survival. Provisions in this Exhibit I regarding the use and disclosure of PHI, return or destruction of PHI, extensions of the protections of the Agreement in section (3) I, the defense and indemnification provisions of section (3) e and Paragraph 13 of the standard terms and conditions (P-37), shall survive the termination of the Agreement.

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

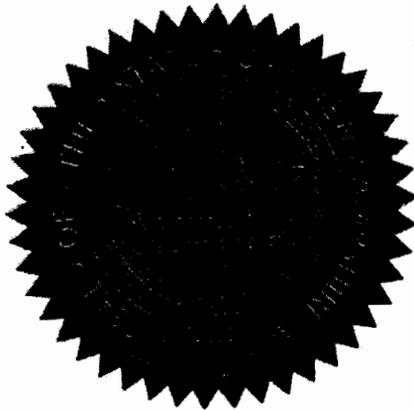
NH DHHS
 The State
[Signature]
 Signature of Authorized Representative
Brook Dupree
 Name of Authorized Representative
Bureau Chief
 Title of Authorized Representative
4/15/15
 Date

Concord Hospital
 Name of the Contractor
[Signature]
 Signature of Authorized Representative
Robert P. Steigmeyer
 Name of Authorized Representative
President & CEO
 Title of Authorized Representative
4/2/2015
 Date

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 Concord Hospital, Inc. is a New Hampshire nonprofit corporation formed January 29, 1985. 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 10th day of April, A.D. 2015

A handwritten signature in black ink, appearing to read "William M. Gardner".

William M. Gardner
Secretary of State

CERTIFICATE

I, Mary Boucher, Secretary of Concord Hospital, Inc. do hereby certify:

- 1) I maintain and have custody of and am familiar with the seal and minute books of the corporation;
- 2) I am authorized to issue certificates with respect to the contents of such books and to affix such seal to such certificates;
- 3) The following is a true and complete copy of the resolution adopted by the board of trustees of the corporation at a meeting of that board on March 21, 2005 which meeting was held in accordance with the law of the state of incorporation and the bylaws of the corporation:

The motion was made, seconded and the Board unanimously voted that the powers and duties of the President shall include the execution of all contracts and other legal documents on behalf of the corporation, unless some other person is specifically so designated by the Board, by law, or pursuant to the administrative policy addressing contract and expenditure approval levels.

- 4) the foregoing resolution is in full force and effect, unamended, as of the date hereof; and
- 5) the following persons lawfully occupy the offices indicated below:

Robert P. Steigmeyer, President
 Bruce R. Burns, Chief Financial Officer

IN WITNESS WHEREOF, I have hereunto set my hand as the Secretary of the Corporation this 2nd day of April, 2015.

(Corporate seal)

Mary Boucher
 Secretary

State of New Hampshire County of York

On this the 2nd day of April, 2015, before me, Mary Boucher, the undersigned

officer, personally appeared Mary Boucher, who acknowledged her/himself to be the

Secretary of Concord Hospital, Inc., a corporation, and that such

Secretary being authorized to do so, executed the foregoing instrument for the purposes

therein contained, by Mary Boucher of the corporation by her/himself as Mary Boucher.

IN WITNESS WHEREOF I hereunto set my hand and official seal.

(Seal)



Christopher A. DeCato
 Notary Public, Justice of the Peace

My Commission expires April 18, 2017



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
12/29/2014

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 319078-CHS-gener-15-16	CONTACT NAME: _____ PHONE (A/C, No, Ext): _____ FAX (A/C, No): _____ E-MAIL ADDRESS: _____													
	<table border="1"> <tr> <th>INSURER(S) AFFORDING COVERAGE</th> <th>NAIC #</th> </tr> <tr> <td>INSURER A : Granite Shield Insurance Exchange</td> <td></td> </tr> <tr> <td>INSURER B :</td> <td></td> </tr> <tr> <td>INSURER C :</td> <td></td> </tr> <tr> <td>INSURER D :</td> <td></td> </tr> <tr> <td>INSURER E :</td> <td></td> </tr> <tr> <td>INSURER F :</td> <td></td> </tr> </table>	INSURER(S) AFFORDING COVERAGE	NAIC #	INSURER A : Granite Shield Insurance Exchange		INSURER B :		INSURER C :		INSURER D :		INSURER E :		INSURER F :
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INSURER C :														
INSURER D :														
INSURER E :														
INSURER F :														
INSURED CAPITAL REGION HEALTHCARE CORPORATION & CONCORD HOSPITAL, INC. ATTN: JESSICA FANJOY 250 PLEASANT STREET CONCORD, NH 03301														

COVERAGES **CERTIFICATE NUMBER:** NYC-005740298-20 **REVISION NUMBER:** 0

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 INSR	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	GENERAL LIABILITY <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER <input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC			GSIE-PRIM-2015-101	01/01/2015	01/01/2016	EACH OCCURRENCE \$ 2,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ MED EXP (Any one person) \$ PERSONAL & ADV INJURY \$ GENERAL AGGREGATE \$ 12,000,000 PRODUCTS - COMP/OP AGG \$ \$
	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) \$ \$
	<input type="checkbox"/> UMBRELLA LIAB <input type="checkbox"/> OCCUR <input type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE DED RETENTION \$						EACH OCCURRENCE \$ AGGREGATE \$ \$
	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"/> WC STATUTORY LIMITS <input type="checkbox"/> OTHER E.L. EACH ACCIDENT \$ E.L. DISEASE - EA EMPLOYEE \$ E.L. DISEASE - POLICY LIMIT \$
A	Professional Liability			GSIE-PRIM-2015-101	01/01/2015	01/01/2016	SEE ABOVE

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)
GENERAL LIABILITY AND PROFESSIONAL LIABILITY SHARE A COMBINED LIMIT OF 2,000,000/12,000,000. HOSPITAL PROFESSIONAL LIABILITY RETRO ACTIVE-DATE 6/24/1985.

CERTIFICATE HOLDER STATE OF NEW HAMPSHIRE DEPARTMENT OF HEALTH AND HUMAN SERVICES 29 HAZEN DRIVE CONCORD, NH 03301	CANCELLATION SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS. AUTHORIZED REPRESENTATIVE of Marsh USA Inc. Susan Molloy <i>Susan Molloy</i>
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Concord Hospital Mission Statement

**Concord Hospital is a charitable organization
which exists to meet the health needs of individuals
within the communities it serves.**

It is the established policy of Concord Hospital to provide services on the sole basis of the medical necessity of such services as determined by the medical staff without reference to race, color, ethnicity, national origin, sexual orientation, marital status, religion, age, gender, disability, or inability to pay for such services.

**Concord Hospital, Inc.
and Subsidiaries**

Audited Consolidated Financial Statements
and Additional Information

*Years Ended September 30, 2014 and 2013
With Independent Auditors' Report*

CONCORD HOSPITAL, INC. AND SUBSIDIARIES

Audited Consolidated Financial Statements and Additional Information

Years Ended September 30, 2014 and 2013

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BAKER NEWMAN NOYES

INDEPENDENT AUDITORS' REPORT

The Board of Trustees
Concord Hospital, Inc.

We have audited the accompanying consolidated financial statements of Concord Hospital, Inc. and Subsidiaries (the System), which comprise the consolidated balance sheets as of September 30, 2014 and 2013, and the related consolidated statements of operations, changes in net assets and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the System as of September 30, 2014 and 2013, 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.

Baker Newman & Noyes

Limited Liability Company

Manchester, New Hampshire
December 8, 2014

CONCORD HOSPITAL, INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

September 30, 2014 and 2013

ASSETS
(In thousands)

	<u>2014</u>	<u>2013</u>
Current assets:		
Cash and cash equivalents	\$ 12,953	\$ 24,006
Investments	12,390	2,384
Accounts receivable, less allowance for doubtful accounts of \$16,339 in 2014 and \$19,695 in 2013	46,896	46,061
Due from affiliates	438	584
Supplies	1,443	1,153
Prepaid expenses and other current assets	<u>5,927</u>	<u>5,983</u>
Total current assets	80,047	80,171
Assets whose use is limited or restricted:		
Board designated	263,225	230,143
Funds held by trustee:		
Workers' compensation reserves and self-insurance escrows	10,499	9,212
Construction fund	-	10,398
Donor-restricted	<u>34,932</u>	<u>32,367</u>
Total assets whose use is limited or restricted	308,656	282,120
Other noncurrent assets:		
Due from affiliates, net of current portion	2,428	2,779
Bond issuance costs and other assets	<u>24,613</u>	<u>18,651</u>
Total other noncurrent assets	27,041	21,430
Property and equipment:		
Land and land improvements	5,370	5,394
Buildings	175,689	166,951
Equipment	214,922	205,283
Construction in progress	<u>10,414</u>	<u>9,286</u>
	406,395	386,914
Less accumulated depreciation	<u>(255,381)</u>	<u>(230,767)</u>
Net property and equipment	<u>151,014</u>	<u>156,147</u>
	<u>\$ 566,758</u>	<u>\$ 539,868</u>

LIABILITIES AND NET ASSETS

(In thousands)

	<u>2014</u>	<u>2013</u>
Current liabilities:		
Short-term notes payable	\$ 1,912	\$ 1,027
Accounts payable and accrued expenses	20,448	21,822
Accrued compensation and related expenses	25,829	23,293
Accrual for estimated third-party payor settlements	15,033	14,599
Current portion of long-term debt	<u>8,131</u>	<u>7,931</u>
Total current liabilities	71,353	68,672
Long-term debt, net of current portion	103,495	111,781
Accrued pension and other long-term liabilities	<u>78,191</u>	<u>64,102</u>
Total liabilities	253,039	244,555
Net assets:		
Unrestricted	278,787	262,946
Temporarily restricted	15,089	14,127
Permanently restricted	<u>19,843</u>	<u>18,240</u>
Total net assets	313,719	295,313
	<u>\$ 566,758</u>	<u>\$ 539,868</u>

See accompanying notes.

CONCORD HOSPITAL, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF OPERATIONS

Years Ended September 30, 2014 and 2013
(In thousands)

	<u>2014</u>	<u>2013</u>
Unrestricted revenue and other support:		
Net patient service revenue, net of contractual allowances and discounts	\$442,951	\$432,232
Provision for doubtful accounts	<u>(32,476)</u>	<u>(31,493)</u>
Net patient service revenue less provision for doubtful accounts	410,475	400,739
Other revenue	23,387	24,140
Disproportionate share revenue	5,099	-
Net assets released from restrictions for operations	<u>1,354</u>	<u>1,886</u>
Total unrestricted revenue and other support	440,315	426,765
Expenses:		
Salaries and wages	186,457	180,716
Employee benefits	48,346	45,644
Supplies and other	76,206	76,347
Purchased services	61,668	59,783
Professional fees	2,670	3,170
Depreciation and amortization	25,397	25,047
Medicaid enhancement tax	16,437	16,541
Interest expense	<u>4,057</u>	<u>4,720</u>
Total expenses	<u>421,238</u>	<u>411,968</u>
Income from operations	19,077	14,797
Nonoperating income (loss):		
Unrestricted gifts and bequests	218	159
Investment income and other	9,923	92
Loss on extinguishment of debt	<u>-</u>	<u>(3,169)</u>
Total nonoperating income (loss)	<u>10,141</u>	<u>(2,918)</u>
Excess of revenues and gains over expenses	<u>\$ 29,218</u>	<u>\$ 11,879</u>

See accompanying notes.

CONCORD HOSPITAL, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN NET ASSETS

Years Ended September 30, 2014 and 2013
(In thousands)

	<u>2014</u>	<u>2013</u>
Unrestricted net assets:		
Excess of revenues and gains over expenses	\$ 29,218	\$ 11,879
Net unrealized gains on investments	2,627	22,870
Net transfers from affiliates	312	295
Net assets released from restrictions used for purchases of property and equipment	62	112
Pension adjustment	<u>(16,378)</u>	<u>26,967</u>
Increase in unrestricted net assets	15,841	62,123
Temporarily restricted net assets:		
Restricted contributions and pledges	1,157	1,285
Restricted investment income	984	66
Contributions to affiliates and other community organizations	(146)	(135)
Net unrealized gains on investments	383	2,019
Net assets released from restrictions for operations	(1,354)	(1,886)
Net assets released from restrictions used for purchases of property and equipment	<u>(62)</u>	<u>(112)</u>
Increase in temporarily restricted net assets	962	1,237
Permanently restricted net assets:		
Restricted contributions and pledges	1,211	1,022
Unrealized gains on trusts administered by others	<u>392</u>	<u>466</u>
Increase in permanently restricted net assets	<u>1,603</u>	<u>1,488</u>
Increase in net assets	18,406	64,848
Net assets, beginning of year	<u>295,313</u>	<u>230,465</u>
Net assets, end of year	<u>\$313,719</u>	<u>\$295,313</u>

See accompanying notes.

CONCORD HOSPITAL, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

Years Ended September 30, 2014 and 2013
(In thousands)

	<u>2014</u>	<u>2013</u>
Cash flows from operating activities:		
Increase in net assets	\$ 18,406	\$ 64,848
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Restricted contributions and pledges	(2,368)	(2,307)
Depreciation and amortization	25,397	25,047
Net realized and unrealized gains on investments	(12,123)	(23,589)
Bond premium amortization	(154)	(202)
Loss on extinguishment of debt	-	3,169
Provision for doubtful accounts	32,476	31,493
Equity in earnings of affiliates, net	(6,121)	(5,835)
(Gain) loss on disposal of property and equipment	(55)	56
Pension adjustment	16,378	(26,967)
Changes in operating assets and liabilities:		
Accounts receivable	(33,311)	(35,940)
Supplies, prepaid expenses and other current assets	(234)	(1,944)
Other assets	(6,279)	(11,973)
Due from affiliates	497	44
Accounts payable and accrued expenses	(1,374)	(414)
Accrued compensation and related expenses	2,536	1,071
Accrual for estimated third-party payor settlements	434	3,257
Accrued pension and other long-term liabilities	<u>(2,289)</u>	<u>8,069</u>
Net cash provided by operating activities	31,816	27,883
Cash flows from investing activities:		
Increase in property and equipment, net	(20,148)	(23,961)
Purchases of investments	(50,714)	(161,265)
Proceeds from sales of investments	26,381	127,222
Equity distributions from affiliates	<u>6,377</u>	<u>6,152</u>
Net cash used by investing activities	(38,104)	(51,852)
Cash flows from financing activities:		
Proceeds from long-term debt	-	81,052
Payments on long-term debt	(7,932)	(67,646)
Change in short-term notes payable	885	326
Bond issuance costs	-	(766)
Restricted contributions and pledges	<u>2,282</u>	<u>2,289</u>
Net cash (used) provided by financing activities	<u>(4,765)</u>	<u>15,255</u>
Net decrease in cash and cash equivalents	(11,053)	(8,714)
Cash and cash equivalents at beginning of year	<u>24,006</u>	<u>32,720</u>
Cash and cash equivalents at end of year	<u>\$ 12,953</u>	<u>\$ 24,006</u>

See accompanying notes.

CONCORD HOSPITAL, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2014 and 2013
(In thousands)

1. Description of Organization and Summary of Significant Accounting Policies

Organization

Concord Hospital, Inc., (the Hospital) located in Concord, New Hampshire, is a not-for-profit acute care hospital. The Hospital provides inpatient, outpatient, emergency care and physician services for residents within its geographic region. Admitting physicians are primarily practitioners in the local area. The Hospital is controlled by Capital Regional Health Care Corporation (CRHC).

In 1985, the then Concord Hospital underwent a corporate reorganization in which it was renamed and became CRHC. At the same time, the Hospital was formed as a new entity. All assets and liabilities of the former hospital, now CRHC, with the exception of its endowments and restricted funds, were conveyed to the new Hospital. The endowments were held by CRHC for the benefit of the Hospital, which is the true party in interest. Effective October 1, 1999, CRHC transferred these funds to the Hospital.

In March 2009, Concord Hospital created The Concord Hospital Trust (the Trust), a separately incorporated, not-for-profit organization to serve as the Hospital's philanthropic arm. In establishing the Trust, the Hospital transferred philanthropic permanent and temporarily restricted funds, including board designated funds, endowments, indigent care funds and specific purpose funds, to the newly formed organization together with the stewardship responsibility to direct monies available to support the Hospital's charitable mission and reflect the specific intentions of the donors who made these gifts. Concord Hospital and the Trust constitute the Obligated Group at September 30, 2014 and 2013 to certain debt described in Note 6.

Subsidiaries of the Hospital include:

Capital Region Health Care Development Corporation (CRHCDC) is a not-for-profit real estate corporation that owns and operates medical office buildings and other properties.

Capital Region Health Ventures Corporation (CRHVC) is a not-for-profit corporation that engages in health care delivery partnerships and joint ventures. It operates ambulatory surgery and diagnostic facilities in cooperation with other entities.

CH/DHC, Inc. d/b/a Dartmouth-Hitchcock-Concord (CH/DHC) is a not-for-profit corporation that provides clinical medical services through a multi-specialty group practice. CH/DHC was formed under a joint agreement between the Hospital and DH-Concord.

The Hospital, its subsidiaries and the Trust are collectively referred to as the System. The consolidated financial statements include the accounts of the Hospital, the Trust, CRHCDC, CRHVC and CH/DHC. All significant intercompany balances and transactions have been eliminated in consolidation.

CONCORD HOSPITAL, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2014 and 2013
(In thousands)

1. Description of Organization and Summary of Significant Accounting Policies (Continued)

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. The most significant areas which are affected by the use of estimates include the allowance for doubtful accounts and contractual adjustments, estimated third-party payor settlements, and actuarial assumptions used in determining pension expense, health benefit plan expense, workers' compensation costs and malpractice losses.

Concentration of Credit Risk

Financial instruments which subject the Hospital to credit risk consist primarily of cash equivalents, accounts receivable and investments. The risk with respect to cash equivalents is minimized by the Hospital's policy of investing in financial instruments with short-term maturities issued by highly rated financial institutions. The Hospital's accounts receivable are primarily due from third-party payors and amounts are presented net of expected contractual allowances and uncollectible amounts. The Hospital's investment portfolio consists of diversified investments, which are subject to market risk. The State Street S&P 500 CTF exceeded 10% of investments as of September 30, 2014 and 2013.

Cash and Cash Equivalents

Cash and cash equivalents include money market funds and secured repurchase agreements with original maturities of three months or less, excluding assets whose use is limited or restricted.

The Hospital maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits. The Hospital has not experienced any losses on such accounts.

Supplies

Supplies are carried at the lower of cost, determined on a weighted-average method, or market.

Assets Whose Use is Limited or Restricted

Assets whose use is limited or restricted include assets held by trustees under indenture agreements, workers' compensation reserves, quasi-endowment funds, 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.

CONCORD HOSPITAL, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2014 and 2013
(In thousands)

1. Description of Organization and Summary of Significant Accounting Policies (Continued)

Investments and Investment Income

Investments are carried at fair value in the accompanying consolidated balance sheets. Investment income (including realized gains and losses on investments, interest and dividends) is included in the excess of revenues and gains over expenses unless the income is restricted by donor or law. Gains and losses on investments are computed on a specific identification basis. 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. Periodically, management reviews investments for which the market value has fallen significantly below cost and recognizes impairment losses where they believe the declines are other-than-temporary.

Beneficial Interest in Perpetual Trusts

The System has an irrevocable right to receive income earned on certain trust assets established for its benefit. Distributions received by the System are unrestricted. The System's interest in the fair value of the trust assets is included in assets whose use is limited. Changes in the fair value of beneficial trust assets are reported 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 increase, with minimum risk, the inflation adjusted principal and income of the endowment funds over the long term. The System targets a diversified asset allocation that places emphasis on achieving its long-term return objectives within prudent risk constraints.

CONCORD HOSPITAL, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2014 and 2013
(In thousands)

1. Description of Organization and Summary of 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 has a current spending policy on various funds currently equivalent to 5% of twelve-quarter moving average of the funds' total market value.

Accounts Receivable and the Allowance for Doubtful Accounts

Accounts receivable are reduced by an allowance for doubtful accounts. In evaluating the collectibility of accounts receivable, the System analyzes its past history and identifies trends for each of its major payor sources of revenue to estimate the appropriate allowance for doubtful accounts and provision for doubtful accounts. Management regularly reviews data about these major payor sources of revenue in evaluating the sufficiency of the allowance for doubtful accounts. For receivables associated with services provided to patients who have third-party coverage, the System analyzes contractually due amounts and provides an allowance for doubtful accounts and a provision for doubtful accounts, if necessary (for example, for expected uncollectible deductibles and copayments on accounts for which the third-party payor has not yet paid, or for payors who are known to be having financial difficulties that make the realization of amounts due unlikely). For receivables associated with self-pay patients (which includes both patients without insurance and patients with deductible and copayment balances due for which third-party coverage exists for part of the bill), the System records a provision for doubtful accounts in the period of service on the basis of its past experience, which indicates that many patients are unable or unwilling to pay the portion of their bill for which they are financially responsible. The difference between the standard rates (or the discounted rates if negotiated) and the amounts actually collected after all reasonable collection efforts have been exhausted is charged off against the allowance for doubtful accounts.

The System's allowance for doubtful accounts for self-pay patients represented 87% of self-pay accounts receivable at September 30, 2014 and 2013. The total provision for the allowance for doubtful accounts was \$32,476 and \$31,493 for the years ended September 30, 2014 and 2013, respectively. The System also allocates a portion of the allowance and provision for doubtful accounts to charity care, which is reflected within net patient service revenue, net of contractual allowance and discounts, in the accompanying consolidated statements of operations. The System's self-pay bad debt writeoffs increased \$212, from \$32,284 in 2013 to \$32,496 in 2014. The change in bad debt writeoffs was a result of collection trends.

CONCORD HOSPITAL, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2014 and 2013
(In thousands)

1. Description of Organization and Summary of Significant Accounting Policies (Continued)

Property and Equipment

Property and equipment is stated at cost at time of purchase, or at fair value at time of donation for assets contributed, less any reductions in carrying value for impairment and 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. Depreciation is computed using the straight-line method in a manner intended to amortize the cost of the related assets over their estimated useful lives. For the years ended September 30, 2014 and 2013, depreciation expense was \$25,336 and \$24,859, respectively.

The System has also capitalized certain costs associated with property and equipment not yet in service. Construction in progress includes amounts incurred related to major construction projects, other renovations, and other capital equipment purchased but not yet placed in service. Interest capitalized as part of construction projects was \$23 during 2013. There was no interest capitalized during 2014.

Gifts of long-lived assets such as land, buildings or equipment are reported as unrestricted support, and are excluded from the excess of revenues and gains over expenses, unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used, and gifts of cash or other assets that must be used to acquire long-lived assets, are reported as restricted support. Absent explicit donor stipulations about how long those long-lived assets must be maintained, expirations of donor restrictions are reported when the donated or acquired long-lived assets are placed in service.

Federal Grant Revenue and Expenditures

Revenues and expenses under federal grant programs are recognized as the grant expenditures are incurred.

Bond Issuance Costs/Original Issue Discount or Premium

Bond issuance costs incurred to obtain financing for construction and renovation projects and the original issue discount or premium are being amortized by the straight-line method, which approximates the effective interest method, over the life of the respective bonds. The original issue discount or premium is presented as a component of bonds payable.

Charity Care

The System provides care to patients who meet certain criteria under its charity care policy without charge or at amounts less than its established rates (Note 11). Because the System does not pursue collection of amounts determined to qualify as charity care, they are not reported as revenue. The System determines the costs associated with providing charity care by calculating a ratio of cost to gross charges, and then multiplying that ratio by the gross uncompensated charges associated with providing care to patients eligible for free care. Funds received from gifts and grants to subsidize charity services provided for the years ended September 30, 2014 and 2013 were approximately \$349 and \$607, respectively.

CONCORD HOSPITAL, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2014 and 2013
(In thousands)

1. Description of Organization and Summary of Significant Accounting Policies (Continued)

Temporarily and Permanently Restricted 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 has been limited by donors to a specific time period or purpose. When a donor restriction expires (when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified as unrestricted net assets and reported as either net assets released from restrictions for operations (for noncapital related items) or as net assets released from restrictions used for purchases of property and equipment (capital related items). Permanently restricted net assets have been restricted by donors to be maintained in perpetuity.

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

Net Patient Service Revenue

The System has agreements with third-party payors that provide for payments to the System at amounts different from its established rates. Payment arrangements include prospectively determined rates per discharge, reimbursed costs, discounted charges, per diem payments and fee schedules. Net patient service revenue is reported at the estimated net realizable amounts from patients, third-party payors and others for services rendered, including estimated retroactive adjustments under reimbursement agreements with third-party payors. Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods as final settlements are determined. Changes in these estimates are reflected in the financial statements in the year in which they occur. For the years ended September 30, 2014 and 2013, net patient service revenue in the accompanying consolidated statements of operations increased by approximately \$2,914 and \$1,366, respectively, due to actual settlements and changes in assumptions underlying estimated future third-party settlements.

Revenues from the Medicare and Medicaid programs accounted for approximately 27% and 3% and 28% and 3% of the System's net patient service revenue for the years ended September 30, 2014 and 2013, respectively. Laws and regulations governing the Medicare and Medicaid programs are complex and subject to interpretation.

The Hospital 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 Hospital provides a discount approximately equal to that of its largest private insurance payors. On the basis of historical experience, a significant portion of the Hospital's uninsured patients will be unable or unwilling to pay for the services provided. Thus, the Hospital records a significant provision for doubtful accounts related to uninsured patients in the period the services are provided.

CONCORD HOSPITAL, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2014 and 2013
(In thousands)

1. Description of Organization and Summary of Significant Accounting Policies (Continued)

Donor-Restricted Gifts

Unconditional promises to give cash and other assets to the System are reported at fair value at the date the promise is received. Conditional promises to give and intentions to give are reported at fair value at the date the condition is met. The gifts are reported as either temporarily or permanently restricted support if they are received with donor stipulations that limit the use of donated assets.

Excess of Revenues and Gains Over Expenses

The System has deemed all activities as ongoing, major or central to the provision of health care services and, accordingly, they are reported as operating revenue and expenses, except for unrestricted contributions and pledges, the related philanthropy expenses, investment income and loss on extinguishment of debt which are recorded as nonoperating income (loss).

The consolidated statements of operations also include excess of revenues and gains over expenses. Changes in unrestricted net assets which are excluded from excess of revenues and gains over expenses, consistent with industry practice, include the change in net unrealized gains and losses on investments other than trading securities or losses considered other than temporary, permanent transfers of assets to and from affiliates for other than goods and services, the minimum pension liability adjustment and contributions of long-lived assets (including assets acquired using contributions which by donor restriction were to be used for the purposes of acquiring such assets).

Estimated Workers' Compensation and Health Care Claims

The provision for estimated workers' compensation and health care claims includes estimates of the ultimate costs for both reported claims and claims incurred but not reported.

Income Taxes

The Hospital, CRHCDC, CRHVC, CH/DHC and the Trust are not-for-profit corporations as described in Section 501(c)(3) of the Internal Revenue Code, and are exempt from federal income taxes on related income pursuant to Section 501(a) of the Code. Management evaluated the System's tax positions and concluded the System has maintained its tax-exempt status, does not have any significant unrelated business income and had taken no uncertain tax positions that require adjustment to or disclosure in the accompanying consolidated financial statements. 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 2011.

Advertising Costs

The System expenses advertising costs as incurred, and such costs totaled approximately \$215 and \$184 for the years ended September 30, 2014 and 2013, respectively.

CONCORD HOSPITAL, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2014 and 2013
(In thousands)

1. Description of Organization and Summary of Significant Accounting Policies (Continued)

Subsequent Events

Management of the System evaluated events occurring between the end of its fiscal year and December 8, 2014, the date the consolidated financial statements were available to be issued.

2. Transactions With Affiliates

The System provides funds to CRHC and its affiliates which are used for a variety of purposes. The System records the transfer of funds to CRHC and the other affiliates as either receivables or directly against net assets, depending on the intended use and repayment requirements of the funds. Generally, funds transferred for start-up costs of new ventures or capital related expenditures are recorded as charges against net assets. For the years ended September 30, 2014 and 2013, transfers made to CRHC were \$(125) and \$(212), respectively, and transfers received from Capital Region Health Care Services Corporation (CRHCSC) were \$437 and \$507, respectively.

A brief description of affiliated entities is as follows:

- CRHCSC is a for-profit provider of health care services, including an eye surgery center and assisted living facility.
- Concord Regional Visiting Nurse Association, Inc. and Subsidiary (CRVNA) provides home health care services.
- Riverbend, Inc. provides behavioral health services.

Amounts due the System, primarily from joint ventures, totaled \$2,866 and \$3,363 at September 30, 2014 and 2013, respectively. Amounts have been classified as current or long-term depending on the intentions of the parties involved. Beginning in 1999, the Hospital began charging interest on a portion of the receivables (\$931 and \$968 at September 30, 2014 and 2013, respectively) with principal and interest (6.75% at September 30, 2014) payments due monthly. Interest income amounted to \$64 and \$67 for the years ended September 30, 2014 and 2013, respectively.

Contributions to affiliates and other community organizations from temporarily restricted net assets were \$146 and \$135 in 2014 and 2013, respectively.

CONCORD HOSPITAL, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2014 and 2013
(In thousands)

3. Investments and Assets Whose Use is Limited or Restricted

Investments totaling \$12,390 and \$2,384 at September 30, 2014 and 2013, respectively, are comprised primarily of cash and cash equivalents. Assets whose use is limited or restricted are carried at fair value and consist of the following at September 30:

	<u>2014</u>	<u>2013</u>
Board designated funds:		
Cash and cash equivalents	\$ 2,598	\$ 2,416
Fixed income securities	38,060	36,488
Marketable equity and other securities	199,507	175,797
Inflation-protected securities	<u>23,060</u>	<u>15,442</u>
	263,225	230,143
Held by trustee for workers' compensation reserves:		
Fixed income securities	3,749	3,629
Health insurance and other escrow funds:		
Cash and cash equivalents	961	863
Fixed income securities	1,259	912
Marketable equity securities	<u>4,530</u>	<u>3,808</u>
	6,750	5,583
Held by trustee for construction fund:		
Cash equivalents	-	10,398
Donor restricted:		
Cash and cash equivalents	3,450	2,635
Fixed income securities	2,946	3,696
Marketable equity securities	15,487	13,961
Inflation-protected securities	1,785	1,290
Trust funds administered by others	11,070	10,678
Other	<u>194</u>	<u>107</u>
	<u>34,932</u>	<u>32,367</u>
	<u>\$308,656</u>	<u>\$282,120</u>

Included in marketable equity and other securities above are \$111,693 and \$80,648 at September 30, 2014 and 2013, respectively, in so called alternative investments. See also note 14.

CONCORD HOSPITAL, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2014 and 2013
(In thousands)

3. Investments and Assets Whose Use is Limited or Restricted (Continued)

Investment income, net realized gains and losses and net unrealized gains and losses on assets whose use is limited or restricted, cash and cash equivalents, and other investments are as follows at September 30:

	<u>2014</u>	<u>2013</u>
Unrestricted:		
Interest and dividends	\$ 3,173	\$ 2,936
Investment income from trust funds administered by others	533	496
Net realized gains (losses) on sales of investments	<u>7,987</u>	<u>(1,632)</u>
	11,693	1,800
Restricted:		
Interest and dividends	250	200
Net realized gains (losses) on sales of investments	<u>734</u>	<u>(134)</u>
	<u>984</u>	<u>66</u>
	<u>\$ 12,677</u>	<u>\$ 1,866</u>
Other changes in net assets:		
Net unrealized gains on investments:		
Unrestricted	\$ 2,627	\$ 22,870
Temporarily restricted	383	2,019
Permanently restricted	<u>392</u>	<u>466</u>
	<u>\$ 3,402</u>	<u>\$ 25,355</u>

In compliance with the System's spending policy, portions of investment income and related fees are recognized in other operating revenue on the accompanying consolidated statements of operations. Investment income reflected in other operating revenue was \$1,693 and \$1,550 in 2014 and 2013, respectively.

Investment management fees expensed and reflected in nonoperating income were \$884 and \$736 for the years ended September 30, 2014 and 2013, respectively.

CONCORD HOSPITAL, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2014 and 2013

(In thousands)

3. Investments and Assets Whose Use is Limited or Restricted (Continued)

The following summarizes the Hospital's gross unrealized losses and fair values, aggregated by investment category and length of time that individual securities have been in a continuous unrealized loss position at September 30, 2014 and 2013:

	<u>Less Than 12 Months</u>		<u>12 Months or Longer</u>		<u>Total</u>	
	<u>Fair Value</u>	<u>Unrealized Losses</u>	<u>Fair Value</u>	<u>Unrealized Losses</u>	<u>Fair Value</u>	<u>Unrealized Losses</u>
<u>2014</u>						
Marketable equity securities	\$ 1,188	\$ (142)	\$34,834	\$ (1,687)	\$36,022	\$ (1,829)
Fund-of-funds	<u>17,772</u>	<u>(1,191)</u>	<u>16,417</u>	<u>(1,370)</u>	<u>34,189</u>	<u>(2,561)</u>
	<u>\$ 18,960</u>	<u>\$ (1,333)</u>	<u>\$ 51,251</u>	<u>\$ (3,057)</u>	<u>\$ 70,211</u>	<u>\$ (4,390)</u>
<u>2013</u>						
Marketable equity securities	\$41,047	\$ (882)	\$ 47	\$ (19)	\$41,094	\$ (901)
REIT	108	(3)	-	-	108	(3)
Fund-of-funds	<u>7,344</u>	<u>(658)</u>	<u>8,800</u>	<u>(981)</u>	<u>16,144</u>	<u>(1,639)</u>
	<u>\$48,499</u>	<u>\$ (1,543)</u>	<u>\$ 8,847</u>	<u>\$ (1,000)</u>	<u>\$ 57,346</u>	<u>\$ (2,543)</u>

In evaluating whether investments have suffered an other-than-temporary decline, based on input from outside investment advisors, management evaluated the amount of the decline compared to cost, the length of time and extent to which fair value has been less than cost, the underlying creditworthiness of the issuer, the fair values exhibited during the year, estimated future fair values and the System's intent and ability to hold the security until a recovery in fair value or maturity. Based on evaluations of the underlying issuers' financial condition, current trends and economic conditions, management believes that unrealized losses related to securities that have suffered an other-than-temporary decline in value are not material to these consolidated financial statements.

4. Defined Benefit Pension Plan

The System has a noncontributory defined benefit pension plan (the Plan), covering all eligible employees of the System and subsidiaries. The Plan is a cash balance plan that provides benefits based on an employee's years of service, age and the employee's compensation over those years. The System's funding policy is to contribute annually the amount needed to meet or exceed actuarially determined minimum funding requirements of the *Employee Retirement Income Security Act of 1974* (ERISA).

CONCORD HOSPITAL, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2014 and 2013
(In thousands)

4. Defined Benefit Pension Plan (Continued)

The System accounts for its defined benefit pension plan under ASC 715, *Compensation Retirement Benefits*. This Statement requires entities to recognize an asset or liability for the overfunded or underfunded status of their benefit plans in their financial statements.

The following table summarizes the Plan's funded status at September 30, 2014 and 2013:

	<u>2014</u>	<u>2013</u>
Pension benefits:		
Fair value of plan assets	\$ 151,055	\$ 131,706
Projected benefit obligation	<u>(199,121)</u>	<u>(172,761)</u>
	<u>\$ (48,066)</u>	<u>\$ (41,055)</u>
Activities for the year consist of:		
Benefit payments and administrative expenses	\$ 7,556	\$ 9,356
Net periodic benefit cost	9,333	10,923

The table below presents details about the System's defined benefit pension plan, including its funded status, components of net periodic benefit cost, and certain assumptions used in determining the funded status and cost:

	<u>2014</u>	<u>2013</u>
Change in benefit obligation:		
Benefit obligation at beginning of year	\$172,761	\$186,897
Service cost	8,447	8,711
Interest cost	9,052	7,940
Actuarial loss (gain)	16,417	(21,431)
Benefit payments and administrative expenses paid	<u>(7,556)</u>	<u>(9,356)</u>
Benefit obligation at end of year	<u>\$199,121</u>	<u>\$172,761</u>
Change in plan assets:		
Fair value of plan assets at beginning of year	\$131,706	\$117,798
Actual return on plan assets	8,205	11,264
Employer contributions	18,700	12,000
Benefit payments and administrative expenses paid	<u>(7,556)</u>	<u>(9,356)</u>
Fair value of plan assets at end of year	<u>\$151,055</u>	<u>\$131,706</u>
Funded status and amount recognized in noncurrent liabilities at September 30	<u>\$ (48,066)</u>	<u>\$ (41,055)</u>

CONCORD HOSPITAL, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2014 and 2013
(In thousands)

4. Defined Benefit Pension Plan (Continued)

Amounts recognized as a change in unrestricted net assets during the years ended September 30, 2014 and 2013 consist of:

	<u>2014</u>	<u>2013</u>
Net actuarial loss (gain)	\$ 19,115	\$(22,539)
Net amortized loss	(2,770)	(4,492)
Prior service credit amortization	<u>33</u>	<u>64</u>
Total amount recognized	<u>\$16,378</u>	<u>\$(26,967)</u>

Pension Plan Assets

The fair values of the System's pension plan assets and target allocations as of September 30, 2014 and 2013, by asset category are as follows (see Note 14 for level definitions):

	Target Allo- cation <u>2014</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>	Percentage of Plan Assets September 30, <u>2014</u>
Short-term investments:	0 – 20%					13%
Money market funds		\$ 19,389	\$ –	\$ –	\$ 19,389	
Equity securities:	40 – 80%					58%
Common stocks		8,040	–	–	8,040	
Mutual funds – international		13,288	–	–	13,288	
Common collective trust		–	24,154	–	24,154	
Funds-of-funds		–	3,831	37,393	41,224	
Fixed income securities:	5 – 80%					21%
Mutual funds – REIT		685	–	–	685	
Mutual funds – fixed income		27,054	–	–	27,054	
Funds-of-funds		–	–	4,545	4,545	
Hedge funds:	0 – 30%					8%
Inflation hedge		<u>–</u>	<u>12,676</u>	<u>–</u>	<u>12,676</u>	
		<u>\$68,456</u>	<u>\$40,661</u>	<u>\$41,938</u>	<u>\$151,055</u>	

CONCORD HOSPITAL, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2014 and 2013
(In thousands)

4. Defined Benefit Pension Plan (Continued)

	Target Allo- cation <u>2013</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>	Percentage of Plan Assets September 30, <u>2013</u>
Short-term investments:	0 – 5%					7%
Money market funds		\$ 9,186	\$ –	\$ –	\$ 9,186	
Equity securities:	40 – 70%					71%
Common stocks		6,960	–	–	6,960	
Mutual funds – international		36,542	–	–	36,542	
Common collective trust		–	20,170	–	20,170	
Funds-of-funds		–	3,672	26,582	30,254	
Fixed income securities:	10 – 60%					13%
Mutual funds – REIT		545	–	–	545	
Mutual funds – fixed income		11,529	–	–	11,529	
Funds-of-funds		–	–	4,568	4,568	
Hedge funds:	0 – 20%					9%
Inflation hedge		–	11,952	–	11,952	
		<u>\$64,762</u>	<u>\$35,794</u>	<u>\$31,150</u>	<u>\$131,706</u>	

The funds-of-funds are invested with seven investment managers and have various restrictions on redemptions. Five of the managers holding amounts totaling approximately \$31 million at September 30, 2014 allow for monthly redemptions, with notices ranging from 5 to 15 days. Two managers holding amounts totaling approximately \$15 million at September 30, 2014 allow for quarterly redemptions, with a notice of 45 or 65 days. Two of the funds also require a one-year lock on initial deposit of funds. One fund also may include a fee estimated to be equal to the cost the fund incurs in converting investments to cash (maximum of 1.5%).

The table below sets forth a summary of changes in plan assets using unobservable inputs (Level 3):

	<u>2014</u>	<u>2013</u>
Balance, beginning of year	\$31,150	\$33,772
Unrealized gains (losses) related to instruments still held at the reporting date	2,015	(566)
Purchases	8,984	4,000
Sales	<u>(211)</u>	<u>(6,056)</u>
Balance, end of year	<u>\$41,938</u>	<u>\$31,150</u>

CONCORD HOSPITAL, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2014 and 2013
(In thousands)

4. Defined Benefit Pension Plan (Continued)

The System considers various factors in estimating the expected long-term rate of return on plan assets. Among the factors considered include the historical long-term returns on plan assets, the current and expected allocation of plan assets, input from the System's actuaries and investment consultants, and long-term inflation assumptions. The System's expected allocation of plan assets is based on a diversified portfolio consisting of domestic and international equity securities, fixed income securities, and real estate.

The System's investment policy for its pension plan is to balance risk and returns using a diversified portfolio consisting primarily of high quality equity and fixed income securities. To accomplish this goal, plan assets are actively managed by outside investment managers with the objective of optimizing long-term return while maintaining a high standard of portfolio quality and proper diversification. The System monitors the maturities of fixed income securities so that there is sufficient liquidity to meet current benefit payment obligations. The System's Investment Committee provides oversight of the plan investments and the performance of the investment managers.

Amounts included in expense during fiscal 2014 and 2013 consist of:

	<u>2014</u>	<u>2013</u>
Components of net periodic benefit cost:		
Service cost	\$ 8,447	\$ 8,711
Interest cost	9,052	7,940
Expected return on plan assets	(10,903)	(10,156)
Amortization of prior service cost and gains and losses	<u>2,737</u>	<u>4,428</u>
Net periodic benefit cost	<u>\$ 9,333</u>	<u>\$ 10,923</u>

The accumulated benefit obligations for the plan at September 30, 2014 and 2013 were \$187,040 and \$161,290, respectively.

	<u>2014</u>	<u>2013</u>
Weighted average assumptions to determine benefit obligation:		
Discount rate	4.78%	5.38%
Rate of compensation increase	2.00	2.00
Weighted average assumptions to determine net periodic benefit cost:		
Discount rate	5.38%	4.40%
Expected return on plan assets	8.00	8.00
Cash balance credit rate	5.00	5.00
Rate of compensation increase	2.00	2.00

In selecting the long-term rate of return on plan assets, the System considered the average rate of earnings expected on the funds invested or to be invested to provide for the benefits of the plan. This included considering the plan's asset allocation and the expected returns likely to be earned over the life of the plan, as well as the historical returns on the types of assets held and the current economic environment.

CONCORD HOSPITAL, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2014 and 2013

(In thousands)

4. **Defined Benefit Pension Plan (Continued)**

The loss and prior service credit amount expected to be recognized in net periodic benefit cost in 2015 are as follows:

Actuarial loss	\$ 4,100
Prior service credit	<u>(33)</u>
	<u>\$ 4,067</u>

The System funds the pension plan and no contributions are made by employees. The System funds the plan annually by making a contribution of at least the minimum amount required by applicable regulations and as recommended by the System's actuary. However, the System may also fund the plan in excess of the minimum required amount.

Cash contributions in subsequent years will depend on a number of factors including performance of plan assets. However, the System expects to fund \$12,000 in cash contributions to the plan for the 2015 plan year.

Benefit payments, which reflect expected future service, as appropriate, are expected to be paid as follows:

<u>Year Ended September 30</u>	<u>Pension Benefits</u>
2015	\$ 10,359
2016	11,426
2017	13,556
2018	14,132
2019	15,106
2020 – 2024	89,267

5. **Estimated Third-Party Payor Settlements**

The System has agreements with third-party payors that provide for payments to the System at amounts different from its established rates. A summary of the payment arrangements with major third-party payors follows:

Medicare

Inpatient and outpatient services rendered to Medicare program beneficiaries are primarily paid at prospectively determined rates. These rates vary according to a patient classification system that is based on clinical diagnosis and other factors. In addition to this, the System is also reimbursed for medical education and other items which require cost settlement and retrospective review by the fiscal intermediary. Accordingly, the System files an annual cost report with the Medicare program after the completion of each fiscal year to report activity applicable to the Medicare program and to determine any final settlements.

The physician practices are reimbursed on a fee screen basis.

CONCORD HOSPITAL, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2014 and 2013
(In thousands)

5. Estimated Third-Party Payor Settlements (Continued)

Disproportionate Share Payments and Medicaid Enhancement Tax

Under the State of New Hampshire's tax code, the State imposes a Medicaid Enhancement Tax (MET) equal to 5.5% of net patient service revenues, with certain exclusions. The amount of tax incurred by the System for fiscal 2014 and 2013 was \$16,437 and \$16,541, respectively.

In the fall of 2010, in order to remain in compliance with stated federal regulations, the State of New Hampshire adopted a new approach related to Medicaid disproportionate share funding retroactive to July 1, 2010. Unlike the former funding method, the State's approach led to a payment that was not directly based on, and did not equate to, the level of tax imposed. As a result, the legislation created some level of losses at certain New Hampshire hospitals, while other hospitals realized gains. In addition, as part of the State of New Hampshire's biennial budget process for the two-year period ended June 30, 2013, the State eliminated disproportionate share payments to certain New Hampshire hospitals, including the System. For the year ended June 30, 2014, the State of New Hampshire restored a portion of disproportionate share funding, and the System received \$5,099 in disproportionate share payments which are recorded within unrestricted revenue and other support.

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.

The System amended certain past MET returns based upon further guidance which provided that certain exclusions can be deducted from net patient service revenues. During 2014, the State completed an initial audit of those amended returns. The outcome of the amended returns and related audits is uncertain at the date of these consolidated financial statements, and no amounts have been reflected in these consolidated financial statements related to those matters.

Medicaid

Inpatient services rendered to Medicaid program beneficiaries are paid at prospectively determined rates per discharge. Outpatient services rendered to Medicaid program beneficiaries are reimbursed under fee schedules and cost reimbursement methodologies subject to various limitations or discounts. The Hospital is reimbursed at a tentative rate with final settlement determined after submission of annual cost reports by the Hospital and audits thereof by the Medicaid program.

The physician practices are reimbursed on a fee screen basis.

Other

The System has also entered into payment agreements with certain commercial insurance carriers and health maintenance organizations. The basis for payment to the System under these agreements includes prospectively determined rates per discharge, discounts from established charges, and prospectively determined rates.

CONCORD HOSPITAL, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2014 and 2013
(In thousands)

5. Estimated Third-Party Payor Settlements (Continued)

The accrual for estimated third-party payor settlements reflected on the accompanying consolidated balance sheets represents the estimated net amounts to be paid under reimbursement contracts with the Centers for Medicare and Medicaid Services (Medicare), the New Hampshire Department of Welfare (Medicaid) and any commercial payors with settlement provision. Settlements for the Hospital have been finalized through 2010 for Medicare and Medicaid.

6. Long-Term Debt and Notes Payable

Long-term debt consists of the following at September 30, 2014 and 2013:

	<u>2014</u>	<u>2013</u>
2.0% to 5.0% New Hampshire Health and Education Facilities Authority (NHHEFA) Revenue Bonds, Concord Hospital Issue, Series 2013A; due in annual installments, including principal and interest ranging from \$1,543 to \$3,555 through 2043, including unamortized original issue premium of \$3,429 in 2014 and \$3,550 in 2013	\$ 46,714	\$ 47,860
1.71% fixed rate NHHEFA Revenue Bonds, Concord Hospital Issue, Series 2013B; due in annual installments, including principal and interest ranging from \$1,860 to \$3,977 through 2024	27,550	31,011
1.3% to 5.6% NHHEFA Revenue Bonds, Concord Hospital Issue, Series 2011; due in annual installments, including principal and interest ranging from \$2,737 to \$5,201 through 2026, including unamortized original issue premium of \$233 in 2014 and \$252 in 2013	<u>37,362</u>	<u>40,841</u>
	111,626	119,712
Less current portion	<u>(8,131)</u>	<u>(7,931)</u>
	<u>\$103,495</u>	<u>\$111,781</u>

In February 2013, \$48,631 (including an original issue premium of \$3,631) of NHHEFA Revenue Bonds, Concord Hospital Issue, Series 2013A, were issued to assist in the funding of a significant facility improvement project and to advance refund the Series 2001 NHHEFA Hospital Revenue Bonds. The facility improvement project included enhancements to the System's power plant, renovation of certain nursing units, expansion of the parking capacity at the main campus and various other routine capital expenditures and miscellaneous construction, renovation and improvements of the System's facilities. As a result of the advance refunding, the unamortized bond issuance costs and original issue discount related to the Series 2001 NHHEFA Hospital Revenue Bonds were included in loss on extinguishment of debt and totaled \$1,483 for the year ended September 30, 2013. As of September 30, 2013, none of the Series 2001 advance refunded bonds remained outstanding.

CONCORD HOSPITAL, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2014 and 2013
(In thousands)

6. Long-Term Debt and Notes Payable (Continued)

In April 2013, \$32,421 of NHHEFA Revenue Bonds, Concord Hospital Issues, Series 2013B, were issued to advance refund the Series 2004 NHHEFA Hospital Revenue Bonds. As a result of the bond refinancing, the unamortized bond issuance costs and original issue premium related to the Series 2004 NHHEFA Hospital Revenue Bonds were included on loss on extinguishment of debt and totaled \$1,686 for the year ended September 30, 2013. As of September 30, 2013, \$31,800 of advance refunded bonds, which were considered extinguished for purposes of these consolidated financial statements, remained outstanding. These were redeemed in full during 2014.

In March 2011, \$49,795 of NHHEFA Revenue Bonds, Concord Hospital Issue, Series 2011, were issued to assist in the funding of a significant facility improvement project and pay off the Series 1996 Revenue Bonds. The project included expansion and renovation of various Hospital departments, infrastructure upgrades, and acquisition of capital equipment. The project began during fiscal year 2011 and was completed in fiscal year 2012.

Substantially all the property and equipment relating to the aforementioned construction and renovation projects, as well as subsequent property and equipment additions thereto, and a mortgage lien on the facility, are pledged as collateral for the Series 2011 and 2013A and B Revenue Bonds. In addition, the gross receipts of the Hospital are pledged as collateral for the Series 2011 and 2013A and B Revenue Bonds. The most restrictive financial covenants require a 1.10 to 1.0 ratio of aggregate income available for debt service to total annual debt service and a day's cash on hand ratio of 75 days. The Hospital was in compliance with its debt covenants at September 30, 2014 and 2013.

The obligations of the Hospital under the Series 2013A and B and Series 2011 Revenue Bond Indentures are not guaranteed by any of the subsidiaries or affiliated entities.

Interest paid on long-term debt amounted to \$4,138 and \$4,892 for the years ended September 30, 2014 and 2013, respectively.

The aggregate principal payments on long-term debt for the next five fiscal years ending September 30 are as follows:

2015	\$ 8,131
2016	8,337
2017	8,570
2018	8,822
2019	9,061
Thereafter	<u>65,043</u>
	<u>\$107,964</u>

CONCORD HOSPITAL, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2014 and 2013
(In thousands)

7. Commitments and Contingencies

Malpractice Loss Contingencies

Prior to February 1, 2011, the System was insured against malpractice loss contingencies under claims-made insurance policies. A claims-made policy provides specific coverage for claims made during the policy period. The System maintained excess professional and general liability insurance policies to cover claims in excess of liability retention levels. The System has established reserves to cover professional liability exposures for incurred but unpaid or unreported claims. The amounts of the reserves have been determined by actuarial consultants and total \$3,908 and \$4,692 at September 30, 2014 and 2013, respectively, and are reflected in the accompanying consolidated balance sheets within accrued pension and other long-term liabilities. The possibility exists, as a normal risk of doing business, that malpractice claims in excess of insurance coverage may be asserted against the System.

Effective February 1, 2011, the System insures its medical malpractice risks through a multiprovider captive insurance company under a claims-made insurance policy. Premiums paid are based upon actuarially determined amounts to adequately fund for expected losses. At September 30, 2014, there were no known malpractice claims outstanding for the System which, in the opinion of management, will be settled for amounts in excess of insurance coverage, nor were there any unasserted claims or incidents which required loss accruals. The captive retains and funds up to actuarial expected loss amounts, and obtains reinsurance at various attachment points for individual and aggregate claims in excess of funding in accordance with industry practices. The System's interest in the captive represents approximately 28% of the captive. Control of the captive is equally shared by participating hospitals. The System has recorded its interest in the captive's equity, totaling approximately \$420 and \$1,335 at September 30, 2014 and 2013, respectively, in other noncurrent assets on the accompanying consolidated balance sheets. Changes in the System's interest are included in nonoperating income on the accompanying consolidated statements of operations.

In accordance with Accounting Standards Update No. 2010-24, "Health Care Entities" (Topic 954): *Presentation of Insurance Claims and Related Insurance Recoveries*, at September 30, 2014 and 2013, the Hospital recorded a liability of approximately \$19,750 and \$12,900, respectively, related to estimated professional liability losses. At September 30, 2014 and 2013, the Hospital also recorded a receivable of \$19,750 and \$12,900, respectively, related to estimated recoveries under insurance coverage for recoveries of the potential losses. These amounts are included in accrued pension and other long-term liabilities, and bond issuance costs and other assets, respectively, on the consolidated balance sheets.

Workers' Compensation

The Hospital maintains workers' compensation insurance under a self-insurance plan. The plan offers, among other provisions, certain specific and aggregate stop-loss coverage to protect the Hospital against excessive losses. The Hospital has employed independent actuaries to estimate the ultimate costs, if any, of the settlement of such claims. Accrued workers' compensation losses of \$2,526 and \$2,456 at September 30, 2014 and 2013, respectively, have been discounted at 3% (both years) and, in management's opinion, provide an adequate reserve for loss contingencies. A trustee held fund has been established as a reserve under the plan.

CONCORD HOSPITAL, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2014 and 2013
(In thousands)

7. **Commitments and Contingencies (Continued)**

Litigation

The System is involved in litigation and regulatory investigations arising in the ordinary course of business. After consultation with legal counsel, management estimates that these matters will be resolved without material adverse effect on the System's financial position, results of operations or cash flows.

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 recognizes revenue for services provided to employees of the System during the year. The System is insured above a stop-loss amount of \$440 on individual claims. Estimated unpaid claims, and those claims incurred but not reported at September 30, 2014 and 2013, have been recorded as a liability of \$4,508 and \$5,034, respectively, and are reflected in the accompanying consolidated balance sheets within accounts payable and accrued expenses.

Operating Leases

The System has various operating leases relative to its office and offsite locations. Future annual minimum lease payments under noncancellable lease agreements as of September 30, 2013 are as follows:

Year Ending September 30:	
2015	\$ 4,476
2016	4,356
2017	3,775
2018	3,339
2019	3,246
Thereafter	<u>18,243</u>
	<u>\$37,435</u>

Rent expense was \$8,156 and \$8,456 for the years ended September 30, 2014 and 2013, respectively.

CONCORD HOSPITAL, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2014 and 2013
(In thousands)

8. Temporarily and Permanently Restricted Net Assets

Temporarily restricted net assets are available for the following purposes at September 30:

	<u>2014</u>	<u>2013</u>
Health education and program services	\$ 13,604	\$ 12,821
Capital acquisitions	1,195	1,053
Indigent care	188	181
For periods after September 30 of each year	<u>102</u>	<u>72</u>
	<u>\$ 15,089</u>	<u>\$ 14,127</u>

Income on the following permanently restricted net asset funds is available for the following purposes at September 30:

	<u>2014</u>	<u>2013</u>
Health education and program services	\$ 17,088	\$ 15,513
Capital acquisitions	803	803
Indigent care	1,810	1,810
For periods after September 30 of each year	<u>142</u>	<u>114</u>
	<u>\$ 19,843</u>	<u>\$ 18,240</u>

9. Patient Service and Other Revenue

Net patient service revenue for the years ended September 30 is as follows:

	<u>2014</u>	<u>2013</u>
Gross patient service charges:		
Inpatient services	\$ 400,259	\$ 393,992
Outpatient services	515,503	469,048
Physician services	134,699	125,705
Less charitable services	<u>(38,119)</u>	<u>(33,903)</u>
	1,012,342	954,842
Less contractual allowances and discounts:		
Medicare	348,110	313,177
Medicaid	69,545	68,347
Other	<u>181,548</u>	<u>170,770</u>
	<u>599,203</u>	<u>552,294</u>
Total Hospital net patient service revenue (net of contractual allowances and discounts)	413,139	402,548
Other entities	<u>29,812</u>	<u>29,684</u>
	<u>\$ 442,951</u>	<u>\$ 432,232</u>

CONCORD HOSPITAL, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2014 and 2013
(In thousands)

9. Patient Service and Other Revenue (Continued)

An estimated breakdown of patient service revenue, net of contractual allowances, discounts and provision for doubtful accounts recognized in 2014 and 2013 from these major payor sources, is as follows for the Hospital. The provision for doubtful accounts for subsidiaries of the Hospital was not significant in 2014 and 2013.

	Hospital			Net Patient Service Revenues Less Provision for Doubtful Accounts
	<u>Gross Patient Service Revenues</u>	<u>Contractual Allowances and Discounts</u>	<u>Provision for Doubtful Accounts</u>	<u>Accounts</u>
<u>2014</u>				
Private payors (includes coinsurance and deductibles)	\$ 426,874	\$(181,548)	\$ (9,337)	\$235,989
Medicaid	85,624	(69,545)	(1,049)	15,030
Medicare	467,071	(348,110)	(1,869)	117,092
Self-pay	<u>32,773</u>	<u>—</u>	<u>(19,465)</u>	<u>13,308</u>
	<u>\$ 1,012,342</u>	<u>\$(599,203)</u>	<u>\$(31,720)</u>	<u>\$381,419</u>
<u>2013</u>				
Private payors (includes coinsurance and deductibles)	\$ 413,913	\$(170,770)	\$ (9,270)	\$233,873
Medicaid	79,936	(68,347)	—	11,589
Medicare	429,908	(313,177)	(1,948)	114,783
Self-pay	<u>31,085</u>	<u>—</u>	<u>(19,660)</u>	<u>11,425</u>
	<u>\$ 954,842</u>	<u>\$(552,294)</u>	<u>\$(30,878)</u>	<u>\$371,670</u>

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. Revenue totaling \$2,196 and \$3,719 associated with these meaningful use attestations was recorded as other revenue for the years ended September 30, 2014 and 2013, respectively. In addition, a receivable amount of \$674 and \$1,616 was recorded within prepaid expenses and other current assets at September 30, 2014 and 2013, respectively.

CONCORD HOSPITAL, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2014 and 2013
(In thousands)

10. Functional Expenses

The System provides general health care services to residents within its geographic location. Expenses related to providing these services are as follows for the years ended September 30:

	<u>2014</u>	<u>2013</u>
Health care services	\$313,042	\$306,213
General and administrative	62,305	59,447
Depreciation and amortization	25,397	25,047
Medicaid enhancement tax	16,437	16,541
Interest expense	<u>4,057</u>	<u>4,720</u>
	<u>\$421,238</u>	<u>\$411,968</u>

Fundraising related expenses were \$751 and \$690 for the years ended September 30, 2014 and 2013, respectively.

11. Charity Care and Community Benefits (Unaudited)

The Hospital maintains records to identify and monitor the level of charity care it provides. The Hospital provides traditional charity care, as well as other forms of community benefits. The cost of all such benefits provided is as follows for the years ended September 30:

	<u>2014</u>	<u>2013</u>
Community health services	\$ 2,721	\$ 2,627
Health professions education	3,814	4,141
Subsidized health services	27,911	23,938
Research	89	89
Financial contributions	948	1,061
Community building activities	53	45
Community benefit operations	96	49
Charity care costs (see Note 1)	<u>16,666</u>	<u>13,304</u>
	<u>\$52,298</u>	<u>\$45,254</u>

In addition, the Hospital incurred costs for services to Medicare and Medicaid patients in excess of the payment from these programs of \$70,152 and \$51,171 in 2014 and 2013, respectively.

CONCORD HOSPITAL, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2014 and 2013
(In thousands)

12. **Concentration of Credit Risk**

The Hospital grants credit without collateral to its patients, most of whom are local residents of southern New Hampshire and are insured under third-party payor agreements. The mix of gross receivables from patients and third-party payors as of September 30 is as follows:

	<u>2014</u>	<u>2013</u>
Patients	14%	18%
Medicare	35	37
Anthem Blue Cross	14	12
Cigna	6	5
Medicaid	11	10
Commercial	19	17
Workers' compensation	<u>1</u>	<u>1</u>
	<u>100%</u>	<u>100%</u>

13. **Volunteer Services (Unaudited)**

Total volunteer service hours received by the Hospital were approximately 37,300 in 2014 and 36,500 in 2013. The volunteers provide various nonspecialized services to the Hospital, none of which has been recognized as revenue or expense in the accompanying consolidated statements of operations.

14. **Fair Value Measurements**

Fair value of a financial instrument is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In determining fair value, the System uses various methods including market, income and cost approaches. Based on these approaches, the System often utilizes certain assumptions that market participants would use in pricing the asset or liability, including assumptions about risk and or the risks inherent in the inputs to the valuation technique. These inputs can be readily observable, market corroborated, or generally unobservable inputs. The System utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs. Based on the observability of the inputs used in the valuation techniques, the System is required to provide the following information according to the fair value hierarchy. The fair value hierarchy ranks the quality and reliability of the information used to determine fair values. Financial assets and liabilities carried at fair value will be classified and disclosed in one of the following three categories:

CONCORD HOSPITAL, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2014 and 2013
(In thousands)

14. Fair Value Measurements (Continued)

Level 1 – Valuations for assets and liabilities traded in active exchange markets, such as the New York Stock Exchange. Level 1 also includes U.S. Treasury and federal agency securities and federal agency mortgage-backed securities, which are traded by dealers or brokers in active markets. Valuations are obtained from readily available pricing sources for market transactions involving identical assets or liabilities.

Level 2 – Valuations for assets and liabilities traded in less active dealer or broker markets. Valuations are obtained from third party pricing services for identical or similar assets or liabilities.

Level 3 – Valuations for assets and liabilities that are derived from other valuation methodologies, including option pricing models, discounted cash flow models and similar techniques, and not based on market exchange, dealer or broker traded transactions. Level 3 valuations incorporate certain assumptions and projections in determining the fair value assigned to such assets or liabilities.

In determining the appropriate levels, the System performs a detailed analysis of the assets and liabilities. At each reporting period, all assets and liabilities for which the fair value measurement is based on significant unobservable inputs are classified as Level 3.

The following presents the balances of assets measured at fair value on a recurring basis at September 30:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>2014</u>				
Cash and cash equivalents	\$ 32,352	\$ –	\$ –	\$ 32,352
Fixed income securities	46,014	–	–	46,014
Marketable equity and other securities	55,964	51,867	111,693	219,524
Inflation-protected securities and other	14,159	10,880	–	25,039
Trust funds administered by others	<u>–</u>	<u>–</u>	<u>11,070</u>	<u>11,070</u>
	<u>\$148,489</u>	<u>\$62,747</u>	<u>\$122,763</u>	<u>\$333,999</u>
<u>2013</u>				
Cash and cash equivalents	\$ 42,702	\$ –	\$ –	\$ 42,702
Fixed income securities	44,725	–	–	44,725
Marketable equity and other securities	69,597	43,321	80,648	193,566
Inflation-protected securities and other	11,898	4,941	–	16,839
Trust funds administered by others	<u>–</u>	<u>–</u>	<u>10,678</u>	<u>10,678</u>
	<u>\$168,922</u>	<u>\$48,262</u>	<u>\$ 91,326</u>	<u>\$308,510</u>

CONCORD HOSPITAL, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2014 and 2013
(In thousands)

14. Fair Value Measurements (Continued)

The System's Level 3 investments consist of so called alternative investments and trust funds administered by others. The alternative investments consist primarily of interests in limited partnership funds that are not publicly traded. The fair value measurement is based on significant unobservable inputs.

Investments, in general, are exposed to various risks, such as interest rate, credit and overall market volatility. As such, it is reasonably possible that changes in the fair value of investments will occur in the near term and that such changes could materially affect the amounts reported in the accompanying consolidated balance sheets and statements of operations.

A reconciliation of the fair value measurements using significant unobservable inputs (Level 3) is as follows for 2014 and 2013:

	<u>Trust Funds Administered by Others</u>	<u>Alternative Investments</u>
Balance at September 30, 2012	\$ 10,212	\$ 69,967
Purchases	-	10,900
Sales	-	(13,167)
Net realized and unrealized gains	<u>466</u>	<u>12,948</u>
Balance at September 30, 2013	10,678	80,648
Purchases	-	27,468
Sales	-	(467)
Net realized and unrealized gains	<u>392</u>	<u>4,044</u>
Balance at September 30, 2014	<u>\$ 11,070</u>	<u>\$ 111,693</u>

In accordance with ASU 2009-12, *Investments in Certain Entities That Calculate Net Asset Value per Share (or Its Equivalent)*, the table below sets forth additional disclosures for investment funds (other than mutual funds) valued based on net asset value to further understand the nature and risk of the investments by category:

	<u>Fair Value</u>	<u>Unfunded Commit- ments</u>	<u>Redemption Frequency</u>	<u>Redemption Notice Period</u>
September 30, 2014:				
Funds-of-funds	\$ 61,418	\$ -	Monthly	5 - 15 days
Funds-of-funds	50,275	-	Quarterly	45 - 90 days*
September 30, 2013:				
Funds-of-funds	\$ 42,265	\$ -	Monthly	5 - 15 days
Funds-of-funds	38,383	-	Quarterly	45 - 65 days

* \$9 million subject to a one year lock-up period.

CONCORD HOSPITAL, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2014 and 2013
(In thousands)

14. **Fair Value Measurements (Continued)**

Investment Strategies

Fixed Income Securities

The primary purpose of fixed income investments is to provide a highly predictable and dependable source of income, preserve capital, and reduce the volatility of the total portfolio and hedge against the risk of deflation or protracted economic contraction.

Marketable Equity and Other Securities

The primary purpose of marketable 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 marketable 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.

The System invests in other securities that are considered alternative investments that consist 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 at fair value, which ordinarily will be the amount equal to the pro-rata interest in the net assets of the limited partnership, as such value is supplied by, or on behalf of, each investment from time to time, usually monthly and/or quarterly by the investment manager. These investments are classified as Level 2 or 3, depending on the nature of the underlying assets and valuation methodologies used as reported by the fund managers.

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 alternative investments, the estimate of the fund manager or general partner may differ from actual values, and differences could be significant. Management believes that reported fair values of its alternative investments at the balance sheet dates are reasonable.

Inflation-Protected Securities

The primary purpose of inflation-protected securities is to provide protection against the negative effects of inflation.

CONCORD HOSPITAL, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2014 and 2013
(In thousands)

14. Fair Value Measurements (Continued)

Fair Value of Other Financial Instruments

Other financial instruments consist of accounts and pledges receivable, accounts payable and accrued expenses, estimated third-party payor settlements, and long-term debt and notes payable. The fair value of all financial instruments other than long-term debt and notes payable approximates their relative book values as these financial instruments have short-term maturities or are recorded at amounts that approximate fair value. The fair value of the System's long-term debt and notes payable is estimated using discounted cash flow analyses, based on the System's current incremental borrowing rates for similar types of borrowing arrangements. The carrying value and fair value of the System's long-term debt and notes payable amounted to \$111,626 and \$132,106, respectively, at September 30, 2014, and \$119,712 and \$129,976, respectively, at September 30, 2013.

BAKER NEWMAN NOYES

INDEPENDENT AUDITORS' REPORT ON ADDITIONAL INFORMATION

The Board of Trustees
Concord Hospital, 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 audits of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Manchester, New Hampshire
December 8, 2014

Baker Newman & Noyes

Limited Liability Company

CONCORD HOSPITAL, INC. AND SUBSIDIARIES

CONSOLIDATING BALANCE SHEET
(With Consolidated Totals for September 30, 2013)

September 30, 2014

ASSETS
(In thousands)

	2014						2013
	Concord Hospital (Obligated Group)	Capital Region Health Development Corporation	Capital Region Health Ventures Corporation	Concord Hospital/Dartmouth Hitchcock-Concord	Eliminations	Consolidated	Consolidated
Current assets:							
Cash and cash equivalents	\$ 12,951	\$ -	\$ 1	\$ 1	\$ -	\$ 12,953	\$ 24,006
Investments	12,390	-	-	-	-	12,390	2,384
Accounts receivable, net	44,856	20	123	1,897	-	46,896	46,061
Due from affiliates	438	1,658	-	-	(1,658)	438	584
Supplies	1,390	-	53	-	-	1,443	1,153
Prepaid expenses and other current assets	5,645	179	27	76	-	5,927	5,983
Total current assets	77,670	1,857	204	1,974	(1,658)	80,047	80,171
Assets whose use is limited or restricted:							
Board designated	263,225	-	-	-	-	263,225	230,143
Funds held by trustee:							
Workers' compensation reserves and self-insurance escrows	10,499	-	-	-	-	10,499	9,212
Construction fund	-	-	-	-	-	-	10,398
Donor-restricted	34,932	-	-	-	-	34,932	32,367
Total assets whose use is limited or restricted	308,656	-	-	-	-	308,656	282,120
Other noncurrent assets:							
Due from affiliates, net of current portion	17,253	-	1,497	-	(16,322)	2,428	2,779
Bond issuance costs and other assets	22,748	-	1,865	-	-	24,613	18,651
Total other noncurrent assets	40,001	-	3,362	-	(16,322)	27,041	21,430
Property and equipment:							
Land and land improvements	5,100	270	-	-	-	5,370	5,394
Buildings	139,004	36,659	26	-	-	175,689	166,951
Equipment	212,181	1,875	227	639	-	214,922	205,283
Construction in progress	10,289	125	-	-	-	10,414	9,286
	366,574	38,929	253	639	-	406,395	386,914
Less accumulated depreciation	(231,134)	(23,421)	(207)	(619)	-	(255,381)	(230,767)
Net property and equipment	135,440	15,508	46	20	-	151,014	156,147
	\$ 561,767	\$ 17,365	\$ 3,612	\$ 1,994	\$ (17,980)	\$ 566,758	\$ 539,868

LIABILITIES AND NET ASSETS
(In thousands)

	2014						2013 Consol- idated
	Concord Hospital (Obligated Group)	Capital Region Health Care Development Corporation	Capital Region Health Ventures Corporation	Concord Hospital/ Dartmouth Hitchcock- Concord	Elimi- nations	Consol- idated	
Current liabilities:							
Short-term notes payable	\$ -	\$ -	\$ -	\$ 1,912	\$ -	\$ 1,912	\$ 1,027
Accounts payable and accrued expenses	20,354	86	8	-	-	20,448	21,822
Accrued compensation and related expenses	25,829	-	-	-	-	25,829	23,293
Due to affiliates	1,658	-	-	-	(1,658)	-	-
Accrual for estimated third-party payor settlements	15,033	-	-	-	-	15,033	14,599
Current portion of long-term debt	8,131	-	-	-	-	8,131	7,931
Total current liabilities	<u>71,005</u>	<u>86</u>	<u>8</u>	<u>1,912</u>	<u>(1,658)</u>	<u>71,353</u>	<u>68,672</u>
Long-term debt, net of current portion	103,495	16,322	-	-	(16,322)	103,495	111,781
Accrued pension and other long-term liabilities	78,191	-	-	-	-	78,191	64,102
Total liabilities	<u>252,691</u>	<u>16,408</u>	<u>8</u>	<u>1,912</u>	<u>(17,980)</u>	<u>253,039</u>	<u>244,555</u>
Net assets:							
Unrestricted	274,144	957	3,604	82	-	278,787	262,946
Temporarily restricted	15,089	-	-	-	-	15,089	14,127
Permanently restricted	19,843	-	-	-	-	19,843	18,240
Total net assets	<u>309,076</u>	<u>957</u>	<u>3,604</u>	<u>82</u>	<u>-</u>	<u>313,719</u>	<u>295,313</u>
	<u>\$ 561,767</u>	<u>\$ 17,365</u>	<u>\$ 3,612</u>	<u>\$ 1,994</u>	<u>\$ (17,980)</u>	<u>\$ 566,758</u>	<u>\$ 539,868</u>

CONCORD HOSPITAL, INC. AND SUBSIDIARIES

CONSOLIDATING STATEMENT OF OPERATIONS
(With Consolidated Totals for September 30, 2013)

Year Ended September 30, 2014

(In thousands)

	2014					2013 Consol- idated
	Concord Hospital (Obligated Group)	Capital Region Health Care Development Corporation	Capital Region Health Ventures Corporation	Concord Hospital/ Dartmouth Hitchcock- Concord	Elimi- nations	
Unrestricted revenue and other support:						
Net patient service revenue (net of contractual allowances and discounts)	\$ 413,139	\$ -	\$ 872	\$ 28,940	\$ -	\$ 432,232
Provision for doubtful accounts	(31,720)	-	(4)	(752)	-	(31,493)
Net patient service revenue less provision for doubtful accounts	381,419	-	868	28,188	-	400,739
Other revenue	16,392	5,172	6,612	5	(4,794)	24,140
Disproportionate share revenue	5,099	-	-	-	-	5,099
Net assets released from restrictions for operations	1,354	-	-	-	-	1,354
Total unrestricted revenue and other support	404,264	5,172	7,480	28,193	(4,794)	426,765
Expenses:						
Salaries and wages	185,386	313	752	6	-	186,457
Employee benefits	48,064	88	192	2	-	48,346
Supplies and other	75,277	1,499	540	2,220	(3,330)	76,347
Purchased services	30,751	203	99	31,085	(470)	59,783
Professional fees	2,551	-	119	-	-	3,170
Depreciation and amortization	23,772	1,592	23	10	-	25,397
Medicaid enhancement tax	16,437	-	-	-	-	16,437
Interest expense	3,984	994	-	73	(994)	4,057
Total expenses	386,222	4,689	1,725	33,396	(4,794)	421,238
Income (loss) from operations	18,042	483	5,755	(5,203)	-	14,797
Nonoperating income (loss):						
Unrestricted gifts and bequests	218	-	-	-	-	159
Investment income and other	9,923	-	-	-	-	9,923
Loss on extinguishment of debt	-	-	-	-	-	(3,169)
Total nonoperating income (loss)	10,141	-	-	-	-	(2,918)
Excess (deficiency) of revenues and gains over expenses	\$ 28,183	\$ 483	\$ 5,755	\$ (5,203)	\$ -	\$ 11,879

CONCORD HOSPITAL
BOARD OF TRUSTEES
2015

Valerie Acres, Esq.
D. Thomas Akey, MD
Diane E. Wood Allen, RN (ex-officio, CH Chief Nursing Officer)
Sol Asmar
Mary Boucher, **Secretary**
Philip Boulter, MD, **Chair**
Frederick Briccetti, MD
William Chapman, Esq.
Michelle Chicoine
Douglas Ewing, MD (ex-officio, CH Medical Staff President)
Christian Hallowell, MD
David Ruedig, **Vice Chair**
Muriel Schadee, CPA
Robert Segal
Robert Steigmeyer, **President/CEO** (ex-officio)
David Stevenson, MD
Jeffrey Towle
Claudia Walker

Treasurer (not Member of the Board):
Bruce Burns

RESUME

ROBERT P. STEIGMEYER

Career History:

1/2014 – Present	Capital Region Health Care and Concord Hospital Concord, NH	President and CEO
2012 – 12/2013	Geisinger Community Medical Center Scranton, PA	CEO
2010 – 2012	Community Medical Center Healthcare System Scranton, PA	President and CEO
2005 – 2010	Northwest Hospital & Medical Center Seattle, WA	Senior Vice President- Operations & Finance
1993 – 2005	ECG Management Consultants Seattle, WA	Principal/Shareholder Senior Manager Manager
1989 – 1993	Ernst & Young St. Louis, MO	Manager Senior Consultant Consultant

Educational Background:

1989	Master of Health Administration Master of Business Administration St. Louis University
1985	Bachelor of Arts Wabash College

Deborah Bergschneider

Experience

1998-present

Dental Clinic Manager

- Managing the schedule and productivity of three Dentists working in the clinic.
- Oversee dental staff as well as all aspects of the dental clinic's functions.
- Responsible for insuring compliance standards are met by dental staff.

1997-1998

Surgical Dental Assistant, Michael Conlon, D.D.S & P.A.

- Assisted in all surgical procedures including bone regeneration, gingival grafting, osseous surgery and postoperative patient instructions.
- Lateral move to the front desk receptionist to handle incoming calls as well as maintain patients daily schedule

1992-1997

Surgical Dental Assistant, Jeffery Forgosh, D.D.S. & P.A.

- Assisted in all surgical procedures including dental implants.
- Assisted with front desk procedures such as surgical coordination appointments.

1990-1992

General Dental Assistant, David Gruette, D.D.S.

- Assisted in all aspects of general dentistry, chair side, set up, taking all necessary radiographs, impressions and pouring of models for dentures and partial appliances
- Assisted with front desk duties on a part time basis.

Education

1998-2013

- Several education classes offered by Concord Hospital to improve and develop professionally and personally.
- 1990 Medical Emergency Training in the Dental Office.
- 1983 Certified in Dental Radiographs
- 1982 Dental Assistant Training Program NH Technical Institute
- 1974 High School

MA

93 *Beach*



Nicholas A. Toumpas
Commissioner

José Thier Montero
Director

STATE OF NEW HAMPSHIRE
DEPARTMENT OF HEALTH AND HUMAN SERVICES

29 HAZEN DRIVE, CONCORD, NH 03301-6527
603-271-4535 1-800-852-3345 Ext. 4535
Fax: 603-271-4506 TDD Access: 1-800-735-2964



May 24, 2013

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

REQUESTED ACTION

Authorize the Department of Health and Human Services, Division of Public Health Services, Bureau of Population Health and Community Services, Oral Health Program, to enter into agreements with vendors for an amount not to exceed \$770,694.00 to provide access to preventive and reparative dental treatment for individuals participating in the statewide school-based and/or community-based dental programs, to be effective July 1, 2013 or date of Governor and Executive Council approval, whichever is later, through June 30, 2015.

Summary of contracted amounts by vendor:

44.7% Federal 55.3% *Beach Fund*

Vendor	SFY 2014/2015 Amount
Concord Hospital	\$47,000.00
Coos County Family Health Services, Inc.	\$194,000.00
Easter Seals New Hampshire	\$71,200.00
Families First of the Greater Seacoast	\$102,668.00
Goodwin Community Health	\$94,896.00
Greater Nashua Dental Connection, Inc.	\$71,200.00
Health First Family Care Center	\$47,896.00
Lamprey Health Care, Inc.	\$48,197.00
Manchester Health Department	\$47,896.00
Speare Memorial Hospital	\$45,741.00
TOTAL	\$770,694.00

Her Excellency, Governor Margaret Wood Hassan
and the Honorable Council
May 24, 2013
Page 2 of 4

Funds to support this request are anticipated to be available in the following account for SFY 2014 and SFY 2015 upon the availability and continued appropriation of funds in the future operating budgets with authority to adjust amounts within the price limitation and amend the related terms of the contract without further approval from Governor and Executive Council.

**05-95-90-902010-4527 HEALTH AND SOCIAL SERVICES, DEPT OF HEALTH AND HUMAN SVS,
HHS: DIVISION OF PUBLIC HEALTH, BUREAU OF POPULATION HEALTH & COMMUNITY
SERVICES, ORAL HEALTH PROGRAM**

See attachment for financial details

EXPLANATION

This requested action seeks approval of ten of 15 agreements that represent \$770,694.00 of the \$1,039,982.00 total anticipated to be spent statewide to provide increased access oral health care services. These services include oral health education, prophylaxis (cleanings), dental sealants, and treatment needed to repair decayed teeth for low income and uninsured children and adults statewide. The Department anticipates that the remaining five agreements will be presented to Governor and Council on July 7, 2013.

Oral health problems, such as dental caries (decay) in children and tooth loss in adults, are still common in New Hampshire. The causes of oral health problems are multifaceted: Individuals with less income, less education or who have disabilities are less likely to be able to access dental care and more likely to have dental problems. In difficult economic times, more people have less access to dental care. Individuals with oral pain and infection end up in hospital emergency departments where treatment is costly and their dental issues remain unresolved. Among third grade students, without access to care and assessed in the 2009 statewide school-based survey forty-three percent (43%) had a history of tooth decay. Among older adults in six senior centers and congregate meal sites, thirty-one percent (31%) had untreated decay. In addition, increasing numbers of refugees have even greater difficulty accessing oral health care when the need for foreign language interpretation presents another barrier to dental treatment.

Second and third grade children eligible for school-based dental services will receive oral health education, prophylaxis (cleanings), dental sealants, and treatment needed to repair decayed teeth within the school environment. Children through age 19, and adults eligible for community-based dental services will receive oral health basic preventive, diagnostic, and restorative dental services at a community dental provider's office. Anticipated outcomes from this program will include fewer numbers of low-income, uninsured residents with untreated decay and more residents receiving preventive oral health care in New Hampshire.

Should Governor and Executive Council not authorize this Request, children, teens, pregnant women, and adults from low-income, uninsured families living in New Hampshire may not receive oral health care services.

This contract is awarded as the result of a competitive bid process. On January 3, 2013 and again on February 18, 2013 the Division posted a Request for Proposals on the Department of Health and Human Services' web site for statewide School- and Community-Based oral health services. In addition, oral health stakeholders statewide were notified by e-mail of the Request for Proposals and a bidder's conference was held on January 16, 2013. An agency could apply to deliver community, school-based services, or both.

Her Excellency, Governor Margaret Wood Hassan

and the Honorable Council

May 24, 2013

Page 3 of 4

Sixteen agencies submitted 19 proposals. An evaluation committee of fourteen reviewers, internal and external to the Division of Public Health Services, evaluated the proposals. The reviewers represent seasoned public health administrators and program managers experienced in contract and vendor management, as well as professionals who work external to the Division of Public Health Services who hold leadership positions in municipal, nonprofit public health, and health policy advocacy organizations.

Fifteen agencies were selected for funding. The selection was based on review criteria specified in the Request for Proposals. The criteria evaluated the agency's capacity to carry out a program that provides oral health screening services to children and other vulnerable populations; assurance of ongoing oral health services with dentists in the community; program structure and plan to successfully complete the work; a reasonable and justifiable budget; and the appropriate format requested by the proposal. The proposals were scored and selected by taking an average of all reviewers' scores. The Bid Summary is attached.

As referenced in the Request for Proposals, Renewals Section, these competitively procured Agreements have the option to renew for two (2) additional years, contingent upon satisfactory delivery of services, available funding, agreement of the parties and approval of the Governor and Council.

The following measures will be used to evaluate the performance of the agreement for School-Based oral health services:

- Number of 2nd and 3rd grade students that return consent forms
- Number of 2nd and 3rd grade students that receive oral screenings
- Percent of all 2nd and 3rd grade students screened to assess oral health needs
- Percent of all 2nd and 3rd grade students screened with at least one sealant on a permanent molar
- Percent of all 2nd and 3rd grade students screened with untreated decay that are referred for service
- Percent of all 2nd and 3rd grade students screened with a history of decay

The following measures will be used to evaluate the performance of the agreement for Community-Based oral health services:

- Number of pediatric clients that receive oral screenings
- Number of adult clients that receive oral screenings
- Percent of clients that receive prophylaxis (cleanings)
- Percent of clients that receive restorative treatment
- Percent of children that receive dental sealants
- Percent of broken dental appointments

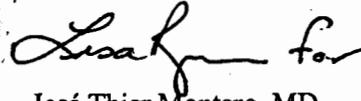
Area served: Statewide.

Source of Funds: 44.7% Federal Funds from the Preventive Health and Human Services Block Grant and 55.3% General Funds.

Her Excellency, Governor Margaret Wood Hassan
and the Honorable Council
May 24, 2013
Page 4 of 4

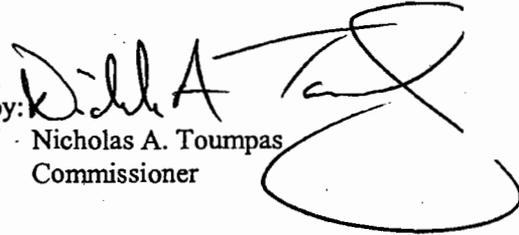
In the event that the Federal Funds become no longer available, General Funds will not be requested to support this program.

Respectfully submitted,



José Thier Montero, MD
Director

Approved by:



Nicholas A. Toumpas
Commissioner

FINANCIAL DETAIL ATTACHMENT SHEET

**05-95-90-902010-4527 HEALTH AND SOCIAL SERVICES, DEPT OF HEALTH AND HUMAN SVS, HHS:
DIVISION OF PUBLIC HEALTH, BUREAU OF POPULATION HEALTH AND COMMUNITY SERVICES,
ORAH HEALTH PROGRAM**

SFY 2014/2015 - 44.7% Federal Funds and 55.3% General Funds

Catholic Medical Center (Vendor #000000)

Class/Object	Class Title	Service Provided	Activity Code	SFY 2014	SFY 2015	Total
102-500731	Contracts for Program Svcs	Community-Based	90072003	\$36,100.00	\$35,100.00	\$71,200.00

Concord Hospital (Vendor #177653-B011)

Class/Object	Class Title	Service Provided	Activity Code	SFY 2014	SFY 2015	Total
102-500731	Contracts for Program Svcs	Community-Based	90072003	\$23,500.00	\$23,500.00	\$47,000.00

Coos County Family Health Services, Inc. (Vendor #155327-B001)

Class/Object	Class Title	Service Provided	Activity Code	SFY 2014	SFY 2015	Total
102-500731	Contracts for Program Svcs	Community-Based	90072003	\$97,000.00	\$97,000.00	\$194,000.00

Dental Health Works (Vendor #00000-B001)

Class/Object	Class Title	Service Provided	Activity Code	SFY 2014	SFY 2015	Total
102-500731	Contracts for Program Svcs		90072003	\$28,472.00	\$25,624.00	\$54,096.00

Easter Seals New Hampshire (Vendor #177204-B005)

Class/Object	Class Title	Service Provided	Activity Code	SFY 2014	SFY 2015	Total
102-500731	Contracts for Program Svcs	Community-Based	90072003	\$36,100.00	\$35,100.00	\$71,200.00

Families First of the Greater Seacoast (Vendor #166629-B001)

Class/Object	Class Title	Service Provided	Activity Code	SFY 2014	SFY 2015	Total
102-500731	Contracts for Program Svcs	Community-Based	90072003	\$23,500.00	\$23,500.00	\$47,000.00
102-500731	Contracts for Program Svcs	School-Based	90072003	\$29,299.00	\$26,369.00	\$55,668.00
			Subtotal	\$52,799.00	\$49,869.00	\$102,668.00

Goodwin Community Health (Vendor #154703-B001)

Class/Object	Class Title	Service Provided	Activity Code	SFY 2014	SFY 2015	Total
102-500731	Contracts for Program Svcs	Community-Based	90072003	\$23,500.00	\$23,500.00	\$47,000.00
102-500731	Contracts for Program Svcs	School-Based	90072003	\$22,808.00	\$25,088.00	\$47,896.00
			Subtotal	\$46,308.00	\$48,588.00	\$94,896.00

Greater Nashua Dental Connection, Inc. (Vendor #158470-B001)

Class/Object	Class Title	Service Provided	Activity Code	SFY 2014	SFY 2015	Total
102-500731	Contracts for Program Svcs	Community-Based	90072003	\$36,100.00	\$35,100.00	\$71,200.00

Health First Family Care Center (Vendor #158221-B001)

Class/Object	Class Title	Service Provided	Activity Code	SFY 2014	SFY 2015	Total
102-500731	Contracts for Program Svcs	School-Based	90072003	\$22,808.00	\$25,088.00	\$47,896.00

Lamprey Health Care, Inc. (Vendor #177677-R001)

Class/Object	Class Title	Service Provided	Activity Code	SFY 2014	SFY 2015	Total
102-500731	Contracts for Program Svcs	School-Based	90072003	\$25,367.00	\$22,830.00	\$48,197.00

FINANCIAL DETAIL ATTACHMENT SHEET

**05-95-90-902010-4527 HEALTH AND SOCIAL SERVICES, DEPT OF HEALTH AND HUMAN SVS, HHS:
DIVISION OF PUBLIC HEALTH, BUREAU OF POPULATION HEALTH AND COMMUNITY SERVICES,
ORAH HEALTH PROGRAM**

SFY 2014/2015 - 44.7% Federal Funds and 55.3% General Funds

Manchester Health Department (Vendor #177433-B009)

Class/Object	Class Title	Service Provided	Activity Code	SFY 2014	SFY 2015	Total
102-500731	Contracts for Program Svcs	Community-Based	90072003	\$22,808.00	\$25,088.00	\$47,896.00

Monadnock Hospital (Vendor #000000-B001)

Class/Object	Class Title	Service Provided	Activity Code	SFY 2014	SFY 2015	Total
102-500731	Contracts for Program Svcs	School-Based	90072003	\$22,808.00	\$25,088.00	\$47,896.00

Speare Memorial Hospital (Vendor #177178-B002)

Class/Object	Class Title	Service Provided	Activity Code	SFY 2014	SFY 2015	Total
102-500731	Contracts for Program Svcs	School-Based	90072003	\$24,074.00	\$21,667.00	\$45,741.00

Sullivan County (Vendor #000000-B001)

Class/Object	Class Title	Service Provided	Activity Code	SFY 2014	SFY 2015	Total
102-500731	Contracts for Program Svcs	School-Based	90072003	\$22,808.00	\$25,088.00	\$47,896.00

Tri-County CAP (Vendor #000000-B001)

Class/Object	Class Title	Service Provided	Activity Code	SFY 2014	SFY 2015	Total
102-500731	Contracts for Program Svcs	School-Based	90072003	\$22,952.00	\$25,248.00	\$48,200.00
			TOTAL	\$520,004.00	\$519,978.00	\$1,039,982.00

Program Name Oral Health Program
 Contract Purpose Access to prevention and restorative dental treatment
 RFP Score Summary (Three RFPs: 1-CB=Community-Based 2-SB= School-Based 3-NC=North Country)

REA/RFP CRITERIA	Max Pts	Catholic Medical Ctr-CB	Concord Hsp-CB	Coos Cty Family Hlth Svcs-NC	Dental Hlth Works	Easter Seals NH CB	Families First of the Grtr Seacoast-CB	Families First of the Greater Seacoast-SB	Goodwin Community Hlth-CB	Goodwin Community Health-SB	GNDC-CB	Hlth First-SB	Lamprey Hth-SB
Age Capacity	30	29	29	30	28	29	29	30	29	26	30	27	27
Program Structure	50	46	46	45	49	49	48	49	46	42	49	43	40
Budget & Justification	15	13	14	12	14	12	14	12	14	12	15	14	11
Format	5	4	4	4	5	5	5	5	5	5	5	4	4
Total	100	92	93	92	95	95	95	95	94	85	99	88	82

BUDGET REQUEST	Year 01	Year 02	TOTAL BUDGET REQUEST	BUDGET AWARDED	Year 01	Year 02	TOTAL BUDGET AWARDED
	\$ 50,000.00	\$ 18,077.00	\$ 97,000.00	\$ 35,000.00	\$ 40,000.00	\$ 22,596.00	\$ 32,358.00
	\$ 50,000.00	\$ 18,077.00	\$ 97,000.00	\$ 35,000.00	\$ 40,000.00	\$ 22,596.00	\$ 32,358.00
	\$ 100,000.00	\$ 35,154.00	\$ 194,000.00	\$ 70,000.00	\$ 80,000.00	\$ 45,192.00	\$ 64,716.00
	\$ 36,100.00	\$ 23,500.00	\$ 97,000.00	\$ 28,472.00	\$ 36,100.00	\$ 23,500.00	\$ 29,299.00
	\$ 35,100.00	\$ 23,500.00	\$ 97,000.00	\$ 25,624.00	\$ 35,100.00	\$ 23,500.00	\$ 26,369.00
	\$ 71,200.00	\$ 47,000.00	\$ 194,000.00	\$ 54,096.00	\$ 71,200.00	\$ 47,000.00	\$ 55,668.00
	\$ 26,800.00	\$ 26,800.00	\$ 53,600.00	\$ 22,808.00	\$ 22,808.00	\$ 23,500.00	\$ 22,808.00
	\$ 42,000.00	\$ 42,000.00	\$ 84,000.00	\$ 36,100.00	\$ 36,100.00	\$ 35,100.00	\$ 35,100.00
	\$ 20,309.00	\$ 20,309.00	\$ 40,618.00	\$ 20,000.00	\$ 20,000.00	\$ 47,000.00	\$ 47,000.00
	\$ 20,309.00	\$ 20,309.00	\$ 40,618.00	\$ 20,000.00	\$ 20,000.00	\$ 47,000.00	\$ 47,000.00
	\$ 25,367.00	\$ 25,367.00	\$ 50,734.00	\$ 22,808.00	\$ 22,808.00	\$ 23,500.00	\$ 22,808.00
	\$ 22,830.00	\$ 22,830.00	\$ 45,660.00	\$ 25,088.00	\$ 25,088.00	\$ 23,500.00	\$ 23,500.00
	\$ 48,197.00	\$ 48,197.00	\$ 96,394.00	\$ 71,200.00	\$ 71,200.00	\$ 47,000.00	\$ 55,668.00

RFP Reviewers

Name	Job Title	Dept. Agency	Qualifications
Sarah Finne	Dentist Supervisor	Greater Derry Children's Dental Health Network	The reviewers represent seasoned public health administrators and program managers experienced in contract and vendor management, as well as professionals who work external to the Division of Public Health Services and hold leadership positions in municipal, nonprofit public health, and health policy advocacy organizations. Each reviewer was selected for the specific skill set they possess and their experience delivering oral health services. The purpose of the review team is to compliment and build upon each of these perspectives for a well-balanced, objective review of the oral health proposals.
Fran McLaughlin	WIC Nutrition Consultant	Division of Public Health Services	
Shannon Mills	VP for Professional Relations	Northeast Delta Dental	
Patricia Tilley	Bureau Chief (Acting)	Division of Public Health Services	
Heather Brown	Network Representative	Northeast Delta Dental	
Tracey Tarr	Administrator	Bureau of Elderly & Adult Services	
Deb Nelson	Administrator	Head Start State Collation Office	
Stacey Plourde	Chair	NH Board of Dental Examiners	
Gail Brown	Policy Director	NH Oral Health Coalition	
Alisa Druzba	Administrator	Division of Public Health Services	
Connie George	Faculty	NHTI	
Bev McGuire	Former Clinical Quality Mgr	Assurance Manager DPHS	
Becky Bukowski	Administrator	Division of Public Health Services	
Jim Williamson	Executive Director	NH Dental Society	

Program Name Oral Health Program
 Contract Purpose Access to prevention and restorative dental treatment
 RFP Score Summ (Three RFP's: 1-CB=Community-Based 2-SB= School-Based 3-NC=North Country)

RFA/RFP CRITERIA	Max Pts	Manchester Hlth Dept	Monadnock Hsp-SB	Spcare Mem Hsp-SB	Sullivan Cty-SB	Sullivan Cty-CB	SAU 40 Millford SB	Tri-County CAP-SB
Agy Capacity	30	29	29	29	25	20	25	28
Program Structure	50	48	46	47	43	40	37	46
Budget & Justification	15	14	13	13	10	10	13	11
Format	5	5	5	5	4	3	4	4
Total	100	95	92	94	82	72	79	89

BUDGET REQUEST	Year 01	Year 02	TOTAL BUDGET REQUEST	BUDGET AWARDED	Year 01	Year 02	TOTAL BUDGET AWARDED
	\$ 85,263.00	\$ 18,077.00	\$ 32,000.00	\$ 40,000.00	\$ 50,000.00	\$ 21,000.00	\$ 40,272.00
	\$ 88,085.00	\$ 18,077.00	\$ 32,000.00	\$ 40,000.00	\$ 50,000.00	\$ 21,000.00	\$ 40,272.00
	\$ 173,348.00	\$ 36,154.00	\$ 64,000.00	\$ 80,000.00	\$ 100,000.00	\$ 42,000.00	\$ 80,544.00
	\$ 22,808.00	\$ 22,808.00	\$ 24,074.00	\$ 22,808.00	\$ -	\$ -	\$ 22,952.00
	\$ 25,088.00	\$ 25,088.00	\$ 21,667.00	\$ 25,088.00	\$ -	\$ -	\$ 25,248.00
	\$ 47,896.00	\$ 47,896.00	\$ 45,741.00	\$ 47,896.00	\$ -	\$ -	\$ 48,200.00

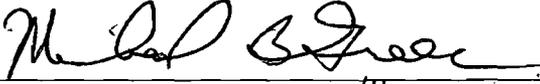
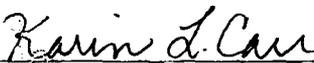
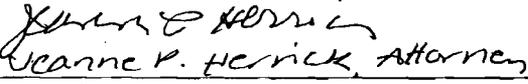
Subject: Community-based oral health services will be delivered to underserved individuals in the Concord Region

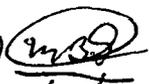
AGREEMENT

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 Health and Human Services Division of Public Health Services		1.2 State Agency Address 29 Hazen Drive Concord, NH 03301-6504	
1.3 Contractor Name Concord Hospital		1.4 Contractor Address 250 Pleasant Street Concord, NH 03301	
1.5 Contractor Phone Number (603) 227-7000 Ext. 4711	1.6 Account Number 05-95-90-902010-4527-102-500731	1.7 Completion Date June 30, 2015	1.8 Price Limitation \$47,000
1.9 Contracting Officer for State Agency Lisa L. Bujno, MSN, APRN Bureau Chief		1.10 State Agency Telephone Number 603-271-4501	
1.11 Contractor Signature 		1.12 Name and Title of Contractor Signatory Michael B. Green President + CEO	
1.13 Acknowledgement: State of <u>NH</u> , County of <u>Merrimack</u> On <u>3/18/13</u> , 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.			
1.13.1 Signature of Notary Public or Justice of the Peace [Seal] 		KARIN L. CARR Notary Public - New Hampshire My Commission Expires January 27, 2015	
1.13.2 Name and Title of Notary or Justice of the Peace Karin L. Carr			
1.14 State Agency Signature 		1.15 Name and Title of State Agency Signatory Lisa L. Bujno, Bureau Chief	
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) By:  Jeanne P. Herrick, Attorney On: <u>28 May 2013</u>			
1.18 Approval by the Governor and Executive Council By: _____ On: _____			

Initial 
Date 3/18/2013

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, this Agreement, and all obligations of the parties hereunder, shall not become effective until the date the Governor and Executive Council approve this Agreement ("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. 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 1.9, or his or her successor, shall be the State's representative. In the event of any dispute concerning the interpretation of this Agreement, the Contracting Officer's decision shall be final for the State.

Contractor Initials: WES
Date: 3/18/2013

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 consent of the N.H. Department of Administrative Services. None of the Services shall be subcontracted by the Contractor without the prior written 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 \$250,000 per claim and \$2,000,000 per occurrence; and

14.1.2 fire and extended coverage insurance 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.

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 fifteen (15) 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 endeavor to provide the Contracting Officer identified in block 1.9, or his or her successor, no less than ten (10) 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.

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.

NH Department of Health and Human Services

Exhibit A

Scope of Services

Community-Based Oral Health Services

CONTRACT PERIOD: July 1, 2013 or date of G&C approval, whichever is later, through June 30, 2015

CONTRACTOR NAME: Concord Hospital

ADDRESS: 250 Pleasant Street, Concord, NH 03301

Family Health Center Director: Marie N. Wawrzyniak

TELEPHONE: (603) 227-7000 Ext. 4711

The Contractor shall provide community-based oral health services as specified below:

I. General Provisions

A. The contractor shall use one of the following models to provide the following services:

1. The "clinic model" that provides on-site comprehensive preventive and/or restorative treatment.
2. The "combination clinic voucher model" that provides preventive treatment at one site and provides care coordination to link clients with restorative treatment at another site.

Oral health care services for the targeted population(s) shall include risk assessment, oral screenings with appropriate referrals, oral health education, early diagnosis of oral diseases, preventive care focused on age appropriate dental sealants, links to restorative treatment and disease management. Resources shall be directed to providing evidence-based oral health interventions.

B. Eligibility and Income Determination

1. The Contractor shall provide oral health services to low-income, uninsured, and underinsured children and adults within the defined service area who don't have regular access to oral health care. Low-income children and families are defined as < 185% of the U.S. Department of Health and Human Services (USDHHS), Poverty Guidelines, updated annually and effective as of July 1 of each year, in the State of New Hampshire.
2. If parental permission forms indicate that the child may be eligible for enrollment in Medicaid, the Contractor shall assist the family to complete the most recent version of the Medicaid enrollment form.

C. Relevant Policies and Guidelines

The community-based oral health program shall:

1. Require no fee for any Medicaid client.
2. Assist eligible families with Medicaid enrollment directly or through referral.
3. Become a Medicaid provider for qualified clients.

4. Provide a sliding fee scale for children from families without Medicaid, SCHIP or private dental insurance.
5. Assist students in finding a dental home that will provide ongoing comprehensive oral health care.
6. Resources shall be directed to evidence-based interventions.
7. Explore and secure future funding sources.

D. Numbers Served

Oral screening services are to be provided to a minimum of 1,100 individuals throughout each year of the contract term

E. Culturally and Linguistically Appropriate Standards of Care

The Department of Health and Human Services (DHHS) recognizes that culture and language have considerable impact on how consumers access and respond to public health services. Culturally and linguistically diverse populations experience barriers in efforts to access health services. To ensure equal access to quality health services, the Division of Public Health Services (DPHS) expects that Contractors shall provide culturally and linguistically appropriate services according to the following guidelines:

1. Assess the ethnic/cultural needs, resources and assets of their community.
2. Promote the knowledge and skills necessary for staff to work effectively with consumers with respect to their culturally and linguistically diverse environment.
3. When feasible and appropriate, provide clients of limited English proficiency (LEP) with interpretation services. Persons of LEP are defined as those who do not speak English as their primary language and whose skills in listening to, speaking, or reading English are such that they are unable to adequately understand and participate in the care or in the services provided to them without language assistance.
4. Offer consumers a forum through which families of children served through the program have the opportunity to provide feedback to providers and organizations regarding cultural and linguistic issues that may deserve response.
5. The Contractor shall maintain a program policy that sets forth compliance with Title VI, Language Efficiency and Proficiency Citation 45 CFR 80.3(b) (2). The policy shall describe the way in which the items listed above were addressed and shall indicate the circumstances in which interpretation services are provided and the method of providing service (e.g. trained interpreter, staff person who speaks the language of the client or language line).

F. State and Federal Laws

The Contractor is responsible for compliance with all relevant state and federal laws. Special attention is called to the following statutory responsibilities:

1. The Contractor shall report all cases of communicable diseases according to New Hampshire RSA 141-C and He-P 30, effective 01/05.
2. Persons employed by the Contractor shall comply with the reporting requirements of New Hampshire RSA 169:C, Child Protection Act; RSA 161:F46, Protective Services to Adults and RSA 631:6, Assault and Related Offenses.

3. The contractor shall comply with standards developed by the Occupational Safety and Health Administration (OSHA).

G. Publications Funded Under Contract

1. The DHHS and/or its funders will retain COPYRIGHT ownership for any and all original materials produced with DHHS contract funding, including, but not limited to, brochures, resource directories, protocols or guidelines, posters, or reports.
2. All documents (written, video, audio) produced, reproduced or purchased under the contract shall have prior approval from DPHS before printing, production, distribution, or use.
3. The Contractor shall credit DHHS on all materials produced under this contract following the instructions outlined in Exhibit C-1 (5).

H. Subcontractors

If services required to comply with this Exhibit are provided by a subcontracted agency or provider, the DPHS Oral Health Program must be notified in writing, receive a copy of the subcontract or Memorandum of Agreement (MOA), and approve the subcontract (MOA) prior to its initiation. In addition, subcontractors must be held responsible to fulfill all relevant requirements included in this Exhibit.

I. Minimal Scope of Core Services

A. Service Requirements

The community-based oral health program shall consist of the following components:

1. Clinical services shall be provided under the supervision of a dentist licensed to practice in New Hampshire.
2. Visual oral screenings or exams by a NH Licensed Dentist or a NH Registered Dental Hygienist with screening results available to clients or to parents of children screened.
3. Oral health educational presentations by health professionals to individuals at chair side or to groups in a classroom setting as part of a health care curriculum.
4. Topical fluoride application as part of a regular preventive routine or, when appropriate, through a school-based fluoride rinse program in schools wishing to participate.
5. A preventive dental sealant program for students through a school-based or school-linked program that assesses risk of dental disease and tooth eruption.
6. With the exception of orthodontic care, the program shall provide assistance in obtaining restorative care for students without an established dental provider.
7. Oral health data collection to support a knowledge base and dental data surveillance system for use in policy development, assessment, and capacity building at state and local levels.
8. Notice to families without access to dental services that a sliding fee scale is available and that no student will be denied school-based dental services for inability to pay. The sliding fee scale must be updated annually based on USDHHS Poverty guidelines as published in the Federal Register.

Contractors considering clinical or sociological research using clients as subjects must adhere to the legal requirements governing human subjects' research. Contractors must inform the Oral Health Program prior to initiating any research related to this contract.

B. Staffing Provisions

The Contractor shall be responsible for compliance with the New Hampshire Dental Practice Act. All dental health professionals shall have the appropriate New Hampshire license. The Contractor shall provide the DPHS Oral Health Program with a resume, a copy of the NH license if appropriate, and job description for any current professional staff in the program and notify the

State in writing of any staffing changes, along with a copy of the resume of any new staff hired within one month of date of hire.

Staffing Changes

1. **New Hires:** The Contractor shall notify the Oral Health Program in writing within one month of hire when a new administrator or coordinator or any staff person essential to carrying out this scope of services is hired to work in the program. A resume of the employee and New Hampshire license if appropriate shall accompany this notification.
2. **Vacancies:** The Contractor must notify the Oral Health Program in writing if the dentist or dental hygienist positions are vacant for more than one month. This may be done through a budget revision. In addition, the Oral Health Program must be notified in writing if at any time any program funded under this agreement does not have adequate staffing to perform all required services for more than one month.

C. Coordination of Services

1. The agency shall make arrangements for coordination of oral health services and exchange of information with other health care providers and agencies. Attach copies of appropriate contractual agreements, memoranda of understanding, or letters of support from the appropriate persons summarizing the nature of the collaboration and indicating the level of support.
2. Agencies that deliver oral health services in communities that are part of a Public Health Region (PHR) should be active participants in the PHR. As appropriate, agencies should participate in community needs assessments, public health performance assessments, and the development of regional public health improvement plans, all of which integrate oral health. Agencies should also engage PHR staff as appropriate to enhance the implementation of community-based public health prevention initiatives being implemented by the agency.

D. Meetings and Trainings

The Contractor will be responsible to send staff to meetings and trainings required by the Oral Health Program, including but not limited to the Annual Oral Health Forum and Calibration Clinic for School-Based Hygienists.

II. Quality or Performance Improvement (QI/PI)

A. Workplans

1. Performance Workplans are required bi-annually for this program and are used to monitor achievement of standard measures of performance of the services provided under this contract. The workplans are a key component of the Oral Health Program performance-based contracting system and of this contract.
2. The Contractor shall incorporate required performance measures into quality/performance improvement plan. Reports on Oral Health Workplan Progress/Outcomes shall explain how the program plans for future improvement describing activities that monitor and evaluate the program's progress toward reaching performance measure targets.
3. The Contractor shall submit a performance-based workplan with this application for funding and by July 15th of the second contract year.

4. The Contractor shall comply with minor modifications and/or additions to the workplan and annual report format as requested by the Oral Health Program. The Oral Health Program will provide the Contractor with advance notice of such changes and the Contractor is not expected to incur any substantial costs relative to such changes.

B. Data and Reporting Requirements

In addition to Performance Workplans, the Contractor shall submit to the Oral Health Program the following data used to monitor program performance:

1. Workplans and Workplan Outcome reports according to the schedule and instructions provided by the Oral Health Program. The Oral Health Program shall notify the Contractor at least 30 days in advance of any changes in the submission schedule.
2. In years when contracts or amendments are not required, the DPHS Budget Form, Budget Justification, Sources of Revenue and Program Staff List forms must be completed according to the relevant instructions and submitted as requested by DPHS and, at minimum, by April 30 of each year.
3. The Sources of Revenue report must be resubmitted at any point when changes in revenue threaten the ability of the agency to carry out the planned program.
4. A copy of the Sliding Fee Scale shall be submitted by March 1st of each contract year. The sliding fee scale must be updated annually based on the US DHHS Poverty Guidelines as published in the Federal Register.
5. An annual summary of feedback from school administrators, families and providers obtained during the prior contract year and of the method by which the results were obtained must be submitted with the bi-annual work plan.

C. On-Site Reviews

1. The Contractor shall allow a team or person authorized by the Oral Health Program to periodically review the Contractor's systems of governance, administration, data collection and submission, clinical, and financial management in order to assure systems are adequate to provide the contracted services.
2. The Contractor shall make corrective actions as advised by the review team if contracted services are not found to be provided in accordance with this Exhibit.
3. On-Site reviews may be waived or abbreviated at the discretion of the Oral Health Program, upon submission of satisfactory reports of reviews such as the Health and Human Services Administration (HRSA) Office of Performance Review (OPR) or reviews from nationally accredited organizations such as the Joint Commission, the Community Health and Accreditation Program (CHAP) or the Accreditation Association for Ambulatory Health Care (AAA). Abbreviated reviews will focus on any deficiencies found in previous reviews, issues of compliance with this Exhibit, and actions to strengthen performance as outlined in the agency Performance Workplan.

D. Performance Measures

Community-Based Performance Measures

- A minimum of 100 pediatric clients (ages 0 <19 years) will receive oral screenings
- A minimum of 1,000 adult clients (19 years and older) will receive oral screenings
- Percent of clients receiving prophylaxis (cleanings)
- Percent of clients receiving restorative treatment
- Percent of children receiving dental sealants
- Percent of broken dental appointments

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NH Department of Health and Human Services

Exhibit B

**Purchase of Services
Contract Price**

Community-Based Oral Health Services

CONTRACT PERIOD: July 1, 2013 or date of G&C approval, whichever is later, through June 30, 2015

CONTRACTOR NAME: Concord Hospital

ADDRESS: 250 Pleasant Street, Concord, NH 03301

Family Health Center Director: Marie N. Wawrzyniak
TELEPHONE: (603) 227-7000 Ext. 4711

Vendor #177653-B011

Job #90072003

Appropriation #05-95-90-902010-4527-102-500731

1. The total amount of all payments made to the Contractor for cost and expenses incurred in the performance of the services during the period of the contract shall not exceed:

\$47,000 for oral health initiatives, funded from 44.7% Federal funds from the Centers for Disease Control (CDC) (CFDA #93.991) and 55.3% from General funds.

TOTAL: \$47,000

2. The Contractor agrees to use and apply all contract funds from the State for direct and indirect costs and expenses including, but not limited to, personnel costs and operating expenses related to the Services, as detailed in the attached budgets. Allowable costs and expenses shall be determined by the State in accordance with applicable state and federal laws and regulations. The Contractor agrees not to use or apply such funds for capital additions or improvements, entertainment costs, or any other costs not approved by the State.
3. This is a cost-reimbursement contract based on an approved budget for the contract period. Reimbursement shall be made monthly based on actual costs incurred during the previous month.
4. Invoices shall be submitted by the Contractor to the State in a form satisfactory to the State for each of the Service category budgets. Said invoices shall be submitted within twenty (20) working days following the end of the month during which the contract activities were completed, and the final invoice shall be due to the State no later than sixty (60) days after the contract Completion Date. Said invoice shall contain a description of all allowable costs and expenses incurred by the Contractor during the contract period.
5. Payment will be made by the State agency subsequent to approval of the submitted invoice and if sufficient funds are available in the Service category budget line items submitted by the Contractor to cover the costs and expenses incurred in the performances of the services.
6. The Contractor may amend the contract budget for any Service category through line item increases, decreases, or the creation of new line items provided these amendments do not exceed the contract price for that particular Service category. Such amendments shall only be made upon written request to and written approval by the State. Budget revisions will not be accepted after June 20th of each contract year.
7. The Contractor shall have written authorization from the State prior to using contract funds to purchase any equipment with a cost in excess of three hundred dollars (\$300) and with a useful life beyond one year.

NH Department of Health and Human Services

Exhibit C

SPECIAL PROVISIONS

1. **Contractors Obligations:** The Contractor covenants and agrees that all funds received by the Contractor under the Contract shall be used only as payment to the Contractor for services provided to eligible individuals and, in the furtherance of the aforesaid covenants, the Contractor hereby covenants and agrees as follows:
2. **Compliance with Federal and State Laws:** If the Contractor is permitted to determine the eligibility of individuals such eligibility determination shall be made in accordance with applicable federal and state laws, regulations, orders, guidelines, policies and procedures.
3. **Time and Manner of Determination:** Eligibility determinations shall be made on forms provided by the Department for that purpose and shall be made and remade at such times as are prescribed by the Department.
4. **Documentation:** In addition to the determination forms, required by the Department, the Contractor shall maintain a data file on each recipient of services hereunder, which file shall include all information necessary to support an eligibility determination and such other information as the Department requests. The Contractor shall furnish the Department with all forms and documentation regarding eligibility determinations that the Department may request or require.
5. **Fair Hearings:** The Contractor understands that all applicants for services hereunder, as well as individuals declared ineligible have a right to a fair hearing regarding that determination. The Contractor hereby covenants and agrees that all applicants for services shall be permitted to fill out an application form and that each applicant or re-applicant shall be informed of his/her right to a fair hearing in accordance with Department regulations.
6. **Gratuities or Kickbacks:** The Contractor agrees that it is a breach of this Contract to accept or make a payment, gratuity or offer of employment on behalf of the Contractor, any Sub-Contractor or the State in order to influence the performance of the Scope of Work detailed in Exhibit A of this Contract. The State may terminate this Contract and any sub-contract or sub-agreement if it is determined that payments, gratuities or offers of employment of any kind were offered or received by any officials, officers, employees or agents of the Contractor or Sub-Contractor.
7. **Retroactive Payments:** Notwithstanding anything to the contrary contained in the Contract or in any other document, contract or understanding, it is expressly understood and agreed by the parties hereto, that no payments will be made hereunder to reimburse the Contractor for costs incurred for any purpose or for any services provided to any individual prior to the Effective Date of the Contract and no payments shall be made for expenses incurred by the Contractor for any services provided prior to the date on which the individual applies for services or (except as otherwise provided by the federal regulations) prior to a determination that the individual is eligible for such services.
8. **Conditions of Purchase:** Notwithstanding anything to the contrary contained in the Contract, nothing herein contained shall be deemed to obligate or require the Department to purchase services hereunder at a rate which reimburses the Contractor in excess of the Contractor's costs, at a rate which exceeds the amounts reasonable and necessary to assure the quality of such service, or at a rate which exceeds the rate charged by the Contractor to ineligible individuals or other third party fundors for such service. If at any time during the term of this Contract or after receipt of the Final Expenditure Report hereunder, the Department shall determine that the Contractor has used payments hereunder to reimburse items of expense other than such costs, or has received payment in excess of such costs or in excess of such rates charged by the Contractor to ineligible individuals or other third party fundors, the Department may elect to:

8.1 Renegotiate the rates for payment hereunder, in which event new rates shall be established;

8.2 Deduct from any future payment to the Contractor the amount of any prior reimbursement in excess of costs;

8.3 Demand repayment of the excess payment by the Contractor in which event failure to make such repayment shall constitute an Event of Default hereunder. When the Contractor is permitted to determine the eligibility of individuals for services, the Contractor agrees to reimburse the Department for all funds paid by the Department to the Contractor for services provided to any individual who is found by the Department to be ineligible for such services at any time during the period of retention of records established herein.

RECORDS: MAINTENANCE, RETENTION, AUDIT, DISCLOSURE AND CONFIDENTIALITY:

9. **Maintenance of Records:** In addition to the eligibility records specified above, the Contractor covenants and agrees to maintain the following records during the Contract Period:

9.1 **Fiscal Records:** Books, records, documents and other data evidencing and reflecting all costs and other expenses incurred by the Contractor in the performance of the Contract, and all income received or collected by the Contractor during the Contract Period, said records to be maintained in accordance with accounting procedures and practices which sufficiently and properly reflect all such costs and expenses, and which are acceptable to the Department, and to include, without limitation, all ledgers, books, records, and original evidence of costs such as purchase requisitions and orders, vouchers, requisitions for materials, inventories, valuations of in-kind contributions, labor time cards, payrolls, and other records requested or required by the Department.

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

9.3 **Medical Records:** Where appropriate and as prescribed by the Department regulations, the Contractor shall retain medical records on each patient/recipient of services.

10. **Audit:** Contractor shall submit an annual audit to the Department within nine months after the close of the agency fiscal year. It is recommended that the report be prepared in accordance with the provision of Office of Management and Budget Circular A-133, "Audits of States, Local Governments, and Non Profit Organizations" and the provisions of Standards for Audit of Governmental Organizations, Programs, Activities and Functions, issued by the US General Accounting Office (GAO standards) as they pertain to financial compliance audits.

10.1 **Audit and Review:** During the term of this Contract and the period for retention hereunder, the Department, the United States Department of Health and Human Services, and any of their designated representatives shall have access to all reports and records maintained pursuant to the Contract for purposes of audit, examination, excerpts and transcripts.

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

11. **Confidentiality of Records:** All information, reports, and records maintained hereunder or collected in connection with the performance of the services and the Contract shall be confidential and shall not be disclosed by the Contractor, provided however, that pursuant to state laws and the regulations of the Department regarding the use and disclosure of such information, disclosure may be made to public officials requiring such information in connection with their official duties and for purposes directed connected to the administration of the services and the Contract; and provided further, that the use or disclosure by any party of any information concerning a recipient for any purpose not directly connected with the administration of the Department or the Contractor's responsibilities with respect to purchased services hereunder is prohibited except on written consent of the recipient, his attorney or guardian.

Notwithstanding anything to the contrary contained herein the covenants and conditions contained in the Paragraph shall survive the termination of the Contract for any reason whatsoever.

12. **Reports: Fiscal and Statistical:** The Contractor agrees to submit the following reports at the following times if requested by the Department

12.1 Interim Financial Reports: Written interim financial reports containing a detailed description of all costs and non-allowable expenses incurred by the Contractor to the date of the report and containing such other information as shall be deemed satisfactory by the Department to justify the rate of payment hereunder. Such Financial Reports shall be submitted on the form designated by the Department or deemed satisfactory by the Department.

12.2 Final Report: A final report shall be submitted within sixty (60) days after the end of the term of this Contract. The Final Report shall be in a form satisfactory to the Department and shall contain a summary statement of progress toward goals and objectives stated in the Proposal and other information required by the Department.

13. **Completion of Services: Disallowance of Costs:** Upon the purchase by the Department of the maximum number of units provided for in the Contract and upon payment of the price limitation hereunder, the Contract and all the obligations of the parties hereunder (except such obligations as, by the terms of the Contract are to be performed after the end of the term of this Contract and/or survive the termination of the Contract) shall terminate, provided however, that if, upon review of the Final Expenditure Report the Department shall disallow any expenses claimed by the Contractor as costs hereunder the Department shall retain the right, at its discretion, to deduct the amount of such expenses as are disallowed or to recover such sums from the Contractor.

14. **Credits:** All documents, notices, press releases, research reports, and other materials prepared during or resulting from the performance of the services of the Contract shall include the following statement:

14.1 The preparation of this (report, document, etc.), was financed under a Contract with the State of New Hampshire, Department of Health and Human Services, Division of Public Health Services, with funds provided in part or in whole by the State of New Hampshire and/or such other funding sources as were available or required, e.g., the United States Department of Health and Human Services.

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

16. **Insurance:** Select either (1) or (2) below:

As referenced in the Request for Proposal, Comprehensive General Liability Insurance Acknowledgement Form, the Insurance requirement checked under this section is applicable to this contract:

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.*

- (1) 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 14.1.1. 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).

17. **Renewal:**

As referenced in the Request for Proposals, Renewals Section, this competitively procured Agreement has the option to renew for two (2) additional year(s), contingent upon satisfactory delivery of services, available funding, agreement of the parties and approval of the Governor and Council.

The remainder of this page is intentionally left blank.

18. Subparagraph 4 of the General Provisions of this contract, Conditional Nature of Agreement, is replaced as follows:

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, in whole or in part, under this Agreement are contingent upon continued appropriation or availability of funds, including any subsequent changes to the appropriation or availability of funds affected by any state or federal legislative or executive action that reduces, eliminates, or otherwise modifies the appropriation or availability of funding for this Agreement and the Scope of Services provided in Exhibit A, Scope of Services, in whole or in part. In no event shall the State be liable for any payments hereunder in excess of appropriated or available funds. In the event of a reduction, termination or modification of appropriated or available funds, the State shall have the right to withhold payment until such funds become available, if ever. The State shall have the right to reduce, terminate or modify services under this Agreement immediately upon giving the Contractor notice of such reduction, termination or modification. The State shall not be required to transfer funds from any other source or account into the Account(s) identified in block 1.6 of the General Provisions, Account Number, or any other account, in the event funds are reduced or unavailable.

19. Subparagraph 10 of the General Provisions of this contract, Termination, is amended by adding the following language;

- 10.1 The State may terminate the Agreement at any time for any reason, at the sole discretion of the State, 30 days after giving the Contractor written notice that the State is exercising its option to terminate the Agreement.
- 10.2 In the event of early termination, the Contractor shall, within 15 days of notice of early termination, develop and submit to the State a Transition Plan for services under the Agreement, including but not limited to, identifying the present and future needs of clients receiving services under the Agreement and establishes a process to meet those needs.
- 10.3 The Contractor shall fully cooperate with the State and shall promptly provide detailed information to support the Transition Plan including, but not limited to, any information or data requested by the State related to the termination of the Agreement and Transition Plan and shall provide ongoing communication and revisions of the Transition Plan to the State as requested.
- 10.4 In the event that services under the Agreement, including but not limited to clients receiving services under the Agreement are transitioned to having services delivered by another entity including contracted providers or the State, the Contractor shall provide a process for uninterrupted delivery of services in the Transition Plan.
- 10.5 The Contractor shall establish a method of notifying clients and other affected individuals about the transition. The Contractor shall include the proposed communications in its Transition Plan submitted to the State as described above.

SPECIAL PROVISIONS – DEFINITIONS

As used in the Contract, the following terms shall have the following meanings:

COSTS: Shall mean those direct and indirect items of expense determined by the Department to be allowable and reimbursable in accordance with cost and accounting principles established in accordance with state and federal laws, regulations, rules and orders.

DEPARTMENT: NH Department of Health and Human Services.

PROPOSAL: If applicable, shall mean the document submitted by the Contractor on a form or forms required by the Department and containing a description of the Services to be provided to eligible individuals by the Contractor in accordance with the terms and conditions of the Contract and setting forth the total cost and sources of revenue for each service to be provided under the Contract.

UNIT: For each service that the Contractor is to provide to eligible individuals hereunder, shall mean that period of time or that specified activity determined by the Department and specified in Exhibit B of the Contract.

FEDERAL/STATE LAW: Whenever federal or state laws, regulations, rules, orders, and policies, etc., are referred to in the Contract, the said reference shall be deemed to mean all such laws, regulations, etc., as they may be amended or revised from time to time.

CONTRACTOR MANUAL: Shall mean that document prepared by the NH Department of Administrative Services containing a compilation of all regulations promulgated pursuant to the New Hampshire Administrative Procedures Act. NH RSA Ch 541-A, for the purpose of implementing State of NH and federal regulations promulgated thereunder.

SUPPLANTING OTHER FEDERAL FUNDS: The Contractor guarantees that funds provided under this Contract will not supplant any existing federal funds available for these services.

Contractor Initials: 
Date: 3/18/2013

NH Department of Health and Human Services

Standard Exhibit G

CERTIFICATION REGARDING THE AMERICANS WITH DISABILITIES ACT COMPLIANCE

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

1. By signing and submitting this proposal (contract) the Contractor agrees to make reasonable efforts to comply with all applicable provisions of the Americans with Disabilities Act of 1990.

Michael B Green

Contractor Signature

President + CEO

Contractor's Representative Title

Concord Hospital
Contractor Name

3/18/2013
Date

Initial MBG
Date 3/18/2013

NH Department of Health and Human Services

STANDARD EXHIBIT I
HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY ACT
BUSINESS ASSOCIATE AGREEMENT

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

BUSINESS ASSOCIATE AGREEMENT

(1) Definitions.

- a. "Breach" shall have the same meaning as the term "Breach" in Title XXX, Subtitle D. Sec. 13400.
- b. "Business Associate" has the meaning given such term in section 160.103 of Title 45, Code of Federal Regulations.
- c. "Covered Entity" has the meaning given such term in section 160.103 of Title 45, Code of Federal Regulations.
- d. "Designated Record Set" shall have the same meaning as the term "designated record set" in 45 CFR Section 164.501.
- e. "Data Aggregation" shall have the same meaning as the term "data aggregation" in 45 CFR Section 164.501.
- f. "Health Care Operations" shall have the same meaning as the term "health care operations" in 45 CFR Section 164.501.
- g. "HITECH Act" means the Health Information Technology for Economic and Clinical Health Act, Title XIII, Subtitle D, Part 1 & 2 of the American Recovery and Reinvestment Act of 2009.
- h. "HIPAA" means the Health Insurance Portability and Accountability Act of 1996, Public Law 104-191 and the Standards for Privacy and Security of Individually Identifiable Health Information, 45 CFR Parts 160, 162 and 164.
- i. "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).
- j. "Privacy Rule" shall mean the Standards for Privacy of Individually Identifiable Health Information at 45 CFR Parts 160 and 164, promulgated under HIPAA by the United States Department of Health and Human Services.

- k. “Protected Health Information” shall have the same meaning as the term “protected health information” in 45 CFR Section 164.501, limited to the information created or received by Business Associate from or on behalf of Covered Entity.
- l. “Required by Law” shall have the same meaning as the term “required by law” in 45 CFR Section 164.501.
- m. “Secretary” shall mean the Secretary of the Department of Health and Human Services or his/her designee.
- n. “Security Rule” shall mean the Security Standards for the Protection of Electronic Protected Health Information at 45 CFR Part 164, Subpart C, and amendments thereto.
- o. “Unsecured Protected Health Information” means protected health information that is not secured by a technology standard that renders protected health information unusable, unreasonable, or indecipherable to unauthorized individuals and is developed or endorsed by a standards developing organization that is accredited by the American National Standards Institute.
- p. Other Definitions - All terms not otherwise defined herein shall have the meaning established under 45 C.F.R. Parts 160, 162 and 164, as amended from time to time, and the HITECH Act.

(2) 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 notify Business Associate, in accordance with the HITECH Act, Subtitle D, Part 1, Sec. 13402 of any breaches of the confidentiality of the PHI, to the extent it has obtained knowledge of such breach.
- d. The Business Associate shall not, unless such disclosure is reasonably necessary to provide services under Exhibit A of the Agreement, disclose any PHI in response to a request for disclosure on the basis that it is required by law, without first notifying Covered Entity so that Covered Entity has an opportunity to object to the disclosure and to seek appropriate relief. If Covered Entity objects to such disclosure, the Business Associate shall refrain from disclosing the PHI until Covered Entity has exhausted all remedies.

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

(3) Obligations and Activities of Business Associate.

- a. 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, in accordance with the HITECH Act, Subtitle D, Part 1, Sec.13402.
- b. The Business Associate shall comply with all sections of the Privacy and Security Rule as set forth in, the HITECH Act, Subtitle D, Part 1, Sec. 13401 and Sec.13404.
- 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.



3/18/2013

- 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, and the HITECH Act 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, the Privacy and Security Rule and the HITECH Act.
- 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.



3/18/2013

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

DIVISION OF PUBLIC HEALTH SERVICES
The State Agency Name

Concord Hospital
Name of Contractor



Signature of Authorized Representative



Signature of Authorized Representative

LISA L. BUJNO, MSN, APRN
Name of Authorized Representative

Michael B. Green
Name of Authorized Representative

BUREAU CHIEF
Title of Authorized Representative

President + CEO
Title of Authorized Representative

3-30-2013
Date

3/18/2013
Date



KEY ADMINISTRATIVE PERSONNEL

NH Department of Health and Human Services Division of Public Health Services

Agency Name: Concord Hospital Family Health Center

Name of Bureau/Section: Community Health Services/Community and School Based Oral Health Services

BUDGET PERIOD: SFY 16 (7/1/15 - 6/30/16)			
Name & Title Key Administrative Personnel	Annual Salary of Key Administrative Personnel	Percentage of Salary Paid by Contract	Total Salary Amount Paid by Contract
Robert P. Steigmeyer, President and CEO	\$580,000	0.00%	\$0.00
Deborah Bergschneider, Dental Clinic Manager	\$68,160	34.47%	\$23,494.59
Martha E. Seery, Director	\$110,822	0.00%	\$0.00
	\$0	0.00%	\$0.00
	\$0	0.00%	\$0.00
	\$0	0.00%	\$0.00
TOTAL SALARIES (Not to exceed Total/Salary Wages, Line Item 1 of Budget request)			\$23,494.59

BUDGET PERIOD: SFY 17 (7/1/16 - 6/30/17)			
Name & Title Key Administrative Personnel	Annual Salary of Key Administrative Personnel	Percentage of Salary Paid by Contract	Total Salary Amount Paid by Contract
Robert P. Steigmeyer, President and CEO	\$580,000	0.00%	\$0.00
Deborah Bergschneider, Dental Clinic Manager	\$69,864	33.63%	\$23,495.26
Martha E. Seery, Director	\$113,593	0.00%	\$0.00
	\$0	0.00%	\$0.00
	\$0	0.00%	\$0.00
	\$0	0.00%	\$0.00
TOTAL SALARIES (Not to exceed Total/Salary Wages, Line Item 1 of Budget request)			\$23,495.26

Key Administrative Personnel are top-level agency leadership (President, Executive Director, CEO, CFO, etc.), and individuals directly involved in operating and managing the program (project director, program manager, etc.). These personnel **MUST** be listed, even if no salary is paid from the contract. Provide their name, title, annual salary and percentage of annual salary paid from the agreement.