



Nicholas A. Toumpas  
Commissioner

Marcella J. Bobinsky  
Acting Director

STATE OF NEW HAMPSHIRE  
DEPARTMENT OF HEALTH AND HUMAN  
SERVICES

29 HAZEN DRIVE, CONCORD, NH 03301-6527  
603-271-3958 1-800-852-3345 Ext. 3958  
Fax: 603-271-4934 TDD Access: 1-800-735-2964



4V 12

October 13, 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, to add to a list of licensed medical providers, with the ability to expand to include additional licensed medical providers to provide necessary outpatient visits, labs, diagnostic tests, and outpatient procedures for clients enrolled in the New Hampshire Ryan White CARE Program. No maximum client or service volume is guaranteed. Accordingly, the price limitation among all Agreements is \$100,000. This Agreement is effective date of Governor and Executive Council approval through June 30, 2016. 100% Other Funds.

VENDOR	LOCATION
Frisbie Memorial Hospital	Rochester, NH

Funds to support this request are anticipated to be available in the following account in State FY 2016 upon the availability and continued appropriation of funds in the future operating budget.

05-95-90-902510-2229 HEALTH AND SOCIAL SERVICES, DEPT OF HEALTH AND HUMAN SERVICES, HHS: DIVISION OF PUBLIC HEALTH, BUREAU OF INFECTIOUS DISEASE CONTROL, PHARMACEUTICAL REBATES

Fiscal Year	Class/Account	Class Title	Job Number	Total Amount
SFY 2016	530-500371	Drug Rebates	90024607	\$100,000
			<b>Total</b>	<b>\$100,000</b>

### **EXPLANATION**

The Department has five (5) vendors being added to the list of agreements that will ensure the provision of outpatient visits, labs, diagnostic tests, and outpatient procedures services to New Hampshire residents living with Human Immunodeficiency Virus (HIV), statewide, who are enrolled in the New Hampshire Ryan White CARE Program. Each licensed medical practice will provide outpatient visits, labs, diagnostic tests, and outpatient procedures services to enrolled clients, on an individual, case-by-case, as needed basis.

This package contains one (1) of the five (5) contracts being brought forward for approval. The Governor and Executive Council has previously approved three (3) of the contracts on May 6, 2015, May 27, 2015, and August 26, 2015 respectively. The Department anticipates that the remaining agreement will be presented at an upcoming Governor and Executive Council meeting.

The New Hampshire Ryan White CARE Program receives funding from the Health Resources and Services Administration (HRSA), Ryan White HIV/AIDS Program, Part B for medical services, oral health, and home health care services. HRSA funding is in accordance with the Ryan White HIV/AIDS Treatment Extension Act of 2009. The intent of the legislation and federal funding is to assure access to care for financially eligible individuals living with HIV/AIDS. A recipient of federal funding, the New Hampshire Ryan White CARE Program is subject to the federal mandate to implement contractual agreements with all service providers and to maintain nationally accepted fiscal, programmatic, and monitoring standards established by HRSA. Federal regulation also requires that Ryan White CARE Program funds be used as a "payer of last resort".

Should Governor and Executive Council not authorize this Request, federal regulations and monitoring standards will not be met and eligible New Hampshire residents living with HIV with immediate outpatient care needs and without access to care will not receive prevention and treatment for outpatient visits, labs, diagnostic tests, and outpatient procedures. The services in this Contract will promote the goals of the National HIV/AIDS Strategy and maintain a continuum of care in order to reduce HIV related health disparities and the occurrence of negative health outcomes. The program currently provides services to approximately 450 to 500 clients statewide.

A Request for Applications was posted on the Department of Health and Human Services' web site on April 4, 2014 to solicit medical providers to provide outpatient services to New Hampshire Ryan White CARE program clients. In addition, an email was sent to 22 known providers on April 4, 2014, notifying them that a Request for Application was posted. Six (6) were received from licensed medical providers; however, one (1) provider rescinded its application. All five (5) applications were approved for funding.

As referenced in the Request for Application and in exhibit C-1, Revisions to General Provisions, this Agreement has the option to extend for two (2) additional years, contingent upon satisfactory delivery of services, available funding, agreement of the parties, and approval of the Governor and Executive Council.

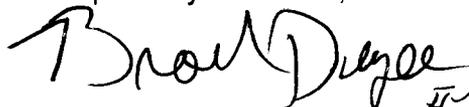
The performance of this program will be measured by the number of New Hampshire Ryan White CARE Program clients that actually receive outpatient services.

The geographic area to be served is statewide.

Source of Funds: 100% Other Funds from the Pharmaceutical Rebates.

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

Respectfully submitted,



Marcella J. Bobinsky, MPH  
Acting Director

Approved by:



Nicholas A. Toumpas  
Commissioner

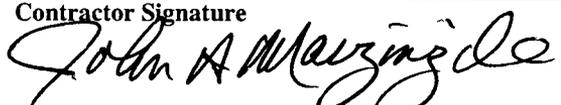
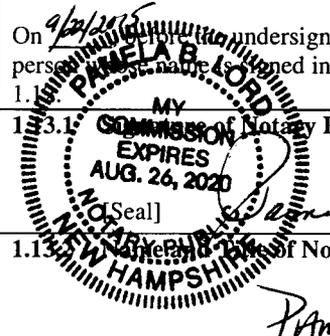
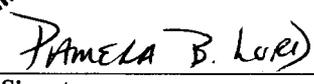
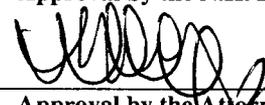
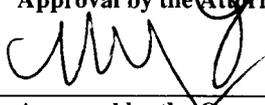
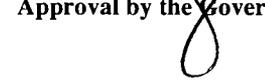
Subject: New Hampshire Ryan White CARE Program

**AGREEMENT**

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

**GENERAL PROVISIONS**

**1. IDENTIFICATION.**

<b>1.1 State Agency Name</b> NH Department of Health and Human Services		<b>1.2 State Agency Address</b> 129 Pleasant Street Concord, NH 03301-3857	
<b>1.3 Contractor Name</b> Frisbie Memorial Hospital		<b>1.4 Contractor Address</b> 21 Whitehall Road Suite 200 Rochester, NH 03867	
<b>1.5 Contractor Phone Number</b> 603-335-8866	<b>1.6 Account Number</b> 05-95-90-902510-2229-530-500371	<b>1.7 Completion Date</b> June 30, 2016	<b>1.8 Price Limitation</b> \$100,000
<b>1.9 Contracting Officer for State Agency</b> Brook Dupee, Bureau Chief		<b>1.10 State Agency Telephone Number</b> 603-271-4483	
<b>1.11 Contractor Signature</b> 		<b>1.12 Name and Title of Contractor Signatory</b> John Marzinzik, President/CEO	
<b>1.13 Acknowledgement:</b> State of <u>NH</u> , County of <u>Stafford</u> On <u>9/21/15</u> , the undersigned officer, personally appeared the person identified in block 1.12, or satisfactorily proven to be the person whose name is printed in block 1.11, and acknowledged that s/he executed this document in the capacity indicated in block 1.12.			
<b>1.13.1 My Commission of Notary Public or Justice of the Peace</b>  [Seal]			
<b>1.13.2 My Term of Notary or Justice of the Peace</b> 			
<b>1.14 State Agency Signature</b> 		<b>1.15 Name and Title of State Agency Signatory</b> Brook Dupee, Bureau Chief	
<b>1.16 Approval by the N.H. Department of Administration, Division of Personnel (if applicable)</b> By:  Director, On:			
<b>1.17 Approval by the Attorney General (Form, Substance and Execution)</b> By:  On: <u>11/2/15</u>			
<b>1.18 Approval by the Governor and Executive Council</b> By:  On:			

**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:   
Date: 

**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

Contractor Initials: \_\_\_\_\_  
Date: \_\_\_\_\_



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.

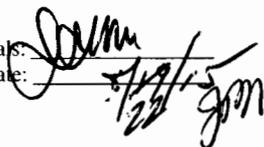
**20. THIRD PARTIES.** The parties hereto do not intend to benefit any third parties and this Agreement shall not be construed to confer any such benefit.

**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.

Contractor Initials:   
Date: 7/22/2020



## Exhibit A

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### Scope of Services

#### 1. Program Name: New Hampshire Ryan White CARE Program

##### 1.1. Purpose:

The purpose of this agreement is to provide outpatient visits, labs and diagnostic tests, and outpatient procedures for clients enrolled in the New Hampshire Ryan White CARE Program (NH CARE Program). The goal of the NH CARE Program is to provide financial assistance for necessary medical services to New Hampshire (NH) residents living with Human Immunodeficiency Virus (HIV), statewide.

#### 2. Provision of Services:

2.1. The Contractor shall act as a representative of the NH CARE Program to provide outpatient visits, labs, tests and procedures to NH CARE Program clients.

2.2. The Contractor shall provide services to enrolled NH CARE Program clients only; services provided outside of enrollment periods will not be reimbursed and the contractor shall refer clients to their Medical Case Manager as needed to re-enroll in the NH CARE Program.

2.3. The Contractor shall invoice the NH CARE Program for services using a health insurance claim form or reasonable facsimile; additional invoicing methods may be approved by the NH CARE Program; services shall be reimbursed at NH Medicaid rates.

2.4. The Contractor shall participate in an annual site visit with NH CARE Program staff.

2.5. The Contractor shall provide client level data in a secure, electronic format as specified by the NH CARE Program or via CAREWare for the completion of annual reports to the Health Resources and Services Administration (HRSA).

2.6. The Contractor shall maximize billing to NH Medicaid and private insurance. The NH CARE Program shall be the payer of last resort and will only reimburse services for clients.

2.7. The Contractor shall participate in periodic monitoring calls with the contract monitor. The contract monitor shall be the primary point of contact for all NH CARE Program questions.

*[Handwritten signature]*



## Exhibit A

### 3. Licensing Requirements:

Licensed Medical Providers performing services under this agreement must maintain a valid and unrestricted license to practice medicine in the United States and be free from any mental or physical impairment or condition which would preclude his/her ability to competently perform the essential functions or duties under this Agreement.

4. Licensed Medical providers shall adhere to the NH CARE Program Standards of Care for Outpatient and Ambulatory Medical Care, and all applicable Programmatic, Fiscal and Universal Monitoring Standards, as documented by HRSA:

- <http://hab.hrsa.gov/manageyourgrant/files/programmonitoringpartb.pdf>
- <http://hab.hrsa.gov/manageyourgrant/files/fiscalmonitoringpartb.pdf>
- <http://hab.hrsa.gov/manageyourgrant/files/universalmonitoringpartb.pdf>

5. The Department of Health and Human Services reserves the right to discontinue this agreement should it discover any abridgment of the above partner agreements that jeopardize the intent of this agreement.

### 6. Entire Agreement:

The following documents are incorporated by reference into this Agreement and they constitute the entire Agreement between the State and the Contactor. General Provisions (P-37), Exhibit A Scope of Services, Exhibit B Purchase of Services, Exhibit C Special Provisions, Exhibit C-1 Revisions to General Provisions, Exhibit D Certification Regarding Drug-Free Workplace Requirements, Exhibit E Certification Regarding Lobbying, Exhibit F Certification Regarding Debarment, Suspension and Other Responsibility Matters, Exhibit G Certification Regarding the American's With Disabilities Act Compliance, Exhibit H Certification Regarding Environmental Tobacco Smoke, Exhibit I Health Insurance Portability and Accountability Act Business Associate Agreement, and Exhibit J Certification Regarding The Federal Funding Accountability and Transparency Act Compliance. In the event of any conflict or contradiction between or among the Agreement Documents, the documents shall control in the above order of precedence.



## Exhibit B

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### Method and Conditions Precedent to Payment

1. Subject to the Contractor's compliance with the terms and conditions of the Agreement, the Bureau of Infectious Disease Control shall reimburse the Contractor for actual outpatient Ambulatory medical care services provided by the contractor to enrolled NH CARE Program clients. Services will be reimbursed at NH Medicaid rates.
2. Price Limitation: This Agreement is one of multiple Agreements that will serve the NH CARE Program. No maximum or minimum client and service volume is guaranteed. Accordingly, the price limitation among all Agreements is identified in Block 1.8 of the P-37 for the duration of the Agreement.
3. Notwithstanding anything to the contrary herein, the Contactor agrees that payment under this Agreement may be withheld, in whole or in part, in the event of noncompliance with any Federal or State law, rule or regulation applicable to the services provided, or if the said services have not been satisfactorily completed in accordance with the terms and conditions of this Agreement.
4. The funding source for this Agreement for Outpatient Ambulatory Medical Care Services is 100% federal funds from the Pharmaceutical Rebates.
5. Contract medical provider shall complete and submit an outpatient visit, laboratory test, or diagnostic test Claim invoice, due within 30 days. Completed invoice must be submitted to:  
NH CARE Program  
Bureau of Infectious Disease Control  
Department of Health and Human Services  
Division of Public Health  
29 Hazen Drive  
Concord, NH 03301  
Fax: 603-271-4934
6. Payment will be made by the State agency subsequent to approval of the submitted invoice and if sufficient funds are available. Contractor will keep detailed records of their outpatient services related to Department of Health and Human Services funded programs and services.
7. Outpatient ambulatory medical care providers are accountable to meet the scope of services. Failure to meet the scope of services may jeopardize the funded Medical provider's current and/or future funding. Corrective action may include actions such as a contract amendment or termination of the contract.

*[Signature]*  
8/19/15



**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;

Handwritten signature and date: 8/19/15



- 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 8/19/15



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

*[Handwritten Signature]*  
Date 5/19/15



more employees, it will maintain a current EEOP on file and submit an EEOP Certification Form to the OCR, certifying that its EEOP 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 EEOP Certification Form to the OCR certifying it is not required to submit or maintain an EEOP. Non-profit organizations, Indian Tribes, and medical and educational institutions are exempt from the EEOP requirement, but are required to submit a certification form to the OCR to claim the exemption. EEOP 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

*[Handwritten Signature]*  
6/19/14



- 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.

*[Handwritten Signature]*  
8/19/15



Exhibit C-1

REVISIONS TO GENERAL PROVISIONS

1. 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.
  
2. 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.
  
3. Frisbie Memorial Hospital, hereby certifies that it is not subject to the audit requirements as set forth in Title 45 C.F.R. Part 74.26 and OMB Circular No. A-133, as described in Exhibit C, Paragraph 9, nor does it receive federal funds sufficient to trigger these requirements. Should Frisbie Memorial Hospital, receive federal funds sufficient to trigger these audit requirements, Frisbie Memorial Hospital, will be required to comply with the provisions of Exhibit C, Paragraph 9.

  
 \_\_\_\_\_  
 Frisbie Memorial Hospital

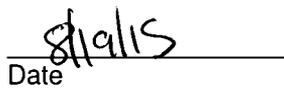
  
 \_\_\_\_\_  
 Date

Exhibit C-1 – Revisions to General Provisions

Contractor Initials \_\_\_\_\_





**Exhibit C-1**

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- 3. Extension:  
This agreement has the option for a potential extension of up to two (2) additional years, contingent upon satisfactory delivery of services, available funding, agreement of the parties and approval of the Governor and Council.
  
- 4. Insurance:  
Subparagraph 14.1.1 of the General Provisions of this contract is deleted and the following subparagraph is added:
  - 14.1.1 Comprehensive general liability against all claims of bodily injury, death or property damage, in amounts of not less than \$250,000 per claim and \$1,000,000 per occurrence and umbrella liability coverage in the amount of \$10,000,000 per occurrence.

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New Hampshire Department of Health and Human Services  
Exhibit D



- has designated a central point for the receipt of such notices. Notice shall include the identification number(s) of each affected grant;
- 1.6. Taking one of the following actions, within 30 calendar days of receiving notice under subparagraph 1.4.2, with respect to any employee who is so convicted
    - 1.6.1. Taking appropriate personnel action against such an employee, up to and including termination, consistent with the requirements of the Rehabilitation Act of 1973, as amended; or
    - 1.6.2. Requiring such employee to participate satisfactorily in a drug abuse assistance or rehabilitation program approved for such purposes by a Federal, State, or local health, law enforcement, or other appropriate agency;
  - 1.7. Making a good faith effort to continue to maintain a drug-free workplace through implementation of paragraphs 1.1, 1.2, 1.3, 1.4, 1.5, and 1.6.
2. The grantee may insert in the space provided below the site(s) for the performance of work done in connection with the specific grant.

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

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

Contractor Name: Frisbie Memorial Hospital

8/19/15  
Date

John Marzinzik  
Name: John Marzinzik  
Title: President/CEO

Contractor Initials JM  
Date 8/19/15



**CERTIFICATION REGARDING LOBBYING**

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

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

Programs (indicate applicable program covered):

- \*Temporary Assistance to Needy Families under Title IV-A
- \*Child Support Enforcement Program under Title IV-D
- \*Social Services Block Grant Program under Title XX
- \*Medicaid Program under Title XIX
- \*Community Services Block Grant under Title VI
- \*Child Care Development Block Grant under Title IV

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

1. No Federal appropriated funds have been paid or will be paid by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement (and by specific mention sub-grantee or sub-contractor).
2. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement (and by specific mention sub-grantee or sub-contractor), the undersigned shall complete and submit Standard Form LLL, (Disclosure Form to Report Lobbying, in accordance with its instructions, attached and identified as Standard Exhibit E-1.)
3. The undersigned shall require that the language of this certification be included in the award document for sub-awards at all tiers (including subcontracts, sub-grants, and contracts under grants, loans, and cooperative agreements) and that all sub-recipients shall certify and disclose accordingly.

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

Contractor Name: Frisbie Memorial Hospital

8/19/15  
Date

John Marzinzik  
Name: John Marzinzik  
Title: President/CEO

Contractor Initials JM  
Date 8/19/15



**CERTIFICATION REGARDING DEBARMENT, SUSPENSION  
AND OTHER RESPONSIBILITY MATTERS**

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

**INSTRUCTIONS FOR CERTIFICATION**

1. By signing and submitting this proposal (contract), the prospective primary participant is providing the certification set out below.
2. The inability of a person to provide the certification required below will not necessarily result in denial of participation in this covered transaction. If necessary, the prospective participant shall submit an explanation of why it cannot provide the certification. The certification or explanation will be considered in connection with the NH Department of Health and Human Services' (DHHS) determination whether to enter into this transaction. However, failure of the prospective primary participant to furnish a certification or an explanation shall disqualify such person from participation in this transaction.
3. The certification in this clause is a material representation of fact upon which reliance was placed when DHHS determined to enter into this transaction. If it is later determined that the prospective primary participant knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government, DHHS may terminate this transaction for cause or default.
4. The prospective primary participant shall provide immediate written notice to the DHHS agency to whom this proposal (contract) is submitted if at any time the prospective primary participant learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances.
5. The terms "covered transaction," "debarred," "suspended," "ineligible," "lower tier covered transaction," "participant," "person," "primary covered transaction," "principal," "proposal," and "voluntarily excluded," as used in this clause, have the meanings set out in the Definitions and Coverage sections of the rules implementing Executive Order 12549: 45 CFR Part 76. See the attached definitions.
6. The prospective primary participant agrees by submitting this proposal (contract) that, should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transaction with a person who is debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by DHHS.
7. The prospective primary participant further agrees by submitting this proposal that it will include the clause titled "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion - Lower Tier Covered Transactions," provided by DHHS, without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions.
8. A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that it is not debarred, suspended, ineligible, or involuntarily excluded from the covered transaction, unless it knows that the certification is erroneous. A participant may decide the method and frequency by which it determines the eligibility of its principals. Each participant may, but is not required to, check the Nonprocurement List (of excluded parties).
9. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and

*[Handwritten Signature]*  
8/19/15



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

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

**PRIMARY COVERED TRANSACTIONS**

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

**LOWER TIER COVERED TRANSACTIONS**

13. By signing and submitting this lower tier proposal (contract), the prospective lower tier participant, as defined in 45 CFR Part 76, certifies to the best of its knowledge and belief that it and its principals:
  - 13.1. are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any federal department or agency.
  - 13.2. where the prospective lower tier participant is unable to certify to any of the above, such prospective participant shall attach an explanation to this proposal (contract).
14. The prospective lower tier participant further agrees by submitting this proposal (contract) that it will include this clause entitled "Certification Regarding Debarment, Suspension, Ineligibility, and Voluntary Exclusion - Lower Tier Covered Transactions," without modification in all lower tier covered transactions and in all solicitations for lower tier covered transactions.

Contractor Name: Frisbie Memorial Hospital

8/19/15  
Date

John Marzinzik  
Name: John Marzinzik  
Title: President/CEO

Contractor Initials [Signature]  
Date 8/19/15



**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

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

Contractor Initials

*[Signature]*  
Date 8/19/15

New Hampshire Department of Health and Human Services  
Exhibit G



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: Frisbie Memorial Hospital

8/19/15  
Date

John Marzinzik  
Name: John Marzinzik  
Title: President/CEO

Exhibit G

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

Contractor Initials

Date

8/19/15  
JM



**CERTIFICATION REGARDING ENVIRONMENTAL TOBACCO SMOKE**

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

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

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

Contractor Name: Frisbie Memorial Hospital

8/19/15  
Date

John Marzinzik  
Name: John Marzinzik  
Title: President/CEO

Contractor Initials JM  
Date 8/19/15



Exhibit I

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**HEALTH INSURANCE PORTABILITY ACT**  
**BUSINESS ASSOCIATE AGREEMENT**

Exhibit I – Health Insurance Portability and Accountability Act, Business Associate Agreement does not apply to this contract.

*JMM*

*8/19/15*



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

The Federal Funding Accountability and Transparency Act (FFATA) requires prime awardees of individual Federal grants equal to or greater than \$25,000 and awarded on or after October 1, 2010, to report on data related to executive compensation and associated first-tier sub-grants of \$25,000 or more. If the initial award is below \$25,000 but subsequent grant modifications result in a total award equal to or over \$25,000, the award is subject to the FFATA reporting requirements, as of the date of the award.

In accordance with 2 CFR Part 170 (Reporting Subaward and Executive Compensation Information), the Department of Health and Human Services (DHHS) must report the following information for any subaward or contract award subject to the FFATA reporting requirements:

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

Prime grant recipients must submit FFATA required data by the end of the month, plus 30 days, in which the award or award amendment is made.

The Contractor identified in Section 1.3 of the General Provisions agrees to comply with the provisions of The Federal Funding Accountability and Transparency Act, Public Law 109-282 and Public Law 110-252, and 2 CFR Part 170 (Reporting Subaward and Executive Compensation Information), and further agrees to have the Contractor's representative, as identified in Sections 1.11 and 1.12 of the General Provisions execute the following Certification:

The below named Contractor agrees to provide needed information as outlined above to the NH Department of Health and Human Services and to comply with all applicable provisions of the Federal Financial Accountability and Transparency Act.

Contractor Name: Frisbie Memorial Hospital

8/19/15  
Date

John Marzinzik  
Name: John Marzinzik  
Title: President/CEO

Contractor Initials [Signature]  
Date 8/19/15



FORM A

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

1. The DUNS number for your entity is: 07-399-2137
2. In your business or organization's preceding completed fiscal year, did your business or organization receive (1) 80 percent or more of your annual gross revenue in U.S. federal contracts, subcontracts, loans, grants, sub-grants, and/or cooperative agreements; and (2) \$25,000,000 or more in annual gross revenues from U.S. federal contracts, subcontracts, loans, grants, subgrants, and/or cooperative agreements?

X NO                      \_\_\_\_\_ YES

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

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

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

\_\_\_\_\_ NO                      \_\_\_\_\_ YES

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

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

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

Name: _____	Amount: _____

Contractor Initials [Signature]  
Date 8/19/15

# 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 FRISBIE MEMORIAL HOSPITAL is a New Hampshire nonprofit corporation formed March 28, 1919. 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 22<sup>nd</sup> day of April, A.D. 2015

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

William M. Gardner  
Secretary of State

**CERTIFICATE OF VOTE/AUTHORITY**

I, Ron Poulin of the Frisbie Memorial Hospital, do hereby certify that:

1. I am the duly elected Board President of the Frisbie Memorial Hospital;
2. The following are true copies of two resolutions duly adopted at a meeting of the Board of Directors of the corporation, duly held on November 7, 2014;

RESOLVED: That this corporation may enter into any and all contracts, amendments, renewals, revisions or modifications thereto, with other entities.

RESOLVED: That the Hospital President & CEO, John Marzinzik, is authorized to execute any and all documents, agreements, contracts and any other amendment thereto, as he deems necessary or appropriate on behalf of the Frisbie Memorial Hospital.

3. The foregoing resolutions have not been amended or revoked and remain in full force and effect as of September 22, 2015.

IN WITNESS WHEREOF, I have hereunto set my hand as the President of the corporation this 22 day of September 2015.

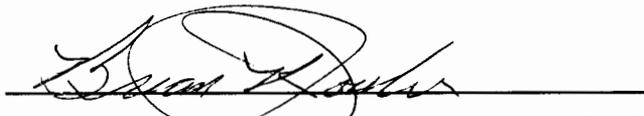


\_\_\_\_\_  
Ron Poulin, Board President

STATE OF NH

COUNTY OF STRAFFORD

The foregoing instrument was acknowledged before me this 22 day of September 2015 by Ron Poulin.



BRIAN R. POULIN, Notary Public  
My Commission Expires August 24, 2016

Notary Public/Justice of the Peace

My Commission Expires: 8/24/16





**HOSPITAL LIABILITY POLICY  
DECLARATIONS PAGE**

**FIRST NAMED INSURED:** Frisbie Memorial Hospital  
**MAILING ADDRESS:** 11 Whitehall Road  
 Rochester, NH 03867-3297

**POLICY NUMBER:** NH HPL 000422  
**POLICY PERIOD:** 08/01/2015 to 08/01/2016



**Additional Named Insureds** (Individual or organization)

**COVERAGES A and B - HOSPITAL PROFESSIONAL LIABILITY - Claims Made Insurance Agreements**

**RETROACTIVE DATE:** 10/01/1984

**COVERAGE A - MEDICAL INCIDENT Liability**

Each MEDICAL INCIDENT Limit of Liability \$1,000,000  
 Aggregate MEDICAL INCIDENT Limit of Liability \$3,000,000

**Deductibles**

Each MEDICAL INCIDENT Deductible N/A  
 Aggregate MEDICAL INCIDENT/STAFF PRIVILEGES INCIDENT Deductible N/A

**COVERAGE B - STAFF PRIVILEGES INCIDENT Liability**

Each STAFF PRIVILEGES INCIDENT Limit of Liability \$2,000,000  
 Aggregate STAFF PRIVILEGES Limit of Liability \$3,000,000

**Deductibles**

Each STAFF PRIVILEGES INCIDENT Deductible N/A  
 Aggregate MEDICAL INCIDENT/STAFF PRIVILEGES INCIDENT Deductible N/A

**COVERAGE C - HOSPITAL GENERAL LIABILITY- Occurrence Insurance Agreement**

**COVERAGE C - General Liability**

BODILY INJURY and PROPERTY DAMAGE Limit \$1,000,000  
 FIRE DAMAGE Limit \$100,000  
 MEDICAL EXPENSE Limit \$5,000  
 PERSONAL AND ADVERTISING INJURY Aggregate Limit \$1,000,000  
 PRODUCTS-COMPLETED OPERATIONS HAZARD Aggregate Limit \$1,000,000

Aggregate General Liability Limit \$3,000,000

**Deductibles**

Each OCCURRENCE Deductible N/A  
 Aggregate All OCCURRENCES Deductible N/A

Forms and Endorsements included: NHREQ1 (01/08), MMHCP28 (03/15), MMHCP32 (03/15), MMHCP8NH (01/08), MMHCP14 (01/08), MMHCP16 (01/05), MMHCP17 (01/08), MMHCP18 (01/08), MM324 (06/99), MM493 (11/04), MMHCP-30 NH (05/13), MMHCP21NH (02/08), MMHCP2 NH (01/08), MMHCP3 (01/08), MMHCP4NH (03/08)

**Total Premium \$288,296.00**

**Authorized Representative:** Cross Insurance - Bangor  
**Address:** P.O. Box 1388, Bangor, ME 04402

**Date:** \_\_\_\_\_ **Authorized Agent:** 



# CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)  
10/20/2015

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

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

<b>PRODUCER</b> Wieczorek Insurance 166 Concord St.  Manchester NH 03104	<b>CONTACT NAME:</b> Cheryl Lapointe <b>PHONE (A/C, No, Ext):</b> (603) 668-3311 <b>FAX (A/C, No):</b> (603) 668-8413 <b>E-MAIL ADDRESS:</b> cheryl@wizinsurance.com																				
	<table border="1"> <tr> <th colspan="2">INSURER(S) AFFORDING COVERAGE</th> <th>NAIC #</th> </tr> <tr> <td>INSURER A:</td> <td>New Hampshire Employers Insurance</td> <td>A.I.M.</td> </tr> <tr> <td>INSURER B:</td> <td></td> <td></td> </tr> <tr> <td>INSURER C:</td> <td></td> <td></td> </tr> <tr> <td>INSURER D:</td> <td></td> <td></td> </tr> <tr> <td>INSURER E:</td> <td></td> <td></td> </tr> <tr> <td>INSURER F:</td> <td></td> <td></td> </tr> </table>	INSURER(S) AFFORDING COVERAGE		NAIC #	INSURER A:	New Hampshire Employers Insurance	A.I.M.	INSURER B:			INSURER C:			INSURER D:			INSURER E:			INSURER F:	
INSURER(S) AFFORDING COVERAGE		NAIC #																			
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INSURER B:																					
INSURER C:																					
INSURER D:																					
INSURER E:																					
INSURER F:																					
<b>INSURED</b> Frisbie Memorial Hospital 11 Whitehall Road  Rochester NH 03867																					

**COVERAGES**                      **CERTIFICATE NUMBER: CL15102007683**                      **REVISION NUMBER:**

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

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
	<b>COMMERCIAL GENERAL LIABILITY</b> <input type="checkbox"/> CLAIMS-MADE <input type="checkbox"/> OCCUR  GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC OTHER:						EACH OCCURRENCE \$ DAMAGE TO RENTED PREMISES (Ea occurrence) \$ MED EXP (Any one person) \$ PERSONAL & ADV INJURY \$ GENERAL AGGREGATE \$ PRODUCTS - COM/OP AGG \$ \$
	<b>AUTOMOBILE LIABILITY</b> <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> NON-OWNED AUTOS						COMBINED SINGLE LIMIT (Ea accident) \$ BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$
	<b>UMBRELLA LIAB</b> <input type="checkbox"/> OCCUR <b>EXCESS LIAB</b> <input type="checkbox"/> CLAIMS-MADE DED    RETENTION \$						EACH OCCURRENCE \$ AGGREGATE \$ \$
A	<b>WORKERS COMPENSATION AND EMPLOYERS' LIABILITY</b> ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory In NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N N	N/A	ECC6004000207-2015A	1/1/2015	1/1/2016	<input checked="" type="checkbox"/> PER STATUTE <input type="checkbox"/> OTH-ER E.L. EACH ACCIDENT \$ 500,000 E.L. DISEASE - EA EMPLOYEE \$ 500,000 E.L. DISEASE - POLICY LIMIT \$ 500,000

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

<b>CERTIFICATE HOLDER</b>  DHHS 129 Pleasant St Concord, NH 03301	<b>CANCELLATION</b>  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 Robert Wieczorek/CL8
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**Frisbie Memorial Hospital**  
*It's about People. Technology. Trust.*  
**FMH MISSION STATEMENT**

[Back](#)

**FRISBIE MEMORIAL HOSPITAL**

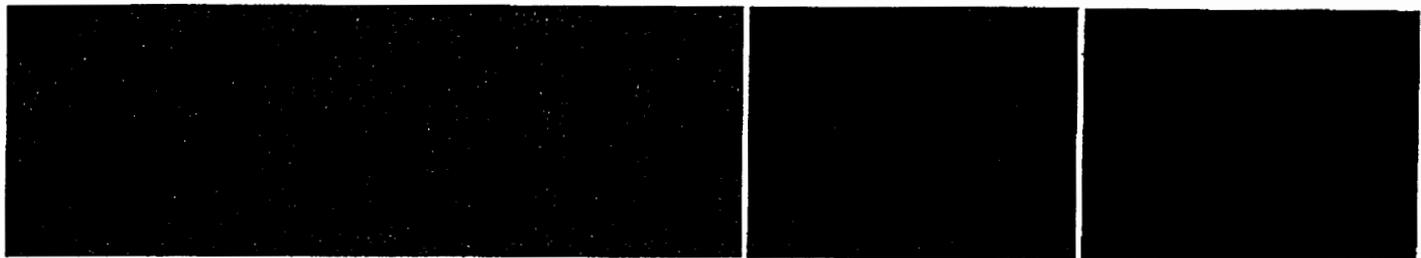
**Mission Statement**

The mission of Frisbie Memorial Hospital is to excel at caring for the community by providing healthcare services that are safe, effective, efficient, equitable, timely and patient centered. We will ally ourselves with other community healthcare providers to enhance our mutual ability to improve the health of our community and the quality of life for the people we serve.

Revised: 5/25/00, 1/31/08

Reaffirmed: 5/31/01

Reaffirmed: 7/26/03



**FRISBIE MEMORIAL HOSPITAL AND SUBSIDIARIES**

**CONSOLIDATED FINANCIAL STATEMENTS**

**September 30, 2014 and 2013**

**and**

**SUPPLEMENTARY CONSOLIDATING INFORMATION**

**September 30, 2014**

**With Independent Auditor's Report**





## INDEPENDENT AUDITOR'S REPORT

The Board of Trustees  
Frisbie Memorial Hospital and Subsidiaries  
Rochester, New Hampshire

We have audited the accompanying consolidated financial statements of Frisbie Memorial Hospital and Subsidiaries, 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 financial statements.

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

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

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

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

### Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Frisbie Memorial Hospital and Subsidiaries as of September 30, 2014 and 2013, and the results of their operations, changes in their net assets and their cash flows for the years then ended, in accordance with U.S. generally accepted accounting principles.

The Board of Trustees  
Frisbie Memorial Hospital and Subsidiaries

**Other Matter**

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying supplementary consolidating information (schedules 1 and 2) 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 information has been subjected to the auditing procedures applied in the audits of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with U.S. generally accepted auditing standards. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

*Berry Dawn McNeil & Parker, LLC*

Portland, Maine  
January 12, 2015

**FRISBIE MEMORIAL HOSPITAL AND SUBSIDIARIES**

**Consolidated Balance Sheets**

**September 30, 2014 and 2013**

**ASSETS**

	<u>2014</u>	<u>2013</u>
<b>Current assets</b>		
Cash and cash equivalents	\$ 4,296,753	\$ 7,568,272
Certificates of deposit	1,354,060	1,275,916
Investments	647,965	1,007,864
Assets whose use is limited - funds held by trustee under bond indenture agreement	483,039	2,018,391
Patient accounts receivable, net	16,659,774	14,769,278
Inventories	3,225,639	2,895,987
Prepaid expenses and other current assets	<u>2,238,211</u>	<u>2,675,176</u>
<b>Total current assets</b>	<u><b>28,905,441</b></u>	<u><b>32,210,884</b></u>
<b>Assets whose use is limited or restricted, excluding current portion</b>		
Board-designated investments	34,017,700	30,831,811
Donor-restricted investments	<u>1,692,850</u>	<u>1,693,290</u>
<b>Total assets whose use is limited or restricted, excluding current portion</b>	<u><b>35,710,550</b></u>	<u><b>32,525,101</b></u>
<b>Property and equipment, net</b>	<u><b>81,466,567</b></u>	<u><b>83,658,791</b></u>
<b>Other assets</b>		
Investments in affiliates	3,200,824	3,109,402
Bond issuance costs, net	258,855	216,108
Pledges receivable, net	2,500	14,863
Other	<u>2,626,141</u>	<u>2,480,743</u>
<b>Total other assets</b>	<u><b>6,088,320</b></u>	<u><b>5,821,116</b></u>
<b>Total assets</b>	<u><b>\$152,170,878</b></u>	<u><b>\$154,215,892</b></u>

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

## LIABILITIES AND NET ASSETS

	<u>2014</u>	<u>2013</u>
Current liabilities		
Current portion of long-term debt	\$ 1,519,800	\$ 2,339,100
Accounts payable	3,613,674	4,989,936
Accrued salaries, wages and vacation	4,541,582	4,292,950
Other accrued expenses	2,676,768	2,260,577
Estimated settlements with third-party payors	<u>1,202,001</u>	<u>1,403,535</u>
Total current liabilities	13,553,825	15,286,098
Long-term debt, net of current portion	26,453,773	22,813,896
Interest rate swaps	<u>-</u>	<u>4,441,957</u>
Total liabilities	<u>40,007,598</u>	<u>42,541,951</u>
Net assets		
Unrestricted	110,302,829	109,793,276
Temporarily restricted	60,759	79,973
Permanently restricted	<u>1,799,692</u>	<u>1,800,692</u>
Total net assets	<u>112,163,280</u>	<u>111,673,941</u>
Total liabilities and net assets	<u>\$152,170,878</u>	<u>\$154,215,892</u>

**FRISBIE MEMORIAL HOSPITAL AND SUBSIDIARIES**

**Consolidated Statements of Operations**

**Years Ended September 30, 2014 and 2013**

	<u>2014</u>	<u>2013</u>
Unrestricted revenue and other support		
Patient service revenue (net of contractual allowances and discounts)	\$ 137,794,109	\$ 135,965,103
Provision for bad debts	<u>15,509,850</u>	<u>15,994,483</u>
Net patient service revenue	122,284,259	119,970,620
Other operating revenue	3,902,189	3,935,926
Net assets released from restrictions used for operations	<u>262,573</u>	<u>241,213</u>
Total unrestricted revenue and other support	<u>126,449,021</u>	<u>124,147,759</u>
Expenses		
Salaries	56,302,450	53,506,139
Employee benefits	15,154,461	13,752,468
Purchased services	14,237,791	15,302,721
Supplies	17,311,410	17,568,841
Insurance	2,009,319	1,928,368
Utilities	2,225,971	2,132,027
Other operating expenses	6,843,196	6,658,265
Medicaid enhancement tax	6,250,906	5,613,736
Depreciation and amortization	7,240,966	7,119,379
Interest	<u>1,247,415</u>	<u>1,384,403</u>
Total expenses	<u>128,823,885</u>	<u>124,966,347</u>
Loss from operations	<u>(2,374,864)</u>	<u>(818,588)</u>
Non-operating gains (losses)		
Investment income	505,138	654,002
Gain on sale of investments	2,081,671	2,395,202
Impairment of goodwill	-	(261,188)
Change in net unrealized losses on interest rate swap	(258,043)	2,532,489
Equity in earnings of affiliates	<u>22,462</u>	<u>264,014</u>
Total non-operating gains (losses), net	<u>2,351,228</u>	<u>5,584,519</u>
(Deficiency) excess of revenue and gains over expenses and losses	(23,636)	4,765,931
Net assets released from restrictions used for property and equipment	12,363	234,913
Change in net unrealized gains and losses on investments	<u>520,826</u>	<u>(616,737)</u>
Increase in unrestricted net assets	\$ <u>509,553</u>	\$ <u>4,384,107</u>

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

**FRISBIE MEMORIAL HOSPITAL AND SUBSIDIARIES**

**Consolidated Statements of Changes in Net Assets**

**Years Ended September 30, 2014 and 2013**

	<u>2014</u>	<u>2013</u>
Unrestricted net assets		
(Deficiency) excess of revenue and gains over expenses and losses	\$ (23,636)	\$ 4,765,931
Net assets released from restrictions used for property and equipment	12,363	234,913
Change in net unrealized gains and losses on investments	<u>520,826</u>	<u>(616,737)</u>
Increase in unrestricted net assets	<u>509,553</u>	<u>4,384,107</u>
Temporarily restricted net assets		
Contributions	-	101,800
Investment income	36,382	55,842
Net realized gains on sales of investments	190,676	334,181
Net assets released from restrictions	(274,936)	(476,126)
Change in net unrealized gains and losses on investments	<u>28,664</u>	<u>(157,650)</u>
Decrease in temporarily restricted net assets	<u>(19,214)</u>	<u>(141,953)</u>
Permanently restricted net assets		
Change in beneficial interest in trust	<u>(1,000)</u>	<u>78,000</u>
(Decrease) increase in permanently restricted net assets	<u>(1,000)</u>	<u>78,000</u>
Increase in net assets	489,339	4,320,154
Net assets, beginning of year	<u>111,673,941</u>	<u>107,353,787</u>
Net assets, end of year	<u>\$112,163,280</u>	<u>\$111,673,941</u>

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

**FRISBIE MEMORIAL HOSPITAL AND SUBSIDIARIES**

**Consolidated Statements of Cash Flows**

**Years Ended September 30, 2014 and 2013**

	<u>2014</u>	<u>2013</u>
Cash flows from operating activities		
Increase in net assets	\$ 489,339	\$ 4,320,154
Adjustments to reconcile increase in net assets to net cash provided by operating activities		
Depreciation and amortization	7,240,966	7,119,379
Provision for bad debts	15,509,850	15,994,483
Equity in earnings of affiliates	(22,462)	(264,014)
Net realized and unrealized gains on investments	(2,821,837)	(1,954,996)
Change in net fair value of interest rate swap	258,043	(2,532,489)
Restricted contributions and investment income	(35,382)	(235,642)
Impairment of goodwill	-	261,188
(Increase) decrease in:		
Patient accounts receivable	(17,400,346)	(16,645,297)
Inventories	(329,652)	(90,670)
Prepaid expenses and other current assets	436,965	(1,220,714)
Other assets	(145,398)	(372,755)
Increase (decrease) in:		
Accounts payable	(1,376,262)	831,349
Estimated settlements with third-party payors	(201,534)	(27,489)
Accrued salaries, wages and vacation	248,632	93,919
Accrued expenses and other liabilities	416,191	528,111
Net cash provided by operating activities	<u>2,267,113</u>	<u>5,804,517</u>
Cash flows from investing activities		
Purchases of property and equipment	(4,671,153)	(3,107,369)
Proceeds from sale of investments	20,443,041	26,311,447
Purchase of certificates of deposit	(78,144)	(260,178)
Purchases of investments	(18,911,402)	(23,247,498)
(Investments in) distributions from affiliates	(68,960)	54,247
Proceeds from sale of property and equipment	130,773	-
Net cash used by investing activities	<u>(3,155,845)</u>	<u>(249,351)</u>
Cash flows from financing activities		
Repayments of long-term debt	(2,377,878)	(2,332,583)
Proceeds from issuance of long-term debt	4,700,000	-
Termination of interest rate swap	(4,700,000)	-
Payment of bond issuance costs	(52,654)	-
Proceeds from restricted contributions and restricted investment income, net of pledges receivable	47,745	368,755
Net cash used by financing activities	<u>(2,382,787)</u>	<u>(1,963,828)</u>
Net (decrease) increase in cash and cash equivalents	<u>(3,271,519)</u>	3,591,338
Cash and cash equivalents, beginning of year	<u>7,568,272</u>	<u>3,976,934</u>
Cash and cash equivalents, end of year	\$ <u>4,296,753</u>	\$ <u>7,568,272</u>

Noncash transactions:

During 2014 and 2013, the Organization entered into a capital lease obligation by acquiring assets with a value of \$498,455 and \$164,878, respectively. The lease commitments and capital assets have been treated as noncash transactions.

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

# FRISBIE MEMORIAL HOSPITAL AND SUBSIDIARIES

## Notes to Consolidated Financial Statements

September 30, 2014 and 2013

### 1. Organization

The consolidated financial statements of Frisbie Memorial Hospital and Subsidiaries (collectively, the "Organization") include the accounts of Frisbie Memorial Hospital and all of its majority-owned or controlled subsidiaries. Material intercompany transactions have been eliminated in consolidation. The following is a summary of all entities which are included in the consolidated financial statements:

**Frisbie Memorial Hospital (the "Hospital")** - An acute care hospital located in Rochester, New Hampshire, including physician practices in Barrington, Farmington, Rochester, Somersworth, and Wakefield, New Hampshire.

**Frisbie Foundation, Inc. (the "Foundation")** - A corporation which holds various investments, properties, and certain equity investments in unconsolidated (less than majority-owned or controlled) affiliates.

*Granite State Lab, LLC* - A single member limited liability company formed in November 2013 to provide outpatient lab services to the greater Rochester area. The Foundation is the sole owner of the company. The company has an operating agreement with the Hospital to provide diagnostic lab services, staffing, and management services.

*Granite State Express Care, LLC* - A single member limited liability company formed in November 2013 to provide outpatient healthcare services to the greater Rochester area. The Foundation is the sole owner of the company. The company has an operating agreement with the Hospital to provide staffing and management services.

*Skyhaven Surgery Center, LLC* - A multi-member limited liability company formed in August 2013 to own and operate an ambulatory surgery center in the town of Rochester. The Foundation is the majority owner of the company and individual physician members or entities will own no greater than 10% of the membership rights in the company. Operations are expected to begin in fiscal year 2016.

**Seacoast Business and Health Clinic, Inc.** - A for-profit corporation that provides outpatient health services.

Assets of individual organizations within the consolidated group may not be available to satisfy the obligations of other members of the consolidated group.

### 2. Summary of Significant Accounting Policies

#### Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

# FRISBIE MEMORIAL HOSPITAL AND SUBSIDIARIES

## Notes to Consolidated Financial Statements

September 30, 2014 and 2013

### Cash and Cash Equivalents

Cash and cash equivalents include investments in highly liquid debt instruments with an original maturity of three months or less at the date of purchase, excluding donor-restricted amounts and assets whose use is limited by Board designation or other arrangements under trust agreements. At September 30, 2014 and 2013, the Organization had cash balances and certificates of deposit in a financial institution that exceeded federal depository insurance limits; however, management believes that credit risk related to these investments is minimal. The Organization has not experienced any losses in such accounts.

### Investments

Investments in equity securities with readily determinable fair values, and all investments in debt securities, are recorded at fair value in the balance sheets.

Realized gains or losses on the sale of investments are determined by use of average cost. Unrealized gains and losses on investments are excluded from excess of revenue and gains over expenses, and reported as an increase or decrease in net assets, except that declines in fair value that are judged to be other than temporary are reported within excess of revenue and gains over expenses.

Investments, in general, are exposed to various risks, such as interest rate, credit, and overall market volatility. As such, it is reasonably possible that changes in the values of investments will occur in the near term and that such changes could materially affect the amounts reported in the consolidated balance sheets and statements of operations. Investments are periodically reviewed for impairment to determine if such declines are other than temporary. There were no such losses in 2013 and 2014.

### Patient Accounts Receivable

Patient accounts receivable are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a charge to operations and a credit to a valuation allowance based on its assessment of individual accounts and historical adjustments. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to patient accounts receivable.

In evaluating the collectibility of accounts receivable, the Hospital analyzes past results and identifies trends for each major payor source of revenue for the purposes of estimating the appropriate amounts of the allowance for doubtful accounts and the provision for bad debts. Data in each major payor source are regularly reviewed to evaluate the adequacy of the allowance for doubtful accounts. Specifically, for receivables relating to services provided to patients having third-party coverage, an allowance for doubtful accounts and a corresponding provision for bad debts are established at varying levels based on the age of the receivables and payor source. For receivables relating to self-pay patients, a provision for bad debts is made in the period services are rendered based on experience indicating the inability or unwillingness of patients to pay amounts for which they are financially responsible.

# FRISBIE MEMORIAL HOSPITAL AND SUBSIDIARIES

## Notes to Consolidated Financial Statements

September 30, 2014 and 2013

### Inventories

Inventories are stated at the lower of cost (first-in, first-out method) or market.

### Property and Equipment

Property and equipment is recorded at cost or, if received by gift or donation, at fair market value at the date of gift. Depreciation is computed using the straight-line method, based on the estimated useful lives of the related assets in accordance with the guidelines of the American Hospital Association. Expenditures for maintenance and repairs are charged to operations as incurred.

### Impairment of Long-Lived Assets

Long-lived assets to be held and used are reviewed for impairment whenever circumstances indicate that the carrying amount of an asset may not be recoverable. Long-lived assets to be disposed are reported at the lower of carrying amount or fair value, less cost to sell.

### Cost of Borrowings

Interest cost incurred on borrowed funds, net of interest income earned on such funds, during the period of construction of capital assets is capitalized as a component of the cost of acquiring those assets. Costs related to the issuance of bonds are deferred and amortized on a straight-line basis over the period the bonds are outstanding.

### Interest Rate Swaps

The Organization used interest rate swap contracts to eliminate the cash flow exposure of interest rate movements on variable-rate debt. The Organization has adopted Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 815, *Derivatives and Hedging*, to account for its interest rate swap contracts. The interest rate swap contracts have not been designated as a cash flow hedge. Gains and losses on derivative financial instruments not designated as cash flow hedges are required to be included in the performance indicator. As a result, the change in fair market value of interest rate swaps for 2014 and 2013 has been included in the excess (deficiency) of revenue and gains over expenses and losses. The interest rate swaps expired or were terminated in 2014.

# FRISBIE MEMORIAL HOSPITAL AND SUBSIDIARIES

## Notes to Consolidated Financial Statements

September 30, 2014 and 2013

### Assets Whose Use is Limited or Restricted

Assets whose use is limited or restricted include assets set aside by the Board, funds held by the trustee under the bond indenture agreements and donor-restricted assets. Board-designated assets may, at the Board's discretion, subsequently be used for other purposes. Amounts required to meet current liabilities have been reported as current assets in the consolidated balance sheets.

### Temporarily and Permanently Restricted Net Assets

Temporarily restricted net assets are those whose use by the Organization has been limited by donors to a specific time period or purpose. Permanently restricted net assets have been restricted by donors to be maintained by the Organization in perpetuity.

The Organization has interpreted State law as requiring realized gains of permanently restricted net assets to be retained in a temporarily restricted net asset classification until appropriated by the Board and expended. State law allows the Board to appropriate so much of the net appreciation of permanently restricted net assets as is prudent considering the Organization's long- and short-term needs, present and anticipated financial requirements, expected total return on its investments, price level trends, and general economic conditions. All income was appropriated in 2014 and 2013.

### Donor-Restricted Gifts

Unconditional promises to give cash and other assets to the Organization are reported at fair value at the date the promise is received. Conditional promises to give and indications of intentions to give are reported at fair value at the date the gift is received. Gifts are reported as either temporarily or permanently restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified as unrestricted net assets and reported in the consolidated statements of operations as net assets released from restrictions.

### Net Patient Service Revenue

The Organization has entered into payment agreements with third-party payors that provide payments to the Hospital at amounts different from its established rates. Payment arrangements include prospectively determined rates per discharge, discounts from established charges, cost (subject to limits), 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. Variances between preliminary estimates of net patient service revenue and final third-party settlements are included in net patient service revenue in the year in which the settlement or change in estimate occurs.

# FRISBIE MEMORIAL HOSPITAL AND SUBSIDIARIES

## Notes to Consolidated Financial Statements

September 30, 2014 and 2013

### Excess (Deficiency) of Revenue and Gains Over Expenses and Losses

The consolidated statements of operations include excess (deficiency) of revenue and gains over expenses and losses. Changes in unrestricted net assets which are excluded from this measure, consistent with industry practice, include temporary unrealized gains and unrealized losses on investments, 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).

### Charity Care

The Organization provides care to patients who meet certain criteria under its charity care policy without charge or at amounts less than its established rates. Because the Organization does not expect payment or pursue collection of amounts determined to qualify as charity care, such amounts are not reported as net patient service revenue.

### Income Taxes

Frisbie Memorial Hospital and Frisbie Foundation, Inc. have previously been determined by the Internal Revenue Service ("IRS") to be organizations described in Internal Revenue Code ("IRC") Section 501(c)(3) and, therefore, exempt from taxation. The IRS has also previously determined that these organizations are not private foundations, pursuant to IRC Section 509(a). Accordingly, no provision for income taxes related to these entities is recorded in the accompanying consolidated financial statements.

Seacoast Business and Health Clinic, Inc. is a for-profit organization and accounts for income taxes in accordance with FASB ASC 740, *Income Taxes*. Deferred income taxes for Seacoast Business and Health Clinic, Inc. are recognized for temporary differences between financial and tax bases of assets and liabilities. Such differences result primarily from the use of accelerated depreciation methods, the use of the cash basis method of accounting for accrued vacation pay, and the use of the specific write-off method of accounting for bad debts for tax purposes. Income tax expense and deferred items are not deemed material to the consolidated financial statements.

Granite State Lab, LLC and Granite State Express Care, LLC are limited liability companies, which are treated as disregarded entities by the IRS. Skyhaven Surgery Center, LLC is also a limited liability company which is taxed as a partnership, accordingly any income or loss is passed through to the partners.

### Subsequent Events

The Organization has considered transactions or events occurring through January 12, 2015, which was the date the consolidated financial statements were issued.

### Reclassifications

Certain amounts in the 2013 consolidated financial statements have been reclassified to conform with the 2014 presentation.

**FRISBIE MEMORIAL HOSPITAL AND SUBSIDIARIES**

**Notes to Consolidated Financial Statements**

**September 30, 2014 and 2013**

**3. Net Patient Service Revenue and Patient Accounts Receivable**

**Net Patient Service Revenue**

Patient service revenue is reported net of contractual allowances and other discounts as follows for the years ended September 30:

	<u>2014</u>	<u>2013</u>
Gross patient service revenue	\$ 301,499,020	\$ 291,455,352
Less contractual allowances	160,666,706	151,637,055
Less charity care	<u>3,038,205</u>	<u>3,853,194</u>
 Patient service revenue (net of contractual allowances and discounts)	 <b>137,794,109</b>	 135,965,103
 Less provision for bad debts	 <u>15,509,850</u>	 <u>15,994,483</u>
 Net patient service revenue	 <b><u>\$ 122,284,259</u></b>	 <b><u>\$ 119,970,620</u></b>

Patient service revenue (net of contractual allowances and discounts) for the years ended September 30 is as follows:

	<u>2014</u>	<u>2013</u>
Self-pay revenue	\$ 15,612,038	\$ 15,607,262
All other payors	<u>122,182,071</u>	<u>120,357,841</u>
	 <b><u>\$ 137,794,109</u></b>	 <b><u>\$ 135,965,103</u></b>

**Patient Accounts Receivable**

Patient accounts receivable are stated net of estimated contractual allowances and allowance for doubtful accounts as of September 30 as follows:

	<u>2014</u>	<u>2013</u>
Gross patient accounts receivable	\$ 40,387,184	\$ 37,751,446
Less estimated contractual allowances	14,497,394	12,450,713
Less estimated allowance for doubtful accounts	<u>9,230,016</u>	<u>10,531,455</u>
 Net patient accounts receivable	 <b><u>\$ 16,659,774</u></b>	 <b><u>\$ 14,769,278</u></b>

# FRISBIE MEMORIAL HOSPITAL AND SUBSIDIARIES

## Notes to Consolidated Financial Statements

September 30, 2014 and 2013

The allowance for doubtful accounts at September 30, 2014 and 2013 was \$9,230,016 and \$10,531,455, respectively, and relates primarily to self-pay accounts and patient responsibility for co-pays and deductibles after payment by insurers. During 2014, self-pay write-offs were \$15,227,594 and in 2013 self-pay write-offs were \$14,765,211. The increase in write-off is consistent with increased revenues from uninsured patients.

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

**Medicare** - Inpatient acute care services rendered to Medicare program beneficiaries are paid at prospectively determined rates per discharge. These rates vary according to a patient classification system that is based on clinical, diagnostic, and other factors.

Outpatient services rendered to Medicare program beneficiaries are paid at prospectively determined rates. These rates vary according to an ambulatory payment classification system that is based on clinical, diagnostic and other factors. The Organization's Medicare cost reports have been audited and settled by the Medicare fiscal intermediary through September 30, 2011.

**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 a cost reimbursement methodology. The Hospital is reimbursed at a tentative rate with final settlement determined after submission of annual cost reports by the Hospital and audits thereof by the Medicaid fiscal intermediary. The Organization's Medicaid cost reports have been audited and settled by the Medicaid fiscal intermediary through September 30, 2011.

Medicaid disproportionate share hospital (DSH) payments provide financial assistance to hospitals that serve a large number of low-income patients. The federal government distributes federal DSH funds to each state based on a statutory formula. The states, in turn, distribute their portion of the DSH funding among qualifying hospitals. The states are to use their federal DSH allotments to help cover costs of hospitals that provide care to low-income patients when those costs are not covered by other payors. The State of New Hampshire's distribution of DSH monies to the hospitals is subject to audit by the Centers for Medicare and Medicaid Services. Amounts recorded by the Hospital are therefore subject to change. The disproportionate share payments amounted to \$1,891,000 and \$0 for 2014 and 2013, respectively, and are recorded as an increase in net patient service revenue.

Revenue from the Medicare and Medicaid programs accounted for approximately 31% and 28%, respectively, of the Organization'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 extremely complex and subject to interpretation. As a result, there is at least a reasonable possibility that recorded estimates will change by a material amount in the near term. Net patient service revenue increased approximately \$416,600 and \$29,000 in 2014 and 2013, respectively, as a result of differences in retroactive adjustments compared with amounts previously estimated.

**FRISBIE MEMORIAL HOSPITAL AND SUBSIDIARIES**

**Notes to Consolidated Financial Statements**

**September 30, 2014 and 2013**

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

**4. Charity Care**

The Organization maintains records to identify and monitor the level of charity care it provides. These records include the amount of charges foregone for services and supplies furnished under its charity care policy, the estimated cost of those services and supplies, and equivalent service statistics. The following information measures the level of charity care provided during the years ended September 30:

	<u>2014</u>	<u>2013</u>
Charges foregone, based on established rates	\$ <u>3,038,205</u>	\$ <u>3,853,194</u>
Estimated costs and expenses incurred to provide charity care	\$ <u>1,327,696</u>	\$ <u>1,643,002</u>

In addition to the charity care identified above, the Organization does not receive full payment from the Medicare and Medicaid programs for the cost of services to certain poor and elderly patients served. The Hospital incurred the following costs in excess of payments during the years ended September 30:

	<u>2014</u>	<u>2013</u>
Inpatient and outpatient services		
Medicare	\$ 18,931,131	\$ 15,962,128
Medicaid	<u>6,482,851</u>	<u>7,132,545</u>
	\$ <u>25,413,982</u>	\$ <u>23,094,673</u>

Costs of providing charity care services and services to Medicare and Medicaid beneficiaries have been estimated based on the relationship of total costs to total charges applied to charges for these services.

**5. Investments**

Investments are reported in the accompanying consolidated balance sheets at fair value as follows at September 30:

	<u>2014</u>	<u>2013</u>
Certificates of deposit	\$ 1,354,060	\$ 1,275,916
Short-term investments	647,965	1,007,864
Assets whose use is limited or restricted:		
Board-designated	34,017,700	30,831,811
Funds held by trustee under bond indenture agreement	483,039	2,018,391
Donor-restricted investments	<u>1,692,850</u>	<u>1,693,290</u>
	\$ <u>38,195,614</u>	\$ <u>36,827,272</u>

**FRISBIE MEMORIAL HOSPITAL AND SUBSIDIARIES**

**Notes to Consolidated Financial Statements**

**September 30, 2014 and 2013**

Investments reported at fair value consisted of the following at September 30:

	<u>2014</u>	<u>2013</u>
Temporary cash investments	\$ 5,385,547	\$ 6,719,302
Certificates of deposit	1,354,060	1,275,916
Mutual funds	758,439	1,862,902
Marketable equity securities	20,553,154	18,944,143
U.S. Government and agency obligations	3,704,112	1,982,076
Corporate bonds	6,057,302	5,658,933
Beneficial interest in perpetual trust	<u>383,000</u>	<u>384,000</u>
	<u>\$ 38,195,614</u>	<u>\$ 36,827,272</u>

The composition of investment return for the years ended September 30 was as follows:

	<u>2014</u>	<u>2013</u>
Interest and dividend income		
Unrestricted	\$ 505,138	\$ 654,002
Temporarily restricted	36,382	55,842
Net realized gains on investments		
Unrestricted	2,081,671	2,395,202
Temporarily restricted	190,676	334,181
Change in net unrealized gains and losses on investments		
Unrestricted	520,826	(616,737)
Temporarily restricted	<u>28,664</u>	<u>(157,650)</u>
	<u>\$ 3,363,357</u>	<u>\$ 2,664,840</u>

**6. Investments in Affiliates**

Investments in less than majority-owned or controlled affiliates, accounted for under the equity method, consisted of the following at September 30:

	<u>2014</u>	<u>2013</u>
Strafford Health Alliance	\$ 2,626,382	\$ 2,477,205
200 Route 108 Surgi-Center	<u>574,442</u>	<u>632,197</u>
Total	<u>\$ 3,200,824</u>	<u>\$ 3,109,402</u>

**FRISBIE MEMORIAL HOSPITAL AND SUBSIDIARIES**

**Notes to Consolidated Financial Statements**

**September 30, 2014 and 2013**

**7. Property and Equipment**

Property and equipment consisted of the following at September 30:

	<u>2014</u>	<u>2013</u>
Land	\$ 3,713,053	\$ 3,713,053
Land improvements	2,685,384	2,591,972
Buildings	116,227,756	115,708,189
Equipment	<u>45,716,198</u>	<u>46,155,129</u>
	168,342,391	168,168,343
Less accumulated depreciation and amortization	<u>88,154,947</u>	<u>84,571,833</u>
	80,187,444	83,596,510
Construction in process	<u>1,279,123</u>	<u>62,281</u>
Property and equipment, net	<u>\$ 81,466,567</u>	<u>\$ 83,658,791</u>

**8. Debt**

**Long-Term Debt**

Long-term debt consisted of the following at September 30:

	<u>2014</u>	<u>2013</u>
New Hampshire Health and Education Facilities Authority Revenue Bonds, Frisbie Memorial Hospital Issue, Series 2005 term bonds. Bonds were paid in full in October 2013.	\$ -	\$ 1,395,000
New Hampshire Health and Education Facilities Authority Revenue Bonds, Frisbie Memorial Hospital Issue, Series 2006 term bonds, fixed interest of 2.44% until 2021, with principal payable in increasing annual installments to \$6,210,000 in 2036. (variable rate .09% at September 30, 2013)	22,475,000	23,025,000
Taxable term loan, which bears interest at 2.93%; due in monthly installments of \$62,373, including principal and interest through October 2021.	4,700,000	-
Note payable, which bears interest at 3.63%; due in monthly installments of \$14,056, including principal and interest through June 2015; collateralized by equipment.	124,891	285,512
Capital leases of various imputed interest rates, varying from 0% to 7.6%; collateralized by leased equipment and vehicles.	<u>673,682</u>	<u>447,484</u>
	27,973,573	25,152,996
Less current portion	<u>1,519,800</u>	<u>2,339,100</u>
Long-term debt, excluding current portion	<u>\$ 26,453,773</u>	<u>\$ 22,813,896</u>

# FRISBIE MEMORIAL HOSPITAL AND SUBSIDIARIES

## Notes to Consolidated Financial Statements

September 30, 2014 and 2013

The Series 2005 Revenue Bonds (the "2005 Bonds") were issued through the New Hampshire Health and Education Facilities Authority in the amount of \$10,650,000. The 2005 Bonds were collateralized by the gross receipts of the Organization. To enhance the marketability of the 2005 Bonds, the Hospital obtained a letter of credit in the amount of \$4,089,808 from TD Bank. The 2005 Bonds were paid in full in October 2013. At that time, the letter of credit expired.

The Series 2006 Revenue Bonds (the "2006 Bonds") were issued through the New Hampshire Health and Education Facilities Authority in the amount of \$25,000,000. The 2006 Bonds are collateralized by the gross receipts of the Organization. The Bond agreement requires certain debt service coverage ratios to be maintained by the Organization. To enhance the marketability of the 2006 Bonds, the Hospital obtained a letter of credit in the amount of \$24,351,568 from TD Bank.

In August 2014, the 2006 Bonds were repurchased by TD Bank, at which time, they were converted from a weekly rate, secured by a letter of credit, to a fixed rate. At the conversion date, the letter of credit expired. Following the conversion, the Bonds were subject to a revised principal paydown schedule, and the Organization is required to maintain certain debt service coverage ratios. At September 30, 2014, the Organization was in compliance with all restrictive covenants under the Bond.

In 2014, the Organization entered into a taxable term loan in the amount of \$4,700,000. The taxable term loan is collateralized by the gross receipts and substantially all assets of the Organization.

The Organization, in connection with 2005 and 2006 bonds, entered into two interest rate swap agreements with Bank of America. The swap agreement in connection with the 2005 bond expired in October 2013. Under these agreements, the Organization made or receives payments based on the difference between the fixed-rate interest payments and the variable market-indexed payments. The notional principal amounts of the interest rate swaps outstanding as of September 30, 2013 were \$23,025,000 and \$1,395,000. The fixed interest payment rates were 3.858% and 2.925%, respectively. The variable interest payments received are based on London Interbank Offered Rate (LIBOR)-BBA and were 0.171% and 0.121%, respectively, as of September 30, 2013. The fair value of the swap agreements was recorded in the balance sheets as of September 30, 2013. In 2014, the swap in connection with the 2006 bond was terminated at the cost of \$4,700,000, the fair value at the time of termination.

**FRISBIE MEMORIAL HOSPITAL AND SUBSIDIARIES**

**Notes to Consolidated Financial Statements**

**September 30, 2014 and 2013**

Aggregate maturities of long-term debt subsequent to 2014 are as follows:

	<u>Long-Term Debt</u>	<u>Capital Lease Obligations</u>
2015	\$ 1,262,300	\$ 261,500
2016	630,900	196,500
2017	649,500	125,900
2018	668,700	118,400
2019	703,400	69,144
Thereafter	<u>23,385,091</u>	-
	\$ <u>27,299,891</u>	\$ 771,444
Less amounts representing interest		<u>97,762</u>
		\$ <u>673,682</u>

**Line of Credit**

Frisbie Memorial Hospital and Subsidiaries have a line of credit with TD Bank in the amount of \$5,000,000. The line carries an interest rate of LIBOR plus two and one-half percent adjusted monthly, never to be less than 3.00%. The interest rate at September 30, 2014 was 3.00%, and there was no outstanding balance at September 30, 2014 or 2013. The agreement expires March 31, 2015.

**9. Temporarily and Permanently Restricted Net Assets**

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

	<u>2014</u>	<u>2013</u>
Health education	\$ 18,158	\$ 17,598
Annual fund	30,101	47,512
Grants	10,000	-
Capital campaign	<u>2,500</u>	<u>14,863</u>
	\$ <u>60,759</u>	\$ <u>79,973</u>

FRISBIE MEMORIAL HOSPITAL AND SUBSIDIARIES

Notes to Consolidated Financial Statements

September 30, 2014 and 2013

Permanently restricted net assets at September 30 are restricted to the following:

	<u>2014</u>	<u>2013</u>
Investments to be held in perpetuity, the income from which is restricted to support the delivery of health care services	\$ 1,668,746	\$ 1,669,746
Investments to be held in perpetuity, the income from which is unrestricted	<u>130,946</u>	<u>130,946</u>
	<u>\$ 1,799,692</u>	<u>\$ 1,800,692</u>

10. Fair Value Measurements

FASB ASC 820, *Fair Value Measurement*, defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. FASB ASC 820 also establishes a fair value hierarchy which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The standard describes three levels of inputs that may be used to measure fair value:

**Level 1:** Quoted prices (unadjusted) for identical assets or liabilities in active markets that the entity has the ability to access as of the measurement date.

**Level 2:** Significant other observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active, and other inputs that are observable or can be corroborated by observable market data.

**Level 3:** Significant unobservable inputs that reflect an entity's own assumptions about the assumptions that market participants would use in pricing an asset or liability.

**FRISBIE MEMORIAL HOSPITAL AND SUBSIDIARIES**

**Notes to Consolidated Financial Statements**

**September 30, 2014 and 2013**

The fair value measurements and levels within the fair value hierarchy of those measurements for the assets and liabilities reported at fair value on a recurring basis are as follows:

	<u>Fair Value Measurements at September 30, 2014</u>			
	<u>Quoted Prices</u>	<u>in Active</u>	<u>Significant Other</u>	<u>Significant</u>
		<u>Markets for</u>	<u>Observable</u>	<u>Unobservable</u>
	<u>Total</u>	<u>Identical Assets</u>	<u>Inputs</u>	<u>Inputs</u>
		<u>(Level 1)</u>	<u>(Level 2)</u>	<u>(Level 3)</u>
<b>Assets:</b>				
<b>Investments</b>				
Cash and short-term investments	\$ 5,385,547	\$ 5,385,547	\$ -	\$ -
Certificates of deposit	1,354,060	1,354,060	-	-
Corporate bonds	6,057,302	-	6,057,302	-
U.S. Government and agency obligations	3,704,112	3,704,112	-	-
Beneficial interest in perpetual trust	383,000	-	-	383,000
Real estate mutual funds	758,439	758,439	-	-
<b>Marketable equity securities</b>				
Large cap	11,889,548	11,889,548	-	-
Mid cap	2,332,451	2,332,451	-	-
Small cap	1,058,331	1,058,331	-	-
International	<u>5,272,824</u>	<u>5,272,824</u>	-	-
Total marketable equity securities	<u>20,553,154</u>	<u>20,553,154</u>	-	-
Investments to fund deferred compensation	<u>1,385,699</u>	-	<u>1,385,699</u>	-
Total assets	<u>\$ 39,581,313</u>	<u>\$ 31,755,312</u>	<u>\$ 7,443,001</u>	<u>\$ 383,000</u>

FRISBIE MEMORIAL HOSPITAL AND SUBSIDIARIES

Notes to Consolidated Financial Statements

September 30, 2014 and 2013

	Total	Fair Value Measurements at September 30, 2013		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<b>Assets:</b>				
Investments				
Cash and short-term investments	\$ 6,719,302	\$ 6,719,302	\$ -	\$ -
Corporate bonds	5,658,933	-	5,658,933	-
Certificates of deposit	1,275,916	1,275,916	-	-
U.S. Government and agency obligations	1,982,076	1,982,076	-	-
Beneficial interest in perpetual trust	384,000	-	-	384,000
Mutual funds				
International	494,149	494,149	-	-
Real estate	887,140	887,140	-	-
Other	481,613	481,613	-	-
Total mutual funds	1,862,902	1,862,902	-	-
Marketable equity securities				
Large cap	12,384,545	12,384,545	-	-
Mid cap	2,001,514	2,001,514	-	-
Small cap	273,464	273,464	-	-
International	4,284,620	4,284,620	-	-
Total marketable equity securities	18,944,143	18,944,143	-	-
Investments to fund deferred compensation	1,448,282	-	1,448,282	-
Total assets	\$ 38,275,554	\$ 30,784,339	\$ 7,107,215	\$ 384,000
<b>Liabilities:</b>				
Interest rate swaps	\$ 4,441,957	\$ -	\$ 4,441,957	\$ -
Total liabilities	\$ 4,441,957	\$ -	\$ 4,441,957	\$ -

The fair value of Level 2 assets is primarily based on quoted market prices of underlying assets, comparable securities, interest rates, and credit risk. Those techniques are significantly affected by the assumptions used, including the discount rate and estimates of future cash flows. The fair value of Level 3 assets (beneficial interests in perpetual trusts) is based on the fair value of the underlying securities; however, the assets are not readily available to be distributed to the Organization and therefore considered to be a Level 3 measurement.

FRISBIE MEMORIAL HOSPITAL AND SUBSIDIARIES

Notes to Consolidated Financial Statements

September 30, 2014 and 2013

The Organization's financial instruments consist of cash and cash equivalents, investments, trade accounts receivable and payable, investments in affiliates, interest rate swaps, estimated third-party payor settlements, deferred compensation liabilities, and long-term debt. The fair value of investments in affiliates is not reasonably determinable. The carrying values of all other financial instruments approximate their fair values.

**11. Cash Flow Information**

Cash paid for interest was \$1,247,415 and \$1,384,403 for the years ended September 30, 2014 and 2013, respectively.

**12. Retirement Plans**

**403(b)**

The Hospital has a Tax Sheltered Annuity based Retirement Plan (the "Plan") which is available to all employees. Employees have full and immediate rights to all funds set aside for them under the Plan. The Plan provides for a discretionary match for certain eligible employees of up to 3% of employees' contribution. The Hospital's matching contributions were \$1,574,648 and \$1,375,530 for the years ended September 30, 2014 and 2013, respectively.

**457(f)**

The Hospital has incurred liabilities relating to salary continuation agreements with highly compensated employees. Under the terms of the agreements they are entitled to receive a lump sum of their entire account balance, including earnings, within 30 days after the employee's date certain, which is elected by the employee.

In conjunction with the salary continuation agreements, the Hospital has established a trust to assist in providing such benefits (a "Rabbi Trust").

**13. Commitments and Contingencies**

The following are the future minimum lease payments under noncancelable operating leases that have initial or remaining lease terms in excess of one year as of September 30, 2014:

2015	\$ 360,034
2016	348,776
2017	<u>2,883</u>
	<u>\$ 711,693</u>

Rent expense during 2014 and 2013 amounted to \$276,431 and \$287,857, respectively.

The Organization is involved in litigation arising in the ordinary course of business. In the opinion of management, after consultation with legal counsel, these matters will be resolved without material adverse effect to the Organization's financial position.

# FRISBIE MEMORIAL HOSPITAL AND SUBSIDIARIES

## Notes to Consolidated Financial Statements

September 30, 2014 and 2013

The Organization carries malpractice insurance coverage under a claims-made policy. Should the claims-made policy not be renewed or replaced with equivalent insurance, claims based on occurrences during its term, but reported subsequently, will be uninsured. The Organization intends to renew its coverage on a claims-made basis and has no reason to believe that it may be prevented from renewing such coverage. The Organization is subject to complaints, claims and litigation due to potential claims which arise in the normal course of business. U.S. generally accepted accounting principles require the Organization to accrue the ultimate cost of malpractice claims when the incident that gives rise to the claim occurs, without consideration of insurance recoveries. Expected recoveries are presented as a separate asset. The Organization has evaluated its exposure to losses arising from potential claims and determined that no such accrual is necessary for the years ended September 30, 2014 and 2013.

### 14. Concentration of Credit Risk

The Organization grants credit without collateral to its patients, most of whom are local residents and are insured under third-party payor agreements. The mix of receivables from patients and third-party payors was as follows at September 30:

	<u>2014</u>	<u>2013</u>
Patients	26 %	31 %
Medicare	39	33
Blue Cross	7	8
Medicaid	11	10
Other third-party payors	<u>17</u>	<u>18</u>
	<u>100 %</u>	<u>100 %</u>

### 15. Self-Insurance Plans

The Hospital is partially self-insured with respect to health, dental and pharmacy benefits of employees. The deductible related to excess coverage for the health plan is \$100,000 per individual, with an initial aggregate deductible of \$85,500 per covered life per year. Accrued self-insurance reserves are determined based on historical information and subsequent payments. The total cost of the plan for health, dental, and pharmacy was approximately \$9,200,000 and \$8,000,000 in 2014 and 2013, respectively.

The Hospital maintained workers' compensation insurance under a self-insurance plan through December 31, 2009. There are known claims and incidents that may result in the assertion of additional claims, as well as claims from unknown incidents that may be asserted. A letter of credit in the amount of \$766,000 has been established for 2014 and 2013 in connection with the plan. Investments were pledged as security for the letter of credit and the Hospital intends to renew the letter of credit as needed.

FRISBIE MEMORIAL HOSPITAL AND SUBSIDIARIES

Notes to Consolidated Financial Statements

September 30, 2014 and 2013

**16. Functional Expenses**

The Organization provides general health care services to residents within its geographic location. The percentage of expenses related to providing these services were approximately:

	<u>2014</u>	<u>2013</u>
Health care services	92 %	92 %
General and administrative	7	7
Fundraising	<u>1</u>	<u>1</u>
	<u>100 %</u>	<u>100 %</u>

**17. Meaningful Use Revenues**

The Medicare and Medicaid electronic health record (EHR) incentive programs provide a financial incentive for achieving "meaningful use" of certified EHR technology. The criteria for meaningful use will be staged in three steps from fiscal year 2012 through 2016. The meaningful use attestation is subject to audit by CMS in future years. As part of this process, a final settlement amount for the incentive payments could be established that differs from the initial calculation, and could result in return of a portion or all of the incentive payments received by the Hospital.

The Medicaid program will provide incentive payments to hospitals and eligible professionals as they adopt, implement, upgrade or demonstrate meaningful use in the first year of participation and demonstrate meaningful use for up to five remaining participation years.

During 2014 and 2013, the Hospital demonstrated meaningful use related to its certified EHR system, allowing the Hospital to be eligible to receive EHR incentive payments from Medicare. The Hospital recorded meaningful use revenues of approximately \$1,396,000 and \$1,873,000, respectively, in other operating revenue.

As of September 30, 2014 and 2013, the Hospital had not received approximately \$916,000 and \$1,434,000, respectively, of the incentive payments, which is included in prepaid expenses and other current assets.

**18. Medicaid Enhancement Tax**

The state enacted legislation establishing a Medicaid Enhancement Tax (MET), a healthcare care related tax. MET represents collections from New Hampshire Hospitals. The MET tax is imposed at 5.5% of net patient service revenues. Frisbie was subjected to and recorded \$6,250,906 and \$5,613,736 for the state tax for the year ended September 30, 2014 and 2013, respectively.

**FRISBIE MEMORIAL HOSPITAL**  
**Trustees and Corporators**  
**2015**

**OFFICERS**

Ron Poulin, Chairman  
Brian Hughes, Vice Chairman  
William Cormier, Secretary  
Peter Gowell, Treasurer  
Greg Smith, Immediate Past Chair

Corporators – 15 (12-29)  
Trustees – 14 (12-18)

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Trustees

Behre, Joseph  
Britton, John, M.D.  
Conley, Sandra  
Cormier, William  
Gowell, Peter  
Harrington, Robert M.D.  
Hughes, Brian  
Hussey, Rich  
Jones, Frank  
Keefe, David  
Poulin, Jeanette  
Poulin, Ronald  
Reynolds, Julie  
Smith, Gregory

Non-Trustee Corporators

Gagnon, Donald

-----  
Marzinzik, John (ex-officio)  
Caple, Jocelyn MD (ex-officio)  
Meulenbroek, Betty Jane, Auxiliary  
President (ex-officio)

**FRISBIE MEMORIAL HOSPITAL**  
**Trustees and Corporators**  
**2015**

**OFFICERS**

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Brian Hughes, Vice Chairman  
William Cormier, Secretary  
Peter Gowell, Treasurer  
Greg Smith, Immediate Past Chair

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Trustees – 14 (12-18)

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Smith, Gregory

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Gagnon, Donald

---

Marzinzik, John (ex-officio)  
Caple, Jocelyn MD (ex-officio)  
Meulenbroek, Betty Jane, Auxiliary  
President (ex-officio)

# John Marzinzik

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## EDUCATION

UNIVERSITY OF MASSACHUSETTS, AMHERST, MA  
M.B.A. 1987

NORTHERN ILLINOIS UNIVERSITY, DEKALB, IL  
Graduate course work, 1979

NORTHEASTERN UNIVERSITY, BOSTON, MA  
B.S. Business Administration with Accounting Major, 1977

## EXPERIENCE

FRISBIE MEMORIAL HOSPITAL, ROCHESTER, NH  
President/CEO December 2014-present  
Vice President, Finance/Chief Financial Officer July 1993-December 2014

EXETER HOSPITAL, EXETER, NH  
Vice President, Finance and Facilities February 1988-July 1993

NORTH ADAMS REGIONAL HOSPITAL, NORTH ADAMS, MA  
Director, Billing and Information Systems August 1986-February 1988  
Assistant Comptroller for Patient Accounting February 1980-August 1986

KATHERINE SHAW BETHEA HOSPITAL, DIXON, IL  
Comptroller November 1978-January 1980  
Assistant Comptroller June 1977-November 1978

## CURRENT RESPONSIBILITIES

Information Services  
Corporate Compliance  
Risk Management  
Fund Development  
Corporate Project Planning  
Medical Staff  
CMO

Sr Management Team:  
Sr VP  
VP Pt Care Svcs/CCO  
VP Finance/CFO  
VP Physician Svcs  
VP Human Resources

## IRENE P. RUPP HODGE

### EDUCATION

- 1987-1991 University of Rochester School of Medicine, Rochester, NY  
M.D. May, 1991
- 1983-1987 University of Rochester, Rochester, NY  
B.S. in Molecular Genetics with High Distinction in Research, May, 1987

### POSTDOCTORAL TRAINING

- 1994-1997 Dartmouth-Hitchcock Medical Center, Lebanon, NH  
Fellowship in Infectious Diseases
- 1991-1994 Dartmouth-Hitchcock Medical Center, Lebanon, NH  
Internship and Residency in Internal Medicine

### EMPLOYMENT

- 2011-present Frisbie Center for Wound Care and Hyperbaric Medicine, Medical Director, 11  
Whitehall Road, Rochester, NH
- 2005-present Rochester Infectious Disease, 21 Whitehall Road, Suite 200, Rochester, NH  
03867 (affiliated with Frisbie Memorial Hospital 11 Whitehall Road, Rochester,  
NH 03867)
- 1999-2005 Seacoast Infectious Disease Associates, PA, 330 Borthwick Ave. Suite 200,  
Portsmouth, NH 03801
- 1997-1999 Staff Physician in Infectious Diseases and Internal Medicine  
Alice Peck Day Memorial Hospital, 125 Mascoma Street, Lebanon, NH 03766
- 1994-1997 Fellowship in Infectious Diseases  
Dartmouth-Hitchcock Medical Center, One Medical Center Drive, Lebanon, NH  
03756
- 1991-1994 Internship and Residency in Internal Medicine  
Dartmouth-Hitchcock Medical Center

### CERTIFICATION

- 1996/2006 Diplomate, Infectious Disease, American Board of Internal Medicine (ABIM)
- 1994/2004 Diplomate, Internal Medicine, ABIM

## RESEARCH

- 2007-2008      Principal Investigator  
Early Access of TMC125 in Combination With Other Antiretrovirals in  
Treatment-Experienced HIV-1 Infected Subjects With Limited Treatment  
Options  
Tibotec Pharmaceuticals LTD., Little Island, Co Cork, Ireland
- 2007            Primary Investigator  
Early Access of MK-0518 in Combination With an Optimized Background  
Antiretroviral Therapy (OBT) in Highly Treatment Experienced HIV-1 Infected  
Patients With Limited to No Treatment Options  
Merck & Co., Inc., Whitehouse Station, New Jersey, United States
- 1995-1997     Disulfide Bonded Conformation of Bacterial Virulence Factors  
Dartmouth Medical School Department of Microbiology  
Dr. Ronald Taylor, Advisor
- 1988-1989     Pharmacokinetics of L-asparaginase  
University of Rochester Department of Pediatric Hematology and Oncology  
Dr. Harvey Cohen, Advisor
- 1986-1987     Research in Biophysics  
University of Rochester Department of Biophysics  
Dr. Louise Prakash, Advisor

## PUBLICATIONS

- Palmore TN, Shea, YR, Conville, PS, Witebsky, FG, Anderson, VL, Rupp Hodge, IP and Holland, SM. "Mycobacterium tilburgfi", A Newly Described, Uncultivated Opportunistic Pathogen. *Journal of Clinical Microbiology* 2009;47(5):1585-7.
- Williams, J.C., Schned, A.R., Richardson, J.R., Heaney, J.A., Curtis, M.R., Rupp, I.P. and von Reyn, C.F. Fatal Genitourinary Mucormycosis. *Clinical Infectious Diseases* 1995;21(3):682-4.
- Asselin, Barbara L., Whitin, John C., Coppola, David J., Rupp, Irene P., Sallen, Stephen E. and Cohen, Harvey J. Comparative Pharmacokinetic Studies of Three Asparaginase Preparations. *Journal of Clinical Oncology* 1993;11(9):1780-6.
- van Duin, M., van den Tol, J., Hoeijmakers, J.H.J., Bootsma, D., Rupp, I.P., Reynolds, P., Prakash, L. and Prakash, S. Conserved Pattern of Antisense Overlapping Transcription in the Homologous Human ERCC-1 and Yeast RAD 10 DNA Repair Gene Regions. *Molecular and Cellular Biology* 1989;9:1794-8.

## HONORS

1996 Hitchcock Foundation Grant, Dartmouth College  
1989 Dr. Glenn H. Leak Memorial Summer Fellowship, American Cancer Society  
1988 Gilbert B. Forbes Prize in Pediatrics  
1987 Summa Cum Laude  
1987 Ayman Amin-Salem Award  
1987 NCAA Post-Graduate Scholarship  
1987 NYSWCAA Scholar-Athlete Award  
1986 Susan M. Schwartz Award in Biology  
1986 Lysle "Spike" Garnish Scholar  
1986 Phi Beta Kappa

IRENE P RUPP HODGE, MD  
ROCHESTER INFECTIOUS DISEASE  
21 WHITEHALL RD  
ROCHESTER NH 03867

Change of address must be reported to:  
New Hampshire Board of Medicine  
121 South Fruit St Ste 301  
Concord, NH 03301

State of New Hampshire  
BOARD OF MEDICINE

IRENE P RUPP HODGE, MD



License #: 9662  
Issued: 3/6/1996  
has been duly registered to practice medicine  
in this state through

6/30/2016  
President *Mark Sullivan Ph.D.*

**FRISBIE MEMORIAL HOSPITAL**

Key Personnel

Name	Job Title	Salary	% Paid from this Contract	Amount Paid from this Contract
John Marzinzik	President/CEO	\$360,000.00	0%	0%
Dr. Irene P. Rupp-Hodge	MD	\$194,505.00	0%	0%