

F mac



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

Lori A. Shilbette
 Commissioner

Lisa M. Morris
 Director

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

September 1, 2020

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

INFORMATIONAL ITEM

Action #1: Pursuant to RSA 4:45, RSA 21-P:43, and Section 4 of Executive Order 2020-04 as extended by Executive Orders 2020-05, 2020-08, 2020-09, 2020-10, 2020-14, 2020-15, and 2020-16, Governor Sununu has authorized the Department of Health and Human Services, Division of Public Health Services, to enter into **Retroactive, Sole Source** contracts with the vendors listed below in an amount not to exceed \$1,160,000 for conducting hospital-based COVID-19 community testing and testing-related activities, with the option to renew for up to one (1) additional year, effective retroactive to August 1, 2020, through December 1, 2020. 100% Federal Funds.

Vendor Name	Vendor Code	Contract Amount
Core Physicians, LLC Exeter, NH	VC177845	\$290,000
Appledore Medical Group, Inc. Portsmouth, NH	TBD	\$580,000
Littleton Hospital Association d/b/a Littleton Regional Healthcare Littleton, NH	VC177162	\$145,000
The Memorial Hospital at North Conway North Conway, NH	TBD	\$145,000
		\$1,160,000

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

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

State Fiscal Year	Class / Account	Class Title	Job Number	Total Amount
2021	102-500731	Contracts for Prog Svc	90183518	1,160,000
			Total	\$1,160,000

Action #2: Pursuant to RSA 4:45, RSA 21-P:43, and Section 4 of Executive Order 2020-04 as extended by Executive Orders 2020-05, 2020-08, 2020-09, 2020-10, 2020-14, 2020-15, and 2020-16, Governor Sununu has authorized the Department of Health and Human Services, Division of Public Health Services, to enter into a **Retroactive Sole Source** amendment to an existing contract with Catholic Medical Center (VC# TBD), Manchester, NH for conducting hospital-based COVID-19 community testing and testing-related activities, with no change to the price limitation of \$290,000 and no change to the contract completion date of December 1, 2020, effective retroactive to August 1, 2020. 100% Federal Funds.

The original contract was approved by the Governor on July 31, 2020, and was presented to the Executive Council on August 26, 2020 (Informational Item #O).

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

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

State Fiscal Year	Class / Account	Class Title	Job Number	Total Amount
2021	102-500731	Contracts for Prog Svc	90183518	\$290,000
			Total	\$290,000

EXPLANATION

Action #1: This item is **Sole Source** and **Retroactive** because the Department, in the interest of the public's health and safety, identified hospitals with catchment areas throughout New Hampshire and capacity to immediately begin conducting community COVID-19 testing and testing-related activities. The Contractors are therefore uniquely qualified to provide COVID-19 testing to individuals who reside within each hospital's catchment area or local community.

Action #2: This item is **Sole Source** because the original contract was sole source and MOP 150 requires subsequent amendments to be identified as sole source. This amendment is **Retroactive** because the Department needed to make a minor modification to the existing scope of service effective back to August 1, 2020, which is the date the Contractor began providing services.

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

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

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

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

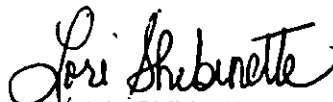
As referenced in Exhibit A Revisions to Standard Contract Provisions, Section 1, Revisions to Form P-37, General Provisions, Subsection 1.2., Paragraph 3.3 of the attached contracts, the parties have the option to extend the agreements for up to one (1) additional year, contingent upon satisfactory delivery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

Areas served: Statewide

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

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

Respectfully submitted,



Lori A. Shubinette
Commissioner

Subject: Hospital-Based COVID-19 Community Testing (SS-2021-DPHS-04-HOSPI-06)

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

AGREEMENT

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

GENERAL PROVISIONS**1. IDENTIFICATION.**

1.1 State Agency Name New Hampshire Department of Health and Human Services		1.2 State Agency Address 129 Pleasant Street Concord, NH 03301-3857	
1.3 Contractor Name Core Physicians, LLC		1.4 Contractor Address 7 Holland Way Exeter, NH 03833	
1.5 Contractor Phone Number (603) 580-6537	1.6 Account Number 05-095-090-903010-19010000	1.7 Completion Date December 1, 2020	1.8 Price Limitation \$290,000
1.9 Contracting Officer for State Agency Nathan D. White, Director		1.10 State Agency Telephone Number (603) 271-9631	
1.11 Contractor Signature  Date: 7/30/20		1.12 Name and Title of Contractor Signatory Deborah R Cresta, President Core Physicians	
1.13 State Agency Signature  Date: August 3, 2020		1.14 Name and Title of State Agency Signatory Lisa Morris, Director - NH Division of Public Health Services	
1.15 Approval by the N.H. Department of Administration, Division of Personnel (if applicable) By: _____ Director, On: _____			
1.16 Approval by the Attorney General (Form, Substance and Execution) (if applicable) By: Catherine Pinos On: 08/03/20			
1.17 Approval by the Governor and Executive Council (if applicable) G&C Item number: _____ G&C Meeting Date: _____			

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

3. EFFECTIVE DATE/COMPLETION OF SERVICES.

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

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

4. CONDITIONAL NATURE OF AGREEMENT.

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

5. CONTRACT PRICE/PRICE LIMITATION/ PAYMENT.

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

5.2 The payment by the State of the contract price shall be the only and the complete reimbursement to the Contractor for all expenses, of whatever nature incurred by the Contractor in the performance hereof, and shall be the only and the complete

compensation to the Contractor for the Services. The State shall have no liability to the Contractor other than the contract price.

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

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

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

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

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

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

7. PERSONNEL.

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

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

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

8. EVENT OF DEFAULT/REMEDIES.

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

8.1.1 failure to perform the Services satisfactorily or on schedule;

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

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

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

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

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

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

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

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

9. TERMINATION.

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

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

submit to the State a Transition Plan for services under the Agreement.

10. DATA/ACCESS/CONFIDENTIALITY/PRESERVATION.

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

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

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

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

12. ASSIGNMENT/DELEGATION/SUBCONTRACTS.

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

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

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

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

14. INSURANCE.

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

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

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

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

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

15. WORKERS' COMPENSATION.

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

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

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

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

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

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

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

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

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

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

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



REVISIONS TO STANDARD CONTRACT PROVISIONS

1. Revisions to Form P-37, General Provisions

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

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

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

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

- 1.3. Paragraph 12, Subparagraph 12.2, Assignment/Delegation/Subcontracts is amended to include the following additional language:

The State acknowledges receipt of written notice from Contractor of its intention to subcontract some of the services to Exeter Hospital Inc., (the "Hospital") and the State hereby consents to Contractor subcontracting some of its services to the Hospital in accordance with the contractual conditions of the Agreement

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

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

- 1.5. Paragraph 14, Subparagraph 14.1.1 Insurance, is amended as follows:

14.1.1 Commercial general liability insurance against all claims of bodily injury, death or property damage, in the amounts of not less than \$2,000,000 per occurrence and \$6,000,000 aggregate or excess.

ORC

7/30/20

**New Hampshire Department of Health and Human Services
Hospital-Based COVID-19 Community Testing
EXHIBIT A**



1.6 Paragraph 14, Subparagraph 14.2 Insurance, is amended as follows:

14.2 The Insurance coverages described herein may be provided pursuant to Exeter Health Resources' self-insurance trust.

OC
7/2/20

New Hampshire Department of Health and Human Services
Hospital-Based COVID-19 Community Testing
EXHIBIT B



Scope of Services

1. Statement of Work

- 1.1. For the purposes of this agreement, any references to days shall mean calendar days.
- 1.2. The Contractor shall conduct specimen collection and testing for SARS-CoV-2 for symptomatic patients who are established patients of the Contractor ("affiliated patients") beginning August 1, 2020.
- 1.3. The Contractor shall begin specimen collection and testing services for unaffiliated patients no later than August 17, 2020, including, but not limited to, the following:
 - 1.3.1. Conducting specimen collection and testing for SARS-CoV-2 in an outpatient setting for individuals who reside within the Contractor's catchment area or local community, regardless of such individuals' prior affiliations with the Contractor.
 - 1.3.2. Conducting specimen collection and testing for patients who have symptoms of COVID-19 or who are pre-symptomatic or asymptomatic at the request of:
 - 1.3.2.1. The individual to be tested; or
 - 1.3.2.2. The Department of Health and Human Services (Department) Division of Public Health Services (DPHS).
- 1.4. The Contractor shall conduct specimen collection and testing for SARS-CoV-2 in an outpatient setting for individuals who reside within the Contractor's catchment area or local community, regardless of individuals' prior affiliations with the Contractor.
- 1.5. The Contractor shall conduct specimen collection and testing for patients who have symptoms of COVID-19 or who are pre-symptomatic or asymptomatic at the request of:
 - 1.5.1. The individual to be tested; or
 - 1.5.2. The Department of Health and Human Services (Department) Division of Public Health Services (DPHS).
- 1.6. The Contractor shall not require a valid order for testing or an office or telemedicine visit for pre-symptomatic or asymptomatic patients in order for patients to receive COVID-19 testing.
- 1.7. In the event of a significant increase in community transmission of COVID-19 beyond that present as of the Effective Date, the Contractor shall not be responsible for meeting significantly increased levels of testing and may request the Department to provide additional testing capacity.

**New Hampshire Department of Health and Human Services
Hospital-Based COVID-19 Community Testing
EXHIBIT B**



- 1.8. The Contractor shall determine the appropriate venue and physical location for specimen collection, which may include, but is not limited to:
 - 1.8.1. An existing physical location.
 - 1.8.2. A temporary drive-through location.
 - 1.8.3. A drive-up facility.
- 1.9. The Contractor shall request a waiver, if necessary, from the Department's Bureau of Health Facilities Administration for a temporary drive-through location or drive-up facility.
- 1.10. The Contractor shall determine the appropriate number of days per week and the duration of time per day to perform community specimen collection for COVID-19 testing to meet the needs of the hospital catchment area and local community and communicate the hours of operation to the Department.
- 1.11. The Contractor shall ensure the collection, handling, processing and testing of specimens comply with guidelines issued by the Centers for Disease Control and Prevention (CDC), available at <https://www.cdc.gov/coronavirus/2019-nCoV/lab/guidelines-clinical-specimens.html> and by the laboratory used for processing specimens.
- 1.12. The Contractor shall ensure patients sign an appropriate consent form, prior to collection of specimens, authorizing testing at the laboratory and reporting to the ordering medical provider (if any), the Department, and any other individual or entity designated to receive the test results.
- 1.13. The Contractor shall identify any communication access needs to ensure needed language assistance is provided, which may include, but is not limited to:
 - 1.13.1. Over-the-phone interpretation of spoken languages.
 - 1.13.2. Video remote interpretation to access American Sign Language.
- 1.14. The Contractor shall ensure communication and language assistance is provided to individuals, as appropriate and needed, to ensure the validity of any signed consent by utilizing translated consent forms and/or interpreters.
- 1.15. The Contractor shall ensure all personnel collecting, handling, processing and transporting specimens are trained to safeguard the confidentiality of the patient and protected health information (PHI), as defined in the Health Information Portability and Accountability Act (HIPAA).
- 1.16. The Contractor shall ensure the secure and confidential transporting of specimens to the laboratory.
- 1.17. If applicable, the Contractor shall ensure the ordering provider for each COVID-19 test is a licensed medical provider.
- 1.18. The Contractor shall ensure the following:

Core Physicians, LLC

Exhibit B

Contractor Initials DC

SS-2021-DPHS-04-HOSPI-06

Page 2 of 7

Date 7/30/20

New Hampshire Department of Health and Human Services
Hospital-Based COVID-19 Community Testing
EXHIBIT B



- 1.18.1. Patients with positive results confirming the diagnosis of COVID-19 are informed:
 - 1.18.1.1. By telephone or other electronic method.
 - 1.18.1.2. By first-class U.S. mail, if telephone or other electronic method is unsuccessful
- 1.18.2. Patients with negative results are informed of test results in a method determined by the Contractor.
- 1.19. The Contractor shall utilize existing communication methods to inform the local community of the availability of outpatient COVID-19 testing, which may include, but are not limited to:
 - 1.19.1. The Contractor's website.
 - 1.19.2. Contractor newsletters.
 - 1.19.3. Social media platforms.
- 1.20. The Contractor shall ensure published information includes how and when patients can access the services and the location of the specimen collection site.
- 1.21. The Contractor shall ensure any marketing materials abide by existing requirements for communication access, including but not limited to:
 - 1.21.1. Vital and significant materials should be made available in additional languages, as appropriate, and must be translated by qualified, competent translation providers, as follows:
 - 1.21.1.1. Statewide, only Spanish meets the criteria for translation.
 - 1.21.1.2. Translation is required for languages depending on factors including the number and proportion of Limited English Proficiency (LEP) persons served or likely to seek services in the Contractor's service areas, and the frequency with which LEP individuals come into contact with the Contractor's programs, activities and services. .
 - 1.21.1.3. Notification on all materials of the availability of free communication access and language assistance for any individuals who may require it.
 - 1.21.1.4. All materials have a phone number to call for further information, ensuring staff answering that phone number shall have access to over-the-phone interpretation to assist callers who need spoken language interpretation.
- 1.22. The Contractor shall provide communication and language assistance at all points of contact in accessing COVID-19 testing to individuals with communication access needs, including individuals with limited English

**New Hampshire Department of Health and Human Services
Hospital-Based COVID-19 Community Testing
EXHIBIT B**



proficiency, or individuals who are deaf or have hearing loss.

- 1.23. The Contractor shall conduct outreach to vulnerable populations and minority populations in the hospital catchment area or local community, including notifying partner organizations who work with these populations about the availability of COVID-19 testing.
- 1.24. The Contractor shall report both positive and negative test results to the Division of Public Health Services through the Electronic Laboratory Reporting (ELR) system, or ensure the laboratory used for processing specimens and conducting testing reports both positive and negative results to the Division of Public Health Services through the ELR system.
- 1.25. The Contractor shall report all positive cases of COVID-19 with complete case information by fax to (603) 271-0545 to the Division of Public Health Services using the New Hampshire Confidential COVID-19 Case Report Form available at: <https://www.dhhs.nh.gov/dphs/cdcs/covid19/covid19-reporting-form.pdf>.
- 1.26. The Contractor shall notify patients who are uninsured or do not have full coverage benefits for COVID-19 testing that New Hampshire Medicaid has established a COVID-19 Testing Benefit that may pay for testing and diagnosis of COVID-19 for persons who are not already a Medicaid beneficiary and do not have full coverage for COVID-19 testing and diagnosis. The Contractor shall assist patients in completing the application available at <https://nheasy.nh.gov>.

2. Exhibits Incorporated

- 2.1. The Contractor shall comply with all Exhibits D through H and Exhibits J through K, which are attached hereto and incorporated by reference herein.
- 2.2. The Contractor's Use and Responsibilities for Confidential Information are as follows.
 - 2.2.1. The Contractor agrees to use, disclose, maintain, or transmit Confidential Data from Providers as required, specifically authorized, or permitted under the Contract or this Agreement. Further, the Contractor, including but not limited to all its directors, officers, employees, and agents, agrees not to use, disclose, maintain, or transmit PHI in any manner that would constitute a violation of the Privacy and Security Rules. The Contractor shall provide Confidential Information as required by the Contract, RSA 141-C:7, 141-C:9, RSA 141-C:10, and in a form required by He-P 301.03 and the "New Hampshire Local Implementation Guide for Electronic Laboratory Reporting for Communicable Disease and Lead Test Results Using HL7 2.5.1," Version 4.0 (5/23/2016), found at: <https://www.dhhs.nh.gov/dphs/bphsi/documents/elrguide.pdf>.
 - 2.2.2. The Contractor shall transmit Confidential Information to the Division of Public Health Services by means of a secure file transport protocol

**New Hampshire Department of Health and Human Services
Hospital-Based COVID-19 Community Testing
EXHIBIT B**



(sFTP) provided by the Department and agreed to by the parties and approved by the Department's Information Security Officer.

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

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

2.2.3.2. Test results shall be provided within 24 hours of the test results being received by the Contractor.

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

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

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

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

3. Reporting Requirements

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

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

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

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

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

4. Additional Terms

4.1. Impacts Resulting from Court Orders or Legislative Changes

Core Physicians, LLC

Exhibit B

Contractor Initials DAC

SS-2021-DPHS-04-HOSPI-08

Page 6 of 7

Date 7/20/20

**New Hampshire Department of Health and Human Services
Hospital-Based COVID-19 Community Testing
EXHIBIT B**



- 4.1.1. The Contractor agrees that, to the extent future state or federal legislation or court orders may have an impact on the Services described herein, the State has the right to modify service priorities and expenditure requirements under this Agreement so as to achieve compliance therewith. If Contractor does not agree with the State's proposed or actual modifications to this Agreement, Contractor may terminate this Agreement with thirty (30) days written notice.
- 4.2. **Federal Civil Rights Laws Compliance: Culturally and Linguistically Appropriate Programs and Services**
- 4.2.1. The Contractor shall submit within ten (10) days of the contract effective date, and comply with, a detailed description of the communication access and language assistance services they will provide to ensure meaningful access to their programs and/or services to persons with limited English proficiency, people who are deaf or have hearing loss, are blind or have low vision, or who have speech challenges.
- 4.3. **Credits and Copyright Ownership**
- 4.3.1. All documents, notices, press releases, research reports and other materials prepared during or resulting from the performance of the services of the Contract shall include the following statement, "The preparation of this (report, document etc.) was financed under a Contract with the State of New Hampshire, Department of Health and Human Services, with funds provided in part by the State of New Hampshire and/or such other funding sources as were available or required, e.g., the United States Department of Health and Human Services."
- 4.3.2. All materials produced or purchased under the contract shall have prior approval from the Department before printing, production, distribution or use.
- 4.4. **Operation of Facilities: Compliance with Laws and Regulations**
- 4.4.1. In the operation of any facilities for providing services, the Contractor shall comply with all laws, orders and regulations of federal, state, county and municipal authorities and with any direction of any Public Officer or officers pursuant to laws which shall impose an order or duty upon the contractor with respect to the operation of the facility or the provision of the services at such facility. If any governmental license or permit shall be required for the operation of the said facility or the performance of the said services, the Contractor will procure said license or permit, and will at all times comply with the terms and conditions of each such license or permit. In connection with the foregoing requirements, the Contractor hereby covenants and agrees

New Hampshire Department of Health and Human Services
Hospital-Based COVID-19 Community Testing

EXHIBIT B



that, during the term of this Contract the facilities shall comply with all rules, orders, regulations, and requirements of the State Office of the Fire Marshal and the local fire protection agency, and shall be in conformance with local building and zoning codes, by-laws and regulations.

5. Records

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

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

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

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

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

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

New Hampshire Department of Health and Human Services
Hospital-Based COVID-19 Community Testing
EXHIBIT C



Payment Terms

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

New Hampshire Department of Health and Human Services
Hospital-Based COVID-19 Community Testing
EXHIBIT C



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

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

10. Audits

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

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

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

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

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

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

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

7/24/20
DRC



CERTIFICATION REGARDING DRUG-FREE WORKPLACE REQUIREMENTS

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

ALTERNATIVE I - FOR GRANTEEES OTHER THAN INDIVIDUALS

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

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

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

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

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.

Vendor Name: CORE Physicians, LLC

7/30/2020
Date

Debra R. Oron
Name: Debra R. Oron
Title: President

Vendor Initials ROC
Date 7/30/20



CERTIFICATION REGARDING LOBBYING

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

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

Programs (indicate applicable program covered):

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

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

1. No Federal appropriated funds have been paid or will be paid by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement (and by specific mention sub-grantee or sub-contractor).
2. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement (and by specific mention sub-grantee or sub-contractor), the undersigned shall complete and submit Standard Form LLL, (Disclosure Form to Report Lobbying, in accordance with its instructions, attached and identified as Standard Exhibit E-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.

Vendor Name: Care Physicians, LLC

7/30/2020
Date

Debra R. Cook
Name: Debra R. Cook
Title: Resident



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

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

INSTRUCTIONS FOR CERTIFICATION

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

New Hampshire Department of Health and Human Services
Exhibit F



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 (1)(b) of this certification; and
 - 11.4. have not within a three-year period preceding this application/proposal had one or more public transactions (Federal, State or local) terminated for cause or default.
12. Where the prospective primary participant is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this proposal (contract).


LOWER TIER COVERED TRANSACTIONS

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

Vendor Name: Core Physicians, LLC

7/30/20
Date


Name: Debra R. Crest
Title: President

Vendor Initials: 
Date: 7/30/20



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

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

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

- the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. Section 3789d) which prohibits recipients of federal funding under this statute from discriminating, either in employment practices or in the delivery of services or benefits, on the basis of race, color, religion, national origin, and sex. The Act requires certain recipients to produce an Equal Employment Opportunity Plan;
- the Juvenile Justice, Delinquency Prevention Act of 2002 (42 U.S.C. Section 5672(b)) which adopts by reference, the civil rights obligations of the Safe Streets Act. Recipients of federal funding under this statute are prohibited from discriminating, either in employment practices or in the delivery of services or benefits, on the basis of race, color, religion, national origin, and sex. The Act includes Equal Employment Opportunity Plan requirements;
- the Civil Rights Act of 1964 (42 U.S.C. Section 2000d), which prohibits recipients of federal financial assistance from discriminating on the basis of race, color, or national origin in any program or activity;
- the Rehabilitation Act of 1973 (28 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

Vendor Initials

DRC

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

5/27/14
Rev. 10/21/14

Page 1 of 2

Date 7/30/20

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

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

Vendor Name: CORE Physicians, LLC

7/30/20
Date

[Signature]
Name: Debra Cook
Title: President

Exhibit G

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

Vendor Initials DRC

Date 7/30/20



CERTIFICATION REGARDING ENVIRONMENTAL TOBACCO SMOKE

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

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

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

Vendor Name: CORE Physicians

7/30/20
Date

[Signature]
Name: Debra Cren
Title: President



Exhibit I

**HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY
ACT (HIPAA) BUSINESS ASSOCIATE AGREEMENT**

Exhibit I is not applicable to this Agreement.

Remainder of page intentionally left blank.

Contractor Initials DAC
Date 7/30/20



**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 108-282 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: Care Physicians, LLC

7/30/20
Date

Debra Crish
Name: Debra Crish
Title: President

00101635/0713

Contractor Initials DNC
Date 7/30/20

New Hampshire Department of Health and Human Services
Exhibit J



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: 91-1695-6002
2. In your business or organization's preceding completed fiscal year, did your business or organization receive (1) 80 percent or more of your annual gross revenue in U.S. federal contracts, subcontracts, loans, grants, sub-grants, and/or cooperative agreements; and (2) \$25,000,000 or more in annual gross revenues from U.S. federal contracts, subcontracts, loans, grants, subgrants, and/or cooperative agreements?

☒ 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 N/A

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

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

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

Name: _____	Amount: _____
Name: _____	Amount: _____
Name: _____	Amount: _____
Name: _____	Amount: _____
Name: _____	Amount: _____

New Hampshire Department of Health and Human Services

Exhibit K

DHHS Information Security Requirements



A. Definitions

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

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

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

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

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

4. "End User" means any person or entity (e.g., contractor, contractor's employee, business associate, subcontractor, other downstream user, etc.) that receives DHHS data or derivative data in accordance with the terms of this Contract.
5. "HIPAA" means the Health Insurance Portability and Accountability Act of 1996 and the regulations promulgated thereunder.
6. "Incident" means an act that potentially violates an explicit or implied security policy, which includes attempts (either failed or successful) to gain unauthorized access to a system or its data, unwanted disruption or denial of service, the unauthorized use of a system for the processing or storage of data; and changes to system hardware, firmware, or software characteristics without the owner's knowledge, instruction, or consent. Incidents include the loss of data through theft or device misplacement, loss or misplacement of hardcopy documents, and misrouting of physical or electronic

New Hampshire Department of Health and Human Services

Exhibit K

DHHS Information Security Requirements



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

7. "Open Wireless Network" means any network or segment of a network that is not designated by the State of New Hampshire's Department of Information Technology or delegate as a protected network (designed, tested, and approved, by means of the State, to transmit) will be considered an open network and not adequately secure for the transmission of unencrypted PI, PFI, PHI or confidential DHHS data.
8. "Personal Information" (or "PI") means information which can be used to distinguish or trace an individual's identity, such as their name, social security number, personal information as defined in New Hampshire RSA 359-C:19, biometric records, etc., alone, or when combined with other personal or identifying information which is linked or linkable to a specific individual, such as date and place of birth, mother's maiden name, etc.
9. "Privacy Rule" shall mean the Standards for Privacy of Individually Identifiable Health Information at 45 C.F.R. Parts 160 and 164, promulgated under HIPAA by the United States Department of Health and Human Services.
10. "Protected Health Information" (or "PHI") has the same meaning as provided in the definition of "Protected Health Information" in the HIPAA Privacy Rule at 45 C.F.R. § 160.103.
11. "Security Rule" shall mean the Security Standards for the Protection of Electronic Protected Health Information at 45 C.F.R. Part 164, Subpart C, and amendments thereto.
12. "Unsecured Protected Health Information" means Protected Health Information that is not secured by a technology standard that renders Protected Health Information unusable, unreadable, or indecipherable to unauthorized individuals and is developed or endorsed by a standards developing organization that is accredited by the American National Standards Institute.

I. RESPONSIBILITIES OF DHHS AND THE CONTRACTOR

A. Business Use and Disclosure of Confidential Information.

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

DR

7/20/20

New Hampshire Department of Health and Human Services

Exhibit K

DHHS Information Security Requirements



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

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

II. METHODS OF SECURE TRANSMISSION OF DATA

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

DKC
7/30/20

New Hampshire Department of Health and Human Services

Exhibit K

DHHS Information Security Requirements



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

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

III. RETENTION AND DISPOSITION OF IDENTIFIABLE RECORDS

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

A. Retention

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

New Hampshire Department of Health and Human Services

Exhibit K

DHHS Information Security Requirements



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

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

B. Disposition

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

IV. PROCEDURES FOR SECURITY

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

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

New Hampshire Department of Health and Human Services

Exhibit K

DHHS Information Security Requirements



3. The Contractor will maintain appropriate authentication and access controls to contractor systems that collect, transmit, or store Department confidential information where applicable.
4. The Contractor will ensure proper security monitoring capabilities are in place to detect potential security events that can impact State of NH systems and/or Department confidential information for contractor provided systems.
5. The Contractor will provide regular security awareness and education for its End Users in support of protecting Department confidential information.
6. If the Contractor will be sub-contracting any core functions of the engagement supporting the services for State of New Hampshire, the Contractor will maintain a program of an internal process or processes that defines specific security expectations, and monitoring compliance to security requirements that at a minimum match those for the Contractor, including breach notification requirements.
7. The Contractor will work with the Department to sign and comply with all applicable State of New Hampshire and Department system access and authorization policies and procedures, systems access forms, and computer use agreements as part of obtaining and maintaining access to any Department system(s). Agreements will be completed and signed by the Contractor and any applicable sub-contractors prior to system access being authorized.
8. If the Department determines the Contractor is a Business Associate pursuant to 45 CFR 160.103, the Contractor will execute a HIPAA Business Associate Agreement (BAA) with the Department and is responsible for maintaining compliance with the agreement.
9. The Contractor will work with the Department at its request to complete a System Management Survey. The purpose of the survey is to enable the Department and Contractor to monitor for any changes in risks, threats, and vulnerabilities that may occur over the life of the Contractor engagement. The survey will be completed annually, or an alternate time frame at the Department's discretion with agreement by the Contractor, or the Department may request the survey be completed when the scope of the engagement between the Department and the Contractor changes.
10. The Contractor will not store, knowingly or unknowingly, any State of New Hampshire or Department data offshore or outside the boundaries of the United States unless prior express written consent is obtained from the Information Security Office leadership member within the Department.
11. Data Security Breach Liability. In the event of any security breach Contractor shall make efforts to investigate the causes of the breach, promptly take measures to prevent future breach and minimize any damage or loss resulting from the breach. The State shall recover from the Contractor all costs of response and recovery from

New Hampshire Department of Health and Human Services

Exhibit K

DHHS Information Security Requirements



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

12. Contractor must, comply with all applicable statutes and regulations regarding the privacy and security of Confidential Information, and must in all other respects maintain the privacy and security of PI and PHI at a level and scope that is not less than the level and scope of requirements applicable to federal agencies, including, but not limited to, provisions of the Privacy Act of 1974 (5 U.S.C. § 552a), DHHS Privacy Act Regulations (45 C.F.R. §5b), HIPAA Privacy and Security Rules (45 C.F.R. Parts 160 and 164) that govern protections for individually identifiable health information and as applicable under State law.
13. Contractor agrees to establish and maintain appropriate administrative, technical, and physical safeguards to protect the confidentiality of the Confidential Data and to prevent unauthorized use or access to it. The safeguards must provide a level and scope of security that is not less than the level and scope of security requirements established by the State of New Hampshire, Department of Information Technology. Refer to Vendor Resources/Procurement at <https://www.nh.gov/doh/vendor/index.htm> for the Department of Information Technology policies, guidelines, standards, and procurement information relating to vendors.
14. Contractor agrees to maintain a documented breach notification and incident response process. The Contractor will notify the State's Privacy Officer and the State's Security Officer of any security breach immediately, at the email addresses provided in Section VI. This includes a confidential information breach, computer security incident, or suspected breach which affects or includes any State of New Hampshire systems that connect to the State of New Hampshire network.
15. Contractor must restrict access to the Confidential Data obtained under this Contract to only those authorized End Users who need such DHHS Data to perform their official duties in connection with purposes identified in this Contract.
16. The Contractor must ensure that all End Users:
 - a. comply with such safeguards as referenced in Section IV A. above, implemented to protect Confidential Information that is furnished by DHHS under this Contract from loss, theft or inadvertent disclosure.
 - b. safeguard this information at all times.
 - c. ensure that laptops and other electronic devices/media containing PHI, PI, or PFI are encrypted and password-protected.
 - d. send emails containing Confidential Information only if encrypted and being sent to and being received by email addresses of persons authorized to receive such information.

New Hampshire Department of Health and Human Services

Exhibit K

DHHS Information Security Requirements



- e. limit disclosure of the Confidential Information to the extent permitted by law.
- f. Confidential Information received under this Contract and individually identifiable data derived from DHHS Data, must be stored in an area that is physically and technologically secure from access by unauthorized persons during duty hours as well as non-duty hours (e.g., door locks, card keys, biometric identifiers, etc.).
- g. only authorized End Users may transmit the Confidential Data, including any derivative files containing personally identifiable information, and in all cases, such data must be encrypted at all times when in transit, at rest, or when stored on portable media as required in section IV above.
- h. in all other instances Confidential Data must be maintained, used and disclosed using appropriate safeguards, as determined by a risk-based assessment of the circumstances involved.
- i. understand that their user credentials (user name and password) must not be shared with anyone. End Users will keep their credential information secure. This applies to credentials used to access the site directly or indirectly through a third party application.

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

V. LOSS REPORTING

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

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

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

7/30/20
DNC

New Hampshire Department of Health and Human Services

Exhibit K

DHHS Information Security Requirements



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

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

VI. PERSONS TO CONTACT

A. DHHS Privacy Officer:

DHHSPrivacyOfficer@dhhs.nh.gov

B. DHHS Security Officer:

DHHSInformationSecurityOffice@dhhs.nh.gov

DRC

7/30/20

State of New Hampshire

Department of State

CERTIFICATE

I, William M. Gardner, Secretary of State of the State of New Hampshire, do hereby certify that CORE PHYSICIANS, LLC is a New Hampshire Limited Liability Company registered to transact business in New Hampshire on July 31, 2007. I further certify that all fees and documents required by the Secretary of State's office have been received and is in good standing as far as this office is concerned.

Business ID: 581955

Certificate Number: 0004966293



IN TESTIMONY WHEREOF,

I hereto set my hand and cause to be affixed
the Seal of the State of New Hampshire,
this 27th day of July A.D. 2020.

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

William M. Gardner
Secretary of State

CERTIFICATE OF AUTHORITY

I, Constance D. Sprauer, hereby certify that:
(Name of the elected Officer of the Corporation/LLC: cannot be contract signatory)

1. I am a duly elected Clerk/Secretary/Officer of Core Physicians, LLC
(Corporation/LLC Name)

2. The following is a true copy of a vote taken at a meeting of the Board of Directors/shareholders, duly called and held on July 30, 2020, at which a quorum of the Directors/shareholders were present and voting.
(Date)


VOTED: That Debra Cresta (may list more than one person)
(Name and Title of Contract Signatory)

is duly authorized on behalf of Core Physicians, LLC to enter into contracts or agreements with the State
(Name of Corporation/ LLC)

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

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

Dated: 7/31/2020



Signature of Elected Officer
Name: Constance D. Sprauer
Title: Secretary



CERTIFICATE OF LIABILITY INSURANCE

Page 1 of 1

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

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

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

PRODUCER Willis Towers Watson Northeast, Inc. c/o 26 Century Blvd P.O. Box 305191 Nashville, TN 372305191 USA	CONTACT NAME: Willis Towers Watson Certificate Center		
	PHONE: 1-877-945-7378 FAX: 1-888-467-2378 E-MAIL: certificates@willis.com ADDRESS:		
INSURED CORE Physicians, LLC. 5 Alumni Drive Exeter, NH 03833	INSURER(S) AFFORDING COVERAGE		NAIC #
	INSURER A: Exeter Health Resources Inc		C3399
	INSURER B: Midwest Employers Casualty Company		23612
	INSURER C:		
	INSURER D:		
	INSURER E:		
INSURER F:			

COVERAGES

CERTIFICATE NUMBER: W17417120

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 SUBR INSD WVR	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR		MLEX5200 SELF INSURED	12/31/2019	12/31/2020	EACH OCCURRENCE \$ 2,000,000	
		DAMAGE TO RENTED PREMISES (Ea occurrence) \$					
		MED EXP (Any one person) \$					
		PERSONAL & ADV INJURY \$					
	GEN'L AGGREGATE LIMIT APPLIES PER: <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PROJECT <input type="checkbox"/> LOC OTHER:					GENERAL AGGREGATE \$ 6,000,000	
						PRODUCTS - COMP/OP AGG \$	
	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> OWNED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS NON-OWNED <input type="checkbox"/> HIRED AUTOS ONLY <input type="checkbox"/> AUTOS ONLY					COMBINED SINGLE LIMIT (Ea accident) \$	
						BODILY INJURY (Per person) \$	
						BODILY INJURY (Per accident) \$	
						PROPERTY DAMAGE (Per accident) \$	
							\$
	UMBRELLA LIAB <input type="checkbox"/> OCCUR EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE					EACH OCCURRENCE \$	
	DED <input type="checkbox"/> RETENTION \$					AGGREGATE \$	
							\$
B	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N <input type="checkbox"/>	ENC008504	01/01/2020	01/01/2022	PER STATUTE <input type="checkbox"/> OTH-ER <input type="checkbox"/>	
		E.L. EACH ACCIDENT \$ 1,000,000					
		E.L. DISEASE - EA EMPLOYEE \$ 1,000,000					
		E.L. DISEASE - POLICY LIMIT \$ 1,000,000					
A	Medical Professional Liability		MLEX5200 SELF INSURED	12/31/2019	12/31/2020	Each Claim \$1,000,000 Aggregate \$3,000,000	

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

CERTIFICATE HOLDER**CANCELLATION**

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

© 1988-2016 ACORD CORPORATION. All rights reserved.

Subject: Hospital-Based COVID-19 Community Testing (SS-2021-DPHS-04-HOSPI-08)

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

AGREEMENT

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

GENERAL PROVISIONS**1. IDENTIFICATION.**

1.1 State Agency Name New Hampshire Department of Health and Human Services		1.2 State Agency Address 129 Pleasant Street Concord, NH 03301-3857	
1.3 Contractor Name Appledore Medical Group, Inc.		1.4 Contractor Address 2000 Health Park Drive, Suite 1 Brentwood, TN 37027-5053	
1.5 Contractor Phone Number (603) 766-7560	1.6 Account Number 05-095-090-903010-19010000	1.7 Completion Date December 1, 2020	1.8 Price Limitation \$580,000
1.9 Contracting Officer for State Agency Nathan D. White, Director		1.10 State Agency Telephone Number (603) 271-9631	
1.11 Contractor Signature <i>Suzanne Bergamo</i> Date: 7/29/20		1.12 Name and Title of Contractor Signatory SUZANNE BERGAMO DIVISION VICE PRESIDENT	
1.13 State Agency Signature <i>Lisa Morris</i> Date: 08/04/2020		1.14 Name and Title of State Agency Signatory Lisa Morris, Director, Division of Public Health Services - NH DHHS	
1.15 Approval by the N.H. Department of Administration, Division of Personnel (if applicable) By: _____ Director, On: _____			
1.16 Approval by the Attorney General (Form, Substance and Execution) (if applicable) By: <i>Catherine Pinos</i> On: 08/05/20			
1.17 Approval by the Governor and Executive Council (if applicable) G&C Item number: _____ G&C Meeting Date: _____			

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

3. EFFECTIVE DATE/COMPLETION OF SERVICES.

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

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

4. CONDITIONAL NATURE OF AGREEMENT.

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

5. CONTRACT PRICE/PRICE LIMITATION/ PAYMENT.

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

5.2 The payment by the State of the contract price shall be the only and the complete reimbursement to the Contractor for all expenses, of whatever nature incurred by the Contractor in the performance hereof, and shall be the only and the complete

compensation to the Contractor for the Services. The State shall have no liability to the Contractor other than the contract price.

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

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

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

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

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

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

7. PERSONNEL.

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

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

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

8. EVENT OF DEFAULT/REMEDIES.

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

8.1.1 failure to perform the Services satisfactorily or on schedule;

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

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

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

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

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

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

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

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

9. TERMINATION.

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

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

submit to the State a Transition Plan for services under the Agreement.

10. DATA/ACCESS/CONFIDENTIALITY/PRESERVATION.

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

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

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

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

12. ASSIGNMENT/DELEGATION/SUBCONTRACTS.

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

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

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

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

14. INSURANCE.

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

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

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

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

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

15. WORKERS' COMPENSATION.

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

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

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

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

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

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

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

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

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

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

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

New Hampshire Department of Health and Human Services
Hospital—Based COVID-19 Community Testing
EXHIBIT A



REVISIONS TO STANDARD CONTRACT PROVISIONS

1. Revisions to Form P-37, General Provisions

- 1.1. Paragraph 3, Subparagraph 3.1, Effective Date/Completion of Services, is amended as follows:
 - 3.1. Notwithstanding any provision of this Agreement to the contrary, and subject to the approval of the Governor of the State of New Hampshire, issued under the Executive Order 2020-04 and any extensions thereof, this Agreement, and all obligations of the parties hereunder, shall become effective on August 1, 2020. ("Effective Date").
- 1.2. Paragraph 3, Effective Date/Completion of Services, is amended by adding subparagraph 3.3 as follows:
 - 3.3. The parties may extend the Agreement for up to one (1) additional year from the Completion Date, contingent upon satisfactory delivery of services, available funding, agreement of the parties, and required governmental approval.
- 1.3. Paragraph 12, Subparagraph 12.3, Assignment/Delegation/Subcontracts, is amended as follows:
 - 12.3. Subcontractors are subject to the same contractual conditions as the Contractor and the Contractor is responsible to ensure subcontractor compliance with those conditions. The Contractor shall have written agreements with all subcontractors, specifying the work to be performed and how corrective action shall be managed if the subcontractor's performance is inadequate. The Contractor shall manage the subcontractor's performance on an ongoing basis and take corrective action as necessary. The Contractor shall annually provide the State with a list of all subcontractors provided for under this Agreement and notify the State of any inadequate subcontractor performance.

**New Hampshire Department of Health and Human Services
Hospital-Based COVID-19 Community Testing
EXHIBIT B**



Scope of Services

1. Statement of Work

- 1.1. For the purposes of this agreement, any references to days shall mean calendar days.
- 1.2. The Contractor shall conduct specimen collection and testing for SARS-CoV-2 in an outpatient setting for individuals who reside within the hospital catchment area or local community, regardless of individuals' prior affiliations with the hospital.
- 1.3. The Contractor shall conduct specimen collection and testing for patients who have symptoms of COVID-19 or who are pre-symptomatic or asymptomatic at the request of:
 - 1.3.1. The individual to be tested; or
 - 1.3.2. The Department of Health and Human Services (Department) Division of Public Health Services (DPHS).
- 1.4. The Contractor shall not require an office or telemedicine visit for asymptomatic patients in order for patients to receive COVID-19 testing.
- 1.5. In the event of a significant increase in community transmission of COVID-19, the Contractor shall not be responsible for meeting significantly increased levels of testing and may request the Department to provide additional testing capacity.
- 1.6. The Contractor shall determine the appropriate venue and physical location for specimen collection, which may include, but is not limited to:
 - 1.6.1. An existing physical location.
 - 1.6.2. A temporary drive-through location.
 - 1.6.3. A drive-up facility.
- 1.7. The Contractor shall request a waiver, if necessary, from the Department's Bureau of Health Facilities Administration for a temporary drive-through location or drive-up facility.
- 1.8. The Contractor shall determine the appropriate number of days per week and the duration of time per day to perform community specimen collection for COVID-19 testing to meet the needs of the hospital catchment area and local community and communicate the hours of operation to the Department.
- 1.9. The Contractor shall ensure the collection, handling, processing and testing of specimens comply with guidelines issued by the Centers for Disease Control and Prevention (CDC), available at <https://www.cdc.gov/coronavirus/2019-nCoV/lab/guidelines-clinical-specimens.html> and by the laboratory used for processing specimens.

**New Hampshire Department of Health and Human Services
Hospital-Based COVID-19 Community Testing
EXHIBIT B**



- 1.10. The Contractor shall ensure patients sign an appropriate consent form, prior to collection of specimens, authorizing testing at the laboratory and reporting to the ordering medical provider, the Department, and any other individual or entity designated to receive the test results.
- 1.11. The Contractor shall identify of any communication access needs to ensure needed language assistance is provided, which may include, but is not limited to:
 - 1.11.1. Over-the-phone interpretation of spoken languages.
 - 1.11.2. Video remote interpretation to access American Sign Language.
- 1.12. The Contractor shall ensure communication and language assistance is provided to individuals, as appropriate and needed, to ensure the validity of any signed consent by utilizing translated consent forms and/or interpreters.
- 1.13. The Contractor shall ensure all personnel collecting, handling, processing and transporting specimens are trained to safeguard the confidentiality of the patient and protected health information (PHI), as defined in the Health Information Portability and Accountability Act (HIPAA).
- 1.14. The Contractor shall ensure the secure and confidential transporting of specimens to the laboratory.
- 1.15. The Contractor shall ensure the ordering provider for each COVID-19 test is a licensed medical provider.
- 1.16. The Contractor shall ensure the licensed medical provider ordering COVID-19 tests notifies patients of testing results received from the laboratory in a timely manner. The Contractor shall ensure:
 - 1.16.1. Patients with positive results confirming the diagnosis of COVID-19 are informed:
 - 1.16.1.1. By telephone or other electronic method.
 - 1.16.1.2. By first-class U.S. mail, if telephone or other electronic method is unsuccessful
 - 1.16.2. Patients with negative results are informed of test results in a method determined by the Contractor.
- 1.17. The Contractor shall utilize existing communication methods to inform the local community of the availability of outpatient COVID-19 testing, which may include, but are not limited to:
 - 1.17.1. The hospital's website.
 - 1.17.2. Hospital newsletters.
 - 1.17.3. Social media platforms.
- 1.18. The Contractor shall ensure published information includes how and when

**New Hampshire Department of Health and Human Services
Hospital-Based COVID-19 Community Testing
EXHIBIT B**



patients can access the services and the location of the specimen collection site.

- 1.19. The Contractor shall ensure any marketing materials abide by existing requirements for communication access, including but not limited to:
 - 1.19.1. Vital and significant materials should be made available in additional languages, as appropriate, and must be translated by qualified, competent translation providers, as follows:
 - 1.19.1.1. Statewide, only Spanish meets the criteria for translation.
 - 1.19.1.2. Translation is required for languages depending on factors including the number and proportion of LEP persons served or likely to seek services in the Contractor's service areas, and the frequency with which LEP individuals come into contact with the Contractor's programs, activities and services.
 - 1.19.1.3. Notification on all materials of the availability of free communication access and language assistance for any individuals who may require it.
 - 1.19.1.4. All materials have a phone number to call for further information, ensuring staff answering that phone number shall have access to over-the-phone interpretation to assist callers who need spoken language interpretation.
- 1.20. The Contractor shall provide communication and language assistance at all points of contact in accessing COVID-19 testing to individuals with communication access needs, including individuals with limited English proficiency, or individuals who are deaf or have hearing loss.
- 1.21. The Contractor shall conduct outreach to vulnerable populations and minority populations in the hospital catchment area or local community, including notifying partner organizations who work with these populations about the availability of COVID-19 testing.
- 1.22. The Contractor shall report both positive and negative test results to the Division of Public Health Services through the Electronic Laboratory Reporting (ELR) system, or ensure the laboratory used for processing specimens and conducting testing reports both positive and negative results to the Division of Public Health Services through the ELR system.
- 1.23. The Contractor shall report all positive cases of COVID-19 with complete case information by fax to (603) 271-0545 to the Division of Public Health Services using the New Hampshire Confidential COVID-19 Case Report Form available at: <https://www.dhhs.nh.gov/dphs/cdcs/covid19/covid19-reporting-form.pdf>.

**New Hampshire Department of Health and Human Services
Hospital-Based COVID-19 Community Testing
EXHIBIT B**



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

2. Exhibits Incorporated

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

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

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

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

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

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

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

**New Hampshire Department of Health and Human Services
Hospital-Based COVID-19 Community Testing
EXHIBIT B**



- 2.3.3.1. All test results, including but not limited to positive and negative results, shall be reported electronically via electronic laboratory reporting procedures, also referred to as "ELR," as noted above.
 - 2.3.3.2. Test results shall be provided within 24 hours of the test being completed.
 - 2.4. As necessary, the Contractor agrees to comply with any request to correct or complete the data once transmitted to the Division of Public Health Services.
 - 2.5. The Contractor agrees that the data submitted shall be the "minimum necessary" to carry out the stated use of the data, as defined in the HIPAA Privacy Rule and in accordance with all applicable confidentiality laws.
 - 2.6. The parties agree that this Agreement shall be construed in accordance the terms of Contract and governed by the laws of the State of New Hampshire.
 - 2.7. The Contractor and the Department agree to negotiate an amendment to this Agreement as needed to address a Contract amendment, or any changes in policy issues, fiscal issues, information security, and other specific safeguards required for maintaining confidentiality of the data.
- 3. Reporting Requirements**
- 3.1. The Contractor shall submit monthly reports to the Department showing that the public is able to access COVID-19 testing, including, but not limited to:
 - 3.1.1. Number of persons who received COVID-19 testing.
 - 3.1.2. Number of persons assisted with enrollment in the Medicaid COVID-19 Testing benefit or other assistance program who received COVID-19 testing.
 - 3.1.3. Number of persons for whom race and/or ethnicity is documented.
 - 3.2. The Contractor shall ensure race and/or ethnicity demographic identifiers for the persons who received COVID-19 testing are collected consistently and correctly, in accordance with best practice standards and processes as provided by the Office of Health Equity, and entered either manually or electronically on the hospital or reference laboratory COVID-19 test requisition forms.
- 4. Additional Terms**
- 4.1. **Impacts Resulting from Court Orders or Legislative Changes**
 - 4.1.1. The Contractor agrees that, to the extent future state or federal legislation or court orders may have an impact on the Services described herein, the State has the right to modify service priorities and expenditure requirements under this Agreement so as to achieve compliance therewith.

**New Hampshire Department of Health and Human Services
Hospital-Based COVID-19 Community Testing
EXHIBIT B**



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

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

4.3. Credits and Copyright Ownership

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

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

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

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

4.4. Operation of Facilities: Compliance with Laws and Regulations

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

**New Hampshire Department of Health and Human Services
Hospital-Based COVID-19 Community Testing
EXHIBIT B**



Fire Marshal and the local fire protection agency, and shall be in conformance with local building and zoning codes, by-laws and regulations.

5. Records

- 5.1. The Contractor shall keep records that include, but are not limited to:
- 5.1.1. Books, records, documents and other electronic or physical data evidencing and reflecting all costs and other expenses incurred by the Contractor in the performance of the Contract, and all income received or collected by the Contractor.
 - 5.1.2. All records must be maintained in accordance with accounting procedures and practices, which sufficiently and properly reflect all such costs and expenses, and which are acceptable to the Department, and to include, without limitation, all ledgers, books, records, and original evidence of costs such as purchase requisitions and orders, vouchers, requisitions for materials, inventories, valuations of in-kind contributions, labor time cards, payrolls, and other records requested or required by the Department.
 - 5.1.3. Statistical, enrollment, attendance or visit records for each recipient of services, which records shall include all records of application and eligibility (including all forms required to determine eligibility for each such recipient), records regarding the provision of services and all invoices submitted to the Department to obtain payment for such services.
 - 5.1.4. Medical records on each patient/recipient of services.
- 5.2. During the term of this Contract and the period for retention hereunder, the Department, the United States Department of Health and Human Services, and any of their designated representatives shall have access to all reports and records maintained pursuant to the Contract for purposes of audit, examination, excerpts and transcripts. Upon the purchase by the Department of the maximum number of units provided for in the Contract and upon payment of the price limitation hereunder, the Contract and all the obligations of the parties hereunder (except such obligations as, by the terms of the Contract are to be performed after the end of the term of this Contract and/or survive the termination of the Contract) shall terminate, provided however, that if, upon review of the Final Expenditure Report the Department shall disallow any expenses claimed by the Contractor as costs hereunder the Department shall retain the right, at its discretion, to deduct the amount of such expenses as are disallowed or to recover such sums from the Contractor.

SB
7/29/20

New Hampshire Department of Health and Human Services
HOSPITAL-BASED COVID-19 COMMUNITY TESTING
EXHIBIT B -1



Reporting Entity Data Use and Confidentiality Agreement

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

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

Suzanne Bergamo
Signature

7/29/20
Date

Suzanne Bergamo
Printed Name

Division Vice President
Title

Appledore Medical Group Inc.
Business Name

SB
7/29/20

**New Hampshire Department of Health and Human Services
Hospital-Based COVID-19 Community Testing
EXHIBIT C**



Payment Terms

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

SB
7/29/20

**New Hampshire Department of Health and Human Services
Hospital-Based COVID-19 Community Testing
EXHIBIT C**



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

9. Notwithstanding Paragraph 17 of the General Provisions Form P-37, changes limited to adjusting amounts within the price limitation and adjusting encumbrances between State Fiscal Years and budget class lines through the Budget Office may be made by written agreement of both parties, without obtaining approval of the Governor and Executive Council, if needed and justified.
10. Audits
 - 10.1. The Contractor is required to submit an annual audit to the Department if any of the following conditions exist:
 - 10.1.1. Condition A - The Contractor expended \$750,000 or more in federal funds received as a subrecipient pursuant to 2 CFR Part 200, during the most recently completed fiscal year.
 - 10.1.2. Condition B - The Contractor is subject to audit pursuant to the requirements of NH RSA 7:28, III-b, pertaining to charitable organizations receiving support of \$1,000,000 or more.
 - 10.1.3. Condition C - The Contractor is a public company and required by Security and Exchange Commission (SEC) regulations to submit an annual financial audit.
 - 10.2. If Condition A exists, the Contractor shall submit an annual single audit performed by an independent Certified Public Accountant (CPA) to the Department within 120 days after the close of the Contractor's fiscal year, conducted in accordance with the requirements of 2 CFR Part 200, Subpart F of the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal awards.
 - 10.3. If Condition B or Condition C exists, the Contractor shall submit an annual financial audit performed by an independent CPA within 120 days after the close of the Contractor's fiscal year.
 - 10.4. In addition to, and not in any way in limitation of obligations of the Contract, it is understood and agreed by the Contractor that the Contractor shall be held liable for any state or federal audit exceptions and shall return to the Department all payments made under the Contract to which exception has been taken, or which have been disallowed because of such an exception.

SB
7/29/20

New Hampshire Department of Health and Human Services
Exhibit D



CERTIFICATION REGARDING DRUG-FREE WORKPLACE REQUIREMENTS

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

ALTERNATIVE I - FOR GRANTEES OTHER THAN INDIVIDUALS

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

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

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

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

SB

7/21/20

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.

Vendor Name:

Date

7/29/20

Name:
Title:

Suzanne Bexano
Division Vice President

SB

7/29/20

New Hampshire Department of Health and Human Services
Exhibit E



CERTIFICATION REGARDING LOBBYING

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

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

Programs (indicate applicable program covered):

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

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

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

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

Vendor Name:

7/29/20
Date

Suzanne Bejano
Name: Suzanne Bejano
Title: Division Vice President

Exhibit E - Certification Regarding Lobbying

CUDHHS/110713

Page 1 of 1

Vendor Initials

Date

SB
7/29/20



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

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

INSTRUCTIONS FOR CERTIFICATION

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

SB
7/29/20

New Hampshire Department of Health and Human Services
Exhibit F



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

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

PRIMARY COVERED TRANSACTIONS

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

LOWER TIER COVERED TRANSACTIONS

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

Vendor Name:

7/29/20
Date

Suzanne Bexano
Name: Suzanne Bexano
Title: DREEM Vice President

Vendor Initials SB
Date 7/29/20



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

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

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

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

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

Exhibit G

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

Vendor Initials

SB

6/27/14
Rev. 10/21/14

Page 1 of 2

Date

7/24/20

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

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

Vendor Name:

7/29/20
Date

Suzanne Belyanto
Name: Suzanne Belyanto
Title: DIVISION VICE PRESIDENT

Exhibit G

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

Vendor Initials SB

Date 7/29/20

New Hampshire Department of Health and Human Services
Exhibit H



CERTIFICATION REGARDING ENVIRONMENTAL TOBACCO SMOKE

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

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

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

Vendor Name:

7/29/20
Date

Suzanne Bergano
Name: Suzanne Bergano
Title: Division Vice President

Vendor Initials SB
Date 7/29/20



Exhibit I

HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY ACT
BUSINESS ASSOCIATE AGREEMENT

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

(1) **Definitions.**

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

3/2014

Contractor Initials

SB

Date

7/29/20

New Hampshire Department of Health and Human Services



Exhibit I

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

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

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

3/2014

Contractor Initials

SB

Date

1/21/20



Exhibit I

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

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

(3) Obligations and Activities of Business Associate.

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

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

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

3/2014

Contractor Initials

SB

Date

7/21/20



Exhibit I

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

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

3/2014

Contractor Initials

SB

Date

7/29/20



Exhibit I

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

(4) Obligations of Covered Entity

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

(5) Termination for Cause

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

(6) Miscellaneous

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

3/2014

Contractor Initials

SB

Date

7/29/20

New Hampshire Department of Health and Human Services



Exhibit I

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

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

Department of Health and Human Services

The State

Signature of Authorized Representative

Lisa Morris

Name of Authorized Representative

Director - Division of Public Health Services

Title of Authorized Representative

August 4, 2020

Date

Appledore Medical Group, Inc.

Name of the Contractor

Signature of Authorized Representative

Suzanne Bergamo

Name of Authorized Representative

Division Vice President

Title of Authorized Representative

7/24/20

Date

New Hampshire Department of Health and Human Services
Exhibit J



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

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

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

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

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

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

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

Contractor Name:

7/29/20
Date

Suzanne Beyano
Name: Suzanne Beyano
Title: Division Vice President

New Hampshire Department of Health and Human Services
Exhibit J



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: 839318417
2. In your business or organization's preceding completed fiscal year, did your business or organization receive (1) 80 percent or more of your annual gross revenue in U.S. federal contracts, subcontracts, loans, grants, sub-grants, and/or cooperative agreements; and (2) \$25,000,000 or more in annual gross revenues from U.S. federal contracts, subcontracts, loans, grants, subgrants, and/or cooperative agreements?

X NO _____ YES

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

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

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

_____ NO _____ YES

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

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

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

Name: _____	Amount: _____
Name: _____	Amount: _____
Name: _____	Amount: _____
Name: _____	Amount: _____
Name: _____	Amount: _____

SP
7/29/20

New Hampshire Department of Health and Human Services

Exhibit K

DHHS Information Security Requirements



A. Definitions

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

1. "Breach" means the loss of control, compromise, unauthorized disclosure, unauthorized acquisition, unauthorized access, or any similar term referring to situations where persons other than authorized users and for an other than authorized purpose have access or potential access to personally identifiable information, whether physical or electronic. With regard to Protected Health Information, "Breach" shall have the same meaning as the term "Breach" in section 164.402 of Title 45, Code of Federal Regulations.
2. "Computer Security Incident" shall have the same meaning "Computer Security Incident" in section two (2) of NIST Publication 800-61, Computer Security Incident Handling Guide, National Institute of Standards and Technology, U.S. Department of Commerce.
3. "Confidential Information" or "Confidential Data" means all confidential information disclosed by one party to the other such as all medical, health, financial, public assistance benefits and personal information including without limitation, Substance Abuse Treatment Records, Case Records, Protected Health Information and Personally Identifiable Information.

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

4. "End User" means any person or entity (e.g., contractor, contractor's employee, business associate, subcontractor, other downstream user, etc.) that receives DHHS data or derivative data in accordance with the terms of this Contract.
5. "HIPAA" means the Health Insurance Portability and Accountability Act of 1996 and the regulations promulgated thereunder.
6. "Incident" means an act that potentially violates an explicit or implied security policy, which includes attempts (either failed or successful) to gain unauthorized access to a system or its data, unwanted disruption or denial of service, the unauthorized use of a system for the processing or storage of data; and changes to system hardware, firmware, or software characteristics without the owner's knowledge, instruction, or consent. Incidents include the loss of data through theft or device misplacement, loss or misplacement of hardcopy documents, and misrouting of physical or electronic

SB

7/29/20

New Hampshire Department of Health and Human Services

Exhibit K

DHHS Information Security Requirements



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

7. "Open Wireless Network" means any network or segment of a network that is not designated by the State of New Hampshire's Department of Information Technology or delegate as a protected network (designed, tested, and approved, by means of the State, to transmit) will be considered an open network and not adequately secure for the transmission of unencrypted PI, PFI, PHI or confidential DHHS data.
8. "Personal Information" (or "PI") means information which can be used to distinguish or trace an individual's identity, such as their name, social security number, personal information as defined in New Hampshire RSA 359-C:19, biometric records, etc., alone, or when combined with other personal or identifying information which is linked or linkable to a specific individual, such as date and place of birth, mother's maiden name, etc.
9. "Privacy Rule" shall mean the Standards for Privacy of Individually Identifiable Health Information at 45 C.F.R. Parts 160 and 164, promulgated under HIPAA by the United States Department of Health and Human Services.
10. "Protected Health Information" (or "PHI") has the same meaning as provided in the definition of "Protected Health Information" in the HIPAA Privacy Rule at 45 C.F.R. § 160.103.
11. "Security Rule" shall mean the Security Standards for the Protection of Electronic Protected Health Information at 45 C.F.R. Part 164, Subpart C, and amendments thereto.
12. "Unsecured Protected Health Information" means Protected Health Information that is not secured by a technology standard that renders Protected Health Information unusable, unreadable, or indecipherable to unauthorized individuals and is developed or endorsed by a standards developing organization that is accredited by the American National Standards Institute.

I. RESPONSIBILITIES OF DHHS AND THE CONTRACTOR

A. Business Use and Disclosure of Confidential Information.

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

New Hampshire Department of Health and Human Services

Exhibit K

DHHS Information Security Requirements



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

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

II. METHODS OF SECURE TRANSMISSION OF DATA

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

New Hampshire Department of Health and Human Services

Exhibit K

DHHS Information Security Requirements



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

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

III. RETENTION AND DISPOSITION OF IDENTIFIABLE RECORDS

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

A. Retention

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

New Hampshire Department of Health and Human Services

Exhibit K

DHHS Information Security Requirements



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

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

B. Disposition

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

IV. PROCEDURES FOR SECURITY

- A. Contractor agrees to safeguard the DHHS Data received under this Contract, and any derivative data or files, as follows:
 1. The Contractor will maintain proper security controls to protect Department confidential information collected, processed, managed, and/or stored in the delivery of contracted services.
 2. The Contractor will maintain policies and procedures to protect Department confidential information throughout the information lifecycle, where applicable, (from creation, transformation, use, storage and secure destruction) regardless of the media used to store the data (i.e., tape, disk, paper, etc.).

New Hampshire Department of Health and Human Services

Exhibit K

DHHS Information Security Requirements



3. The Contractor will maintain appropriate authentication and access controls to contractor systems that collect, transmit, or store Department confidential information where applicable.
4. The Contractor will ensure proper security monitoring capabilities are in place to detect potential security events that can impact State of NH systems and/or Department confidential information for contractor provided systems.
5. The Contractor will provide regular security awareness and education for its End Users in support of protecting Department confidential information.
6. If the Contractor will be sub-contracting any core functions of the engagement supporting the services for State of New Hampshire, the Contractor will maintain a program of an internal process or processes that defines specific security expectations, and monitoring compliance to security requirements that at a minimum match those for the Contractor, including breach notification requirements.
7. The Contractor will work with the Department to sign and comply with all applicable State of New Hampshire and Department system access and authorization policies and procedures, systems access forms, and computer use agreements as part of obtaining and maintaining access to any Department system(s). Agreements will be completed and signed by the Contractor and any applicable sub-contractors prior to system access being authorized.
8. If the Department determines the Contractor is a Business Associate pursuant to 45 CFR 160.103, the Contractor will execute a HIPAA Business Associate Agreement (BAA) with the Department and is responsible for maintaining compliance with the agreement.
9. The Contractor will work with the Department at its request to complete a System Management Survey. The purpose of the survey is to enable the Department and Contractor to monitor for any changes in risks, threats, and vulnerabilities that may occur over the life of the Contractor engagement. The survey will be completed annually, or an alternate time frame at the Departments discretion with agreement by the Contractor, or the Department may request the survey be completed when the scope of the engagement between the Department and the Contractor changes.
10. The Contractor will not store, knowingly or unknowingly, any State of New Hampshire or Department data offshore or outside the boundaries of the United States unless prior express written consent is obtained from the Information Security Office leadership member within the Department.
11. Data Security Breach Liability. In the event of any security breach Contractor shall make efforts to investigate the causes of the breach, promptly take measures to prevent future breach and minimize any damage or loss resulting from the breach. The State shall recover from the Contractor all costs of response and recovery from

New Hampshire Department of Health and Human Services

Exhibit K

DHHS Information Security Requirements



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

12. Contractor must, comply with all applicable statutes and regulations regarding the privacy and security of Confidential Information, and must in all other respects maintain the privacy and security of PI and PHI at a level and scope that is not less than the level and scope of requirements applicable to federal agencies, including, but not limited to, provisions of the Privacy Act of 1974 (5 U.S.C. § 552a), DHHS Privacy Act Regulations (45 C.F.R. §5b), HIPAA Privacy and Security Rules (45 C.F.R. Parts 160 and 164) that govern protections for individually identifiable health information and as applicable under State law.
13. Contractor agrees to establish and maintain appropriate administrative, technical, and physical safeguards to protect the confidentiality of the Confidential Data and to prevent unauthorized use or access to it. The safeguards must provide a level and scope of security that is not less than the level and scope of security requirements established by the State of New Hampshire, Department of Information Technology. Refer to Vendor Resources/Procurement at <https://www.nh.gov/doit/vendor/index.htm> for the Department of Information Technology policies, guidelines, standards, and procurement information relating to vendors.
14. Contractor agrees to maintain a documented breach notification and incident response process. The Contractor will notify the State's Privacy Officer and the State's Security Officer of any security breach immediately, at the email addresses provided in Section VI. This includes a confidential information breach, computer security incident, or suspected breach which affects or includes any State of New Hampshire systems that connect to the State of New Hampshire network.
15. Contractor must restrict access to the Confidential Data obtained under this Contract to only those authorized End Users who need such DHHS Data to perform their official duties in connection with purposes identified in this Contract.
16. The Contractor must ensure that all End Users:
 - a. comply with such safeguards as referenced in Section IV A. above, implemented to protect Confidential Information that is furnished by DHHS under this Contract from loss, theft or inadvertent disclosure.
 - b. safeguard this information at all times.
 - c. ensure that laptops and other electronic devices/media containing PHI, PI, or PFI are encrypted and password-protected.
 - d. send emails containing Confidential Information only if encrypted and being sent to and being received by email addresses of persons authorized to receive such information.

New Hampshire Department of Health and Human Services

Exhibit K

DHHS Information Security Requirements



- e. limit disclosure of the Confidential Information to the extent permitted by law.
- f. Confidential Information received under this Contract and individually identifiable data derived from DHHS Data, must be stored in an area that is physically and technologically secure from access by unauthorized persons during duty hours as well as non-duty hours (e.g., door locks, card keys, biometric identifiers, etc.).
- g. only authorized End Users may transmit the Confidential Data, including any derivative files containing personally identifiable information, and in all cases, such data must be encrypted at all times when in transit, at rest, or when stored on portable media as required in section IV above.
- h. in all other instances Confidential Data must be maintained, used and disclosed using appropriate safeguards, as determined by a risk-based assessment of the circumstances involved.
- i. understand that their user credentials (user name and password) must not be shared with anyone. End Users will keep their credential information secure. This applies to credentials used to access the site directly or indirectly through a third party application.

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

V. LOSS REPORTING

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

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

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

SB

7/21/20

New Hampshire Department of Health and Human Services

Exhibit K

DHHS Information Security Requirements



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

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

VI. PERSONS TO CONTACT

A. DHHS Privacy Officer:

DHHSPrivacyOfficer@dhhs.nh.gov

B. DHHS Security Officer:

DHHSInformationSecurityOffice@dhhs.nh.gov

SB

7/21/20

State of New Hampshire

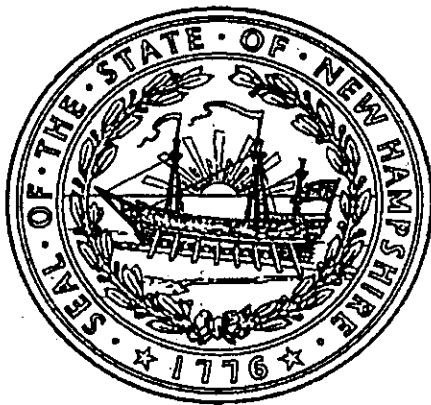
Department of State

CERTIFICATE

I, William M. Gardner, Secretary of State of the State of New Hampshire, do hereby certify that APPLIEDORE MEDICAL GROUP, INC. is a Delaware Profit Corporation registered to transact business in New Hampshire on November 19, 2009. I further certify that all fees and documents required by the Secretary of State's office have been received and is in good standing as far as this office is concerned.

Business ID: 622449

Certificate Number: 0004968972



IN TESTIMONY WHEREOF,

I hereto set my hand and cause to be affixed
the Seal of the State of New Hampshire,
this 30th day of July A.D. 2020.

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

William M. Gardner
Secretary of State

Delaware

The First State

Page 1

I, JEFFREY W. BULLOCK, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY "APPLEDORE MEDICAL GROUP, INC." IS DULY INCORPORATED UNDER THE LAWS OF THE STATE OF DELAWARE AND IS IN GOOD STANDING AND HAS A LEGAL CORPORATE EXISTENCE SO FAR AS THE RECORDS OF THIS OFFICE SHOW, AS OF THE THIRTIETH DAY OF JULY, A.D. 2020.

AND I DO HEREBY FURTHER CERTIFY THAT THE ANNUAL REPORTS HAVE BEEN FILED TO DATE.

AND I DO HEREBY FURTHER CERTIFY THAT THE FRANCHISE TAXES HAVE BEEN PAID TO DATE.



4719312 8300

SR# 20206491152

You may verify this certificate online at corp.delaware.gov/authver.shtml

A handwritten signature of Jeffrey W. Bullock in black ink, written over a horizontal line. Below the line, the text "Jeffrey W. Bullock, Secretary of State" is printed.

Jeffrey W. Bullock, Secretary of State

Authentication: 203375389

Date: 07-30-20

INCUMBENCY CERTIFICATE
APPLEDORE MEDICAL GROUP, INC.

The undersigned, being duly elected and acting as Vice President and Secretary of Appledore Medical Group, Inc. (the "Company"), a Delaware corporation, does hereby certify that the person listed below is a duly authorized officer of the Company appointed by the Board of Directors of the Company (the "Board") at a meeting of the Board duly called and held on October 7, 2019 to serve in the capacity set forth opposite her name and that she has proper corporate power and authority to execute and deliver documents and to take other actions on behalf of the Company:

Suzanne Bergamo

Vice President

I hereby attest that this information is true and correct as of this 29th day of July, 2020.

By: Natalie H. Cline
Natalie H. Cline
Vice President and Secretary



Health Care Indemnity, Inc.
2515 Park Plaza, Building 2-3E
Nashville, TN 37203
Phone: 615-344-5193
Fax: 855-775-0393
Email: Corp.Insurance@HCAHealthcare.com

Certificate of Insurance

Date: 07/29/2020

COI#: 78021-2020

This is to certify to:
(Name of Certificate Holder)

State of New Hampshire
Department of Health & Human Services
129 Pleasant Street
Concord, NH

that the described insurance coverages as provided by the indicated policy has been issued to:

Named Insured:
Address:

HCA HEALTHCARE, INC. AND SUBSIDIARY ORGANIZATIONS
EXISTING NOW OR HEREAFTER CREATED OR ACQUIRED
ONE PARK PLAZA
NASHVILLE, TN 37202-0550

The Policy identified below by a policy number is in force on the date of Certificate issuance. Insurance is afforded only with respect to those coverages for which a specific limit of liability has been entered and is subject to all the terms of the Policy having reference thereto. This Certificate of Insurance neither affirmatively nor negatively amends, extends or alters the coverage afforded under any policy identified herein.

POLICY NO.	POLICY PERIOD
HCI-10120	Effective: 1/1/2020 Expiration: 1/1/2021

TYPE OF INSURANCE	LIMITS OF LIABILITY
Comprehensive General Liability - • Occurrence Form • Bodily Injury • Property Damage • Products and Completed Operations • Personal and Advertising Injury	\$1,000,000 Each and Every Occurrence \$3,000,000 Aggregate
Health Care Professional Liability Occurrence Form	\$1,000,000 Each and Every Occurrence \$3,000,000 Aggregate

SPECIAL CONDITIONS/OTHER COVERAGES:

The Named Insured Includes: Appledore Medical Group, Inc.
TIN 02-0470410 COID: 34634

Re: COVID-19 Testing Contract

Cancellation: Should any of the above described policies be canceled before the expiration date thereof, the issuing company will endeavor to mail ninety days written notice to the above named certificate holder, but failure to mail such notice shall impose no obligation or liability of any kind upon the company.

Authorized Signature


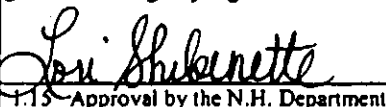
Subject: Hospital-Based COVID-19 Community Testing (SS-2021-DPHS-04-HOSPI-12)

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

AGREEMENT

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

GENERAL PROVISIONS**I. IDENTIFICATION.**

1.1 State Agency Name New Hampshire Department of Health and Human Services		1.2 State Agency Address 129 Pleasant Street Concord, NH 03301-3857	
1.3 Contractor Name The Memorial Hospital at North Conway		1.4 Contractor Address 3073 White Mountain Hwy North Conway, NH 03860	
1.5 Contractor Phone Number (603) 356-5461	1.6 Account Number 05-095-090-903010-19010000	1.7 Completion Date December 1, 2020	1.8 Price Limitation \$145,000
1.9 Contracting Officer for State Agency Nathan D. White, Director		1.10 State Agency Telephone Number (603) 271-9631	
1.11 Contractor Signature  Date: 8/4/20		1.12 Name and Title of Contractor Signatory Arthur Mathisen President	
1.13 State Agency Signature  Date: 8/6/20		1.14 Name and Title of State Agency Signatory Lori Shibanette, Commissioner	
1.15 Approval by the N.H. Department of Administration, Division of Personnel (if applicable) By: _____ Director, On: _____			
1.16 Approval by the Attorney General (Form, Substance and Execution) (if applicable) By: Catherine Pinos On: 08/10/20			
1.17 Approval by the Governor and Executive Council (if applicable) G&C Item number: _____ G&C Meeting Date: _____			

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

3. EFFECTIVE DATE/COMPLETION OF SERVICES.

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

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

4. CONDITIONAL NATURE OF AGREEMENT.

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

5. CONTRACT PRICE/PRICE LIMITATION/ PAYMENT.

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

5.2 The payment by the State of the contract price shall be the only and the complete reimbursement to the Contractor for all expenses, of whatever nature incurred by the Contractor in the performance hereof, and shall be the only and the complete

compensation to the Contractor for the Services. The State shall have no liability to the Contractor other than the contract price.

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

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

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

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

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

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

7. PERSONNEL.

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

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

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

8. EVENT OF DEFAULT/REMEDIES.

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

8.1.1 failure to perform the Services satisfactorily or on schedule;

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

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

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

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

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

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

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

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

9. TERMINATION.

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

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

submit to the State a Transition Plan for services under the Agreement.

10. DATA/ACCESS/CONFIDENTIALITY/PRESERVATION.

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

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

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

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

12. ASSIGNMENT/DELEGATION/SUBCONTRACTS.

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

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

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

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

14. INSURANCE.

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

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

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

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

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

15. WORKERS' COMPENSATION.

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

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

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

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

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

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

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

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

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

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

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



EXHIBIT A

REVISIONS TO STANDARD CONTRACT PROVISIONS

1. Revisions to Form P-37, General Provisions

- 1.1. Paragraph 3, Subparagraph 3.1, Effective Date/Completion of Services, is amended as follows:
 - 3.1. Notwithstanding any provision of this Agreement to the contrary, and subject to the approval of the Governor of the State of New Hampshire, issued under the Executive Order 2020-04 and any extensions thereof, this Agreement, and all obligations of the parties hereunder, shall become effective on August 1, 2020. ("Effective Date").
- 1.2. Paragraph 3, Effective Date/Completion of Services, is amended by adding subparagraph 3.3 as follows:
 - 3.3. The parties may extend the Agreement for up to one (1) additional year from the Completion Date, contingent upon satisfactory delivery of services, available funding, agreement of the parties, and required governmental approval.
- 1.3. Subparagraph 8.2.3 of Paragraph 8, Event of Default/ Remedies, is deleted in its entirety.
- 1.4. Paragraph 12, Subparagraph 12.3, Assignment/Delegation/Subcontracts, is amended as follows:
 - 12.3. Subcontractors are subject to the same contractual conditions as the Contractor and the Contractor is responsible to ensure subcontractor compliance with those conditions. The Contractor shall have written agreements with all subcontractors, specifying the work to be performed and how corrective action shall be managed if the subcontractor's performance is inadequate. The Contractor shall manage the subcontractor's performance on an ongoing basis and take corrective action as necessary. The Contractor shall annually provide the State with a list of all subcontractors provided for under this Agreement and notify the State of any inadequate subcontractor performance.
- 1.5. Paragraph 5, Contract Price/Price Limitation/Payment, Subparagraph 5.2, is amended as follows:
 - 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

aw

New Hampshire Department of Health and Human Services
Hospital-Based COVID-19 Community Testing



EXHIBIT A

contract price. The Contractor is permitted to bill patients for the COVID-19 testing conducted under this Agreement. The payment received by Contractor from the State under this Agreement shall cover additional administrative over-head or startup costs that are not otherwise reimbursable by patients or third party payors.

ac

8/4/20



EXHIBIT B

Scope of Services

1. Statement of Work

- 1.1. For the purposes of this agreement, any references to days shall mean calendar days.
- 1.2. The Contractor shall conduct specimen collection and testing for SARS-CoV-2 in an outpatient setting for individuals who reside within the hospital catchment area or local community, regardless of individuals' prior affiliations with the hospital.
- 1.3. The Contractor shall conduct specimen collection and testing for patients who have symptoms of COVID-19 or who are pre-symptomatic or asymptomatic at the request of:
 - 1.3.1. The individual to be tested; or
 - 1.3.2. The Department of Health and Human Services (Department) Division of Public Health Services (DPHS).
- 1.4. The Contractor shall not require an office or telemedicine visit for asymptomatic patients in order for patients to receive COVID-19 testing.
- 1.5. In the event of a significant increase in community transmission of COVID-19, the Contractor shall not be responsible for meeting significantly increased levels of testing and may request the Department to provide additional testing capacity.
- 1.6. The Contractor shall determine the appropriate venue and physical location for specimen collection, which may include, but is not limited to:
 - 1.6.1. An existing physical location.
 - 1.6.2. A temporary drive-through location.
 - 1.6.3. A drive-up facility.
- 1.7. The Contractor shall request a waiver, if necessary, from the Department's Bureau of Health Facilities Administration for a temporary drive-through location or drive-up facility.
- 1.8. The Contractor shall determine the appropriate number of days per week and the duration of time per day to perform community specimen collection for COVID-19 testing to meet the needs of the hospital catchment area and local community and communicate the hours of operation to the Department.
- 1.9. The Contractor shall ensure the collection, handling, processing and testing of specimens comply with guidelines issued by the Centers for Disease Control and Prevention (CDC), available at <https://www.cdc.gov/coronavirus/2019->



EXHIBIT B

[nCoV/lab/guidelines-clinical-specimens.html](#) and by the laboratory used for processing specimens.

- 1.10. The Contractor shall ensure patients sign an appropriate consent form, prior to collection of specimens, authorizing testing at the laboratory and reporting to the ordering medical provider, the Department, and any other individual or entity designated to receive the test results.
- 1.11. The Contractor shall identify of any communication access needs to ensure needed language assistance is provided, which may include, but is not limited to:
 - 1.11.1. Over-the-phone interpretation of spoken languages.
 - 1.11.2. Video remote interpretation to access American Sign Language.
- 1.12. The Contractor shall ensure communication and language assistance is provided to individuals, as appropriate and needed, to ensure the validity of any signed consent by utilizing translated consent forms and/or interpreters.
- 1.13. The Contractor shall ensure all personnel collecting, handling, processing and transporting specimens are trained to safeguard the confidentiality of the patient and protected health information (PHI), as defined in the Health Information Portability and Accountability Act (HIPAA).
- 1.14. The Contractor shall ensure the secure and confidential transporting of specimens to the laboratory.
- 1.15. The Contractor shall ensure the ordering provider for each COVID-19 test is a licensed medical provider.
- 1.16. The Contractor shall ensure:
 - 1.16.1. Patients with positive results confirming the diagnosis of COVID-19 are informed:
 - 1.16.1.1. By telephone or other electronic method.
 - 1.16.1.2. By first-class U.S. mail, if telephone or other electronic method is unsuccessful
 - 1.16.2. Patients with negative results are informed of test results in a method determined by the Contractor.
- 1.17. The Contractor shall utilize existing communication methods to inform the local community of the availability of outpatient COVID-19 testing, which may include, but are not limited to:
 - 1.17.1. The hospital's website.

aw

8/4/20



EXHIBIT B

- 1.17.2. Hospital newsletters.
- 1.17.3. Social media platforms.
- 1.18. The Contractor shall ensure published information includes how and when patients can access the services and the location of the specimen collection site.
- 1.19. The Contractor shall ensure any marketing materials abide by existing requirements for communication access, including but not limited to:
 - 1.19.1. Vital and significant materials should be made available in additional languages, as appropriate, and must be translated by qualified, competent translation providers, as follows:
 - 1.19.1.1. Statewide, only Spanish meets the criteria for translation.
 - 1.19.1.2. Translation is required for languages depending on factors including the number and proportion of LEP persons served or likely to seek services in the Contractor's service areas, and the frequency with which LEP individuals come into contact with the Contractor's programs, activities and services.
 - 1.19.1.3. Notification on all materials of the availability of free communication access and language assistance for any individuals who may require it.
 - 1.19.1.4. All materials have a phone number to call for further information, ensuring staff answering that phone number shall have access to over-the-phone interpretation to assist callers who need spoken language interpretation.
- 1.20. The Contractor shall provide communication and language assistance at all points of contact in accessing COVID-19 testing to individuals with communication access needs, including individuals with limited English proficiency, or individuals who are deaf or have hearing loss.
- 1.21. The Contractor shall conduct outreach to vulnerable populations and minority populations in the hospital catchment area or local community, including notifying partner organizations who work with these populations about the availability of COVID-19 testing.
- 1.22. The Contractor shall report both positive and negative test results to the Division of Public Health Services through the Electronic Laboratory Reporting (ELR) system, or ensure the laboratory used for processing specimens and conducting testing reports both positive and negative results to the Division of Public Health Services through the ELR system.



EXHIBIT B

- 1.23. The Contractor shall report all positive cases of COVID-19 with complete case information by fax to (603) 271-0545 to the Division of Public Health Services using the New Hampshire Confidential COVID-19 Case Report Form available at: <https://www.dhhs.nh.gov/dphs/cdcs/covid19/covid19-reporting-form.pdf>.
- 1.24. The Contractor shall notify patients who are uninsured or do not have full coverage benefits for COVID-19 testing that New Hampshire Medicaid has established a COVID-19 Testing Benefit that may pay for testing and diagnosis of COVID-19 for persons who are not already a Medicaid beneficiary and do not have full coverage for COVID-19 testing and diagnosis. The Contractor shall assist patients in completing the application available at <https://nheasy.nh.gov>.

2. Exhibits Incorporated/Confidential Data

- 2.1. The Contractor shall use and disclose Protected Health Information in compliance with the Standards for Privacy of Individually Identifiable Health Information (Privacy Rule) (45 CFR Parts 160 and 164) under the Health Insurance Portability and Accountability Act (HIPAA) of 1996.
- 2.2. The Department will not be receiving, or have possession of, any patient medical records generated by the Contractor or any subcontracted medical provider in the course of providing services under this Agreement, and such patient records will not be considered data for purposes of paragraph 10 of Form P-37, General Provisions.
- 2.3. The Contractor shall comply with all Exhibits D through H, and Exhibit J, which are attached hereto and incorporated by reference herein.
- 2.4. To the extent the Department shares Confidential Data, the Contractor shall comply with Exhibit K, which is attached hereto and incorporated by reference herein.
- 2.5. The Contractor's Use and Responsibilities for Confidential Information are as follows.
 - 2.5.1. The Contractor agrees to use, disclose, maintain, or transmit Confidential Data from Providers as required, specifically authorized, or permitted under the Contract or this Agreement. Further, the Contractor, including but not limited to all its directors, officers, employees, and agents, agrees not to use, disclose, maintain, or transmit PHI in any manner that would constitute a violation of the Privacy and Security Rules. The Contractor shall provide Confidential Information as required by the Contract, RSA 141-C:7, 141-C:9, RSA 141-C:10, and in a form required by He-P 301.03 and the "New Hampshire Local Implementation Guide for Electronic Laboratory Reporting for Communicable Disease



EXHIBIT B

and Lead Test Results Using HL7 2.5.1," Version 4.0 (5/23/2016), found at: <https://www.dhhs.nh.gov/dphs/bphsi/documents/elrguide.pdf>.

- 2.5.2. The Contractor shall transmit Confidential Information to the Division of Public Health Services by means of a secure file transport protocol (sFTP) provided by the Department and agreed to by the parties and approved by the Department's Information Security Officer.
- 2.5.3. The Contractor shall transmit the Confidential Information to the Division of Public Health Services as required by statute and this Agreement, namely:
 - 2.5.3.1. All test results, including but not limited to positive and negative results, shall be reported electronically via electronic laboratory reporting procedures, also referred to as "ELR," as noted above.
 - 2.5.3.2. Test results shall be provided within 24 hours of the test being completed.
- 2.6. As necessary, the Contractor agrees to comply with any request to correct or complete the data once transmitted to the Division of Public Health Services.
- 2.7. The Contractor agrees that the data submitted shall be the "minimum necessary" to carry out the stated use of the data, as defined in the HIPAA Privacy Rule and in accordance with all applicable confidentiality laws.
- 2.8. The parties agree that this Agreement shall be construed in accordance the terms of Contract and governed by the laws of the State of New Hampshire.
- 2.9. The Contractor and the Department agree to negotiate an amendment to this Agreement as needed to address a Contract amendment, or any changes in policy issues, fiscal issues, information security, and other specific safeguards required for maintaining confidentiality of the data.

3. Reporting Requirements

- 3.1. The Contractor shall submit monthly reports to the Department showing that the public is able to access COVID-19 testing, including, but not limited to:
 - 3.1.1. Number of persons who received COVID-19 testing.
 - 3.1.2. Number of persons assisted with enrollment in the Medicaid COVID-19 Testing benefit or other assistance program who received COVID-19 testing.
 - 3.1.3. Number of persons for whom race and/or ethnicity is documented.
- 3.2. The Contractor shall ensure race and/or ethnicity demographic identifiers for

aw

8/4/20



EXHIBIT B

the persons who received COVID-19 testing are collected consistently and correctly, in accordance with best practice standards and processes as provided by the Office of Health Equity, and entered either manually or electronically on the hospital or reference laboratory COVID-19 test requisition forms.

4. Additional Terms

4.1. Impacts Resulting from Court Orders or Legislative Changes

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

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

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

4.3. Credits and Copyright Ownership

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

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

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

AC



EXHIBIT B

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

4.4. Operation of Facilities: Compliance with Laws and Regulations

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

5. Records

- 5.1. The Contractor shall keep records that include, but are not limited to:
- 5.1.1. Books, records, documents and other electronic or physical data evidencing and reflecting all costs and other expenses incurred by the Contractor in the performance of the Contract, and all income received or collected by the Contractor.
- 5.1.2. All records must be maintained in accordance with accounting procedures and practices, which sufficiently and properly reflect all such costs and expenses, and which are acceptable to the Department, and to include, without limitation, all ledgers, books, records, and original evidence of costs such as purchase requisitions and orders, vouchers, requisitions for materials, inventories, valuations of in-kind contributions, labor time cards, payrolls, and other records requested or required by the Department.
- 5.1.3. Statistical, enrollment, attendance or visit records for each recipient of services, which records shall include all records of application and eligibility (including all forms required to determine eligibility for each such recipient), records regarding the provision of services and all invoices submitted to the Department to obtain payment for such



EXHIBIT B

services.

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

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

all

8/4/20

New Hampshire Department of Health and Human Services
Hospital-Based COVID-19 Community Testing
EXHIBIT C



Payment Terms

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

New Hampshire Department of Health and Human Services
Hospital-Based COVID-19 Community Testing
EXHIBIT C



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

9. Notwithstanding Paragraph 17 of the General Provisions Form P-37, changes limited to adjusting amounts within the price limitation and adjusting encumbrances between State Fiscal Years and budget class lines through the Budget Office may be made by written agreement of both parties, without obtaining approval of the Governor and Executive Council, if needed and justified.
10. Audits
 - 10.1. The Contractor is required to submit an annual audit to the Department if any of the following conditions exist:
 - 10.1.1. Condition A - The Contractor expended \$750,000 or more in federal funds received as a subrecipient pursuant to 2 CFR Part 200, during the most recently completed fiscal year.
 - 10.1.2. Condition B - The Contractor is subject to audit pursuant to the requirements of NH RSA 7:28, III-b, pertaining to charitable organizations receiving support of \$1,000,000 or more.
 - 10.1.3. Condition C - The Contractor is a public company and required by Security and Exchange Commission (SEC) regulations to submit an annual financial audit.
 - 10.2. If Condition A exists, the Contractor shall submit an annual single audit performed by an independent Certified Public Accountant (CPA) to the Department within 120 days after the close of the Contractor's fiscal year, conducted in accordance with the requirements of 2 CFR Part 200, Subpart F of the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal awards.
 - 10.3. If Condition B or Condition C exists, the Contractor shall submit an annual financial audit performed by an independent CPA within 120 days after the close of the Contractor's fiscal year.
 - 10.4. In addition to, and not in any way in limitation of obligations of the Contract, it is understood and agreed by the Contractor that the Contractor shall be held liable for any state or federal audit exceptions and shall return to the Department all payments made under the Contract to which exception has been taken, or which have been disallowed because of such an exception.

aw



CERTIFICATION REGARDING DRUG-FREE WORKPLACE REQUIREMENTS

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

ALTERNATIVE I - FOR GRANTEEES OTHER THAN INDIVIDUALS

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

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

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

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

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:

8/4/20
Date

[Signature]
Name: Arthur Mathisen
Title: President



CERTIFICATION REGARDING LOBBYING

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

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

Programs (indicate applicable program covered):

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

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

1. No Federal appropriated funds have been paid or will be paid by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement (and by specific mention sub-grantee or sub-contractor).
2. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement (and by specific mention sub-grantee or sub-contractor), the undersigned shall complete and submit Standard Form LLL, (Disclosure Form to Report Lobbying, in accordance with its instructions, attached and identified as Standard Exhibit E-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.

Vendor Name:

8/4/20
Date

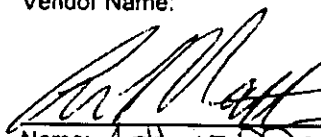

Name: Arthur Mathisen
Title: President

Exhibit E - Certification Regarding Lobbying

Vendor Initials

Date



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

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

INSTRUCTIONS FOR CERTIFICATION

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

cu
8/4/20



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

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

PRIMARY COVERED TRANSACTIONS

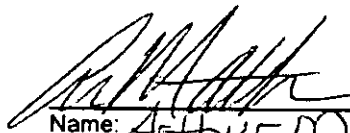
11. The prospective primary participant certifies to the best of its knowledge and belief, that it and its principals:
- 11.1. are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any Federal department or agency;
 -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

LOWER TIER COVERED TRANSACTIONS

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

Vendor Name:

8/4/20
Date


Name: Arthur Mathisen
Title: Resident

Vendor Initials

Date



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

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

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

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

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

Exhibit G

Vendor Initials

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

8/4/20

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

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

Vendor Name:

8/4/20
Date

[Signature]
Name: Arthur Mathisen
Title: President

Exhibit G

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

6/27/14
Rev. 10/21/14

Page 2 of 2

Vendor Initials

[Signature]
Date 8/4/20



CERTIFICATION REGARDING ENVIRONMENTAL TOBACCO SMOKE

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

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

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

Vendor Name:

8/4/20
Date

[Signature]
Name: Arthur Mathisen
Title: President



Exhibit I

**HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY
ACT (HIPAA) BUSINESS ASSOCIATE AGREEMENT**

Exhibit I is not applicable to this Agreement.

Remainder of page intentionally left blank.

Contractor Initials

Date

(Signature)
8/14/20



**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.

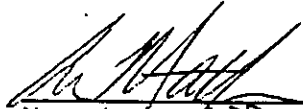
Prime grant recipients must submit FFATA required data by the end of the month, plus 30 days, in which the award or award amendment is made.

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:

8/14/20
Date


Name: Arthur Mathisen
Title: President

New Hampshire Department of Health and Human Services
Exhibit J



FORM A

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

1. The DUNS number for your entity is: 07-397-3752
2. In your business or organization's preceding completed fiscal year, did your business or organization receive (1) 80 percent or more of your annual gross revenue in U.S. federal contracts, subcontracts, loans, grants, sub-grants, and/or cooperative agreements; and (2) \$25,000,000 or more in annual gross revenues from U.S. federal contracts, subcontracts, loans, grants, subgrants, and/or cooperative agreements?

X NO _____ YES

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

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

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

_____ NO _____ YES

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

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

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

Name: _____	Amount: _____
Name: _____	Amount: _____
Name: _____	Amount: _____
Name: _____	Amount: _____
Name: _____	Amount: _____

C.W.
8/4/20

New Hampshire Department of Health and Human Services

Exhibit K

DHHS Information Security Requirements



A. Definitions

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

1. "Breach" means the loss of control, compromise, unauthorized disclosure, unauthorized acquisition, unauthorized access, or any similar term referring to situations where persons other than authorized users and for an other than authorized purpose have access or potential access to personally identifiable information, whether physical or electronic. With regard to Protected Health Information, "Breach" shall have the same meaning as the term "Breach" in section 164.402 of Title 45, Code of Federal Regulations.
2. "Computer Security Incident" shall have the same meaning "Computer Security Incident" in section two (2) of NIST Publication 800-61, Computer Security Incident Handling Guide, National Institute of Standards and Technology, U.S. Department of Commerce.
3. "Confidential Information" or "Confidential Data" means all confidential information disclosed by one party to the other such as all medical, health, financial, public assistance benefits and personal information including without limitation, Substance Abuse Treatment Records, Case Records, Protected Health Information and Personally Identifiable Information.

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

4. "End User" means any person or entity (e.g., contractor, contractor's employee, business associate, subcontractor, other downstream user, etc.) that receives DHHS data or derivative data in accordance with the terms of this Contract.
5. "HIPAA" means the Health Insurance Portability and Accountability Act of 1996 and the regulations promulgated thereunder.
6. "Incident" means an act that potentially violates an explicit or implied security policy, which includes attempts (either failed or successful) to gain unauthorized access to a system or its data, unwanted disruption or denial of service, the unauthorized use of a system for the processing or storage of data; and changes to system hardware, firmware, or software characteristics without the owner's knowledge, instruction, or consent. Incidents include the loss of data through theft or device misplacement, loss

aw

8/4/20

New Hampshire Department of Health and Human Services

Exhibit K

DHHS Information Security Requirements



or misplacement of hardcopy documents, and misrouting of physical or electronic mail, all of which may have the potential to put the data at risk of unauthorized access, use, disclosure, modification or destruction.

7. "Open Wireless Network" means any network or segment of a network that is not designated by the State of New Hampshire's Department of Information Technology or delegate as a protected network (designed, tested, and approved, by means of the State, to transmit) will be considered an open network and not adequately secure for the transmission of unencrypted PI, PFI, PHI or confidential DHHS data.
8. "Personal Information" (or "PI") means information which can be used to distinguish or trace an individual's identity, such as their name, social security number, personal information as defined in New Hampshire RSA 359-C:19, biometric records, etc., alone, or when combined with other personal or identifying information which is linked or linkable to a specific individual, such as date and place of birth, mother's maiden name, etc.
9. "Privacy Rule" shall mean the Standards for Privacy of Individually Identifiable Health Information at 45 C.F.R. Parts 160 and 164, promulgated under HIPAA by the United States Department of Health and Human Services.
10. "Protected Health Information" (or "PHI") has the same meaning as provided in the definition of "Protected Health Information" in the HIPAA Privacy Rule at 45 C.F.R. § 160.103.
11. "Security Rule" shall mean the Security Standards for the Protection of Electronic Protected Health Information at 45 C.F.R. Part 164, Subpart C, and amendments thereto.
12. "Unsecured Protected Health Information" means Protected Health Information that is not secured by a technology standard that renders Protected Health Information unusable, unreadable, or indecipherable to unauthorized individuals and is developed or endorsed by a standards developing organization that is accredited by the American National Standards Institute.

I. RESPONSIBILITIES OF DHHS AND THE CONTRACTOR

A. Business Use and Disclosure of Confidential Information.

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

aw

8/4/20

New Hampshire Department of Health and Human Services

Exhibit K

DHHS Information Security Requirements



2. The Contractor must not disclose any Confidential Information in response to a request for disclosure on the basis that it is required by law, in response to a subpoena, etc., without first notifying DHHS so that DHHS has an opportunity to consent or object to the disclosure.
3. If DHHS notifies the Contractor that DHHS has agreed to be bound by additional restrictions over and above those uses or disclosures or security safeguards of PHI pursuant to the Privacy and Security Rule, the Contractor must be bound by such additional restrictions and must not disclose PHI in violation of such additional restrictions and must abide by any additional security safeguards.
4. The Contractor agrees that DHHS Data or derivative there from disclosed to an End User must only be used pursuant to the terms of this Contract.
5. The Contractor agrees DHHS Data obtained under this Contract may not be used for any other purposes that are not indicated in this Contract.
6. The Contractor agrees to grant access to the data to the authorized representatives of DHHS for the purpose of inspecting to confirm compliance with the terms of this Contract.

II. METHODS OF SECURE TRANSMISSION OF DATA

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

aw

8/4/20

New Hampshire Department of Health and Human Services

Exhibit K

DHHS Information Security Requirements



8. Open Wireless Networks. End User may not transmit Confidential Data via an open wireless network. End User must employ a virtual private network (VPN) when remotely transmitting via an open wireless network.
9. Remote User Communication. If End User is employing remote communication to access or transmit Confidential Data, a virtual private network (VPN) must be installed on the End User's mobile device(s) or laptop from which information will be transmitted or accessed.
10. SSH File Transfer Protocol (SFTP), also known as Secure File Transfer Protocol. If End User is employing an SFTP to transmit Confidential Data, End User will structure the Folder and access privileges to prevent inappropriate disclosure of information. SFTP folders and sub-folders used for transmitting Confidential Data will be coded for 24-hour auto-deletion cycle (i.e. Confidential Data will be deleted every 24 hours).
11. Wireless Devices. If End User is transmitting Confidential Data via wireless devices, all data must be encrypted to prevent inappropriate disclosure of information.

III. RETENTION AND DISPOSITION OF IDENTIFIABLE RECORDS

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

A. Retention

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

New Hampshire Department of Health and Human Services

Exhibit K

DHHS Information Security Requirements



hacker, anti-spam, anti-spyware, and anti-malware utilities. The environment, as a whole, must have aggressive intrusion-detection and firewall protection.

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

B. Disposition

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

IV. PROCEDURES FOR SECURITY

- A. Contractor agrees to safeguard the DHHS Data received under this Contract, and any derivative data or files, as follows:
 1. The Contractor will maintain proper security controls to protect Department confidential information collected, processed, managed, and/or stored in the delivery of contracted services.
 2. The Contractor will maintain policies and procedures to protect Department confidential information throughout the information lifecycle, where applicable, (from creation,

aw

8/4/20

New Hampshire Department of Health and Human Services

Exhibit K

DHHS Information Security Requirements



transformation, use, storage and secure destruction) regardless of the media used to store the data (i.e., tape, disk, paper, etc.).

3. The Contractor will maintain appropriate authentication and access controls to contractor systems that collect, transmit, or store Department confidential information where applicable.
4. The Contractor will ensure proper security monitoring capabilities are in place to detect potential security events that can impact State of NH systems and/or Department confidential information for contractor provided systems.
5. The Contractor will provide regular security awareness and education for its End Users in support of protecting Department confidential information.
6. If the Contractor will be sub-contracting any core functions of the engagement supporting the services for State of New Hampshire, the Contractor will maintain a program of an internal process or processes that defines specific security expectations, and monitoring compliance to security requirements that at a minimum match those for the Contractor, including breach notification requirements.
7. The Contractor will work with the Department to sign and comply with all applicable State of New Hampshire and Department system access and authorization policies and procedures, systems access forms, and computer use agreements as part of obtaining and maintaining access to any Department system(s). Agreements will be completed and signed by the Contractor and any applicable sub-contractors prior to system access being authorized.
8. If the Department determines the Contractor is a Business Associate pursuant to 45 CFR 160.103, the Contractor will execute a HIPAA Business Associate Agreement (BAA) with the Department and is responsible for maintaining compliance with the agreement.
9. The Contractor will work with the Department at its request to complete a System Management Survey. The purpose of the survey is to enable the Department and Contractor to monitor for any changes in risks, threats, and vulnerabilities that may occur over the life of the Contractor engagement. The survey will be completed annually, or an alternate time frame at the Departments discretion with agreement by the Contractor, or the Department may request the survey be completed when the scope of the engagement between the Department and the Contractor changes.
10. The Contractor will not store, knowingly or unknowingly, any State of New Hampshire or Department data offshore or outside the boundaries of the United States unless prior express written consent is obtained from the Information Security Office leadership member within the Department.

aw

8/14/20

New Hampshire Department of Health and Human Services

Exhibit K

DHHS Information Security Requirements



11. Data Security Breach Liability. In the event of any security breach Contractor shall make efforts to investigate the causes of the breach, promptly take measures to prevent future breach and minimize any damage or loss resulting from the breach. To the extent such breach is caused by the actions or omissions of Contractor, the State shall recover from the Contractor all costs of response and recovery from the breach, including but not limited to: credit monitoring services, mailing costs and costs associated with website and telephone call center services necessary due to the breach.
12. Contractor must, comply with all applicable statutes and regulations regarding the privacy and security of Confidential Information, and must in all other respects maintain the privacy and security of PI and PHI at a level and scope that is not less than the level and scope of requirements applicable to federal agencies, including, but not limited to, provisions of the Privacy Act of 1974 (5 U.S.C. § 552a), DHHS Privacy Act Regulations (45 C.F.R. §5b), HIPAA Privacy and Security Rules (45 C.F.R. Parts 160 and 164) that govern protections for individually identifiable health information and as applicable under State law.
13. Contractor agrees to establish and maintain appropriate administrative, technical, and physical safeguards to protect the confidentiality of the Confidential Data and to prevent unauthorized use or access to it. The safeguards must provide a level and scope of security that is not less than the level and scope of security requirements established by the State of New Hampshire, Department of Information Technology. Refer to Vendor Resources/Procurement at <https://www.nh.gov/doit/vendor/index.htm> for the Department of Information Technology policies, guidelines, standards, and procurement information relating to vendors.
14. Contractor agrees to maintain a documented breach notification and incident response process. The Contractor will notify the State's Privacy Officer and the State's Security Officer of any security breach immediately, at the email addresses provided in Section VI. This includes a confidential information breach, computer security incident, or suspected breach which affects or includes any State of New Hampshire systems that connect to the State of New Hampshire network.
15. Contractor must restrict access to the Confidential Data obtained under this Contract to only those authorized End Users who need such DHHS Data to perform their official duties in connection with purposes identified in this Contract.
16. The Contractor must ensure that all End Users:
 - a. comply with such safeguards as referenced in Section IV A. above, implemented to protect Confidential Information that is furnished by DHHS under this Contract from loss, theft or inadvertent disclosure.
 - b. safeguard this information at all times.

ar

8/14/20

New Hampshire Department of Health and Human Services

Exhibit K

DHHS Information Security Requirements



- c. ensure that laptops and other electronic devices/media containing PHI, PI, or PFI are encrypted and password-protected.
- d. send emails containing Confidential Information only if encrypted and being sent to and being received by email addresses of persons authorized to receive such information.
- e. limit disclosure of the Confidential Information to the extent permitted by law.
- f. Confidential Information received under this Contract and individually identifiable data derived from DHHS Data, must be stored in an area that is physically and technologically secure from access by unauthorized persons during duty hours as well as non-duty hours (e.g., door locks, card keys, biometric identifiers, etc.).
- g. only authorized End Users may transmit the Confidential Data, including any derivative files containing personally identifiable information, and in all cases, such data must be encrypted at all times when in transit, at rest, or when stored on portable media as required in section IV above.
- h. in all other instances Confidential Data must be maintained, used and disclosed using appropriate safeguards, as determined by a risk-based assessment of the circumstances involved.
- i. understand that their user credentials (user name and password) must not be shared with anyone. End Users will keep their credential information secure. This applies to credentials used to access the site directly or indirectly through a third party application.

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

V. LOSS REPORTING

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

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

1. Identify Incidents;
2. Determine if personally identifiable information is involved in Incidents;

New Hampshire Department of Health and Human Services

Exhibit K

DHHS Information Security Requirements



3. Report suspected or confirmed Incidents as required in this Exhibit or P-37;
4. Identify and convene a core response group to determine the risk level of Incidents and determine risk-based responses to Incidents; and
5. Determine whether Breach notification is required, and, if so, identify appropriate Breach notification methods, timing, source, and contents from among different options, and bear costs associated with the Breach notice as well as any mitigation measures.

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

VI. PERSONS TO CONTACT

A. DHHS Privacy Officer:

DHHSPrivacyOfficer@dhhs.nh.gov

B. DHHS Security Officer:

DHHSInformationSecurityOffice@dhhs.nh.gov

aw
8/4/20

State of New Hampshire

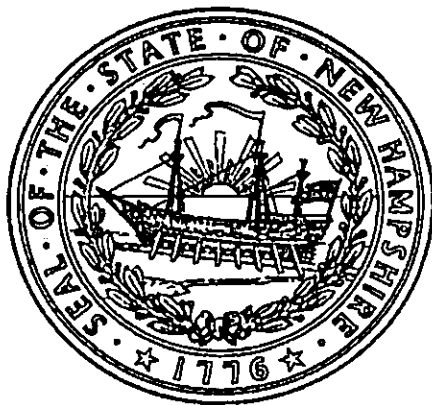
Department of State

CERTIFICATE

I, William M. Gardner, Secretary of State of the State of New Hampshire, do hereby certify that THE MEMORIAL HOSPITAL AT NORTH CONWAY, N.H. is a New Hampshire Nonprofit Corporation registered to transact business in New Hampshire on August 30, 1910. I further certify that all fees and documents required by the Secretary of State's office have been received and is in good standing as far as this office is concerned.

Business ID: 61784

Certificate Number: 0004846430



IN TESTIMONY WHEREOF,

I hereto set my hand and cause to be affixed
the Seal of the State of New Hampshire,
this 18th day of March A.D. 2020.

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

William M. Gardner
Secretary of State



Memorial Hospital
MaineHealth

August 6, 2020

State of NH
Attn: Contracts and Procurement Unit
Department of Health and Human Services
129 Pleasant Street
Concord, NH 03301-3857

To Whom It May Concern:

Please accept this letter as verification that the attached Corporate Resolution effective June 1, 2020 granting Arthur Mathisen, President, the authority to execute agreements and contracts on behalf of Memorial Hospital continues to be in full force and effect, and has not been revoked.

Sincerely,

MEMORIAL HOSPITAL

A handwritten signature in cursive script, appearing to read "Mary B DeVeau", written in dark ink.

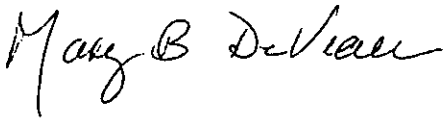
Mary DeVeau
Chair, Board of Trustees

THE MEMORIAL HOSPITAL AT NORTH CONWAY, N.H.

CORPORATE RESOLUTION

Resolved, that effective on the 1st of June, 2020, Arthur Mathisen, President, and Diana McLaughlin, Chief Financial Officer, of Memorial Hospital are hereby authorized and directed to execute and deliver lease agreements and contracts on behalf of Memorial Hospital and its subsidiaries under its corporate seal.

I, Mary DeVeau, Chair of the Board of Trustees of Memorial Hospital incorporated under the laws of the State of New Hampshire, hereby certify that the foregoing is a true copy of Resolution duly adopted by the Board of Directors of said corporation at a meeting duly held on the 17th day of June, 2020, at which a quorum was present and voting, and that the same has not been repealed or amended and remains in full force and effect and does not conflict with the by-laws of said corporation.



6/17/2020

Mary DeVeau, Board of Trustees Chair

Date

(Corporate Seal)



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
08/05/2020

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

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

PRODUCER Medical Mutual Insurance Company of Maine One City Center PO Box 15275 Portland, ME 04112		CONTACT NAME: PHONE (A/C, No, Ext): 2077752791 FAX (A/C, No): 2075238320 E-MAIL ADDRESS: INSURER(S) AFFORDING COVERAGE INSURER A: Medical Mutual Ins Co of Maine INSURER B: INSURER C: INSURER D: INSURER E: INSURER F:	
INSURED Memorial Hospital 3073 White Mountain Highway North Conway NH 03860		NAIC #	

COVERAGES

CERTIFICATE NUMBER:

REVISION NUMBER:

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

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR GENL AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC OTHER:			NH HPL 004270	10/01/2019	10/01/2020	EACH OCCURRENCE \$ 2,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 100,000 MED EXP (Any one person) \$ 5,000 PERSONAL & ADV INJURY \$ 2,000,000 GENERAL AGGREGATE \$ 4,000,000 PRODUCTS - COM/PROP AGG \$ 2,000,000
	AUTOMOBILE LIABILITY <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) \$
	UMBRELLA LIAB <input type="checkbox"/> OCCUR EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE DED <input type="checkbox"/> RETENTION \$						EACH OCCURRENCE \$ AGGREGATE \$
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N	N/A				PER STATUTE <input type="checkbox"/> OTH-ER <input type="checkbox"/> E.L. EACH ACCIDENT \$ E.L. DISEASE - EA EMPLOYEE \$ E.L. DISEASE - POLICY LIMIT \$
A	Professional Liability			NH HPL 004270	10/01/2019	10/01/2020	\$2,000,000/\$4,000,000

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

Evidence of Coverage

CERTIFICATE HOLDER

CANCELLATION

State of New Hampshire Department of Health & Human Services 129 Pleasant Street Concord, NH 03301	SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS. AUTHORIZED REPRESENTATIVE <i>Frank W. Lawrie</i>
---	---



Memorial Hospital

MaineHealth

Mission Statement

Memorial Hospital is committed to meeting the health needs of the Mt. Washington Valley and surrounding communities by serving with our community partners in the provision of accessible, comprehensive, compassionate, and quality healthcare.

Through the strategic planning process, Memorial Hospital identified the following strategic priorities:

1. *Workforce Development & Engagement*
2. *Quality Improvement & Patient Experience*
3. *Population Health & Wellness*
4. *Financial Performance*
5. *Service Delivery Transformation*



Memorial Hospital

MaineHealth

BOARD OFFICERS

Board Chair: Mary DeVeau
Vice Chair: Robert Irwin
Secretary: Michelle O'Donnell
Treasurer: Edward Kelly
Past Chair: Laura Jawitz

BOARD OF TRUSTEES ROSTER

Name & Email Address	Term Thru	Term Limit
Ray, Corinne corinne@rayrealtynh.com	2021	11/27
Kelly, Ed ed@ewkelly.com	2021	11/23
O'Donnell, Michelle annewilliamsodonnell@gmail.com	2021	11/23
DeVeau, Mary mbdeveau@gmail.com	2022	11/25
Irwin, Bob Bobirwin56@gmail.com	2022	11/25
Terry, Linda Lmt06070@aol.com	2022	11/28
Scott, Tim tgscott@countryconsultinggroup.com	2022	11/28
Chase, Zack zchase@memorialhospitalnh.org	2023	11/29

HONORARY TRUSTEE(S)

Name & Email Address	Term Start	Term Limit
Jawitz, Laura ljawitz@hotmail.com	12/19	N/A

Art Mathisen
Mary Vigeant, APRN
Rich Petersen

President – Ex Officio
Medical Staff President – Ex Officio
MaineHealth President – Ex Officio

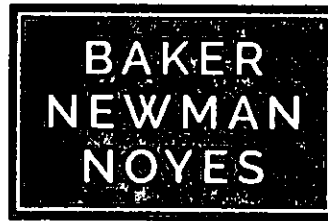
amathisen@memorialhospitalnh.org
mvigeant@memorialhospitalnh.org
richard.petersen@mainehealth.org

Becky Adams

Executive Assistant

badams1@memorialhospitalnh.org

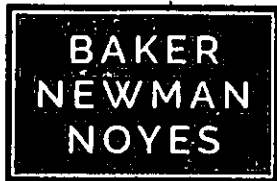
01/01/2020



**The Memorial Hospital at
North Conway, N.H. and Subsidiaries**

Audited Consolidated Financial Statements

For the Years Ended September 30, 2019 and 2018



Baker Newman & Noyes LLC
MAINE | MASSACHUSETTS | NEW HAMPSHIRE
800.244.7444 | www.bnn CPA.com

INDEPENDENT AUDITORS' REPORT

Board of Trustees
The Memorial Hospital at North Conway, N.H.

We have audited the accompanying consolidated financial statements of The Memorial Hospital at North Conway, N.H. and Subsidiaries ("the Hospital") which comprise the consolidated balance sheets as of September 30, 2019 and 2018, the related consolidated statements of operations, changes in net assets and cash flows for the years then ended, and the related notes to the consolidated financial statements (collectively, the financial statements).

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Board of Trustees
The Memorial Hospital at North Conway, N.H.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Hospital as of September 30, 2019 and 2018, the results of its operations, changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matters

As discussed in Note 2 to the consolidated financial statements, in 2019, the Hospital adopted the provisions of Accounting Standards Update (ASU) No. 2014-09, *Revenue from Contracts with Customers*, and ASU 2016-14, *Presentation of Financial Statements for Not-for-Profit Entities*. Our opinion is not modified with respect to these matters.

Baker Newman + Noyes LLC

Portland, Maine
February 7, 2020

THE MEMORIAL HOSPITAL AT NORTH CONWAY, N.H. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

September 30, 2019 and 2018

ASSETS

	<u>2019</u>	<u>2018</u>
Current assets:		
Cash and cash equivalents	\$ 8,727,158	\$16,243,053
Investments (notes 4 and 5)	16,318,143	10,077,605
Patient accounts receivable (notes 3 and 8)	9,133,057	9,791,792
Due from Maine Healthcare and other member organizations	32,039	—
Other receivables	452,942	272,450
Inventories	2,422,314	2,039,482
Prepaid expenses	<u>461,693</u>	<u>248,512</u>
Total current assets	37,547,346	38,672,894
Investments whose use is limited by (notes 4 and 5):		
Specific purpose funds	459,818	386,141
Board designated funds	20,346,097	20,387,703
Funds functioning as endowment	<u>663,823</u>	<u>613,823</u>
Total investments whose use is limited	21,469,738	21,387,667
Property, plant and equipment, net (notes 6 and 8)	32,891,886	33,521,170
Other assets (note 7)	10,092,356	4,508,855
	<hr/>	<hr/>
Total assets	<u>\$102,001,326</u>	<u>\$98,090,586</u>

LIABILITIES AND NET ASSETS

	<u>2019</u>	<u>2018</u>
Current liabilities:		
Accounts payable and accrued expenses	\$ 1,586,051	\$ 2,070,071
Accrued salaries, wages and related amounts	996,063	1,407,939
Accrued earned time	1,256,570	1,147,589
Accrued interest	243,921	252,408
Estimated third-party payor settlements (note 3)	15,110,551	15,275,348
Deferred revenue	136,465	278,234
Due to Maine Healthcare and other member organizations (note 13)	2,399,636	2,406,815
Current portion of long-term debt	<u>814,061</u>	<u>775,272</u>
Total current liabilities	22,543,318	23,613,676
Long-term debt, less current portion (note 8)	14,207,119	15,052,240
Amounts payable to affiliated entities (note 14)	4,831,150	2,503,384
Other long-term liabilities (note 12)	<u>4,387,231</u>	<u>1,197,068</u>
Total liabilities	45,968,818	42,366,368
Net assets:		
Without donor restrictions	54,908,867	54,724,254
With donor restrictions (note 9)	<u>1,123,641</u>	<u>999,964</u>
Total net assets	<u>56,032,508</u>	<u>55,724,218</u>
Total liabilities and net assets	<u>\$102,001,326</u>	<u>\$98,090,586</u>

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

THE MEMORIAL HOSPITAL AT NORTH CONWAY, N.H. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF OPERATIONS

For the Years Ended September 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Revenue and other support without donor restrictions:		
Patient service revenue	\$74,898,493	\$72,744,366
Assets released from restriction for operations	138,499	212,426
Other revenue (note 2)	<u>2,856,109</u>	<u>2,378,298</u>
Total revenue and other support without donor restrictions	77,893,101	75,335,090
Expenses (notes 11 and 13):		
Salaries and wages	30,594,065	29,121,190
Employee benefits (note 2)	7,692,909	7,311,247
Supplies	9,969,491	11,171,148
Professional fees and purchased services	16,826,999	15,190,272
Facility and other costs	3,667,031	3,338,377
State taxes (note 3)	3,276,960	3,138,984
Interest (note 8)	886,922	837,448
Depreciation and amortization (notes 6 and 7)	<u>4,815,931</u>	<u>3,980,416</u>
Total expenses	<u>77,730,308</u>	<u>74,089,082</u>
Income from operations	162,793	1,246,008
Nonoperating gains (losses):		
Gifts and donations without donor restrictions	35	817
Investment income (note 4)	475,161	317,572
Recognized (loss) gain in fair value of investments (note 4)	(189,189)	1,639,523
Gain (loss) on sale of property, plant and equipment	<u>638</u>	<u>(64,877)</u>
	<u>286,645</u>	<u>1,893,035</u>
Excess of revenue over expenses	\$ <u>449,438</u>	\$ <u>3,139,043</u>

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

THE MEMORIAL HOSPITAL AT NORTH CONWAY, N.H. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN NET ASSETS

For the Years Ended September 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Revenue and other support without donor restrictions:		
Excess of revenue over expenses	\$ 449,438	\$ 3,139,043
Change in unrealized loss on investments (note 4)	—	(415,965)
Net assets released from restriction for property, plant and equipment	27,540	63,515
Equity transfer to Maine Healthcare (note 13)	<u>(292,365)</u>	<u>(270,088)</u>
Increase in net assets without donor restrictions	184,613	2,516,505
Net assets with donor restrictions:		
Gifts and donations	289,716	230,170
Net assets released from restriction for operations	(138,499)	(212,426)
Net assets released from restriction for property, plant and equipment	<u>(27,540)</u>	<u>(63,515)</u>
Increase (decrease) in net assets with donor restrictions	<u>123,677</u>	<u>(45,771)</u>
Increase in net assets	308,290	2,470,734
Net assets, beginning of year	<u>55,724,218</u>	<u>53,253,484</u>
Net assets, end of year	<u>\$56,032,508</u>	<u>\$55,724,218</u>

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

THE MEMORIAL HOSPITAL AT NORTH CONWAY, N.H. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

For the Years Ended September 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Cash flows from operating activities:		
Increase in net assets	\$ 308,290	\$ 2,470,734
Adjustment to reconcile increase in net assets to net cash (used) provided by operating activities:		
Depreciation and amortization	4,815,931	3,980,416
Accretion of bond issuance cost and premium, net	(23,452)	(23,453)
Transfer to Maine Healthcare	292,365	270,088
Recognized loss (gain) on investments	189,189	(1,223,558)
Restricted contributions and income	(289,716)	(230,170)
Increase (decrease) in cash resulting from a change in:		
Patient accounts receivable	658,735	1,458,714
Other receivables	(180,492)	(95,198)
Inventories	(382,832)	66,648
Prepaid expenses	(213,181)	278,378
Other assets	(6,764,948)	(3,301,028)
Estimated third-party payor settlements	(164,797)	1,997,823
Accounts payable, accrued expenses and accrued interest	(492,507)	101,174
Accrued salaries, wages and related amounts	(411,876)	662,351
Accrued earned time	108,981	(242,868)
Deferred revenue	(141,769)	(4,491)
Other long-term liabilities	3,190,163	392,715
Due to MaineHealth and other member organizations	<u>(1,026,909)</u>	<u>758,178</u>
Net cash (used) provided by operating activities	(528,825)	7,316,453
Cash flows from investing activities:		
Purchase of investments	(6,511,798)	(12,773,492)
Purchases of property, plant and equipment	(3,007,596)	(3,280,462)
Proceeds from sale of property, plant and equipment	3,034	—
(Gain) loss on sale of property, plant and equipment	(638)	64,877
Proceeds from sale of investments	<u>—</u>	<u>4,931,052</u>
Net cash used by investing activities	(9,516,998)	(11,058,025)
Cash flows from financing activities:		
Proceeds from note payable to MaineHealth	3,315,457	2,666,051
Repayments of long-term debt	(613,919)	(584,468)
Repayment on capital lease obligations	(168,961)	(144,876)
Restricted contributions and income	289,716	230,170
Transfer to MaineHealth	<u>(292,365)</u>	<u>(270,088)</u>
Net cash provided by financing activities	<u>2,529,928</u>	<u>1,896,789</u>
Net decrease in cash and cash equivalents	(7,515,895)	(1,844,783)
Cash and cash equivalents at beginning of year	<u>16,243,053</u>	<u>18,087,836</u>
Cash and cash equivalents at end of year	<u>\$ 8,727,158</u>	<u>\$ 16,243,053</u>
Supplemental disclosure of cash flow information:		
Cash paid during the year for interest	<u>\$ 871,445</u>	<u>\$ 868,568</u>

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

THE MEMORIAL HOSPITAL AT NORTH CONWAY, N.H. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2019 and 2018

1. Reporting Entity

Organization

The Memorial Hospital at North Conway, N.H. (the Hospital) is a nonprofit hospital which provides acute care and long-term care services to residents of North Conway and the surrounding communities. The Memorial Hospital Foundation (the Foundation) was organized during 2014 for charitable purposes to act exclusively for the benefit of the Hospital. Memorial Elder Health Services (MEHS) was organized during 2017 to serve the long-term care needs of the community. MEHS began operations in 2019. The Hospital is the sole member of the Foundation and MEHS.

The Hospital is a subsidiary of MaineHealth Services (formerly name MaineHealth) located in Portland, Maine, which is an integrated health care delivery system serving southern, western and central Maine, and east central New Hampshire.

The subsidiaries of MaineHealth Services include MaineHealth, NorDx, MaineHealth Care at Home, and The Memorial Hospital of N. H. The subsidiary MaineHealth, whose former legal name was Maine Medical Center, includes eight acute care hospitals that were formally individual entities until the execution of a unification merger effective January 1, 2019. These hospitals are now local health systems within the subsidiary named MaineHealth utilizing DBAs of Maine Medical Center, Southern Maine Health Care, LincolnHealth, Western Maine Healthcare (Stephens Memorial Hospital), Franklin Community Health Network (Franklin Memorial Hospital), Maine Behavioral Healthcare, and Coastal Healthcare Alliance (Waldo County General Hospital and Pen Bay Medical Center). The merger enables the combined resources of the merging entities to be allocated in a manner that is consistent with the system's mission of helping make the communities it serves the healthiest in America.

MaineHealth Services, together with its controlled subsidiaries MaineHealth and the Memorial Hospital at North Conway, N.H., maintained a controlling interest in MaineHealth Accountable Care Organization, LLC (MaineHealth ACO), a valued based contracting entity.

All activity with these other entities is disclosed as activity with other member organizations.

2. Significant Accounting Policies

The accounting policies that affect the more significant elements of the financial statements are summarized below:

Principles of Consolidation

The accompanying financial statements include the accounts of the Hospital, MEHS and the Foundation, which are collectively referred to as the "Hospital" herein. All material intercompany accounts and transactions have been eliminated in consolidation.

THE MEMORIAL HOSPITAL AT NORTH CONWAY, N.H. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2019 and 2018

2. Significant Accounting Policies (Continued)

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. The most significant areas which are affected by the use of estimates are patient accounts receivable and estimated third-party payor settlements.

Cash and Cash Equivalents

Cash and cash equivalents include all demand deposit accounts, short-term money market accounts and certificates of deposit with original maturities of three months or less, excluding cash within investments and amounts classified as investments whose use is limited.

Patient Accounts Receivable

Patient accounts receivable are stated at the amount management expects to collect from outstanding balances. Balances that are still outstanding after management has used reasonable collection efforts are written off.

Prior to October 1, 2018, management of the Hospital and its affiliates provided for probable uncollectable accounts through a charge to the provision for bad debts and a credit to a valuation allowance based on its assessment of individual accounts and historical adjustments. Under the provisions of Accounting Standards Update (ASU) No. 2014-09, *Revenue from Contracts with Customers*, which was adopted effective October 1, 2018, when the Hospital has an unconditional right to payment, subject only to the passage of time, the right is treated as a receivable. Patient accounts receivable, including billed accounts and unbilled accounts for which there is an unconditional right to payment, and estimated amounts due from third-party payors for retroactive adjustments, are receivables if the right to consideration is unconditional and only the passage of time is required before payment of that consideration is due. For patient accounts receivable subsequent to the adoption of ASU 2014-09 on October 1, 2018, the estimated uncollectable amounts are generally considered implicit price concessions that are a direct reduction to patient accounts receivable rather than allowance for doubtful accounts.

THE MEMORIAL HOSPITAL AT NORTH CONWAY, N.H. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2019 and 2018

2. Significant Accounting Policies

Investments

The fair value topic of the Accounting Standards Codification (ASC) defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (an exit price). Under GAAP, certain assets and liabilities must be measured at fair value, and disclosures are required for items measured at fair value. Entities may elect to report financial instruments and certain other items at fair value on a contract-by-contract basis with changes in value reported in the excess of revenue over expenses. The Hospital elected to exclude the change in fair value, and unrealized gains and losses, from the excess of revenue over expenses for investments and investments whose use is limited purchased prior to 2017. Throughout 2018 the existing investment portfolio was sold and new investments held by Maine Medical Center were purchased. At September 30, 2019 and 2018, investments and investments whose use is limited in the amount of \$36,577,864 and \$30,386,778, respectively, were held by Maine Medical Center and the related change in fair value is reflected in the excess of revenue over expenses. The change in unrealized gains and losses decreased \$415,965 in 2018 as a result of the sale of investments purchased prior to 2017. This decrease is included in the increase in net assets without donor restrictions.

Investments are measured at fair value on the balance sheet. Investment income, including realized gains and losses on investments, interest and dividends, is included in the excess of revenue over expenses unless the income is restricted by donor or law. Gains and losses on sales of investments are computed based on specific identification of the investment sold.

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 balance sheets, statements of operations, and changes in net assets.

Inventories

Inventories are carried at the lower of cost (determined by the first-in, first-out method) or net realizable value.

Investments Whose Use is Limited

Investments whose use is limited primarily includes designated investments set aside by the Board of Trustees for future capital improvements over which the Board retains control and may at its discretion subsequently use for other purposes. In addition, investments whose use is limited include investments restricted by donors for specific purposes or periods, as well as investments restricted by donors to be held in perpetuity by the Hospital, and the related appreciation on those investments. Amounts required to meet current liabilities of the Hospital have been classified as current assets.

THE MEMORIAL HOSPITAL AT NORTH CONWAY, N.H. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2019 and 2018

2. Significant Accounting Policies (Continued)

Property, Plant and Equipment

Property, plant and equipment are recorded at cost. The carrying value is reviewed if the facts and circumstances suggest that it may be impaired. Depreciation is provided over the estimated useful life of each class of depreciable assets and is computed using the straight-line method. Equipment under capital lease obligations is amortized on the straight-line method over the shorter period of the lease term or the estimated useful life of the equipment. Such amortization is included in depreciation and amortization in the accompanying financial statements. Interest costs incurred on borrowed funds during the period of construction of capital assets are capitalized as a component of acquiring those assets.

Gifts of long-lived assets such as land, buildings or equipment are reported as increases in net assets without donor restrictions and are excluded from the excess of revenue over expenses. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as net assets with donor restrictions. Absent explicit donor stipulation about how long those long-lived assets must be maintained, expirations of donor restrictions are reported when the donated or acquired long-lived assets are placed in service.

Net Assets With Donor Restrictions

Net assets with donor restrictions are those subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Hospital or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Donor-Restricted Gifts

Unconditional promises to give cash and other assets to the Hospital are reported at fair value at the date the promise is received. Conditional promises to give are recognized when the conditions are substantially met. The gifts are reported as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified as net assets without donor restrictions and reported in the statement of operations as net assets released from restriction.

Income From Operations

Revenue which is related to patient medical care and which is normal to day-to-day operations of the Hospital is included in operating income. Activities that result in gains and losses unrelated to the Hospital's primary mission are considered to be nonoperating. Nonoperating gains and losses include gifts and donations, return on investments and other miscellaneous amounts.

THE MEMORIAL HOSPITAL AT NORTH CONWAY, N.H. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2019 and 2018

2. Significant Accounting Policies (Continued)

Excess of Revenue Over Expenses

The accompanying statements of operations include excess of revenue over expenses. Changes in net assets without donor restrictions which are excluded from excess of revenue over expenses include equity transfers to MaineHealth, certain changes in unrealized gains or losses on investments and contributions for long-lived assets (including assets acquired using contributions, which by donor restriction were to be used for the purposes of acquiring such assets).

Patient Service Revenue

Effective October 1, 2018 upon the adoption of ASU 2014-09, accounting policies were revised and patient service revenue is reported at the amount that reflects the consideration to which the Hospital expects to be entitled in exchange for providing patient care. These amounts are due from patients, third-party payors (including health insurers and government programs), and others and include variable consideration (reductions to revenue) for retroactive revenue adjustments due to settlement of ongoing and future audits, reviews, and investigations.

The Hospital uses a portfolio approach to account for categories of patient contracts as a collective group rather than recognizing revenue on an individual contract basis. The portfolios primarily consist of major types of payors. Based on historical collection trends and other analyses, the Hospital believes that revenue recognized by utilizing the portfolio approach approximates the revenue that would have been recognized if an individual contract approach were used.

Charity Care

The Hospital accepts all patients regardless of their ability to pay. A patient qualifies for free care based upon certain established policies of the Hospital. These policies define free care as those services for which no payment is anticipated. Free care provided is not included in patient service revenue. Costs and expenses incurred in providing these services are included in operating expenses.

Meaningful Use

The Hospital has implemented Electronic Health Record Technology (EHR) effective December 1, 2018. The Hospital qualified and applied for meaningful use incentive payments from Medicare and Medicaid related to the implementation of EHR as provided for under the Health Information Technology for Economic and Clinical Health Act. As a result, the Hospital recognized \$72,250 of other revenue associated with these payments for the year ended September 30, 2018. There were no amounts recognized in 2019.

THE MEMORIAL HOSPITAL AT NORTH CONWAY, N.H. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2019 and 2018

2. Significant Accounting Policies (Continued)

Employee Benefit Plan

The Hospital has a tax-sheltered annuity plan under which contributions can be made into the plan by all employees. The Hospital makes contributions to the plan, computed at a percentage of yearly earnings, for eligible employees with one year of service. Hospital contributions charged to operations amounted to \$601,192 and \$543,603 during the years ended September 30, 2019 and 2018, respectively. This plan was terminated on January 2, 2019 and all assets were either distributed from the plan to participants or transferred to the MaineHealth 403(b) Retirement Plan. All future contributions will be contributed to the MaineHealth 403(b) Retirement Plan.

Accretion/Amortization

Bond premiums are accreted over the term of the bonds using a method approximating the effective interest method. Bond issuance costs and intangibles are amortized using the straight-line method over their estimated useful lives.

Income Taxes

The Hospital and its subsidiaries are not-for-profit corporations and have been recognized as tax-exempt pursuant to Section 501(c)(3) of the Internal Revenue Code.

Tax-exempt organizations could be required to record an obligation for income taxes as the result of a tax position they have historically taken on various tax exposure items including unrelated business income or tax status. Under guidance issued by the Financial Accounting Standards Board (FASB), assets and liabilities are established for uncertain tax positions taken or positions expected to be taken in income tax returns when such positions are judged to not meet the "more-likely-than-not" threshold, based upon the technical merits of the position. Estimated interest and penalties, if applicable, related to uncertain tax positions are included as a component of income tax expense.

The Hospital has evaluated the position taken on its filed tax returns. The Hospital has concluded no uncertain income tax positions exist at September 30, 2019.

Subsequent Events

Events occurring after the balance sheet date are evaluated by management to determine whether such events should be recognized or disclosed in the financial statements. Management has evaluated subsequent events through February 7, 2020 which is the date the financial statements were available to be issued.

THE MEMORIAL HOSPITAL AT NORTH CONWAY, N.H. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2019 and 2018

2. Significant Accounting Policies (Continued)

New Accounting Pronouncements

In May 2014, the Financial Accounting Standards Board (FASB) issued ASU No. 2014-09, *Revenue from Contracts with Customers*, which replaces most existing revenue recognition guidance in U.S. generally accepted accounting principles (GAAP) and is intended to improve and converge with international standards the financial reporting requirements for recognizing revenue from contracts with customers. The core principle of ASU 2014-09 is that an entity should recognize revenue for the transfer of goods or services equal to the amount that it expects to be entitled to receive for those goods or services. ASU 2014-09 also requires additional disclosures about the nature, timing and uncertainty of revenue and cash flows arising from customer contracts, including significant judgments and changes in judgments. Effective October 1, 2018, the Hospital has elected the full retrospective application for the adoption of the guidance to all contracts under scope of the guidance and there was no material impact to the Hospital related to its existing revenue streams. Periods prior to adoption have been displayed to conform to the net presentation of a single patient service revenue total in the consolidated statements of operations. Previously, the period ended September 30, 2018 included separate lines for patient revenue prior to provision for bad debts of \$78,246,143, provision for bad debts of \$5,501,777, and net patient service revenue less provision for bad debts of \$72,744,366. The related presentation of "allowances for doubtful accounts" on the consolidated balance sheets has also been eliminated as a result of the adoption of the standard.

In August 2016, the FASB issued ASU 2016-14, *Not-for-Profit Entities (Topic 958) (ASU 2016-14) – Presentation of Financial Statements of Not-for-Profit Entities*. The update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return. ASU 2016-14 is effective for the Hospital for the year ended September 30, 2019. The Hospital has adjusted the presentation of these statements and related footnotes accordingly. The ASU has been applied retrospectively to all periods presented. Previously, the consolidated balance sheets displayed temporarily restricted net assets of \$386,141 and permanently restricted net assets of \$613,823.

In June 2018, the FASB issued ASU No. 2018-08, *Not-for-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. The Hospital has elected to early adopt ASU 2018-08 for the year ended September 30, 2019 and has applied the standard on a modified prospective basis. The amendments in this update assists entities in (1) evaluating whether transactions should be accounts for as contributions (nonreciprocal transactions) with the scope of Topic 958, or as exchange (reciprocal) transactions subject to other guidance and (2) determining whether a contribution is conditional. The application of the guidance did not have a material impact on the consolidated financial statements.

THE MEMORIAL HOSPITAL AT NORTH CONWAY, N.H. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2019 and 2018

2. Significant Accounting Policies (Continued)

Prospective Accounting Pronouncements

In February 2016, the FASB issued ASU No. 2016-02, *Leases (Topic 842)* (ASU 2016-02). Under ASU 2016-02, at the commencement of a long-term lease, lessees will recognize a liability equivalent to the discounted payments due under the lease agreement, as well as an offsetting right-of-use asset. ASU 2016-02 is effective for the Hospital on October 1, 2019, with early adoption permitted. Lessees (for capital and operating leases) must apply a modified retrospective transition approach for leases existing at, or entered into after, the beginning of the earliest comparative period presented in the financial statements. The modified retrospective approach would not require any transition accounting for leases that expired before the earliest comparative period presented. Lessees may not apply a full retrospective transition approach. The Hospital is currently evaluating the impact of the pending adoption of ASU 2016-02 on the financial statements.

3. Patient Service Revenue

In May 2014, the FASB issued a new standard related to revenue recognition. The Hospital adopted the new standard effective October 1, 2018, using the full retrospective method. The adoption of the new standard did not have an impact on the recognition of revenues for any periods prior to adoption. The most significant impact of adopting the new standard is the presentation of the consolidated statements of operations, where the "provision for bad debt" is no longer presented as a separate line item and "net patient service revenue" is presented net of estimated implicit price concession revenue deductions. The related presentation of "allowances for doubtful accounts" has also been eliminated from the consolidated balance sheets as a result of the adoption of the new standard.

Revenues generally relate to contracts with patients in which the Hospital's performance obligations are to provide health care services to patients. Revenues are recorded during the period obligations to provide health care services are satisfied. Performance obligations for inpatient services are generally satisfied over a period of days. Performance obligations for outpatient services are generally satisfied over a period of less than one day. The contractual relationships with patients, in most cases, also involve a third-party payor (Medicare, Medicaid, managed care health plans and commercial insurance companies, including plans offered through the health insurance exchanges) and the transaction prices for the services provided are dependent upon the terms provided by Medicare and Medicaid or negotiated with managed care health plans and commercial insurance companies, the third-party payors. The payment arrangements with third-party payors for the services provided to related patients typically specifies payments at amounts less than standard charges. Medicare generally pays for inpatient and outpatient services at prospectively determined rates based on clinical, diagnostic and other factors. Services provided to patients having Medicaid coverage are generally paid at prospectively determined rates, per discharge, per identified service or per covered member. Agreements with commercial insurance carriers, managed care and preferred provider organizations generally provide for payments based upon predetermined rates per diagnosis, per diem rates or discounted fee-for-service rates. Management continually reviews the revenue recognition process to consider and incorporate updates to laws and regulations and the frequent changes in managed care contractual terms resulting from contract renegotiations and renewals.

THE MEMORIAL HOSPITAL AT NORTH CONWAY, N.H. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2019 and 2018

3. Patient Service Revenue (Continued)

Revenues are based upon estimated amounts that the Hospital expects to be entitled to receive from patients and third-party payors. Revenues under managed care and commercial insurance plans are based upon the payment terms specified in the related contractual agreements. Revenues related to uninsured patients and uninsured copayment and deductible amounts for patients who have health care coverage may have discounts applied (uninsured discounts and contractual discounts) and the recorded revenue is based primarily on historical collection experience.

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

Medicare and Medicaid Programs - The Hospital converted to a critical access hospital (CAH) on November 1, 2004. CAHs are paid based upon cost for most Medicare services. Medicaid acute care services are paid based on a prospectively determined fixed price depending on the type of illness or the patient's diagnostic-related group classification. The Hospital is reimbursed based upon cost for Medicaid outpatient services. The Hospital receives payment for Medicare and Medicaid inpatient and outpatient services on a reasonable cost basis, which is settled with retroactive adjustments upon completion and audit of related cost reports. The Hospital's cost reports have been audited and settled through June 30, 2011 for Medicare and Medicaid.

Laws and regulations governing the Medicare and Medicaid programs are complex and subject to interpretation. The Hospital believes that it is in compliance with all laws and regulations, and is not aware of any pending or threatened investigations involving allegations of potential wrongdoing. While no such regulatory inquiries have been made, compliance with such laws and regulations can be subject to future government review and interpretation, as well as significant regulatory action including fines, penalties and exclusion from the Medicare and Medicaid programs. As a result, there is at least a reasonable possibility that recorded estimates will change by a material amount in the near term. Differences between amounts previously estimated and amounts subsequently determined to be recoverable or payable are included in patient service revenue in the year that such amounts become known. The differences between amounts previously estimated and amounts subsequently determined to be recoverable from third-party payors increased patient service revenue by approximately \$203,000 and \$980,000 during the years ended September 30, 2019 and 2018, respectively. Revenues for all patient services from the Medicare and Medicaid programs accounted for approximately 47% and 51% of the Hospital's patient service revenue for the years ended September 30, 2019 and 2018, respectively.

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 (CMS). Amounts recorded by the Hospital are therefore subject to change. The Hospital estimated and recorded the impact of DSH settlements for the years subject to audit from fiscal year 2012 through September 30, 2019. The disproportionate share payments amounted to \$6,227,555 and \$4,872,295 for the years ended September 30, 2019 and 2018, respectively, and are recorded as an increase in patient service revenue.

THE MEMORIAL HOSPITAL AT NORTH CONWAY, N.H. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2019 and 2018

3. Patient Service Revenue (Continued)

The Hospital pays a patient service revenue tax of 5.5%, which amounted to \$3,090,513 and \$2,937,914 for the years ended September 30, 2019 and 2018, respectively, which are recorded as operating expenses. In addition, the Hospital paid \$186,447 and \$201,070 in resident service revenue tax for the years ended September 30, 2019 and 2018, respectively.

Nongovernmental Payors - The Hospital also maintains contracts with Blue Cross and various other payors, which pay the Hospital for services based on charges with varying discounts.

Uninsured Patients - The Hospital does not pursue collection of amounts determined to qualify as charity care; therefore they are not reported as net revenues.

The Hospital has a formal charity care policy under which patient care is provided to patients who meet certain criteria without charge or at amounts less than its established rates. The Hospital rendered charity care in accordance with its formal charity care policy, which, at established charges, amounted to \$1,147,284 and \$1,122,810 for the years ended September 30, 2019 and 2018, respectively. The estimated cost of charity includes the direct and indirect cost of providing charity care services, offset by revenues received from financial assistance donations. The cost is estimated by utilizing a ratio of cost to gross charges applied to the gross uncompensated charges associated with providing charity care. The cost of charity care provided amounted to \$624,126 and \$599,337 for the years ended September 30, 2019 and 2018, respectively. There were no donations received to offset charity services provided for the years ended September 30, 2019 and 2018.

The Hospital provides 100% free care to anyone whose income falls below 175% of the federal poverty level. In addition, the Hospital offers a self-pay discount for patients who are uninsured.

Patient service revenues by payor are as follows for the years ended September 30:

	<u>2019</u>	<u>2018</u>
Medicare	\$29,069,528	\$27,711,756
Medicaid	12,295,099	10,288,164
Anthem Blue Cross and Blue Shield	11,180,617	6,496,922
Other third-party payors	14,913,497	25,274,710
Patients	<u>7,439,752</u>	<u>2,972,814</u>
Patient service revenue	<u>\$74,898,493</u>	<u>\$72,744,366</u>

THE MEMORIAL HOSPITAL AT NORTH CONWAY, N.H. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2019 and 2018

4. Investments Whose Use is Limited

The composition of investments whose use is limited as well as the composition of those investments at September 30 are set forth in the following table:

	<u>2019</u>	<u>2018</u>
Investments – current assets	\$16,318,143	\$10,077,605
Investments whose use is limited	<u>21,469,738</u>	<u>21,387,667</u>
	<u>\$37,787,881</u>	<u>\$31,465,272</u>

The composition of investments is as follows at September 30:

	<u>2019</u>	<u>2018</u>
Cash and cash equivalents	\$ 1,210,017	\$ 1,078,494
Cash and cash equivalents held by Maine Medical Center	16,318,143	10,076,522
Pooled investments held by Maine Medical Center	<u>20,259,721</u>	<u>20,310,256</u>
	<u>\$37,787,881</u>	<u>\$31,465,272</u>

Investments whose use is limited include amounts restricted by donors as well as amounts designated by the Board.

Maine Medical Center invests certain assets on behalf of the Hospital. Maine Medical Center invests the amount in a pooled investment fund and allocates the return from the investment pool to the Hospital. The investment pool is invested in a variety of investments and amounts are available to the Hospital on demand.

Pooled investments held at Maine Medical Center consist of the following at September 30, 2019:

U.S. equity	25%
Global equity	26
Emerging markets	10
Marketable alternatives	19
Bonds	14
Marketable hard assets	6

Investment income and (losses) gains consisted of the following for the years ended September 30:

	<u>2019</u>	<u>2018</u>
Interest and dividends, net of expenses	\$ 475,161	\$ 317,572
Recognized (losses) gains on investments	<u>(189,189)</u>	<u>1,223,558</u>
	<u>\$ 285,972</u>	<u>\$ 1,541,130</u>

THE MEMORIAL HOSPITAL AT NORTH CONWAY, N.H. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2019 and 2018

5. Fair Value of Financial Instruments

GAAP has established a fair value hierarchy that results in classification of assets and liabilities within three different levels. Financial assets and liabilities carried at fair value are classified and disclosed in one of the following three categories:

Level 1 – Valuations for assets and liabilities traded in active exchange markets, such as the New York Stock Exchange. Valuations are obtained from readily available pricing sources for market transactions involving identical assets or liabilities.

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

Level 3 – Valuations for assets and liabilities not based on market exchange transactions are classified as Level 3. Level 3 valuations incorporate certain assumptions in determining the fair value assigned to such assets or liabilities.

In determining the appropriate levels, the Hospital performs a detailed analysis of the assets that are subject to fair value measurements.

The following tables present the balances of assets and liabilities measured at fair value at September 30 on a recurring basis:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>2019</u>				
Cash and cash equivalents	\$ 1,210,017	\$ —	\$ —	\$ 1,210,017
Investments held by Maine Medical Center	<u>—</u>	<u>36,577,864</u>	<u>—</u>	<u>36,577,864</u>
	<u>\$ 1,210,017</u>	<u>\$36,577,864</u>	<u>\$ —</u>	<u>\$37,787,881</u>
<u>2018</u>				
Cash and cash equivalents	\$ 1,078,494	\$ —	\$ —	\$ 1,078,494
Investments held by Maine Medical Center	<u>—</u>	<u>30,386,778</u>	<u>—</u>	<u>30,386,778</u>
	<u>\$ 1,078,494</u>	<u>\$30,386,778</u>	<u>\$ —</u>	<u>\$31,465,272</u>

Investments held by Maine Medical Center are classified as Level 2.

The Hospital's financial instruments consist of cash and cash equivalents, investments, assets limited as to use, trade accounts receivable and payable, amounts receivable from and payable to third-party reimbursing agencies, a capital lease obligation, and long-term debt. The fair value of investments is primarily based on the market prices of the underlying assets. The fair values of all other financial instruments approximate their carrying values at September 30, 2019 and 2018.

THE MEMORIAL HOSPITAL AT NORTH CONWAY, N.H. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2019 and 2018

6. Property, Plant and Equipment

Property, plant and equipment consists of the following at September 30:

	<u>2019</u>	<u>2018</u>
Land and land improvements	\$ 7,538,774	\$ 7,337,097
Buildings and improvements	52,663,659	51,939,371
Equipment	30,262,865	28,687,908
Construction in progress	<u>307,357</u>	<u>1,268,118</u>
	90,772,655	89,232,494
Less accumulated depreciation	<u>(57,880,769)</u>	<u>(55,711,324)</u>
	<u>\$ 32,891,886</u>	<u>\$ 33,521,170</u>

Depreciation expense for the years ended September 30, 2019 and 2018 was \$4,035,762 and \$3,643,063, respectively.

The cost of assets recorded under capital leases totaled \$816,145 at September 30, 2019 and 2018. The cost of these assets has been included with property, plant and equipment and accumulated amortization with allowances for depreciation. Amortization expense for assets under capital lease was \$153,319 and \$155,271 for the years ended September 30, 2019 and 2018, respectively, and has been included with depreciation expense in the accompanying financial statements. Accumulated amortization associated with the lease totaled \$524,230 and \$370,911 at September 30, 2019 and 2018, respectively.

7. Other Assets

Other assets consist of the following at September 30:

	<u>2019</u>	<u>2018</u>
Estimated insurance recoveries	\$ 3,550,800	\$ 479,600
Investment in MaineHealth Accountable Care Organization, LLC	186,175	135,909
SeHR and systemwide assets	6,187,282	3,838,911
SeHR debt service reserve fund	<u>168,099</u>	<u>54,435</u>
	<u>\$10,092,356</u>	<u>\$4,508,855</u>

MaineHealth established an information systems project, known as the SeHR (Shared electronic Health Record) Project, that will implement a systemwide integrated electronic health record system and financial system. The SeHR Project is an integrated suite of technology solutions to support the healthcare delivery for MaineHealth members, providers and the communities MaineHealth serves. Initial funding for the Project was drawn from cash reserves held by MaineHealth and many of the subsidiary members.

THE MEMORIAL HOSPITAL AT NORTH CONWAY, N.H. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2019 and 2018

7. Other Assets (Continued)

The cost of assets recorded through this project consist of the following at September 30:

	<u>2019</u>	<u>2018</u>
SeHR Project software costs	\$6,221,782	\$3,476,543
Systemwide assets	<u>914,543</u>	<u>684,561</u>
	7,136,325	4,161,104
Accumulated amortization	<u>(949,043)</u>	<u>(322,193)</u>
	<u>\$6,187,282</u>	<u>\$3,838,911</u>

Amortization expense for these assets was \$626,850 and \$182,082 for the years ended September 30, 2019 and 2018, respectively, and is included in depreciation and amortization expense in the accompanying financial statements.

The Hospital's allocated portion of the SeHR expenditure is estimated to be \$8.7 million. Through 2019, the Hospital has paid MaineHealth approximately \$792,000, and financed approximately \$6,000,000 through a note payable (see Note 14).

8. Long-Term Debt

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

	<u>2019</u>	<u>2018</u>
The Authority Revenue Bonds, Series 2016 with a variable interest rate ranging from 4.0% to 5.50% per year and required principal payments ranging from \$430,000 to \$1,175,000 through June 1, 2036	\$13,500,000	\$13,985,000
TD Bank loan with an interest rate of 3.52% per year and required monthly payments of \$7,556 of principal plus interest through October 31, 2025. The remaining principal balance plus interest will be due at the maturity date on September 18, 2025	862,872	991,791
Capital lease obligations	<u>281,402</u>	<u>450,363</u>
	14,644,274	15,427,154
Unamortized premium	790,289	837,705
Unamortized deferred issuance costs	<u>(413,383)</u>	<u>(437,347)</u>
	15,021,180	15,827,512
Less current portion	<u>(814,061)</u>	<u>(775,272)</u>
	<u>\$14,207,119</u>	<u>\$15,052,240</u>

THE MEMORIAL HOSPITAL AT NORTH CONWAY, N.H. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2019 and 2018

8. Long-Term Debt (Continued)

In December 2016, the Authority issued tax-exempt revenue bonds for the Memorial Hospital Issue, Series 2017, totaling \$14,875,000. The Series 2016 Bonds, together with other available funds were issued to refund the Authority Revenue Bonds, Series 2006 and to pay certain costs incurred in connection with the issuance of the Series 2016 Bonds. These bonds were issued under the Master Trust Indenture for The Memorial Hospital at North Conway, N.H. and Memorial Hospital Foundation of North Conway, Inc., as an Obligated Group.

Under the terms of the loan agreement, the Hospital has granted the Authority a security interest in its gross receipts and equipment, and a mortgage lien on the facility. In addition, under the terms of the bond indenture and loan agreement, the Hospital is required to meet certain covenant requirements. The Hospital was in compliance with these loan covenants at September 30, 2019 and 2018.

Deferred financing costs of \$413,383 and \$437,347 in 2019 and 2018, respectively, are reported as a component of long-term debt and represent the costs incurred in connection with the issuance of the bonds. These costs are being amortized over the terms of the bonds. Amortization expense for the years ended September 30, 2019 and 2018, was \$23,964 and is included in interest expense. The original issue premium is accreted over the term of the related bonds using the effective interest method.

Interest paid totaled \$871,445 and \$868,568 for the years ended September 30, 2019 and 2018, respectively.

Scheduled maturities for the next five years and thereafter of outstanding debt at September 30, 2018 are as follows:

	Capital Lease Obligation	Bonds and Notes
2020	\$182,335	\$ 643,531
2021	109,154	673,308
2022	6,043	708,256
2023	—	743,381
2024	—	778,689
Thereafter	—	<u>10,815,707</u>
	297,532	<u>\$14,362,872</u>
Less amounts representing interest under capital leases	<u>(16,130)</u>	
	<u>\$281,402</u>	

THE MEMORIAL HOSPITAL AT NORTH CONWAY, N.H. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2019 and 2018

9. Net Assets With Donor Restrictions

Net assets with donor restrictions are available for the following purposes and consist of the following at September 30:

	<u>2019</u>	<u>2018</u>
Purpose restriction:		
Equipment	\$ 15,983	\$ 10,702
Community health and wellness	217,571	153,502
Diabetes education and assistance	90,379	126,822
Other	<u>135,885</u>	<u>95,115</u>
	459,818	386,141
Perpetual in nature:		
Income on which is restricted to provide charity care	<u>663,823</u>	<u>613,823</u>
	<u>\$1,123,641</u>	<u>\$999,964</u>

The Hospital has adopted an investment policy that is diversified with the objective of providing income and growth over the long term. Investment accounts exist to benefit and support the mission of the Hospital in accordance with any stipulations set forth by donors. Funds are to be invested in a prudent manner consistent with the goals of liquidity, income generation, and capital preservation. The Hospital's assets are allocated based on percentage ranges within marketable equity securities, fixed income, and cash and cash equivalents.

The following is a summary of the endowment net asset composition by type of fund at September 30, 2019 and 2018, and the changes therein for the years then ended:

	<u>Perpetual in Nature</u>
Endowment net assets – September 30, 2017	\$613,823
Net investment income	<u>—</u>
Endowment net assets – September 30, 2018	613,823
Change in donor intent	<u>50,000</u>
Endowment net assets – September 30, 2019	<u>\$663,823</u>

THE MEMORIAL HOSPITAL AT NORTH CONWAY, N.H. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2019 and 2018

10. Concentration of Credit Risk

Financial instruments which potentially subject the Hospital to concentration of credit risk consist of cash, patient accounts receivable and certain investments. The risk with respect to cash equivalents is minimized by the Hospital's policy of investing in financial instruments with short-term maturities issued by highly rated financial institutions. The Hospital maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits. The Hospital has not experienced any losses in such accounts and believes it is not exposed to any significant risk at September 30, 2019. Investments are not concentrated in any corporation or industry. The Hospital grants credit without collateral to its patients, most of whom are insured under third-party payor agreements. The mix of gross patient accounts receivables from patients and third-party payors was as follows at September 30:

	<u>2019</u>	<u>2018</u>
Medicare	30%	26%
Medicaid	14	11
Commercial insurance and other	24	36
Patients	25	21
Blue Cross	<u>7</u>	<u>6</u>
	<u>100%</u>	<u>100%</u>

11. Functional Expenses

The Hospital provides health care services. Expenses related to providing these services are as follows for the year ended September 30, 2019:

	<u>Healthcare</u>	<u>General and Administrative</u>	<u>Total</u>
Salaries, wages and employee benefits	\$28,938,257	\$ 9,348,717	\$38,286,974
Supplies	9,713,941	255,550	9,969,491
Professional fees and purchased services	9,290,910	7,536,089	16,826,999
Healthcare provider tax	—	3,276,960	3,276,960
Depreciation and amortization	3,467,470	1,348,461	4,815,931
Other operating expenses	974,719	2,692,312	3,667,031
Interest	<u>638,585</u>	<u>248,337</u>	<u>886,922</u>
	<u>\$53,023,882</u>	<u>\$24,706,426</u>	<u>\$77,730,308</u>

THE MEMORIAL HOSPITAL AT NORTH CONWAY, N.H. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2019 and 2018

11. Functional Expenses (Continued)

The Hospital provides general healthcare services to residents within its geographic region. Expenses related to providing these services are as follows for the year ended September 30, 2018:

Professional care of patients	\$46,091,731
Dietary	1,063,592
Household and property	3,281,112
Administrative and general services	15,695,799
Hospital tax	3,138,984
Interest	837,448
Depreciation and amortization	<u>3,980,416</u>
	<u>\$74,089,082</u>

The financial statements report certain expense categories that are attributable to more than one healthcare service or support function. Therefore, these expenses require an allocation on a reasonable basis that is consistently applied. Costs not directly attributable to a function are allocated to a functional region based on a square-footage or units-of-service basis.

12. Commitments and Contingencies

Malpractice Loss Contingencies

The Hospital insures its medical malpractice risks on a claims made basis. At September 30, 2019 and 2018, there were no known malpractice claims outstanding which, in the opinion of management, will be settled for amounts in excess of insurance coverage nor are there any unasserted claims or incidents which require loss accrual. The Hospital intends to renew coverage on a claims made basis and anticipates that such coverage will be available.

In accordance with ASU No. 2010-24, *Presentation of Insurance Claims and Related Insurance Recoveries*, the Hospital recorded a liability of \$3,550,800 and \$479,600 related to potential exposure arising from professional liability losses at September 30, 2019 and 2018, respectively. The Hospital also recorded a receivable of \$3,550,800 and \$479,600 at September 30, 2019 and 2018, respectively, related to estimated recoveries under insurance coverage for recoveries of the potential losses. In addition to the foregoing, at September 30, 2019 and 2018, the Hospital recorded an estimated liability of potentially incurred but not reported claims of approximately \$836,000 and \$717,000, respectively.

THE MEMORIAL HOSPITAL AT NORTH CONWAY, N.H. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2019 and 2018

13. Related Party Transactions

During the years ended September 30, 2019 and 2018, the Hospital was billed approximately \$8,912,000 and \$8,519,000, respectively, in expenses related to affiliation fees, employee health, dental, life and disability insurance, workers' compensation insurance, and property, auto and directors' and officers' insurance by MaineHealth. There are no retroactive adjustments to the Hospital for amounts paid to MaineHealth for the employee health benefits or workers' compensation.

Other expenses related to services provided by Maine Healthcare and member organizations at September 30 are as follows:

	<u>2019</u>	<u>2018</u>
Maine Medical Center	\$5,205,667	\$4,416,555
Maine Medical Partners	334,791	207,502
NorDx	2,405,473	1,864,838
Southern Maine Health Care	243,880	201,809
Stephens Memorial Hospital	523,294	343,847

The net amount due to Maine Healthcare and member organizations was as follows at September 30:

	<u>2019</u>	<u>2018</u>
MaineHealth	\$1,851,045	\$1,732,786
Maine Medical Center	157,839	396,882
Maine Medical Partners	96,941	21,655
NorDx	186,066	196,454
Pen Bay Medical Center	83	—
Southern Maine Health Care	28,700	32,471
Stephens Memorial Hospital	41,597	26,567
Western Maine Health Care Corporation	<u>5,326</u>	<u>—</u>
	<u>\$2,367,597</u>	<u>\$2,406,815</u>

During the years ended September 30, 2019 and 2018, the Hospital transferred \$292,365 and \$270,088, respectively, to Maine Healthcare.

THE MEMORIAL HOSPITAL AT NORTH CONWAY, N.H. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2019 and 2018

14. Amounts Payable to Affiliated Entities

Amounts payable to affiliates as of September 30, 2019 and 2018 includes the allocable share of amounts due to MaineHealth as purchased services under a specific system funding agreement (SFA) related to the SeHR Project.

	<u>2019</u>	<u>2018</u>
Allocable share of purchased services supported by the MaineHealth Revenue Bond – Finance Authority of Maine (FAME)	\$5,536,666	\$2,684,543
Less current portion	<u>(705,516)</u>	<u>(181,159)</u>
	<u>\$4,831,150</u>	<u>\$2,503,384</u>

MaineHealth Services financed an information systems project, known as the SeHR (Shared electronic Health Record) Project, with loans entered into in 2014 and 2017. The SeHR Project will implement a system wide integrated electronic health record system and financial system and consists of an integrated suite of technology solutions to support the healthcare delivery for MaineHealth Services members, providers and the communities MaineHealth serves. In 2014, MaineHealth Services borrowed up to \$101,500,000 in both tax exempt and taxable loans. The tax-exempt loan was for up to \$94,800,000 and financed through a revenue bond issued by the Finance Authority of Maine (FAME) and purchased by TD Bank, N.A. The taxable loan was a term loan with TD Bank, N.A. for up to \$6,700,000. In 2017, MaineHealth Services secured additional borrowings of up to \$59,200,000 million in both tax exempt and taxable loans to finance implementation of the SeHR Project with additional subsidiaries and to complete the project. The 2017 tax-exempt loan was for \$55,500,000 and financed through a revenue bond again issued by FAME and purchased by TD Bank, N.A. The taxable loan was a term loan with TD Bank, N.A. for up to \$3,700,000

The amounts payable represent the Hospital's allocable share of purchased services related to the SeHR Loan SFA with MaineHealth Services. Per the agreement, amounts payable to MaineHealth Services are reflective of the principal and interest amounts due on obligations incurred by MaineHealth Services. MaineHealth has agreed to be indirectly responsible for amounts owed by the Hospital. The amount held in MaineHealth Services' Debt Service Reserve fund for the agreement was \$168,099 at September 30, 2019.

Annual principal maturities of notes payable to affiliates for the next five fiscal years after September 30, 2019, and the years thereafter are as follows (in thousands):

Years ending September 30:

2020	\$ 705,516
2021	721,424
2022	736,426
2023	751,741
2024	767,374
Thereafter	<u>1,854,185</u>

Total notes payable to affiliates	<u>\$5,536,666</u>
-----------------------------------	--------------------

THE MEMORIAL HOSPITAL AT NORTH CONWAY, N.H. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2019 and 2018

15. Liquidity and Availability

The Hospital's working capital and cash flows are subject to variability during the year attributable to changes in volume and cash receipts. The Hospital maintains investments portfolios without donor restrictions to manage fluctuations in cash flow.

The following table reflects the Hospital's financial assets for the period ending September 30, 2019, reduced by amounts not available for general use within one year because of contractual or donor-imposed restrictions or internal designations. Amounts available include donor-restricted amounts that are available for general expenditures. Amounts not available include amounts set aside for operating and other reserves that could be drawn upon if the Board of Trustees approves the action.

Cash and cash equivalents	\$ 8,727,158
Short-term investments	16,318,143
Patient accounts receivable	9,133,057
Donor restricted	<u>459,818</u>
	<u>\$34,638,176</u>



Memorial Hospital

MaineHealth

MEMORIAL HOSPITAL MANAGEMENT

Arthur R. Mathisen is President of Memorial Hospital with responsibility for its strategic direction and daily operations. He began his career in 1992 in the United States Army, earned a Bachelor of Public Management degree in 1996 from the University of Maine, and a commission as a second lieutenant in the Army as a Medical Service Corps officer. He served in various leadership positions early in his career to include two operational positions at Madigan Army Medical Center in Tacoma, Washington. In the following years, he held leadership positions at Weed Army Community Hospital in Fort Irwin, California; Allgood Memorial Hospital in Seoul, South Korea; Kirk Army Health Clinic, Aberdeen Proving Ground, Maryland; and Munson Army Health Center in Fort Leavenworth, Kansas. He also earned his Master's degree in Health Administration at Baylor University in Waco, Texas in 2006. After his military retirement in 2013, Mr. Mathisen joined Bon Secours Medical Group in Suffolk, Virginia serving first as a Director and then as Executive Director in 2015. Prior to joining Memorial Hospital in 2019, he served as President and CEO of Copley Hospital located in Morrisville, Vermont. Mr. Mathisen is a Fellow of the American College of Healthcare Executives.

Matthew G. Dunn, D.O. serves as Chief Medical Officer of Memorial Hospital, a position he has held since 2018. Dr. Dunn joined Memorial in 2014 providing services in the Emergency Department. In 2017, he began his physician leadership roles at Memorial becoming the Medical Director of Emergency Medicine and Chief Medical Informatics Officer in 2018, providing clinical oversight during the Epic software implementation. Prior to joining Memorial, Dr. Dunn provided services in the Emergency Departments of Albany Medical Center and Glens Falls Hospital in New York, where he also served as Associate Medical Director and Chief Medical Informatics Officer. While in New York, he participated in numerous clinical and advisory committees, and was a Board member of the Adirondack Regional Community Health Information Exchange and the Health Information Exchange of New York. Dr. Dunn received his undergraduate degree at Saint Michael's College in Winooski, Vermont and earned his medical degree from the University of New England in Biddeford, Maine. He completed his emergency medicine residency at Albany Medical Center.

Diana J. McLaughlin has recently been appointed Chief Financial Officer for Memorial Hospital in March, 2020. Ms. McLaughlin joined Memorial Hospital in July, 2016 as the Sr. Director of Finance, serving a dual role for Memorial and Western Maine Health (another MaineHealth member). She was previously the Controller for Western Maine, joining them in March, 1993. Ms. McLaughlin's principal responsibility is the financial wellbeing of the organization. In addition, she has operational responsibility for Health Information Services, Patient Billing, Materials Management, Central Registration, and Finance. Prior to working at Western Maine Health, she held finance positions for St. Mary's Regional Medical Center, Lewiston, ME and the Veterans Administration in Manchester, NH. Ms. McLaughlin received her BS from New Hampshire College in Accounting and Management Advisory Services in 1985. She has been a member of the Healthcare Financial Management Association (HFMA) since 1994 becoming a Certified Health Care Financial Professional (CHFP) in 2006 and a Fellow of HFMA in 2007. Ms. McLaughlin has held various officer positions at the Maine State Chapter of HFMA and Regional level including Regional Executive for Region I in 2005/2006. She has been an active community member for many years, serving on a wide range of boards and committees for community organizations. She has been a member of the Norway/Paris Kiwanis Club since 1993.

CONTRACTOR NAME
Memorial Hospital, North Conway NH

Key Personnel

Name	Job Title	Salary	% Paid from this Contract	Amount Paid from this Contract
Arthur R. Mathisen	President	N/A	\$0	\$0
Matthew G. Dunn	Chief Medical Officer	N/A	\$0	\$0
Diana J. McLaughlin	Chief Financial Officer	N/A	\$0	\$0


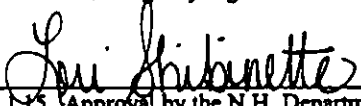
Subject: Hospital-Based COVID-19 Community Testing (SS-2021-DPHS-04-HOSPI-11)

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

AGREEMENT

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

GENERAL PROVISIONS**1. IDENTIFICATION.**

1.1 State Agency Name New Hampshire Department of Health and Human Services		1.2 State Agency Address 129 Pleasant Street Concord, NH 03301-3857	
1.3 Contractor Name Littleton Hospital Association d/b/a Littleton Regional Healthcare		1.4 Contractor Address 600 Saint Johnsbury Road Littleton, NH 03561	
1.5 Contractor Phone Number (603) 444-9501	1.6 Account Number 05-095-090-903010-19010000	1.7 Completion Date December 1, 2020	1.8 Price Limitation \$145,000
1.9 Contracting Officer for State Agency Nathan D. White, Director		1.10 State Agency Telephone Number (603) 271-9631	
1.11 Contractor Signature  <div style="text-align: right;">Date: 08-04-2020</div>		1.12 Name and Title of Contractor Signatory Robert F. Nutter, President & CEO	
1.13 State Agency Signature  <div style="text-align: right;">Date: 8/6/20</div>		1.14 Name and Title of State Agency Signatory Lori Shibanette, Commissioner	
1.15 Approval by the N.H. Department of Administration, Division of Personnel (if applicable) By: _____ Director, On: _____			
1.16 Approval by the Attorney General (Form, Substance and Execution) (if applicable) By: <u>Catherine Pinos</u> On: 08/17/20			
1.17 Approval by the Governor and Executive Council (if applicable) G&C Item number: _____ G&C Meeting Date: _____			

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

3. EFFECTIVE DATE/COMPLETION OF SERVICES.

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

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

4. CONDITIONAL NATURE OF AGREEMENT.

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

5. CONTRACT PRICE/PRICE LIMITATION/ PAYMENT.

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

5.2 The payment by the State of the contract price shall be the only and the complete reimbursement to the Contractor for all expenses, of whatever nature incurred by the Contractor in the performance hereof, and shall be the only and the complete

compensation to the Contractor for the Services. The State shall have no liability to the Contractor other than the contract price.

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

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

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

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

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

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

7. PERSONNEL.

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

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

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

8. EVENT OF DEFAULT/REMEDIES.

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

8.1.1 failure to perform the Services satisfactorily or on schedule;

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

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

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

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

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

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

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

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

9. TERMINATION.

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

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

submit to the State a Transition Plan for services under the Agreement.

10. DATA/ACCESS/CONFIDENTIALITY/PRESERVATION.

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

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

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

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

12. ASSIGNMENT/DELEGATION/SUBCONTRACTS.

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

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

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

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

14. INSURANCE.

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

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

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

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

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

15. WORKERS' COMPENSATION.

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

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

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

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

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

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

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

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

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

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

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



REVISIONS TO STANDARD CONTRACT PROVISIONS

1. Revisions to Form P-37, General Provisions

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

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

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

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

- 1.3. Paragraph 12, Subparagraph 12.2, Assignment/Delegation/Subcontracts, is amended to add the following language:

12.2 The State acknowledges that the Contractor subcontracts with ClearChoiceMD at the time of this Agreement as specified in the Memorandum of Understanding between the Contractor and ClearChoiceMD, which is attached hereto as Exhibit A-1. The State acknowledges receipt of written notice from Contractor of its intention to subcontract some of the services to ClearChoiceMD and the State hereby consents to Contractor subcontracting some of its services in accordance with the contractual conditions of the Agreement.

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

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

A handwritten signature in black ink, appearing to be "h" or "k", written over the "Contractor Initials" label.

New Hampshire Department of Health and Human Services
Hospital-Based COVID-19 Community Testing
EXHIBIT B



Scope of Services

1. Statement of Work

- 1.1. For the purposes of this agreement, any references to days shall mean calendar days.
- 1.2. The Contractor shall conduct specimen collection and testing for SARS-CoV-2 in an outpatient setting for individuals who reside within the hospital catchment area or local community, regardless of individuals' prior affiliations with the hospital.
- 1.3. The Contractor shall conduct specimen collection and testing for patients who have symptoms of COVID-19 or who are pre-symptomatic or asymptomatic at the request of:
 - 1.3.1. The individual to be tested; or
 - 1.3.2. The Department of Health and Human Services (Department) Division of Public Health Services (DPHS).
- 1.4. The Contractor shall not require an office or telemedicine visit for asymptomatic patients who have not had potential community close contact with persons having confirmed or suspected COVID-19 or are concerned about community exposure/transmission in order for patients to receive COVID-19 testing.
- 1.5. In the event of a significant increase in community transmission of COVID-19, the Contractor shall not be responsible for meeting significantly increased levels of testing and may request the Department to provide additional testing capacity.
- 1.6. The Contractor shall determine the appropriate venue and physical location for specimen collection, which may include, but is not limited to:
 - 1.6.1. An existing physical location.
 - 1.6.2. A temporary drive-through location.
 - 1.6.3. A drive-up facility.
- 1.7. The Contractor shall request a waiver, if necessary, from the Department's Bureau of Health Facilities Administration for a temporary drive-through location or drive-up facility.
- 1.8. The Contractor shall determine the appropriate number of days per week and the duration of time per day to perform community specimen collection for COVID-19 testing to meet the needs of the hospital catchment area and local community and communicate the hours of operation to the Department.
- 1.9. The Contractor shall ensure the collection, handling, processing and testing of specimens comply with guidelines issued by the Centers for Disease Control and Prevention (CDC), available at <https://www.cdc.gov/coronavirus/2019-nCoV/lab/quidelines-clinical-specimens.html> and by the laboratory used for

**New Hampshire Department of Health and Human Services
Hospital-Based COVID-19 Community Testing
EXHIBIT B**



processing specimens.

- 1.10. The Contractor shall ensure patients sign an appropriate consent form, prior to collection of specimens, authorizing testing at the laboratory and reporting to the ordering medical provider, the Department, and any other individual or entity designated to receive the test results.
- 1.11. The Contractor shall identify of any communication access needs to ensure needed language assistance is provided, which may include, but is not limited to:
 - 1.11.1. Over-the-phone interpretation of spoken languages.
 - 1.11.2. Video remote interpretation to access American Sign Language.
- 1.12. The Contractor shall ensure communication and language assistance is provided to individuals, as appropriate and needed, to ensure the validity of any signed consent by utilizing translated consent forms and/or interpreters.
- 1.13. The Contractor shall ensure all personnel collecting, handling, processing and transporting specimens are trained to safeguard the confidentiality of the patient and protected health information (PHI), as defined in the Health Information Portability and Accountability Act (HIPAA).
- 1.14. The Contractor shall ensure the secure and confidential transporting of specimens to the laboratory.
- 1.15. The Contractor shall ensure the ordering provider for each COVID-19 test is a licensed medical provider.
- 1.16. The Contractor shall ensure the licensed medical provider ordering COVID-19 tests notifies patients of testing results received from the laboratory in a timely manner. The Contractor shall ensure:
 - 1.16.1. Patients with positive results confirming the diagnosis of COVID-19 are informed:
 - 1.16.1.1. By telephone or other electronic method.
 - 1.16.1.2. By first-class U.S. mail, if telephone or other electronic method is unsuccessful
 - 1.16.2. Patients with negative results are informed of test results in a method determined by the Contractor.
- 1.17. The Contractor shall utilize existing communication methods to inform the local community of the availability of outpatient COVID-19 testing, which may include, but are not limited to:
 - 1.17.1. The hospital's website.
 - 1.17.2. Hospital newsletters.
 - 1.17.3. Social media platforms.

**New Hampshire Department of Health and Human Services
Hospital-Based COVID-19 Community Testing
EXHIBIT B**



- 1.18. The Contractor shall ensure published information includes how and when patients can access the services and the location of the specimen collection site.
- 1.19. The Contractor shall ensure any marketing materials abide by existing requirements for communication access, including but not limited to:
 - 1.19.1. Vital and significant materials should be made available in additional languages, as appropriate, and must be translated by qualified, competent translation providers, as follows:
 - 1.19.1.1. Statewide, only Spanish meets the criteria for translation.
 - 1.19.1.2. Translation is required for languages depending on factors including the number and proportion of LEP persons served or likely to seek services in the Contractor's service areas, and the frequency with which LEP individuals come into contact with the Contractor's programs, activities and services.
 - 1.19.1.3. Notification on all materials of the availability of free communication access and language assistance for any individuals who may require it.
 - 1.19.1.4. All materials have a phone number to call for further information, ensuring staff answering that phone number shall have access to over-the-phone interpretation to assist callers who need spoken language interpretation.
- 1.20. The Contractor shall provide communication and language assistance at all points of contact in accessing COVID-19 testing to individuals with communication access needs, including individuals with limited English proficiency, or individuals who are deaf or have hearing loss.
- 1.21. The Contractor shall conduct outreach to vulnerable populations and minority populations in the hospital catchment area or local community, including notifying partner organizations who work with these populations about the availability of COVID-19 testing.
- 1.22. The Contractor shall report both positive and negative test results to the Division of Public Health Services through the Electronic Laboratory Reporting (ELR) system, or ensure the laboratory used for processing specimens and conducting testing reports both positive and negative results to the Division of Public Health Services through the ELR system.
- 1.23. The Contractor shall report all positive cases of COVID-19 with complete case information by fax to (603) 271-0545 to the Division of Public Health Services using the New Hampshire Confidential COVID-19 Case Report Form available at: <https://www.dhhs.nh.gov/dphs/cdcs/covid19/covid19-reporting-form.pdf>.

New Hampshire Department of Health and Human Services
Hospital-Based COVID-19 Community Testing
EXHIBIT B



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

2. Exhibits Incorporated/Confidential Data

- 2.1. The Contractor shall use and disclose Protected Health Information in compliance with the Standards for Privacy of Individually Identifiable Health Information (Privacy Rule) (45 CFR Parts 160 and 164) under the Health Insurance Portability and Accountability Act (HIPAA) of 1996, and in accordance with the attached Exhibit I, Business Associate Agreement, which has been executed by the parties.
- 2.2. The Department will not be receiving, or have possession of, any patient medical records generated by the Contractor or any subcontracted medical provider in the course of providing services under this Agreement, and such patient records will not be considered data for purposes of paragraph 10 of Form P-37, General Provisions.
- 2.3. The Contractor shall comply with all Exhibits D through K, which are attached hereto and incorporated by reference herein.
- 2.4. To the extent the Department shares Confidential Data, the Contractor shall comply with Exhibit K, which is attached hereto and incorporated by reference herein.
- 2.5. The Contractor's Use and Responsibilities for Confidential Information are as follows.
- 2.5.1. The Contractor agrees to use, disclose, maintain, or transmit Confidential Data from Providers as required, specifically authorized, or permitted under the Contract or this Agreement. Further, the Contractor, including but not limited to all its directors, officers, employees, and agents, agrees not to use, disclose, maintain, or transmit PHI in any manner that would constitute a violation of the Privacy and Security Rules. The Contractor shall provide Confidential Information as required by the Contract, RSA 141-C:7, 141-C:9, RSA 141-C:10, and in a form required by He-P 301.03 and the "New Hampshire Local Implementation Guide for Electronic Laboratory Reporting for Communicable Disease and Lead Test Results Using HL7 2.5.1," Version 4.0 (5/23/2016), found at: <https://www.dhhs.nh.gov/dphs/bphsi/documents/elrguide.pdf>.

A handwritten signature in black ink, appearing to be the initials "R" or "H", is written over the "Contractor Initials" label.

New Hampshire Department of Health and Human Services
Hospital-Based COVID-19 Community Testing
EXHIBIT B



- 2.5.2. The Contractor shall transmit Confidential Information to the Division of Public Health Services by means of a secure file transport protocol (sFTP) provided by the Department and agreed to by the parties and approved by the Department's Information Security Officer.
 - 2.5.2.1. Any individual seeking credentials to access the sFTP site shall sign and return to the Department a "Data Use and Confidentiality Agreement" (Attachment A) when requesting sFTP account.
- 2.5.3. The Contractor shall transmit the Confidential Information to the Division of Public Health Services as required by statute and this Agreement, namely:
 - 2.5.3.1. All test results, including but not limited to positive and negative results, shall be reported electronically via electronic laboratory reporting procedures, also referred to as "ELR," as noted above.
 - 2.5.3.2. Test results shall be provided within 24 hours of the test being completed.
- 2.6. As necessary, the Contractor agrees to comply with any request to correct or complete the data once transmitted to the Division of Public Health Services.
- 2.7. The Contractor agrees that the data submitted shall be the "minimum necessary" to carry out the stated use of the data, as defined in the HIPAA Privacy Rule and in accordance with all applicable confidentiality laws.
- 2.8. The parties agree that this Agreement shall be construed in accordance the terms of Contract and governed by the laws of the State of New Hampshire.
- 2.9. The Contractor and the Department agree to negotiate an amendment to this Agreement as needed to address a Contract amendment, or any changes in policy issues, fiscal issues, information security, and other specific safeguards required for maintaining confidentiality of the data.

3. Reporting Requirements

- 3.1. The Contractor shall submit monthly reports to the Department showing that the public is able to access COVID-19 testing, including, but not limited to:
 - 3.1.1. Number of persons who received COVID-19 testing.
 - 3.1.2. Number of persons assisted with enrollment in the Medicaid COVID-19 Testing benefit or other assistance program who received COVID-19 testing.
 - 3.1.3. Number of persons for whom race and/or ethnicity is documented.
- 3.2. The Contractor shall ensure race and/or ethnicity demographic identifiers for the persons who received COVID-19 testing are collected consistently and

New Hampshire Department of Health and Human Services
Hospital-Based COVID-19 Community Testing
EXHIBIT B



correctly, in accordance with best practice standards and processes as provided by the Office of Health Equity, and entered either manually or electronically on the hospital or reference laboratory COVID-19 test requisition forms.

4. Additional Terms

4.1. Impacts Resulting from Court Orders or Legislative Changes

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

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

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

4.3. Credits and Copyright Ownership

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

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

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

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

4.4. Operation of Facilities: Compliance with Laws and Regulations

New Hampshire Department of Health and Human Services
Hospital-Based COVID-19 Community Testing
EXHIBIT B



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

5. Records

- 5.1. The Contractor shall keep records that include, but are not limited to:
- 5.1.1. Books, records, documents and other electronic or physical data evidencing and reflecting all costs and other expenses incurred by the Contractor in the performance of the Contract, and all income received or collected by the Contractor.
 - 5.1.2. All records must be maintained in accordance with accounting procedures and practices, which sufficiently and properly reflect all such costs and expenses, and which are acceptable to the Department, and to include, without limitation, all ledgers, books, records, and original evidence of costs such as purchase requisitions and orders, vouchers, requisitions for materials, inventories, valuations of in-kind contributions, labor time cards, payrolls, and other records requested or required by the Department.
 - 5.1.3. Statistical, enrollment, attendance or visit records for each recipient of services, which records shall include all records of application and eligibility (including all forms required to determine eligibility for each such recipient), records regarding the provision of services and all invoices submitted to the Department to obtain payment for such services.
 - 5.1.4. Medical records on each patient/recipient of services.
- 5.2. During the term of this Contract and the period for retention hereunder, the Department, the United States Department of Health and Human Services, and any of their designated representatives shall have access to all reports and records maintained pursuant to the Contract for purposes of audit, examination,

New Hampshire Department of Health and Human Services
Hospital-Based COVID-19 Community Testing
EXHIBIT B



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

A handwritten signature in black ink, appearing to be "LH", written over a horizontal line.

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



EXHIBIT B -1

Reporting Entity Data Use and Confidentiality Agreement

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

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


Signature

Robert F. Nutter
Printed Name

Littleton Hospital Association dba
Littleton Regional Healthcare

Business Name

August 04, 2020
Date

President & CEO
Title

Littleton Hospital Association d/b/a
Littleton Regional Healthcare

SS-2021-DPHS-04-HOSPI-11

Exhibit B-1

Page 1 of 1

Contractor Initials



Date 08-04-2020

New Hampshire Department of Health and Human Services
Hospital-Based COVID-19 Community Testing
EXHIBIT C



Payment Terms

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

Littleton Hospital Association d/b/a
Littleton Regional Healthcare

Exhibit C

Contractor Initials

A handwritten signature in black ink, appearing to be "R", is written over the "Contractor Initials" label.

SS-2021-DPHS-04-HOSPI-11

Page 1 of 2

Date 08-04-2020

Rev. 01/08/19

New Hampshire Department of Health and Human Services
Hospital-Based COVID-19 Community Testing
EXHIBIT C



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

9. Notwithstanding Paragraph 17 of the General Provisions Form P-37, changes limited to adjusting amounts within the price limitation and adjusting encumbrances between State Fiscal Years and budget class lines through the Budget Office may be made by written agreement of both parties, without obtaining approval of the Governor and Executive Council, if needed and justified.
10. Audits
 - 10.1. The Contractor is required to submit an annual audit to the Department if **any** of the following conditions exist:
 - 10.1.1. Condition A - The Contractor expended \$750,000 or more in federal funds received as a subrecipient pursuant to 2 CFR Part 200, during the most recently completed fiscal year.
 - 10.1.2. Condition B - The Contractor is subject to audit pursuant to the requirements of NH RSA 7:28, III-b, pertaining to charitable organizations receiving support of \$1,000,000 or more.
 - 10.1.3. Condition C - The Contractor is a public company and required by Security and Exchange Commission (SEC) regulations to submit an annual financial audit.
 - 10.2. If Condition A exists, the Contractor shall submit an annual single audit performed by an independent Certified Public Accountant (CPA) to the Department within 120 days after the close of the Contractor's fiscal year, conducted in accordance with the requirements of 2 CFR Part 200, Subpart F of the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal awards.
 - 10.3. If Condition B or Condition C exists, the Contractor shall submit an annual financial audit performed by an independent CPA within 120 days after the close of the Contractor's fiscal year.
 - 10.4. In addition to, and not in any way in limitation of obligations of the Contract, it is understood and agreed by the Contractor that the Contractor shall be held liable for any state or federal audit exceptions and shall return to the Department all payments made under the Contract to which exception has been taken, or which have been disallowed because of such an exception.



CERTIFICATION REGARDING DRUG-FREE WORKPLACE REQUIREMENTS

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

ALTERNATIVE I - FOR GRANTEEES OTHER THAN INDIVIDUALS

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

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

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

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

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.

Vendor Name:

A handwritten signature in black ink, appearing to read "R. Nutter".

August 4, 2020

Date

Name: Robert F. Nutter
Title: President & CEO

Vendor Initials

A handwritten signature in black ink, appearing to read "R. Nutter".

Date 08-04-2020



CERTIFICATION REGARDING LOBBYING

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

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

Programs (indicate applicable program covered):

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

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

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

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

Vendor Name:

August 4, 2020
Date

Name: Robert F. Nutter
Title: President & CEO

Exhibit E – Certification Regarding Lobbying

Vendor Initials h



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

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

INSTRUCTIONS FOR CERTIFICATION

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

New Hampshire Department of Health and Human Services
Exhibit F



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

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

PRIMARY COVERED TRANSACTIONS

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

LOWER TIER COVERED TRANSACTIONS

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

Vendor Name:

August 4, 2020

Date

Name: Robert F. Nutter
Title: President & CEO

Vendor Initials



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

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

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

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

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

Exhibit G

Vendor Initials

A handwritten signature in black ink, appearing to be "JH", written over a horizontal line.

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

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

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

August 4, 2020

Date

Vendor Name:

A handwritten signature in black ink, appearing to read "R. Nutter", written over a horizontal line.

Name: Robert F. Nutter
Title: President & CEO

Exhibit G

Vendor Initials

Handwritten initials in black ink, possibly "RN", written over a horizontal line.

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



CERTIFICATION REGARDING ENVIRONMENTAL TOBACCO SMOKE

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

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

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

Vendor Name:

A handwritten signature in black ink, appearing to read "R. Nutter", written over a horizontal line.

August 4, 2020
Date

Name: Robert F. Nutter
Title: President & CEO



Exhibit I

HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY ACT
BUSINESS ASSOCIATE AGREEMENT

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

(1) Definitions.

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



Exhibit I

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

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

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



Exhibit I

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

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

(3) Obligations and Activities of Business Associate.

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

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

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



Exhibit I

- pursuant to this Agreement, with rights of enforcement and indemnification from such business associates who shall be governed by standard Paragraph #13 of the standard contract provisions (P-37) of this Agreement for the purpose of use and disclosure of protected health information.
- f. Within five (5) business days of receipt of a written request from Covered Entity, Business Associate shall make available during normal business hours at its offices all records, books, agreements, policies and procedures relating to the use and disclosure of PHI to the Covered Entity, for purposes of enabling Covered Entity to determine Business Associate's compliance with the terms of the Agreement.
 - g. Within ten (10) business days of receiving a written request from Covered Entity, Business Associate shall provide access to PHI in a Designated Record Set to the Covered Entity, or as directed by Covered Entity, to an individual in order to meet the requirements under 45 CFR Section 164.524.
 - h. Within ten (10) business days of receiving a written request from Covered Entity for an amendment of PHI or a record about an individual contained in a Designated Record Set, the Business Associate shall make such PHI available to Covered Entity for amendment and incorporate any such amendment to enable Covered Entity to fulfill its obligations under 45 CFR Section 164.526.
 - i. Business Associate shall document such disclosures of PHI and information related to such disclosures as would be required for Covered Entity to respond to a request by an individual for an accounting of disclosures of PHI in accordance with 45 CFR Section 164.528.
 - j. Within ten (10) business days of receiving a written request from Covered Entity for a request for an accounting of disclosures of PHI, Business Associate shall make available to Covered Entity such information as Covered Entity may require to fulfill its obligations to provide an accounting of disclosures with respect to PHI in accordance with 45 CFR Section 164.528.
 - k. In the event any individual requests access to, amendment of, or accounting of PHI directly from the Business Associate, the Business Associate shall within two (2) business days forward such request to Covered Entity. Covered Entity shall have the responsibility of responding to forwarded requests. However, if forwarding the individual's request to Covered Entity would cause Covered Entity or the Business Associate to violate HIPAA and the Privacy and Security Rule, the Business Associate shall instead respond to the individual's request as required by such law and notify Covered Entity of such response as soon as practicable.
 - l. Within ten (10) business days of termination of the Agreement, for any reason, the Business Associate shall return or destroy, as specified by Covered Entity, all PHI received from, or created or received by the Business Associate in connection with the Agreement, and shall not retain any copies or back-up tapes of such PHI. If return or destruction is not feasible, or the disposition of the PHI has been otherwise agreed to in the Agreement, Business Associate shall continue to extend the protections of the Agreement, to such PHI and limit further uses and disclosures of such PHI to those purposes that make the return or destruction infeasible, for so long as Business

3/2014

Contractor Initials 

Date 08-04-2020



Exhibit I

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

(4) Obligations of Covered Entity

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

(5) Termination for Cause

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

(6) Miscellaneous

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

3/2014

Contractor Initials 

Date 08-04-2020



Exhibit I

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

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

Department of Health and Human Services

The State

Lori Shabinette

Signature of Authorized Representative

Lori Shabinette

Name of Authorized Representative

Commissioner

Title of Authorized Representative

8/14/2020

Date

Littleton Hospital Association dba

Littleton Regional Healthcare

Name of the Contractor

[Signature]

Signature of Authorized Representative

Robert F. Nutter

Name of Authorized Representative

President & CEO

Title of Authorized Representative

August 4, 2020

Date



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

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

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

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

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

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

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

Contractor Name:

August 4, 2020

Date

Name: Robert F. Nutter
Title: President & CEO

Contractor Initials

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: 069905735
2. In your business or organization's preceding completed fiscal year, did your business or organization receive (1) 80 percent or more of your annual gross revenue in U.S. federal contracts, subcontracts, loans, grants, sub-grants, and/or cooperative agreements; and (2) \$25,000,000 or more in annual gross revenues from U.S. federal contracts, subcontracts, loans, grants, subgrants, and/or cooperative agreements?

 X NO YES

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

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

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

 NO YES

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

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

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

Name: _____ Amount: _____

Name: _____ Amount: _____

Name: _____ Amount: _____

Name: _____ Amount: _____

Name: _____ **Amount:** _____

New Hampshire Department of Health and Human Services

Exhibit K

DHHS Information Security Requirements



A. Definitions

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

1. "Breach" means the loss of control, compromise, unauthorized disclosure, unauthorized acquisition, unauthorized access, or any similar term referring to situations where persons other than authorized users and for an other than authorized purpose have access or potential access to personally identifiable information, whether physical or electronic. With regard to Protected Health Information, "Breach" shall have the same meaning as the term "Breach" in section 164.402 of Title 45, Code of Federal Regulations.
2. "Computer Security Incident" shall have the same meaning "Computer Security Incident" in section two (2) of NIST Publication 800-61, Computer Security Incident Handling Guide, National Institute of Standards and Technology, U.S. Department of Commerce.
3. "Confidential Information" or "Confidential Data" means all confidential information disclosed by one party to the other such as all medical, health, financial, public assistance benefits and personal information including without limitation, Substance Abuse Treatment Records, Case Records, Protected Health Information and Personally Identifiable Information.

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

4. "End User" means any person or entity (e.g., contractor, contractor's employee, business associate, subcontractor, other downstream user, etc.) that receives DHHS data or derivative data in accordance with the terms of this Contract.
5. "HIPAA" means the Health Insurance Portability and Accountability Act of 1996 and the regulations promulgated thereunder.
6. "Incident" means an act that potentially violates an explicit or implied security policy, which includes attempts (either failed or successful) to gain unauthorized access to a system or its data, unwanted disruption or denial of service, the unauthorized use of a system for the processing or storage of data; and changes to system hardware, firmware, or software characteristics without the owner's knowledge, instruction, or consent. Incidents include the loss of data through theft or device misplacement, loss or misplacement of hardcopy documents, and misrouting of physical or electronic

A handwritten signature in black ink, appearing to be "K" or "KJ", written over a horizontal line.

New Hampshire Department of Health and Human Services

Exhibit K

DHHS Information Security Requirements



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

7. "Open Wireless Network" means any network or segment of a network that is not designated by the State of New Hampshire's Department of Information Technology or delegate as a protected network (designed, tested, and approved, by means of the State, to transmit) will be considered an open network and not adequately secure for the transmission of unencrypted PI, PFI, PHI or confidential DHHS data.
8. "Personal Information" (or "PI") means information which can be used to distinguish or trace an individual's identity, such as their name, social security number, personal information as defined in New Hampshire RSA 359-C:19, biometric records, etc., alone, or when combined with other personal or identifying information which is linked or linkable to a specific individual, such as date and place of birth, mother's maiden name, etc.
9. "Privacy Rule" shall mean the Standards for Privacy of Individually Identifiable Health Information at 45 C.F.R. Parts 160 and 164, promulgated under HIPAA by the United States Department of Health and Human Services.
10. "Protected Health Information" (or "PHI") has the same meaning as provided in the definition of "Protected Health Information" in the HIPAA Privacy Rule at 45 C.F.R. § 160.103.
11. "Security Rule" shall mean the Security Standards for the Protection of Electronic Protected Health Information at 45 C.F.R. Part 164, Subpart C, and amendments thereto.
12. "Unsecured Protected Health Information" means Protected Health Information that is not secured by a technology standard that renders Protected Health Information unusable, unreadable, or indecipherable to unauthorized individuals and is developed or endorsed by a standards developing organization that is accredited by the American National Standards Institute.

I. RESPONSIBILITIES OF DHHS AND THE CONTRACTOR

A. Business Use and Disclosure of Confidential Information.

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

A handwritten signature in black ink, appearing to be a stylized 'h' or 'k'.

New Hampshire Department of Health and Human Services

Exhibit K

DHHS Information Security Requirements



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

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

II. METHODS OF SECURE TRANSMISSION OF DATA

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

A handwritten signature in black ink, appearing to be "K", is written over the "Contractor Initials" label.



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

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

III. RETENTION AND DISPOSITION OF IDENTIFIABLE RECORDS

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

A. Retention

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

A handwritten signature in black ink, appearing to be "R", is written over a horizontal line.

New Hampshire Department of Health and Human Services

Exhibit K

DHHS Information Security Requirements



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

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

B. Disposition

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

IV. PROCEDURES FOR SECURITY

- A. Contractor agrees to safeguard the DHHS Data received under this Contract, and any derivative data or files, as follows:
 1. The Contractor will maintain proper security controls to protect Department confidential information collected, processed, managed, and/or stored in the delivery of contracted services.
 2. The Contractor will maintain policies and procedures to protect Department confidential information throughout the information lifecycle, where applicable, (from creation, transformation, use, storage and secure destruction) regardless of the media used to store the data (i.e., tape, disk, paper, etc.).

New Hampshire Department of Health and Human Services

Exhibit K

DHHS Information Security Requirements



3. The Contractor will maintain appropriate authentication and access controls to contractor systems that collect, transmit, or store Department confidential information where applicable.
4. The Contractor will ensure proper security monitoring capabilities are in place to detect potential security events that can impact State of NH systems and/or Department confidential information for contractor provided systems.
5. The Contractor will provide regular security awareness and education for its End Users in support of protecting Department confidential information.
6. If the Contractor will be sub-contracting any core functions of the engagement supporting the services for State of New Hampshire, the Contractor will maintain a program of an internal process or processes that defines specific security expectations, and monitoring compliance to security requirements that at a minimum match those for the Contractor, including breach notification requirements.
7. The Contractor will work with the Department to sign and comply with all applicable State of New Hampshire and Department system access and authorization policies and procedures, systems access forms, and computer use agreements as part of obtaining and maintaining access to any Department system(s). Agreements will be completed and signed by the Contractor and any applicable sub-contractors prior to system access being authorized.
8. If the Department determines the Contractor is a Business Associate pursuant to 45 CFR 160.103, the Contractor will execute a HIPAA Business Associate Agreement (BAA) with the Department and is responsible for maintaining compliance with the agreement.
9. The Contractor will work with the Department at its request to complete a System Management Survey. The purpose of the survey is to enable the Department and Contractor to monitor for any changes in risks, threats, and vulnerabilities that may occur over the life of the Contractor engagement. The survey will be completed annually, or an alternate time frame at the Departments discretion with agreement by the Contractor, or the Department may request the survey be completed when the scope of the engagement between the Department and the Contractor changes.
10. The Contractor will not store, knowingly or unknowingly, any State of New Hampshire or Department data offshore or outside the boundaries of the United States unless prior express written consent is obtained from the Information Security Office leadership member within the Department.
11. Data Security Breach Liability. In the event of any security breach Contractor shall make efforts to investigate the causes of the breach, promptly take measures to prevent future breach and minimize any damage or loss resulting from the breach. The State shall recover from the Contractor all costs of response and recovery from

A handwritten signature in black ink, appearing to be "JH", is written over a horizontal line.

New Hampshire Department of Health and Human Services

Exhibit K

DHHS Information Security Requirements



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

12. Contractor must, comply with all applicable statutes and regulations regarding the privacy and security of Confidential Information, and must in all other respects maintain the privacy and security of PI and PHI at a level and scope that is not less than the level and scope of requirements applicable to federal agencies, including, but not limited to, provisions of the Privacy Act of 1974 (5 U.S.C. § 552a), DHHS Privacy Act Regulations (45 C.F.R. §5b), HIPAA Privacy and Security Rules (45 C.F.R. Parts 160 and 164) that govern protections for individually identifiable health information and as applicable under State law.
13. Contractor agrees to establish and maintain appropriate administrative, technical, and physical safeguards to protect the confidentiality of the Confidential Data and to prevent unauthorized use or access to it. The safeguards must provide a level and scope of security that is not less than the level and scope of security requirements established by the State of New Hampshire, Department of Information Technology. Refer to Vendor Resources/Procurement at <https://www.nh.gov/doit/vendor/index.htm> for the Department of Information Technology policies, guidelines, standards, and procurement information relating to vendors.
14. Contractor agrees to maintain a documented breach notification and incident response process. The Contractor will notify the State's Privacy Officer and the State's Security Officer of any security breach immediately, at the email addresses provided in Section VI. This includes a confidential information breach, computer security incident, or suspected breach which affects or includes any State of New Hampshire systems that connect to the State of New Hampshire network.
15. Contractor must restrict access to the Confidential Data obtained under this Contract to only those authorized End Users who need such DHHS Data to perform their official duties in connection with purposes identified in this Contract.
16. The Contractor must ensure that all End Users:
 - a. comply with such safeguards as referenced in Section IV A. above, implemented to protect Confidential Information that is furnished by DHHS under this Contract from loss, theft or inadvertent disclosure.
 - b. safeguard this information at all times.
 - c. ensure that laptops and other electronic devices/media containing PHI, PI, or PFI are encrypted and password-protected.
 - d. send emails containing Confidential Information only if encrypted and being sent to and being received by email addresses of persons authorized to receive such information.

A handwritten signature in black ink, appearing to be "Rh".

New Hampshire Department of Health and Human Services

Exhibit K

DHHS Information Security Requirements



- e. limit disclosure of the Confidential Information to the extent permitted by law.
- f. Confidential Information received under this Contract and individually identifiable data derived from DHHS Data, must be stored in an area that is physically and technologically secure from access by unauthorized persons during duty hours as well as non-duty hours (e.g., door locks, card keys, biometric identifiers, etc.).
- g. only authorized End Users may transmit the Confidential Data, including any derivative files containing personally identifiable information, and in all cases, such data must be encrypted at all times when in transit, at rest, or when stored on portable media as required in section IV above.
- h. in all other instances Confidential Data must be maintained, used and disclosed using appropriate safeguards, as determined by a risk-based assessment of the circumstances involved.
- i. understand that their user credentials (user name and password) must not be shared with anyone. End Users will keep their credential information secure. This applies to credentials used to access the site directly or indirectly through a third party application.

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

V. LOSS REPORTING

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

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

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

A handwritten signature in black ink, appearing to be the initials "h", is written over a horizontal line.

New Hampshire Department of Health and Human Services

Exhibit K

DHHS Information Security Requirements



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

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

VI. PERSONS TO CONTACT

A. DHHS Privacy Officer:

DHHSPrivacyOfficer@dhhs.nh.gov

B. DHHS Security Officer:

DHHSInformationSecurityOffice@dhhs.nh.gov

State of New Hampshire

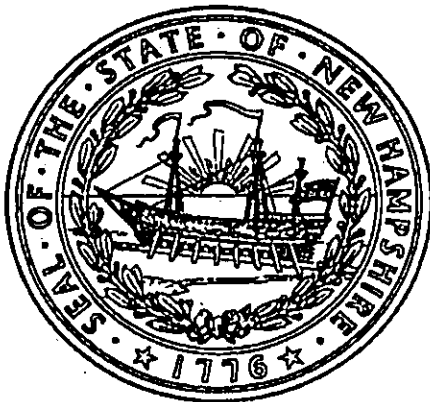
Department of State

CERTIFICATE

I, William M. Gardner, Secretary of State of the State of New Hampshire, do hereby certify that LITTLETON HOSPITAL ASSOCIATION is a New Hampshire Nonprofit Corporation registered to transact business in New Hampshire on April 04, 1906. I further certify that all fees and documents required by the Secretary of State's office have been received and is in good standing as far as this office is concerned.

Business ID: 60919

Certificate Number: 0004924162



IN TESTIMONY WHEREOF,

I hereto set my hand and cause to be affixed
the Seal of the State of New Hampshire,
this 2nd day of June A.D. 2020.

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

William M. Gardner
Secretary of State

CERTIFICATE OF AUTHORITY

I, ROGER GINGUE, hereby certify that:

(Name of the elected Officer of the Corporation/LLC; cannot be contract signatory)

1. I am a duly elected Clerk/Secretary/Officer of Littleton Hospital Association dba Littleton Regional Healthcare.
(Corporation/LLC Name)

2. The following is a true copy of a vote taken at a meeting of the Board of Directors/shareholders, duly called and held on December 12, 2016, at which a quorum of the Directors/shareholders were present and voting.
(Date)


VOTED: That ROBERT F. NUTTER, PRESIDENT & CEO

is duly authorized on behalf of Littleton Hospital Association dba Littleton Regional Healthcare to enter into contracts or agreements with the State

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

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

Dated: July 17, 2020


Signature of Elected Officer
Name: ROGER GINGUE
Title: Chairman, Board of Trustees

CERTIFICATE OF LIABILITY INSURANCE

Date:
08/05/20

Administrator:

New England Special Risks, Inc.
19 Oyster Way
Mashpee, Ma. 02649
Phone: (508) 561-6111

This certificate is issued as a matter of information only and confers no rights upon the certificate holder. This certificate does not amend, extend or alter the coverage afforded by the policies below.

INSURERS AFFORDING COVERAGE

Insured:

Littleton Hospital Association DBA Littleton Regional Healthcare
600 St. Johnsbury Rd.
Littleton, NH. 03561

Insurer A:	Medical Protective Insurance Co.
Insurer B:	AIM Mutual Insurance Co.
Insurer C:	
Insurer D:	
Insurer E:	

Coverages

The policies of insurance listed below have been issued to the insured named above for the policy period indicated. Notwithstanding any requirement, term or condition of any contract or other document with respect to which the certificate may be issued or may pertain, the insurance afforded by the policies described herein is subject to all the terms, exclusions and conditions of such policies, aggregate limits shown may have been reduced by paid claims.

INS. LTR.	TYPE OF INSURANCE	POLICY NUMBER	Policy Effective Date	Policy Expiration Date	LIMITS
A	General Liability	HN 002507	10/1/2019	10/1/2020	Each Occurrence \$ 1,000,000
	<input checked="" type="checkbox"/> Commercial General Liability				Fire Damage (Any one fire) \$ 50,000
	<input type="checkbox"/> Claims Made <input checked="" type="checkbox"/> Occurrence				Med Exp (Any one person) \$ 5,000
	<input type="checkbox"/>				Personal & Adv Injury \$ 1,000,000
	<input type="checkbox"/>				General Aggregate \$ 3,000,000
	General Aggregate Limit Applies Per: <input checked="" type="checkbox"/> Policy <input type="checkbox"/> Project <input type="checkbox"/> Loc				Products - Comp/Op Agg \$ 1,000,000
	Automobile Liability				Combined Single Limit (Each accident) \$
	<input type="checkbox"/> Any Auto				Bodily Injury (Per person) \$
	<input type="checkbox"/> All Owned Autos				Bodily Injury (Per accident) \$
	<input type="checkbox"/> Scheduled Autos				Property Damage (Per accident) \$
	<input type="checkbox"/> Hired Autos				
	Garage Liability				Auto Only - Ea. Accident \$
	<input type="checkbox"/> Any Auto				Other Than Ea. Acc \$
	<input type="checkbox"/>				Auto Only: Agg \$
	Excess Liability				Each Occurrence \$
	<input type="checkbox"/> Occurrence <input type="checkbox"/> Claims Made				Aggregate \$
	<input type="checkbox"/> Deductible				\$
	<input type="checkbox"/> Retention \$				\$
					\$
B	Workers Compensation and Employers' Liability	ECC-600-4000559	10/1/2019	10/1/2020	<input checked="" type="checkbox"/> Statutory Limits <input type="checkbox"/> Other
					E.L. Each Accident \$ 500,000
					E.L. Disease-Ea. Employee \$ 500,000
					E.L. Disease - Policy Limit \$ 500,000
A	Healthcare Medical Professional Liability	HN 002507	10/1/2019	10/1/2020	Per Incident \$1,000,000 Aggregate \$3,000,000

Description of operations/vehicles/exclusions added by endorsement/special provision

Evidence of Current General / Healthcare Professional Liability Insurance and Workers Compensation Insurance for the Insured.

Certificate Holder

State Of New Hampshire
Department of Health and Human Services
129 Pleasant St.
Concord, NH. 03301

Should any of the above policies be canceled before the expiration date thereof, the issuing insurer will endeavor to mail 10 days written notice to the certificate holder named to the left, but failure to do so shall impose no obligation or liability of any kind upon the insurer, its agents or representatives.

Authorized Representative

Ammanuel Pilabius



About LRH

Our Mission



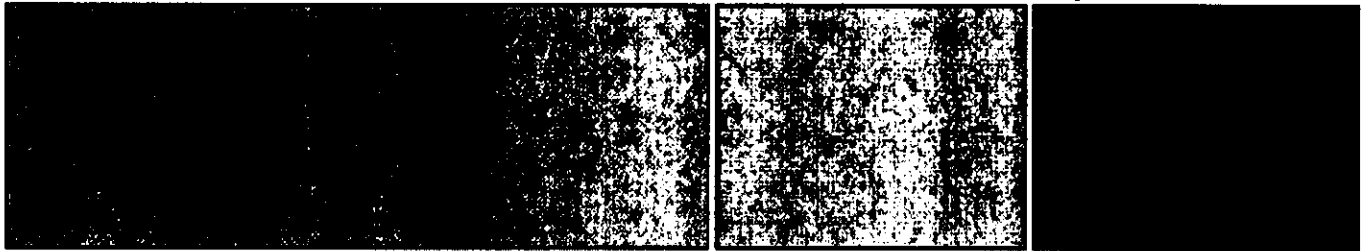
To provide quality, compassionate and accessible healthcare in a manner that brings value to all.

Our Vision

LRH will be the leading provider of health care, and the best organization in which to work.

Our Values

- ICARE: Integrity, Compassion, Accountability, Respect, Excellence



**LITTLETON HOSPITAL ASSOCIATION, INC.
(d/b/a LITTLETON REGIONAL HEALTHCARE)**

FINANCIAL STATEMENTS

September 30, 2019 and 2018

With Independent Auditor's Report



**LITTLETON HOSPITAL ASSOCIATION, INC.
(d/b/a LITTLETON REGIONAL HEALTHCARE)**

September 30, 2019 and 2018

Table of Contents

	<u>Page(s)</u>
Independent Auditor's Report	1 - 2
Financial Statements	
Balance Sheets	3
Statements of Operations	4
Statements of Changes in Net Assets	5
Statements of Cash Flows	6
Notes to Financial Statements	7 - 29



INDEPENDENT AUDITOR'S REPORT

The Board of Trustees
Littleton Hospital Association, Inc.
(d/b/a Littleton Regional Healthcare)

We have audited the accompanying financial statements of Littleton Hospital Association, Inc. (d/b/a Littleton Regional Healthcare), which comprise the balance sheets as of September 30, 2019 and 2018, and the related 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 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 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 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 financial statements are free from material misstatement.

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Littleton Regional Healthcare as of September 30, 2019 and 2018, and the results of its operations, changes in its net assets, and its cash flows for the years then ended, in accordance with U.S. generally accepted accounting principles.

Board of Trustees
Littleton Hospital Association, Inc.
(d/b/a Littleton Regional Healthcare)
Page 2

Other Matter

Change in Accounting Principle

As discussed in Note 1 to the financial statements, in 2019 Littleton Regional Healthcare adopted new accounting guidance, Financial Accounting Standards Board Accounting Standards Update No. 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities (Topic 958)*. Our opinion is not modified with respect to this matter.

Berry Dunn McNeil & Parker, LLC

Manchester, New Hampshire
February 24, 2020

**LITTLETON HOSPITAL ASSOCIATION, INC.
(d/b/a LITTLETON REGIONAL HEALTHCARE)**

Balance Sheets

September 30, 2019 and 2018

ASSETS

	<u>2019</u>	<u>2018</u>
Current assets		
Cash and cash equivalents	\$ 291,187	\$ 3,958,019
Patient accounts receivable, net	11,060,454	9,123,489
Supplies	2,195,332	1,938,794
Due from related parties	254,633	402,081
Prepaid expenses and other current assets	<u>4,520,285</u>	<u>4,425,652</u>
Total current assets	18,321,891	19,848,035
Assets limited as to use	44,765,838	49,022,077
Property and equipment, net	<u>38,050,941</u>	<u>37,741,010</u>
 Total assets	 <u><u>\$101,138,670</u></u>	 <u><u>\$106,611,122</u></u>

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

LIABILITIES AND NET ASSETS

	<u>2019</u>	<u>2018</u>
Current liabilities		
Current portion of long-term debt	\$ 1,263,501	\$ 1,176,795
Accounts payable and other accrued expenses	5,149,630	2,631,216
Accrued salaries, wages and related accounts	4,050,563	3,230,895
Other current liabilities	608,811	520,715
Current portion of estimated third-party payor settlements	1,831,892	3,368,403
Due to related parties	<u>220,743</u>	<u>530,458</u>
Total current liabilities	13,125,140	11,458,482
Deferred compensation	3,039,019	2,970,751
Long-term debt, less current portion	23,283,793	24,463,800
Estimated third-party payor settlements, less current portion	7,000,377	5,598,948
Interest rate swap	<u>2,319,861</u>	<u>1,507,465</u>
Total liabilities	<u>48,768,190</u>	<u>45,999,446</u>
Net assets		
Without donor restrictions	49,733,881	58,054,504
With donor restrictions	<u>2,636,599</u>	<u>2,557,172</u>
Total net assets	<u>52,370,480</u>	<u>60,611,676</u>
Total liabilities and net assets	<u>\$101,138,670</u>	<u>\$106,611,122</u>

**LITTLETON HOSPITAL ASSOCIATION, INC.
(d/b/a LITTLETON REGIONAL HEALTHCARE)**

Statements of Operations

Years Ended September 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Revenues, gains and other support without donor restrictions		
Patient service revenue (net of contractual allowances and discounts)	\$ 95,403,886	\$ 90,193,850
Less provision for bad debts	<u>5,343,535</u>	<u>5,295,151</u>
Net patient service revenue	90,060,351	84,898,699
Other revenues	5,228,745	5,373,017
Net assets released from restriction for operations	<u>71,826</u>	<u>306,293</u>
Total revenues, gains and other support without donor restrictions	<u>95,360,922</u>	<u>90,578,009</u>
Expenses		
Salaries, wages and fringe	52,914,768	46,613,305
Contract labor	6,472,460	5,347,358
Supplies and other	30,560,522	27,716,375
Medicaid enhancement tax	3,736,209	3,530,402
Depreciation	4,559,575	4,551,192
Interest	<u>927,208</u>	<u>905,076</u>
Total expenses	<u>99,170,742</u>	<u>88,663,708</u>
Operating (loss) income	<u>(3,809,820)</u>	<u>1,914,301</u>
Nonoperating gains (losses)		
Income from investments, net	936,224	2,687,417
Gifts without donor restrictions, net of expenses	39,326	38,840
Community benefit and contribution expense	(344,653)	(350,805)
Unrealized (loss) gain on interest rate swap	(812,396)	874,697
Other (loss) income	<u>(4,329,304)</u>	<u>549,767</u>
Nonoperating (losses) gains, net	<u>(4,510,803)</u>	<u>3,799,916</u>
(Deficiency) excess of revenues, gains and other support over expenses and losses and (decrease) increase in net assets without donor restrictions	<u>\$ (8,320,623)</u>	<u>\$ 5,714,217</u>

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

**LITTLETON HOSPITAL ASSOCIATION, INC.
(d/b/a LITTLETON REGIONAL HEALTHCARE)**

Statements of Changes in Net Assets

Years Ended September 30, 2019 and 2018

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Balances, October 1, 2017	\$ <u>52,340,287</u>	\$ <u>2,609,422</u>	\$ <u>54,949,709</u>
Excess of revenues, gains and other support over expenses and increase in net assets without donor restrictions	5,714,217	-	5,714,217
Contributions	-	151,808	151,808
Investment income, net	-	102,235	102,235
Net assets released from restriction for operations	<u>-</u>	<u>(306,293)</u>	<u>(306,293)</u>
Increase (decrease) in net assets	<u>5,714,217</u>	<u>(52,250)</u>	<u>5,661,967</u>
Balances, September 30, 2018	<u>58,054,504</u>	<u>2,557,172</u>	<u>60,611,676</u>
Deficiency of revenues, gains and other support over expenses and losses and decrease in net assets without donor restrictions	(8,320,623)	-	(8,320,623)
Contributions	-	114,781	114,781
Investment income, net	-	36,472	36,472
Net assets released from restriction for operations	<u>-</u>	<u>(71,826)</u>	<u>(71,826)</u>
(Decrease) increase in net assets	<u>(8,320,623)</u>	<u>79,427</u>	<u>(8,241,196)</u>
Balances, September 30, 2019	\$ <u><u>49,733,881</u></u>	\$ <u><u>2,636,599</u></u>	\$ <u><u>52,370,480</u></u>

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

LITTLETON HOSPITAL ASSOCIATION, INC.
(d/b/a LITTLETON REGIONAL HEALTHCARE)

Statements of Cash Flows

Years Ended September 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Cash flows from operating activities		
(Decrease) increase in net assets	\$ (8,241,196)	\$ 5,661,967
Adjustments to reconcile (decrease) increase in net assets to net cash (used) provided by operating activities		
Provision for bad debts	5,343,535	5,295,151
Depreciation	4,569,575	4,551,192
Loss (gain) on sale of property and equipment	31,197	(117,983)
Net realized and unrealized gains on investments	(468,135)	(2,231,243)
Unrealized loss (gain) on interest rate swap	812,396	(874,697)
(Increase) decrease in assets		
Patients accounts receivable	(7,280,500)	(5,811,894)
Supplies	(256,538)	(117,193)
Prepaid expenses and other current assets	(94,633)	(2,543,744)
Due from related party	147,448	(254,243)
Increase (decrease) in liabilities		
Accounts payable and other accrued expenses	2,889,643	25,188
Accrued salaries, wages and related accounts	819,668	285,927
Other current liabilities	88,096	(343,272)
Due to third-party payors	(135,082)	568,582
Reserve for self-funded health insurance	-	(395,941)
Due to related party	(309,715)	486,744
Deferred compensation	68,268	344,117
Net cash (used) provided by operating activities	<u>(2,025,973)</u>	<u>4,528,658</u>
Cash flows from investing activities		
Purchases of investments	(16,256,825)	(18,316,948)
Proceeds from sale of investments	20,981,199	14,613,020
Purchases of property and equipment	(5,171,933)	(3,271,241)
Proceeds from sale of property and equipment	12,000	426,000
Net cash used by investing activities	<u>(435,559)</u>	<u>(6,549,169)</u>
Cash flows from financing activities		
Payments on long-term debt	(1,205,300)	(1,150,841)
Net cash used by financing activities	<u>(1,205,300)</u>	<u>(1,150,841)</u>
Net decrease in cash and cash equivalents	(3,666,832)	(3,171,352)
Cash and cash equivalents, beginning of year	3,958,019	7,129,371
Cash and cash equivalents, end of year	<u>\$ 291,187</u>	<u>\$ 3,958,019</u>
Supplemental disclosures of cash flow information		
Interest paid	<u>\$ 926,658</u>	<u>\$ 901,835</u>
Noncash investing and financing transactions		
Acquisition of property and equipment financed through capital lease	<u>\$ 111,999</u>	<u>\$ 390,192</u>
Acquisition of equipment included in accounts payable	<u>\$ -</u>	<u>\$ 371,229</u>

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

**LITTLETON HOSPITAL ASSOCIATION, INC.
(d/b/a LITTLETON REGIONAL HEALTHCARE)**

Notes to Financial Statements

September 30, 2019 and 2018

Organization

Littleton Hospital Association, Inc. (d/b/a Littleton Regional Healthcare) (Hospital) is a New Hampshire not-for-profit corporation which operates a community-oriented general hospital. Effective April 1, 2016, North Country Healthcare, Inc. (NCHI) became the sole corporate member of the Hospital. NCHI is also the parent company of Androscoggin Valley Hospital (AVH), Upper Connecticut Valley Hospital (UCVH), Weeks Medical Center (Weeks), and North Country Home Health & Hospice Agency, Inc. (Home Health) Any and all activity with these entities is disclosed as activity with related parties. Effective September 30, 2019, the Hospital formally disaffiliated with NCHI and is now a stand-alone hospital. The Hospital has indemnified certain employees and board members against claims made by NCHI and its affiliates. Any obligation the Hospital may incur under this arrangement is not reasonably estimable.

1. Summary of Significant Accounting Policies

Basis of Presentation

Net assets and revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification Topic (ASC) 958, *Not-For-Profit Entities*.

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Hospital. These net assets may be used at the discretion of the Hospital's management and the Board of Trustees.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Hospital or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Under FASB ASC 958 and FASB ASC 954, *Health Care Entities*, all not-for-profit healthcare organizations are required to provide a balance sheet, a statement of operations, a statement of changes in net assets, and a statement of cash flows. FASB ASC 954 requires reporting amounts for an organization's total assets, liabilities, and net assets in a balance sheet; reporting the change in an organization's net assets in the statements of operations and changes in net assets; and reporting the change in its cash and cash equivalents in a statement of cash flows.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statements of operations and changes in net assets.

**LITTLETON HOSPITAL ASSOCIATION, INC.
(d/b/a LITTLETON REGIONAL HEALTHCARE)**

Notes to Financial Statements

September 30, 2019 and 2018

Use of Estimates

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

Income Taxes

The Hospital is a not-for-profit corporation as described in Section 501(c)(3) of the Internal Revenue Code and is exempt from federal income taxes on related income.

Cash and Cash Equivalents

Cash and cash equivalents include money market funds with a maturity of three months or less when purchased. Cash and cash equivalents exclude assets whose use is limited by the Board of Trustees. The Hospital maintains its cash in deposit accounts which, at times, may exceed federal depository insurance limits. Management believes credit risk related to these investments is minimal. The Hospital has not experienced any losses in such accounts.

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 purpose of estimating the appropriate amounts of the allowance for doubtful accounts and the provision for bad debts. The adequacy of the allowance for doubtful accounts is regularly reviewed. For receivables associated with services provided to patients who have third-party coverage, an allowance for doubtful accounts and a provision for bad debts are established at varying levels based on the age and payor source of the receivable. For receivables associated with self-pay patients, the Hospital records a provision for bad debts in the period of service based on past experience indicating the inability or unwillingness to pay amounts for which they are financially responsible.

Supplies

Supplies are carried at the lower of cost (determined by the first-in, first-out method) or market.

Investments and Investment Income

Investments in equity securities with readily-determinable fair values and all investments in debt

**LITTLETON HOSPITAL ASSOCIATION, INC.
(d/b/a LITTLETON REGIONAL HEALTHCARE)**

Notes to Financial Statements

September 30, 2019 and 2018

securities are measured at fair value in the balance sheets. Values of investments in limited partnerships or companies are based on the net asset values (NAV) per share of the respective funds as reported in the financial statements of the related interest and provided by the investment manager. Management reviews and evaluates the valuations provided by the investment managers and believes these valuations are a reasonable estimate of fair value at September 30, 2019 and 2018, but are subject to uncertainty and, therefore may differ from the value that would have been used had a ready market for the investments existed.

Management has adopted FASB ASC 825-10-35-4, *Financial Instruments - Overall - Subsequent Measurement - Fair Value Option*, and has elected the fair value option relative to its investments, which consolidates all investment performance activity within the nonoperating gains (losses) section of the statements of operations to simplify the presentation of investment return in the statement of operations.

Donor-restricted investment income and gains (losses) on investments on donor-restricted investments are recorded within net assets with donor restrictions until expended in accordance with the donor's restrictions.

Investments, in general, are exposed to various risks, such as interest rate, credit, and overall market volatility risks. Consequently, 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 balance sheets.

Property and Equipment

Property and equipment acquisitions are recorded at cost or, if contributed, at fair market value determined at the date of donation. Depreciation is provided over the estimated useful life of each class of depreciable asset and is computed using the straight-line method. Equipment under capital lease obligations is amortized on the straight-line method over the shorter period of the lease term or the estimated useful life of the equipment. Such amortization is included in depreciation and amortization in the financial statements. Interest cost incurred on borrowed funds during the period of construction of capital assets is capitalized as a component of the cost of acquiring those assets.

Gifts of long-lived assets, such as land, buildings or equipment, are reported as support without donor restrictions unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as support with donor restrictions. Absent explicit donor stipulations about how long those long-lived assets must be maintained, expirations of donor restrictions are reported when the donated or acquired long-lived assets are placed in service.

Employee Fringe Benefits

The Hospital has an "earned time" plan to provide certain fringe benefits for its employees. Under

**LITTLETON HOSPITAL ASSOCIATION, INC.
(d/b/a LITTLETON REGIONAL HEALTHCARE)**

Notes to Financial Statements

September 30, 2019 and 2018

this plan, each employee "earns" paid leave each payroll period. Accumulated hours may be used for vacations, holidays or illnesses. Hours earned, but not used, vest with the employees up to established limits. The Hospital accrues the cost of these benefits as they are earned.

Interest Rate Swap

The Hospital uses an interest rate swap contract to eliminate the cash flow exposure of interest rate movements on variable-rate debt. The Hospital has adopted FASB ASC 815, *Derivatives and Hedging*, to account for its interest rate swap contract. The interest rate swap is not considered a cash flow hedge and, therefore, is included within nonoperating gains (losses).

Nonoperating Gains (Losses)

Activities other than those in connection with providing healthcare services are considered to be nonoperating. Nonoperating gains and losses consist primarily of income and gains and losses on invested funds, unrestricted gifts, community benefit expense, unrealized gain (loss) on interest rate swap, and expenses incurred related to the disaffiliation with NCHI.

(Deficiency) Excess of Revenues, Gains and Other Support Over Expenses and Losses

The statements of operations include (deficiency) excess of revenues, gains and other support over expenses and losses. Changes in net assets without donor restrictions, if any, which are excluded from (deficiency) excess of revenues, gains and other support over expenses and losses, consistent with industry practice, include net assets released from restriction for capital acquisition and net asset transfers.

Net Patient Service Revenue

The Hospital has agreements with third-party payors that provide for payments to the Hospital at amounts different from its established rates. Payment arrangements include prospectively-determined rates per discharge, reimbursed costs, discounted charges and per diem rates. Net patient service revenue is reported at the estimated net realizable amounts from patients, third-party payors and others for services rendered, including estimated retroactive adjustments under reimbursement agreements with third-party payors. Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods as final settlements are determined.

Donor Restricted Gifts

Unconditional promises to give cash and other assets to the Hospital are reported at fair value at the date the promise is received. Conditional promises to give and indications of intentions to give are reported at fair value at the date the gift is received. Contributions received with donor restrictions that limit the use of the donated assets are reported as net assets with donor restrictions. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified as net

**LITTLETON HOSPITAL ASSOCIATION, INC.
(d/b/a LITTLETON REGIONAL HEALTHCARE)**

Notes to Financial Statements

September 30, 2019 and 2018

assets without donor restrictions and reported in the statements of operations and changes in net assets as net assets released from restriction. Donor restricted contributions whose restrictions are met within the same year as received are reported as contributions without donor restrictions in the accompanying financial statements.

Charity Care

The Hospital provides care to patients who meet certain criteria under its charity care policy. Because the Hospital does not pursue collection of amounts determined to qualify as charity care, they are not reported in net revenue.

Transactions with Infrequency of Occurrence

A transaction not reasonably expected to recur in the foreseeable future is considered to occur infrequently. The past occurrence of an event or transaction for a particular entity provides evidence to assess the probability of recurrence of that type of event or transaction in the foreseeable future. During 2018, the Hospital entered into a class-action lawsuit with an investment bank related to misleading interest rates. The class-action lawsuit resulted in a favorable settlement to the Hospital in the amount of \$549,767, which is included in other nonoperating income on the statement of operations.

Newly Adopted Accounting Pronouncement

In 2019, the Hospital adopted FASB Accounting Standards Update (ASU) No. 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities (Topic 958)*, which makes targeted changes to the not-for-profit financial reporting model. Under the ASU, net asset reporting is streamlined and clarified. The existing three category classification of net assets is replaced with a simplified model that combines temporarily restricted and permanently restricted into a single category called "net assets with donor restrictions." The guidance for classifying deficiencies in endowment funds and on accounting for the lapsing of restrictions on gifts to acquire property, plant, and equipment has also been simplified and clarified. New disclosures highlight restrictions on the use of resources that make otherwise liquid assets unavailable for meeting near-term financial requirements. The ASU also imposes several new requirements related to reporting expenses. The adoption of the ASU had no impact on previously reported total net assets and has been applied retrospectively to all periods presented.

Subsequent Events

For purposes of the preparation of these financial statements in conformity with U.S. GAAP, the Hospital has considered transactions or events occurring through February 24, 2020, which was the date the financial statements were available to be issued.

On October 7, 2019, the Hospital and NCHI executed an agreement providing that, effective September 30, 2019, the Hospital formally disaffiliated with NCHI, and is now a stand-alone hospital. The agreement was reached after several months of negotiations and a review by the New Hampshire Director of Charitable Trusts.

**LITTLETON HOSPITAL ASSOCIATION, INC.
(d/b/a LITTLETON REGIONAL HEALTHCARE)**

Notes to Financial Statements

September 30, 2019 and 2018

2. Net Patient Service Revenue and Patient Accounts Receivable

Net Patient Service Revenue

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

	<u>2019</u>	<u>2018</u>
Gross patient service revenue		
Routine services	\$ 6,700,826	\$ 6,784,417
Ancillary services	<u>175,207,114</u>	<u>161,167,308</u>
	<u>181,907,940</u>	167,951,725
Less contractuals and discounts	<u>86,504,054</u>	<u>77,757,875</u>
Patient service revenue (net of contractual allowances and discounts)	95,403,886	90,193,850
Less provision for bad debts	<u>5,343,535</u>	<u>5,295,151</u>
Net patient service revenue	<u>\$ 90,060,351</u>	<u>\$ 84,898,699</u>

Patient Accounts Receivable

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

	<u>2019</u>	<u>2018</u>
Patient accounts receivable	\$ 27,597,943	\$ 21,746,489
Less estimated contractual allowances	11,569,832	8,612,000
Less estimated allowance for bad debts	<u>4,967,657</u>	<u>4,011,000</u>
Patient accounts receivable, net	<u>\$ 11,060,454</u>	<u>\$ 9,123,489</u>

During 2019, the Hospital increased its estimates from approximately \$2,115,000 to approximately \$2,446,000 and from approximately \$1,293,000 to approximately \$1,804,000 in the allowance for doubtful accounts relating to self-pay and commercial insurance patients, respectively. During 2019, self-pay write-offs increased from approximately \$6,119,000 to approximately \$6,253,000. Such increases are the result of higher-deductible health insurance plans and staffing related issues which affected the revenue cycle process.

**LITTLETON HOSPITAL ASSOCIATION, INC.
(d/b/a LITTLETON REGIONAL HEALTHCARE)**

Notes to Financial Statements

September 30, 2019 and 2018

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

Medicare

The Hospital is a Critical Access Hospital (CAH). Under the CAH program, the Hospital is reimbursed at 101% of allowable costs for its inpatient and most outpatient services provided to Medicare patients. The Hospital is reimbursed at tentative rates with final determination after submission of annual cost reports by the Hospital and audits thereof by the Medicare fiscal intermediary. The Hospital's cost reports have been audited by the fiscal intermediary through September 30, 2015.

Medicaid

Inpatient services rendered to Medicaid program beneficiaries are reimbursed under prospectively-determined per-discharge rates. The prospectively-determined per-discharge rates are not subject to retroactive adjustment. Outpatient services rendered to Medicaid beneficiaries are reimbursed on a combination of prospectively-determined fee schedules and a cost reimbursement methodology. The Hospital is reimbursed for outpatient services 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 Hospital's cost reports have been audited by the fiscal intermediary through September 30, 2013.

Anthem

Inpatient and outpatient services rendered to Anthem subscribers are reimbursed based on standard charges, less a negotiated discount, except for lab and radiology services which are reimbursed on fee schedules.

Revenue from the Medicare and Medicaid programs accounted for approximately 33% and 10%, respectively, of the Hospital's patient service revenue (net of contractual allowances and discounts) for the year ended September 30, 2019, and 35% and 12%, respectively, of the Hospital's patient service revenue (net of contractual allowances and discounts) for the year ended September 30, 2018. Laws and regulations governing the Medicare and Medicaid programs are extremely complex and subject to interpretation. As a result, there is at least a reasonable possibility that recorded estimates will change by a material amount in the near term. Net patient service revenue decreased by approximately \$50,000 and \$262,000 in 2019 and 2018, respectively, due to changes in estimates and differences in retroactive adjustments compared to amounts previously estimated.

The Hospital has also entered into payment agreements with certain commercial insurance carriers and health maintenance organizations. The basis for payment to the Hospital under these agreements includes prospectively-determined rates, discount from charges and prospectively-determined daily rates.

**LITTLETON HOSPITAL ASSOCIATION, INC.
(d/b/a LITTLETON REGIONAL HEALTHCARE)**

Notes to Financial Statements

September 30, 2019 and 2018

The Hospital recognizes patient service revenue associated with services rendered to patients who have third-party payor coverage on the basis of contractual rates for such services. For uninsured patients that do not qualify for charity care, the Hospital recognizes revenue on the basis of its standard rates (or on the basis of discounted rates, if negotiated or provided by policy). Based on historical trends, a significant portion of the Hospital's uninsured patients will be unable or unwilling to pay for the services rendered. Thus, the Hospital records a provision for bad debts related to uninsured patients in the period the services are rendered. Patient service revenue, net of contractual allowances and discounts but before the provision for bad debts, recognized in the period from these major payor sources are as follows:

	<u>2019</u>	<u>2018</u>
Total all payors		
Third-party payors	\$ 90,251,626	\$ 85,422,571
Self-pay	<u>5,152,260</u>	<u>4,771,279</u>
Patient service revenue (net of contractual allowances and discounts)	<u>\$ 95,403,886</u>	<u>\$ 90,193,850</u>

Disproportionate Share Hospital Payments

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 the 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 plan for the distribution of DSH monies to its hospitals has not yet been approved by the Centers for Medicare and Medicaid Services (CMS). Therefore, amounts recorded by the Hospital are subject to change. Included within contractual allowances in patient service revenue (net of contractual allowances and discounts) in the statements of operations is approximately \$4,500,000 and \$3,542,000, respectively, for the years ended September 30, 2019 and 2018 related to DSH payments.

Long-term estimated third-party payor settlements consist of estimates related to Medicare's potential disallowance of Medicaid enhancement tax as an allowable cost and state disproportionate share pending settlements. Due to unresolved issues at the federal level for both matters, the Hospital has classified the balances as long-term.

3. Community Benefit

The Hospital provides services without charge, or at amounts less than its established rates, to patients who meet the criteria of its charity care policy. Patients deemed as not meeting criteria for the New Hampshire Health Access Network are then considered for the Hospital's Charity Care program. The individual must be deemed ineligible for Medicaid and the Buffington Fund (Lisbon residents only) to be considered for the program.

**LITTLETON HOSPITAL ASSOCIATION, INC.
(d/b/a LITTLETON REGIONAL HEALTHCARE)**

Notes to Financial Statements

September 30, 2019 and 2018

Charity care is granted on a sliding scale based on gross income and family size as compared to the federal poverty guidelines as follows:

- Up to 200% of federal poverty guidelines receive 100% charity care;
- 201%-225% of federal poverty guidelines receive 75% charity care;
- 226%-275% of federal poverty guidelines receive 50% charity care; and
- 276%-300% of federal poverty guidelines receive 25% charity care.

The net cost of charity care provided was approximately \$592,000 in 2019 and \$569,000 in 2018. The total cost estimate is based on an overall financial statement cost to charge ratio applied against gross charity care charges. In 2019 and 2018, 0.60% and 0.64%, respectively, of all services as defined by percentage of gross revenue was provided on a charity basis.

In 2019, of a total of 1,609 inpatients, 43 received their entire episode of service on a charity basis and 18 received partial subsidy. In 2018, of a total of 1,641 inpatients, 42 received full charity and 29 received partial subsidy.

4. Availability and Liquidity of Financial Assets

The Hospital had working capital of \$5,196,751 and \$8,389,553 at September 30, 2019 and 2018, respectively. The Hospital had average days (based on normal expenditures) cash and cash equivalents on hand of 1 and 17 at September 30, 2019 and 2018, respectively.

The Hospital's goal is to maintain financial assets to meet 40 days of operating expenses (\$10,368,347 and \$9,217,810 at September 30, 2019 and 2018, respectively). The annual operating budget is determined with the goal of generating sufficient net patient service revenue and cash flows to allow the Hospital to be sustainable to support its mission and vision.

Financial assets and liquidity resources available within one year for general expenditure, such as operating expenses, scheduled principal payments on debt, and capital construction costs not financed with debt, were as follows as of September 30:

	<u>2019</u>	<u>2018</u>
Cash and cash equivalents	\$ 291,187	\$ 3,958,019
Patient accounts receivable, net	11,060,454	9,123,489
Other receivables, net (included in other current assets)	<u>2,202,922</u>	<u>2,218,078</u>
Financial assets available to meet general expenditures within one year	<u>\$ 13,554,563</u>	<u>\$ 15,299,586</u>

The Hospital has assets limited as to use of \$39,102,700 and \$43,514,141 at September 30, 2019 and 2018, respectively, that are designated assets set aside by the Board of Trustees for future capital improvements and other purposes. These assets limited as to use are not available for general expenditure within the next year, however, the internally designated amounts could be made available, if necessary.

**LITTLETON HOSPITAL ASSOCIATION, INC.
(d/b/a LITTLETON REGIONAL HEALTHCARE)**

Notes to Financial Statements

September 30, 2019 and 2018

5. Property and Equipment

The major categories of property and equipment are as follows as of September 30:

	<u>2019</u>	<u>2018</u>
Land	\$ 764,443	\$ 764,443
Land improvements	3,806,523	3,792,448
Buildings	42,428,399	41,202,168
Fixed equipment	14,809,598	14,664,397
Major moveable equipment	37,439,514	33,871,778
Assets under capital leases	<u>1,239,569</u>	<u>717,383</u>
	100,488,046	95,012,617
Less accumulated depreciation and amortization	<u>62,879,640</u>	<u>58,628,917</u>
	37,608,406	36,383,700
Construction-in-progress	<u>442,535</u>	<u>1,357,310</u>
	<u>\$ 38,050,941</u>	<u>\$ 37,741,010</u>

6. Assets Limited as to Use

Assets limited as to use consisted of the following as of September 30:

	<u>2019</u>	<u>2018</u>
Board-designated for capital acquisition and operations	\$ 39,102,700	\$ 43,514,141
Deferred compensation	3,039,019	2,970,751
With donor restrictions - temporary in nature	624,028	538,633
With donor restrictions - held in perpetuity	<u>2,000,091</u>	<u>1,998,552</u>
Total	<u>\$ 44,765,838</u>	<u>\$ 49,022,077</u>

The composition of assets limited as to use consisted of the following at September 30:

	<u>2019</u>	<u>2018</u>
Cash and cash equivalents	\$ 1,045,912	\$ 3,012,897
Fixed income	4,753,008	4,579,679
Mutual funds	26,970,818	29,345,376
Other investments	<u>11,996,100</u>	<u>12,084,125</u>
Total	<u>\$ 44,765,838</u>	<u>\$ 49,022,077</u>

**LITTLETON HOSPITAL ASSOCIATION, INC.
(d/b/a LITTLETON REGIONAL HEALTHCARE)**

Notes to Financial Statements

September 30, 2019 and 2018

Investment income and gains (losses) consisted of the following:

	<u>2019</u>	<u>2018</u>
Net assets without donor restrictions:		
Interest and dividends, net of fees	\$ 490,161	\$ 554,473
Realized gains	420,760	106,958
Unrealized gains	<u>25,303</u>	<u>2,025,986</u>
	<u>936,224</u>	<u>2,687,417</u>
Net assets with donor restrictions:		
Interest and dividends, net of fees	14,400	3,936
Realized losses	(12,046)	(10,999)
Unrealized gains	<u>34,118</u>	<u>109,298</u>
	<u>36,472</u>	<u>102,235</u>
	<u>\$ 972,696</u>	<u>\$ 2,789,652</u>

Changes in endowment (with donor restrictions) net assets are as follows:

	<u>2019</u>	<u>2018</u>
Endowment net assets, beginning of year	\$ 2,365,387	\$ 2,286,360
Investment return		
Investment income, net of fees	57,109	113,543
Realized gains (losses) on investments	1,580	(286)
Unrealized (losses) gains on investments	<u>(2,456)</u>	<u>15,047</u>
Total investment return, net	<u>56,233</u>	<u>128,304</u>
Contributions	1,539	3,245
Appropriation of endowment assets for expenditure	<u>(48,499)</u>	<u>(52,522)</u>
Endowment net assets, end of year	<u>\$ 2,374,660</u>	<u>\$ 2,365,387</u>

**LITTLETON HOSPITAL ASSOCIATION, INC.
(d/b/a LITTLETON REGIONAL HEALTHCARE)**

Notes to Financial Statements

September 30, 2019 and 2018

Interpretation of Relevant Law

The Hospital has interpreted the State of New Hampshire Uniform Prudent Management of Institutional Funds Act (UPMIFA) such that the Board of Trustees is allowed to appropriate for expenditure for the uses and purposes for which the endowment fund is established, unless otherwise specified by the donor, so much of the net appreciation, realized and unrealized, in the fair value of the assets of the endowment fund over the historic dollar value of the fund, as is prudent. In so doing, the Board must consider the long-term and short-term needs of the Hospital in carrying out its purpose, its present and anticipated financial requirements, expected total return on its investments, price-level trends, and general economic conditions. As a result of this interpretation, the Hospital classifies as net assets with perpetual donor restriction (a) the original value of the gifts donated to the perpetual endowment when explicit donor stipulations requiring perpetual maintenance of the historical fair value are present, and (b) the original value of the subsequent gifts to be maintained in perpetuity when explicit donor stipulations requiring perpetual maintenance of the historical fair value are present. The remaining portion of the donor restricted endowment fund composed of accumulated gains not required to be maintained in perpetuity is classified as net assets with donor restrictions temporary in nature until those amounts are appropriated for expenditure in a manner consistent with the donor's stipulations. The Board approves amounts to be appropriated from time to time, based on the Hospital's needs and the provisions of UPMIFA.

Investment Policy and Strategies Employed for Achieving Objectives

In managing its diversified portfolio, the Hospital measures the performance of its investment portfolio's components against the appropriate market benchmark. The investment objective for the portfolio is to achieve the highest long-term total return on assets that is consistent with prudent investment practices. Over the long term, the policy provides that good investment performance should maintain or enhance the purchasing power of the portfolio's assets. A secondary objective is to achieve an annualized return that meets or exceeds a Policy Index that is comprised of reasonable market benchmarks in a weighting that is consistent with the target asset allocation as approved by the Hospital.

The portfolio assets have a long-term, indefinite time horizon with relatively low liquidity needs. As such, the Fund may take advantage of less liquid investments and assume a time horizon that extends well beyond a normal market cycle. It is expected, however, that sufficient portfolio diversification will smooth volatility and help to assure a reasonable consistency of return. The portfolio is managed on a total return basis.

Funds with Deficiencies

From time to time, the fair value of assets associated with donor-restricted endowment funds may fall below the level of the donors' original gift(s) or what UPMIFA may require the Hospital to retain as a fund of perpetual duration ("underwater"). The Hospital's policy prohibits appropriating amounts from underwater endowment funds and there were no deficiencies of this nature that are reported in net assets with donor restrictions as of September 30, 2019 and 2018.

LITTLETON HOSPITAL ASSOCIATION, INC.
(d/b/a LITTLETON REGIONAL HEALTHCARE)

Notes to Financial Statements

September 30, 2019 and 2018

7. Borrowings

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

	<u>2019</u>	<u>2018</u>
Series 2015A fixed-rate bonds held by T.D. Bank N.A., payable in variable monthly principal and interest installments through September 2038; interest rate of 2.39%; collateralized by substantially all Hospital assets and gross receipts.	\$ 4,609,736	\$ 4,799,418
Series 2015B variable-rate bonds held by T.D. Bank N.A., payable in variable monthly principal and interest installments through September 2038; interest rate of 69.75% of one-month London Interbank Offering Rate (LIBOR) plus 0.73% (2.22% at September 30, 2019); collateralized by substantially all Hospital assets and gross receipts (see interest rate swap agreement disclosure).	18,331,555	18,976,322
2.97% note payable to a bank, due in variable monthly installments including interest, through April 2023; collateralized by substantially all Hospital assets.	1,113,744	1,404,004
Various capital leases, payable in 60 to 120 monthly principal payments ranging from \$1,858 to \$5,272 including interest rates varying from 2.84% to 8.49%; and maturing between July 2023 and July 2028; collateralized by specific assets acquired under capital leases.	<u>661,029</u>	<u>638,503</u>
Total long-term debt, before unamortized and deferred issuance costs	24,716,064	25,818,247
Unamortized deferred issuance costs	<u>(168,770)</u>	<u>(177,652)</u>
Total long-term debt	24,547,294	25,640,595
Less current portion	<u>1,263,501</u>	<u>1,176,795</u>
Long-term debt, excluding current portion	<u>\$ 23,283,793</u>	<u>\$ 24,463,800</u>

The Series 2015 bonds require the Hospital to meet certain covenants. As of September 30, 2019 the Hospital was not in compliance with certain of these covenant requirements, however, a waiver was subsequently granted for the violation by the lending institution.

**LITTLETON HOSPITAL ASSOCIATION, INC.
(d/b/a LITTLETON REGIONAL HEALTHCARE)**

Notes to Financial Statements

September 30, 2019 and 2018

Annual principal maturities on long-term debt, including capital leases, for fiscal years subsequent to September 30, 2019 are as follows:

	<u>Bonds and Notes Payable</u>	<u>Capital Lease Obligations</u>
2020	\$ 1,160,706	\$ 102,795
2021	1,202,509	109,538
2022	1,243,578	116,772
2023	1,148,782	121,007
2024	991,686	41,542
Thereafter	<u>18,307,774</u>	<u>169,375</u>
	<u>\$ 24,055,035</u>	<u>\$ 661,029</u>

Interest on long-term debt, excluding letter-of-credit fees, was \$927,208 and \$905,076 for the years ended September 30, 2019 and 2018, respectively.

Interest Rate Swap

In connection with the issuance of the Series 2015B bonds, the Hospital entered into an interest rate swap agreement to hedge the associated interest rate risk. The swap notional amount was \$14,139,000 at September 30, 2019. The swap terminates on October 11, 2027. The interest rate swap agreement requires the Hospital to pay a fixed rate of 3.5625% in exchange for a variable rate of 69.75% of one-month LIBOR plus 0.73% which matches the rate under the bonds.

The Hospital is required to include the fair value of the swap in the balance sheets, and annual changes, if any, in the fair value of the swap in the statements of operations. For example, during the holding period, the annually-calculated value of the swap will be reported as an asset if interest rates increase above those in effect on the date the swap was entered into and as an unrealized gain in the statements of operations, which will generally be indicative that the net fixed rate the Hospital is paying is below market expectations of rates during the remaining term of the swap. The swap will be reported as a liability (and as an unrealized loss in the statements of operations) if interest rates decrease below those in effect on the date the swap was entered into, which will generally be indicative that the net fixed rate the Hospital is paying on the swap is above market expectations of rates during the remaining term of the swap. These annual accounting adjustments of value changes in the swap transaction are non-cash recognition requirements, the net effect of which is intended to be zero at the maturity date of the swap agreement. The Hospital retains the sole right to terminate the swap agreement should the need arise. The Hospital recorded the swap at its liability position of \$2,319,861 and \$1,507,465 at September 30, 2019 and 2018, respectively.

LITTLETON HOSPITAL ASSOCIATION, INC.
(d/b/a LITTLETON REGIONAL HEALTHCARE)

Notes to Financial Statements

September 30, 2019 and 2018

8. Retirement Plans

The Hospital sponsors a 403(b) retirement plan for its employees. Contributions are computed as a percentage of earnings and are funded as accrued. Effective November 1, 2017, the Hospital merged its plan with that of the other members of NCHI in the North Country Healthcare Retirement Plan (Plan). The Hospital intends to exit the Plan as part of the disaffiliation with NCHI.

The amount charged to expense for the 403(b) plan totaled \$714,674 and \$623,782 for 2019 and 2018, respectively.

In addition, the Hospital maintains a 457(b) deferred compensation plan for certain employees. An asset and a liability of \$3,039,019 and \$2,970,751, respectively, have been recorded related to this plan for 2019 and 2018.

9. Commitments and Contingencies

Professional Liability Insurance

The Hospital maintains medical malpractice insurance coverage on a claims-made basis. The Hospital is subject to complaints, claims, and litigation due to potential claims which arise in the normal course of business. U.S. GAAP requires the Hospital to accrue the ultimate cost of malpractice claims when the incident that gives rise to the claim occurs, without consideration of insurance recoveries. Expected recoveries are presented as a separate asset. The Hospital has evaluated its exposure to losses arising from identifiable potential claims and has properly accounted for them in the balance sheets for the years ended September 30, 2019 and 2018. The Hospital intends to renew coverage on a claims-made basis and anticipates that such coverage will be available in future periods.

Health Insurance

During 2018, the Hospital terminated its self-funded health insurance plan for its employees. At September 30, 2018, there were no accrued estimated costs on incurred but not reported claims. The Hospital established a traditional health insurance plan that provides the employees the option of choosing one of six plan options that best suits the needs of the employee.

Operating Leases

The Hospital as lessee has various non-cancelable leases for office space, including space sub-leased, all of which are classified as operating leases. Lease expense was \$415,481 and \$550,430 for the years ended September 30, 2019 and 2018, respectively. Future minimum lease payments are as follows for years ending September 30:

2020	\$ 543,189
2021	553,922
2022	529,652
2023	545,541
2024	561,907
Total future minimum lease payments	<u>\$ 2,734,211</u>

**LITTLETON HOSPITAL ASSOCIATION, INC.
(d/b/a LITTLETON REGIONAL HEALTHCARE)**

Notes to Financial Statements

September 30, 2019 and 2018

Professional Services Agreement

The Hospital entered into a professional services, medical direction and management agreement (Agreement) with The Alpine Clinic, LLC (Alpine) in March 2012. Alpine is a private physician practice group with clinical sites in five towns in northern New Hampshire providing orthopedic care, clinical services and related physical therapy, radiology and magnetic resonance imaging services to patients in this region. The initial term of the Agreement was in effect for a period of three years. There are provisions under the Agreement for early termination, subject to agreement between the two parties. Subsequent to the expiration of the initial term, the arrangement has continued on a monthly basis.

Under the terms of the Agreement, the Hospital has agreed to sub-lease Alpine's offices, furniture and equipment. The Hospital has agreed to engage Alpine to provide the professional orthopedic and physical therapy services through the physicians, nurse practitioners, physician assistants, and licensed physical therapists employed by Alpine. Alpine has agreed to engage the radiology and magnetic resonance imaging technicians employed by the Hospital to provide the technical services in connection with imaging services to Hospital patients at the Alpine offices. The Hospital has also agreed to engage Alpine to provide the services of all administrative and support staff as is necessary and desirable for the effective and efficient delivery of the orthopedic, physical therapy and imaging services.

Alpine has agreed that its sole compensation under this Agreement will be the fees set forth in the Agreement and that all payments from patients, third-party payors or otherwise for Alpine professional services furnished by the providers to Hospital patients will belong to the Hospital. The fees under the Agreement include an annual base fee, to be paid monthly, and a productivity fee which is to be paid within 30 days following the end of each year of the Agreement. The methodology used to calculate the base fee and productivity fee is specifically defined in the Agreement.

The fees paid to Alpine during the years ended September 30, 2019 and 2018 were \$3,037,606 and \$2,970,704, respectively, of which \$177,497 is included in prepaid expenses and other current assets at September 30, 2019 and 2018.

Equipment Maintenance Agreement

During 2012, the Hospital entered into a capital lease to finance the purchase of a new Magnetic Resonance Imaging scanner. During 2018, the capital lease was paid in full and a new maintenance agreement was entered into for \$9,856 per month. Total maintenance expense related to the capital lease in 2019 and 2018 was \$113,208 and \$137,557, respectively. The maintenance fee commitment expires in June 2022.

**LITTLETON HOSPITAL ASSOCIATION, INC.
(d/b/a LITTLETON REGIONAL HEALTHCARE)**

Notes to Financial Statements

September 30, 2019 and 2018

Payments in Lieu of Taxes

The Hospital entered into an agreement with the Town of Littleton that calls for annual payments in lieu of taxes through 2026 of \$75,000 per year adjusted annually by the Consumer Price Index. For the years ended September 30, 2019 and 2018 the payments were \$76,640 and \$76,458, respectively.

Information Technology (IT) Purchased Services Agreement

In July 2019, the Hospital entered into a service agreement for contracted IT services. The initial agreement is for a five-year term ending July 2024. The agreement requires a monthly fee of \$105,000 and total expense incurred by the Hospital for the year ended September 30, 2019 was \$316,381.

10. Physician Practices

During 2019 and 2018, the Hospital operated several physician practices. For the years ended September 30, 2019 and 2018, the Hospital recognized net practice operations activity as follows:

	<u>2019</u>	<u>2018</u>
Net practice revenue	\$ 16,671,957	\$ 15,720,744
Direct expenses	<u>26,781,048</u>	<u>21,520,710</u>
Net loss (before indirect expenses)	<u>\$ (10,109,091)</u>	<u>\$ (5,799,966)</u>

11. Net Assets

Net assets with donor restrictions are available for the following purposes at September 30:

	<u>2019</u>	<u>2018</u>
Funds maintained with donor restrictions temporary in nature:		
Construction fund	\$ 19,476	\$ 3,496
Indigent care	160,121	150,291
Health education	8,878	9,123
Pastoral care	9,234	9,475
Veterans transportation	1,953	1,872
Volunteer services	65,784	69,459
Other health-related services	<u>370,935</u>	<u>314,904</u>
Total funds maintained with donor restrictions temporary in nature	<u>636,381</u>	<u>558,620</u>

**LITTLETON HOSPITAL ASSOCIATION, INC.
(d/b/a LITTLETON REGIONAL HEALTHCARE)**

Notes to Financial Statements

September 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Funds maintained in perpetuity:		
Investments to be held in perpetuity, the income from which is expendable to support healthcare services	<u>2,000,218</u>	<u>1,998,552</u>
Total net assets with donor restrictions	<u>\$ 2,636,599</u>	<u>\$ 2,557,172</u>
Net assets released from restrictions consisted of:		
Satisfaction of purpose restrictions - operations	<u>\$ 71,826</u>	<u>\$ 306,293</u>

12. Functional Expenses

The Hospital provides general healthcare services to residents within its geographic location. The statements of operations report certain categories of expenses that are attributable to both healthcare services and support functions. Therefore, these expenses require an allocation on a reasonable basis that is consistently applied. Occupancy costs are allocated by square footage, employee benefits are allocated based on salaries and professional liability insurance is allocated based on expense for the physician. Expenses related to healthcare and support services for the year ended September 30 are as follows:

<u>2019</u>	<u>Healthcare Services</u>	<u>General and Administrative</u>	<u>Total</u>
Salaries, wages and fringe	\$ 45,215,441	\$ 7,699,327	\$ 52,914,768
Contract labor	6,037,791	434,669	6,472,460
Supplies and other	20,111,129	10,449,393	30,560,522
Medicaid enhancement tax	-	3,736,209	3,736,209
Depreciation	3,753,651	805,924	4,559,575
Interest	<u>927,208</u>	<u>-</u>	<u>927,208</u>
	<u>\$ 76,045,220</u>	<u>\$ 23,125,522</u>	<u>\$ 99,170,742</u>
<u>2018</u>	<u>Healthcare Services</u>	<u>General and Administrative</u>	<u>Total</u>
Salaries, wages and fringe	\$ 39,866,789	\$ 6,746,516	\$ 46,613,305
Contract labor	5,112,321	235,037	5,347,358
Supplies and other	17,779,795	9,936,580	27,716,375
Medicaid enhancement tax	-	3,530,402	3,530,402
Depreciation	3,657,357	893,835	4,551,192
Interest	<u>905,076</u>	<u>-</u>	<u>905,076</u>
	<u>\$ 67,321,338</u>	<u>\$ 21,342,370</u>	<u>\$ 88,663,708</u>

LITTLETON HOSPITAL ASSOCIATION, INC.
(d/b/a LITTLETON REGIONAL HEALTHCARE)

Notes to Financial Statements

September 30, 2019 and 2018

13. Concentration of Credit Risk

Patient Accounts Receivable

The Hospital grants credit without collateral to its patients, most of whom are local residents and insured under third-party payor agreements. The mix of receivables for patients and third-party payors at September 30, 2019 and 2018 was as follows:

	<u>2019</u>	<u>2018</u>
Medicare	27 %	26 %
Medicaid	10	12
Anthem	12	10
Other third-party payors	33	30
Patient	<u>18</u>	<u>22</u>
	<u>100 %</u>	<u>100 %</u>

14. Fair Value Measurement

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

- Level 1:** Quoted prices (unadjusted) for identical assets or liabilities in active markets that the entity has the ability to access as of the measurement date.
- Level 2:** Significant other observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active, and other inputs that are observable or can be corroborated by observable market data.
- Level 3:** Significant unobservable inputs that reflect an entity's own assumptions about the assumptions that market participants would use in pricing an asset or liability.

**LITTLETON HOSPITAL ASSOCIATION, INC.
(d/b/a LITTLETON REGIONAL HEALTHCARE)**

Notes to Financial Statements

September 30, 2019 and 2018

Assets and liabilities measured at fair value and net asset value on a recurring basis are summarized below:

	Fair Value Measurements at September 30, 2019		
	<u>Total</u>	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)
Assets			
Cash and cash equivalents	\$ 1,045,912	\$ 1,045,912	\$ -
Fixed income	1,713,989	-	1,713,989
Mutual funds			
Index funds	21,769,215	21,769,215	-
Bond funds	<u>5,201,603</u>	<u>5,201,603</u>	-
Total mutual funds	26,970,818	26,970,818	-
Assets to fund deferred compensation			
Fixed income	<u>3,039,019</u>	<u>3,039,019</u>	-
Total assets at fair value	32,769,738	<u>\$ 31,055,749</u>	<u>\$ 1,713,989</u>
Investments measured at NAV	<u>11,996,100</u>		
Total assets	<u>\$ 44,765,838</u>		
Liabilities			
Interest rate swap	\$ <u>2,319,861</u>	\$ -	\$ <u>2,319,861</u>
Total liabilities	<u>\$ 2,319,861</u>	<u>\$ -</u>	<u>\$ 2,319,861</u>

LITTLETON HOSPITAL ASSOCIATION, INC.
(d/b/a LITTLETON REGIONAL HEALTHCARE)

Notes to Financial Statements

September 30, 2019 and 2018

	Fair Value Measurements at September 30, 2018		
	<u>Total</u>	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)
Assets			
Cash and cash equivalents	\$ 3,012,897	\$ 3,012,897	\$ -
Fixed income	1,608,928	-	1,608,928
Marketable equity securities			
Index funds	23,298,688	23,298,688	-
Bond funds	<u>6,046,688</u>	<u>6,046,688</u>	-
Total mutual funds	29,345,376	29,345,376	-
Assets to fund deferred compensation			
Fixed income	<u>2,970,751</u>	<u>2,970,751</u>	-
Total assets at fair value	36,937,952	<u>\$ 35,329,024</u>	<u>\$ 1,608,928</u>
Investments measured at NAV	<u>12,084,125</u>		
Total assets	<u>\$ 49,022,077</u>		
Liabilities			
Interest rate swap	\$ <u>1,507,465</u>	\$ -	\$ <u>1,507,465</u>
Total liabilities	<u>\$ 1,507,465</u>	<u>\$ -</u>	<u>\$ 1,507,465</u>

Inputs other than quoted prices that are observable are used to value the interest rate swap. The Hospital considers these inputs to be Level 2.

The fair value of Level 2 assets has been measured using quoted market prices of similar assets and the fair value market approach, as determined by comparable sales data.

The fair value of the interest rate swap is measured using other than quoted prices that are observable to value the interest rate swap. These values represent the estimated amounts the Hospital would receive or pay to terminate the swap agreement, taking into consideration current interest rates and the current creditworthiness of the counterparty.

LITTLETON HOSPITAL ASSOCIATION, INC.
(d/b/a LITTLETON REGIONAL HEALTHCARE)

Notes to Financial Statements

September 30, 2019 and 2018

The following table sets forth a summary of the Hospital's investments valued using a reported NAV at September 30, 2019:

<u>Investment</u>	<u>Fair Value Estimated Using NAV Per Share at September 30</u>					<u>Redemption Notice Period</u>
	<u>2019</u>	<u>2018</u>	<u>Redemption Frequency</u>	<u>Other Redemption Restrictions</u>		
Nyes Ledge Capital Offshore Fund, LTD	\$ 5,490,763	\$ 5,469,384	Annually	Annually on December 31		90 days
Drake Capital Offshore Partners, LP	4,473,553	5,228,368	Semi-Annually	100% Annually (December 31) 25% Annually (June 30)		90 days
Seaport Global Property Securities, LP	1,963,266	1,304,659	Monthly	N/A		15 days
Hatteras Core Alternatives TEI Fund, LP (Hatteras Fund)	<u>68,518</u>	<u>81,714</u>	Quarterly	Each quarter Hatteras Fund allows up to 5% of the fund to be redeemed; if clients redemption requests are greater than 5% of the fund, each investor will be paid out a pro-rata portion of their redemption request		75 days
	<u>\$ 11,996,100</u>	<u>\$ 12,084,125</u>				

15. Medicaid Enhancement Tax and Disproportionate Share Payments

In New Hampshire, hospitals are subject to a 5.4% tax, the Medicaid Enhancement Tax, on net taxable revenues. The State of New Hampshire's distribution of DSH monies to the hospitals is subject to audit by CMS. A number of hospitals in New Hampshire filed a lawsuit relative to the results of the 2011 audit of these DSH payments and the court ruled in favor of the hospitals in March 2016. CMS has appealed the ruling and, until such time as the final ruling is made on the appeal, the Hospital has not changed its position with respect to the amounts recorded in its financial statements. Should the court's ruling stand, the Hospital expects to adjust the amounts held in contingency in the year the ruling is upheld.

**LITTLETON HOSPITAL ASSOCIATION, INC.
(d/b/a LITTLETON REGIONAL HEALTHCARE)**

Notes to Financial Statements

September 30, 2019 and 2018

16. 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 was 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 Hospital has settled with CMS.

In 2019 and 2018, the Hospital recognized \$976 and \$8,500, respectively, of Medicare EHR program revenues for its eligible physicians.

In 2019 and 2018, the Hospital attested to Stage 2 meaningful-use certification from CMS and recorded meaningful-use revenues of \$30,753 and \$79,952, respectively.

17. Related Party Transactions

As a member of NCHI, the Hospital shared in various services with the other member Hospitals and the parent. For the years ended September 30, 2019 and 2018, the Hospital billed other member hospitals \$1,722,925 and \$2,198,490 and was billed \$1,724,011 and \$2,123,495, respectively for shared services. At September 30, 2019 and 2018, \$254,633 and \$402,081, respectively, was due from, and \$220,743 and \$530,458, respectively, was due to, the member Hospitals and the parent.

Total expenses incurred for services provided by other members are as follows:

	<u>2019</u>	<u>2018</u>
UCVH	\$ 6,598	\$ 1,839
Weeks	438,521	241,967
AVH	238,925	238,819
Home Health	1,631	-
NCHI	<u>1,038,336</u>	<u>1,640,870</u>
Total	<u>\$ 1,724,011</u>	<u>\$ 2,123,495</u>

LRH Board of Trustees (2020)

as of June 2020

	LAST NAME	FIRST NAME	Position
1	Chisolm	Fred	Member
2	Fitzpatrick	Dr. Patrick	Secretary
3	Fleury	Kathryn	Member
4	Garrison	Ashley	Member
5	Gingue	Roger	Chair
6	Goldberg	Dr. Stephen	Member
7	Hennessey	Erin	Treasurer
8	Jesseman	Richard	Member
9	Kunz	Elizabeth	Member
10	MacArthur	Dr. Dougald	Member
11	Morgan	Laurie	Member & LRH Auxiliary
12	Nutter	Bob	LRH President & CEO
13	Rankin	Dr. Deane	Member
14	Rocke	Alice	Medical Staff President
15	Shanshala II	Ed	Member
16	Smith	Paul	Member
17	Tremblay	Thomas	Member
18	Woodward	Jeff	Vice Chair

LAURYN ST. CYR

To continue to obtain knowledge and experience in a hospital setting.

EXPERIENCE

APRIL 2019 - PRESENT

REGISTRAR, LITTLETON REGIONAL HEALTHCARE

Responsible for patient registration in the Emergency Department, Radiology, and the Laboratory. I was also responsible for answering the phones and assisted the patient with their needs.

MAY 2019 – PRESENT

MEDICAL SECRETARY, LITTLETON REGIONAL HEALTHCARE

Responsible for patient check in/out in Urgent Care and provided excellent customer service throughout the process.

JUNE 2018 – AUGUST 2018

NANNY, JEFFERSON NH

Cared for three young girls for the summer. Tasks included meal preparation, activities, and took them on many field trips. I created calendars for each month that kept the parents involved in the upcoming activities.

JUNE 2017 – AUGUST 2018

LIFEGUARD, GROVETON NH

Responsible for supervision over the pool while on duty as well as taught swimming lessons in the morning.

EDUCATION

ANTICIPATED MAY 2020

BACHELORS DEGREE, PLYMOUTH STATE UNIVERSITY

My current GPA 3.71 and I was awarded with the Dean's scholarship and STEM scholarship.

JUNE 2019

HIGH SCHOOL DIPLOMA, GROVETON HIGH SCHOOL

My GPA was 3.5 and I was the President of the National Honor Society. I was also on the honor roll, student council and played two sports throughout high school.

APRIL 2019

.....

INTERNSHIP, MOUNTAIN VIEW DENTAL

I interned at Mountain View Dental in Whitefield, NH during my senior year. During this time, I shadowed every position at the dental office, went to several classroom settings and taught about the importance and kept a journal of what I saw and what I learned each time I went.

SKILLS

- Attention to detail
- Excellent customer service
- Ability to multitask
- Reliable
- Flexible

ACTIVITIES

I was awarded the Rotary Youth Leadership Award in 2017. I volunteered at various events to help others in need. I volunteered at Weeks Medical Center in the volunteer office. I was also a two-sport athlete and the captain for both teams during my junior and senior year of high school.

Alyssa Presby

OBJECTIVE: To further my knowledge and skills as a Registered Nurse.

EDUCATION: Associates Degree of Nursing: May 2013
White Mountains Community College: Berlin, New Hampshire
Southern New Hampshire University: Currently enrolled in BSN program,
expected graduation date October 2016

LICENSURE: Registered Nurse, State of New Hampshire, No. 067768-21

PROFESSIONAL EXPERIENCE:

November 2014-Present: RN Clinical Supervisor, Northwoods Home Health & Hospice, Lancaster NH

- The Clinical Supervisor supervises the PT, PTA OT, OTA, RN, LPN and LNA's. The Clinical supervisor reports to the Clinical Director. The Clinical Supervisor reviews staffing education needs, creates orientation plans. Assists new staff with patient visits that need support. Project managed new technology integration. Responsible for annual evaluations of staff members. Educates staff on case management and reviews admissions to ensure meeting medicare requirements. Networks with outside agencies as well as attends CQI meetings in Concord NH. Works with outside referral sources to develop processes to improve patient outcomes working as a team.

October 2013-November 2014: RN Weekend Manager, Morrison Nursing Home, Whitefield NH

- The RN Weekend Manager supervises the nursing department in the DON's absence. The Weekend Manager reviews staffing at the change of a shift, and assigns and replaces staff to meet patient care needs. Completes patient care rounds. Assists in orientation of weekend employees. Supervises and evaluates weekend employees.

May 2012 – August 2013: LPN to Registered Nurse, Country Village Center, Lancaster NH.

- Utilizing nursing principles and assessment skills, evaluates assigned group of patients and provides and documents nursing care. Promote patients' independence through individualized goals and family involvement. Assumes leadership responsibilities through direction and supervision of the unit's licensed nursing assistants. Attend to the daily operations of the unit on a per-shift unit level. Reports directly to shift nursing supervisor.

December 2012 - present: Per diem School Nurse, SAU 36, Lancaster N.H

- Provide timely assessment and care to ill and/or injured students during school hours. Insure preventive health services to facilitate the student's optimal physical, mental, emotional and social growth and development.

CERTIFICATIONS: Basic Life Support
Advanced Cardiac Life Support
Pediatric Advance Life Support
Completed NHHCA Nurse Leadership Series 2014
IV Certified

ADDITIONAL SKILLS/GOALS:

Promotes team work in a positive and respective manner in order to promote a culture of nurturing for our community; demonstrate understanding of time- management skills with multiple patients. Possess effective verbal and written communication skills. Demonstrate sound judgment, decision making and problem-solving skills. Build rapport within discipline levels with ease; encourage and promote a sense of team work to accomplish patient goals.

Amv Lucas PA-C

EDUCATION

University of New England, Biddeford and Portland, ME
Graduate Field of Study: Physician Assistant
Degree Awarded: Masters of Physician Assistant
May 2013

Undergraduate Field of Study: Medical Biology - 3/2 Pre-PA
Degree Awarded: Bachelors of Science-Medical Biology
Undergraduate GPA: 3.87
Sept. 2008-May 2011
May 2012

Honors:
Summa cum laude
Alpha Chi Honors Society
May 2012
Spring 2011-May 2013

HEALTH CARE EXPERIENCE

Coos County Family Health Services: Berlin, NH
Primary Care Physician Assistant
Aug 2013-Present

Responsibilities: Provide primary care services to Berlin, NH community. Provide preventive care, chronic condition management and acute care to patients ranging newborn to geriatrics. In office procedures: skin biopsies, joint injections, suturing and lesion excision.
Supervising Physicians: Dr. Elaine Chappell and Dr. Josee Bourbeau

Committees:
• Controlled Substances Task Force
• Extended Hours Work Group
Aug 2013- Dec 2015
March 2015-Present

Androscoggin Valley Hospital: Berlin, NH
Hospitalist Physician Assistant- per diem
Dec 2015-Present

Responsibilities: Provide Inpatient care to Medical Surgical and ICU patients, help in Emergency Department as needed.
Supervising Physicians: Dr. Javier Cardenas and Dr. Mahala Patrick

LICENSE/CERTIFICATIONS

New Hampshire Physician Assistant License #0968	Expires: 12/2017
NCCPA Board Certification	Expires: 6/2019
American Heart Association ACLS	Expires: 2/2018
DEA License	Expires: 3/2019

References available upon request

curriculum vitae
BENJAMIN TIPTON, MPA-C

CLINICAL EXPERIENCE

June 2013 to Present
Physician Assistant Family Medicine
Northern Counties Health Care
Island Pond, VT

June 2013 to June 2017
Physician Assistant Urgent Care
Mid Coast Medical Group
Brunswick, Maine

June 2013 to June 2017
Physician Assistant Internal Medicine
Mid Coast Medical Group
Bath, ME

June 2010 to June 2013
Physician Assistant Family Practice
Full Circle Family Medicine
Damariscotta, ME

January 2008 to July 2010
Physician Assistant Orthopedics
Damariscotta, ME

July 2003 to January 2008
Physician Assistant Emergency Medicine
Solo Coverage of Rural Emergency Department
Mount Ascutney Hospital
Windsor, VT

September 1997 to July 2003
Physician Assistant Emergency Medicine
Southwestern Vermont Medical Center
Bennington, VT

August 1996 to September 1997
Physician Assistant General Surgery
E. Scott Frost, M.D., F.A.C.S.
Bennington, VT

EDUCATIONAL HISTORY

June 2017
Qualified Teacher of Mindfulness Based Stress Reduction
USCD Center for Mindfulness

April 2014
12th International Conference on Integrating Mindfulness in Medicine, Health Care and Society
University of Massachusetts Medical School

June 2013
Lifestyle Medicine: Tools for Promoting Healthy Change
Harvard Medical School and Massachusetts General Hospital

March 2012
Building Resilience: The Mind Body Revolution in Health and Healing
Harvard Medical School

Benjamin Tipton MPA-C

October 2011
Neurobiology of Personal Transformation
Dr Dan Siegel
Omega Institute Retreat

January 2011
Center for Mind Body Medicine
Washington DC
Advanced Training In Mind Body Medicine

September 2010
Center for Mind Body Medicine
Washington DC
Mind-Body Medicine Professional Training Program

August 2002
University of Nebraska College of Medicine
Master of Physician Assistant Studies in Emergency Medicine

August 1996
HVCC/Albany Medical College, Albany, NY
Physician Assistant Certificate
High Honors

May 1992
Castleton State College, Castleton, VT
Bachelor of Science Degree
Summa cum Laude
Sports Medicine Athletic Training/Physical Education

References available upon request

Holly Owsianik

Medication Assistant

Work Experience

Medication Nursing Assistant

Kendal at Hanover - Hanover, NH

October 1999 to Present

Answer patient call lights to determine patients' needs.

Change bed linens or make beds.

Apply clean dressings, slings, stockings, or support bandages, under direction of nurse or physician.

Collect specimens, such as urine, feces, or sputum.

Communicate with patients to ascertain feelings or need for assistance or social and emotional support.

Document or otherwise report observations of patient behavior, complaints, or physical symptoms to nurses.

Feed patients or assist patients to eat or drink.

Gather information from caregivers, nurses, or physicians about patient condition, treatment plans, or appropriate activities.

Measure and record food and liquid intake or urinary and fecal output, reporting changes to medical or nursing staff.

Observe or examine patients to detect symptoms that may require medical attention, such as bruises, open

wounds, or blood in urine.

Prepare or serve food.

Provide physical support to assist patients to perform daily living activities, such as getting out of bed, bathing, dressing, using the toilet, standing, walking, or exercising.

Record height or weight of patients.

Record vital signs, such as temperature, blood pressure, pulse, or respiration rate, as directed by medical or nursing staff.

Remind patients to take medications or nutritional supplements.

Restock patient rooms with personal hygiene items, such as towels, washcloths, soap, or toilet paper.

Review patients' dietary restrictions, food allergies, and preferences to ensure patient receives appropriate

diet.

Turn or reposition bedridden patients.

Undress, wash, and dress patients who are unable to do so for themselves.

Exercise patients who are comatose, paralyzed, or have restricted mobility.

Explain medical instructions to patients or family members.

Provide information such as directions, visiting hours, or patient status information to visitors or callers.

Transport residents to their medical appointments or to the emergency room.

Assist nursing supervisor on medical emergencies/e-calls.
Ordering of residents medications which includes faxes and telephone orders.
Medication preparation and administration

Education

Licensed Nursing Assistant

Hartford Area Career and Technology Center - Hartford, VT
September 1998

High School Diploma

Lebanon High School - Lebanon, NH
June 1992

Skills

Detail-oriented (Less than 1 year), Time Management (Less than 1 year)

Certifications/Licenses

CPR

Certified Nursing Assistant (CNA)

Additional Information

Communication
Adaptability
Time Management
Leadership
Ability to Work Under Pressure
Multi-tasking
Efficient
Detail-oriented
Flexible
Responsible
Quick Learner
Organized

LORI COMEAU

SUMMARY

Driven LNA and compassionate healthcare professional with 15 years hands-on experience in residential and hospital environments as an EMS provider and patient caregiver as well as 12 years in hospital Admitting Communications with knowledge of medical terminology and hospital procedures. Accountable and responsible with a strong focus on patient care & wellness. Excellent documentation skills with a strong ability to communicate and gain patient trust of all ages, genders and mental abilities.

SKILLS

- Experienced in Patient information documentation
- Patient and family focus
- Critical thinking & working in trauma situations
- CPR and BLS certified
- Well experienced in obtaining/charting vital signs
- Medical Terminology
- Strong work ethic and willingness to always learn new skills and cover shifts for call ins when needed
- Well experienced in Registration and client appointment scheduling

EXPERIENCE

04/2004 to Current

EMS Provider

Lancaster Fire Department — Lancaster, NH

- Served as a first responder to over [300] scenes a year and provide life support to victims, including taking blood pressure, observing skin changes, taking pulses, blood glucose levels, and other forms of emergency care.
- Provided care and treatment to patients with traumatic injuries to include burns, amputations, spinal injuries, open wounds and fractures as well as chronic and acute health problems such as MI, asthma, COPD, hypoglycemia.
- Communicated extensively with patients to provide assistance, support and instructions.
- Assists with administering nitroglycerin, glucose, oxygen, setting up an IV bag with a line bled and ready to administer.
- Setting up and placing 12 lead on patient for an EKG
- Verified and entered necessary information accurately such as Name, Date of Birth, address, phone, known allergies and any medications into the patient documentation system.

04/2004 to Current

EMS Provider

Whitefield Fire Department — Whitefield, NH

Served as a first responder to over [300] scenes a year and provide life support to victims, including taking blood pressure, observing skin changes, taking pulses,

Blood glucose levels, temperatu

• Provided care and treatment :
amputations, spinal injuries, ope
acute health problems such as

• Communicated extensively wi
instructions.

• Assists with administering nitrog
with a line bled and ready to ac

• Setting up and placing 12 leac

• Verified and entered necessar
Birth , address , phone, known a
documentation system.

07/2004 to 10/2016

**Admitting / Communications
Weeks Medical Center — Lanc**

- Set and managed patier,
- Verified and entered nec
phone, DOB and insuranc
registering.
- Collected and processec
- Worked with nurses and c
them to the appropriate
- Jumped in to fill gaps for :
- Maintained patient chart
- Ensured HIPAA complianc
- Answered high call volum
appropriate location.
- Documented calls in ECV

EDUCATION AND TRAINING

2018	NH BON Licence: Licenced Nurs WMCC — Littleton, NH, USA
2004	National Registry- EMS: EMS NH Bureau of EMS — Berlin, NH, I
1989	NH Licensed Cosmetologist: Co Empire Beauty Academy — Lac
1984	High School Diploma: Basic Req Littleton High School — Littleton,

ACTIVITIES AND HONORS

Lancaster Fire Department
Whitefield Fire-Rescue
American Heart Association- CF

Rebecca Hutchinson



Authorized to work in the US for any employer

Work Experience

Physician Assistant

Lassen Medical Clinic - Red Bluff, CA

December 2016 to Present

Internal medicine, urgent care, occupational health

Education

Master of Physician Assistant Studies in Physician Assistant Studies

Franklin Pierce University - West Lebanon, NH

November 2013 to March 2016

Bachelor of Science in Biology in Biology

University of Maine - Orono, ME

September 2007 to May 2011

Skills

- Suturing
- Pelvic exams
- I&D

Certifications and Licenses

NRCME

November 2019 to November 2029

DOT physicals

ANDREW W. BORGHESE

Objective

To use the knowledge and skills that I have learned to provide comprehensive care in a Family Practice setting, while continuing to learn from the situations and the people around me no matter what the situation.

Work Experience

Littleton Regional Healthcare

Littleton, NH

October 2015 – Present

Physician Assistant – Certified

Emergency, Urgent Care, Primary Care

Member of Credentialing Committee June 2020-present

ACLS & PALS Certified

Islesboro Health Center - Rural Health Clinic

Islesboro, Me

May 2015 – Sept 2015

Physician Assistant

Treated patients with a wide range of Medical complaints

University of New England – Physician Assistant

Clinical Year Rotations

(Six Weeks each)

Family Medicine – Islesboro, Me

General Surgery – The Aroostook Medical Center, Presque Isle ME

Emergency Medicine – St. Mary's Hospital, Lewiston ME

Internal Medicine Inpatient – Portsmouth Regional Hospital, Portsmouth NH

Cardiology – St. Mary's Hospital, Lewiston ME

Family Medicine – Belgrade Health Center, Belgrade ME

Family Medicine – The Pines Health Center, Caribou ME

Geriatric Medicine – Maine Medical Center Geriatrics, Portland ME

Experience in:

History and Physicals, acute care visits, wound care, diabetes management, HTN management, Well Child Checks, medication management, dementia management, home visits, Suturing, large joint injections, lesion removal, EKG interpretation, and venipuncture

Littleton Regional Hospital

Littleton, NH

February 2, 2009 – April 2013

Certified Medical Assistant for the Physician Practices

- Scheduling appointment and surgery
- working in a variety of practices (Ortho, Neuro, Gen Surg, ENT, Occ Health, Uro, IM)
- Rooming patient's and assisting provider w/minor procedures

Loon Mountain Recreation Corp

Lincoln, NH

December 2002 – Present

2004-2007 - Ski Patrol Director/Full-time Ski Patroller

- Scheduling on mountain first aid personnel
 - Overseeing all daily Ski Patrol operations
 - Overseeing and participating in training of all patrollers
 - Providing First Aid to customers in need
 - Overseeing First Aid Room operations
- 2009 – present - part-time patroller

Education

University of New England

Portland, Me

Westbrook College of Health Professions.

Masters of Physician Assistant

Graduated May 2015

Concorde Career Institute (AAMA Accredited)

Portland, OR

January 2008 – November 2008

Certificate of Medical Assisting with Limited X-Ray

Plymouth State University

Plymouth, NH

Bachelors of Science in Outdoor Recreation
Graduated May 2003

Organization & Activities

Member and Class of 2015 Representative - Maine Association of Physician Assistants (2013)

Member AAPA (2013-present)

CPR Certified American Heart Assoc. BLS (2002 – Present)

ACLS Certified (2014 – Present)

Outdoor Emergency Care Technician (2002 – Present)

Certified Member – American Association of Medical Assistants (2008 – 2014)

Member – American Society of Orthopedic Professionals (2011)

Certified Member and Examiner – Professional Ski Patrol Association (2005 - Present)

Member – Nation Ski Patrol (2002 – Present)

Board Member – Pemi Valley Search and Rescue Team (2009 – Present)

Appalachian Trail Thru-Hiker (2004)

References available upon request

SARA MOONEY

SUMMARY

Dependable Emergency Medical Responder, LNA/ MA recognized for consistency in productivity and attendance while exhibiting a positive attitude in light of challenging situations, Exhibits exemplary work ethic and willingness to learn new processes and techniques which enhance business and team efforts,

SKILLS

- Medical terminology knowledge
- Collecting specimens
- Collecting vital signs
- Infection control procedures
- First Aid/CPR
- Extensive background working with people of all ages in training situations
- Patient and caring personality
- Positive attitude
- 13+ years of medical experience

EXPERIENCE

LITTLETON REGIONAL HEALTHCARE

Littleton, NH

LNA/MA

05/2020 to Current

work at a covid 19 testing site, registering patients, obtaining, vital signs and drawing patients blood

LITTLETON REGIONAL HEALTHCARE

Littleton, NH

LNA/MA

06/2019 to 03/2020

worked in an urgent care, triage and obtaining vital signs, running rapid lab testing, assisting with providers during procedures.

LITTLETON REGIONAL HOSPITAL

Littleton, NH

Surgical Service Aide

05/2017 to 06/2019

- Managed and maintained surgical suites by sterilizing equipment and [Task].
- Cleaned and sterilized operating rooms.
- Organized supply room and ordered supplies and equipment as needed.
- Communicated with professionalism and compassion when interacting with surgical team and patients.

PRIDE SUPPORT SERVICES

Barre, VT

LSA

01/2017 to 05/2017

Assisting clients with Traumatic Brain Injuries cope with daily activities,

EDUCATION AND TRAINING

EMERGENCY MEDICAL RESPONDER: EMERGENCY CARE ATTENDANCE
Northwoods Center For Continuing Education, Whitefield, NH

04/2016

LNA: NURSING ASSISTANCE
Lafayette Nursing Home, Franconia, NH

03/1994

RIDING INSTRUCTOR, TRAINER, BARN MANAGER: EQUINE STUDIES
Ogontz Equestrian Center, Lyman, NH

07/1989

HIGH SCHOOL DIPLOMA
Trumbull High School, Trumbull, CT

06/1988

CONTRACTOR NAMEKey Personnel

Name	Job Title	Salary	% Paid from this Contract	Amount Paid from this Contract
Alyssa Presby	RN/Phlebotomist	93,600	100	31,200
Lauren St. Cyr	Parking Lot Attendant	41,600	100	13,866.67
Lori Comeau	Medical Assistant	52,000	100	17,333.33
Sara Mooney	Registrar	47,760	100	15,920
Holly Owsianik	Registrar	47,760	100	15,920
Benjamin Tipton	Physician Assistant	74,256	42	10,395.84
Rebecca Hutchinson	Physician Assistant	65,520	42	9,172.80
Andrew Borghese	Physician Assistant	63,773	42	8,928.22
Amy Lucas	Physician Assistant	63,773	42	8,928.22

**New Hampshire Department of Health and Human Services
Hospital-Based COVID-19 Community Testing**



**State of New Hampshire
Department of Health and Human Services
Amendment #1 to the Hospital-Based COVID-19 Community Testing**

This 1st Amendment to the Hospital-Based COVID-19 Community Testing contract (hereinafter referred to as "Amendment #1") is by and between the State of New Hampshire, Department of Health and Human Services (hereinafter referred to as the "State" or "Department") and Catholic Medical Center, (hereinafter referred to as "the Contractor"), a nonprofit with a place of business at 100 McGregor Street, Manchester, NH, 03102.

WHEREAS, pursuant to an agreement (the "Contract") approved by the Governor on July 31, 2020, the Contractor agreed to perform certain services based upon the terms and conditions specified in the Contract and in consideration of certain sums specified; and

WHEREAS, pursuant to Form P-37, General Provisions, Paragraph 17, the Contract may be amended upon written agreement of the parties and appropriate State approval; and

WHEREAS, the parties agree to extend the term of the agreement, increase the price limitation, or modify the scope of services to support continued delivery of these services; and

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

1. Modify Exhibit B, Scope of Services, Section 1, Subsection 1.4., to read:

- 1.4. The Contractor shall not require an office or telemedicine visit for asymptomatic patients who have not had potential community close contact with persons having confirmed or suspected COVID-19.

**New Hampshire Department of Health and Human Services
Hospital-Based COVID-19 Community Testing**



All terms and conditions of the Contract not inconsistent with this Amendment #1 remain in full force and effect. This amendment shall be effective retroactively to August 1, 2020, subject to the Governor's approval issued under the Executive Order 2020-04, as extended by Executive Orders 2020-05, 2020-08, 2020-09, 2020-10, 2020-14, and 2020-15.

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

State of New Hampshire
Department of Health and Human Services

8/13/20
Date

[Signature]
Name: Ann Lavery
Title: Associate Commissioner

Catholic Medical Center

08/10/2020
Date

[Signature]
Name: Joseph Pepe, MD
Title: President/CEO

OFFICE OF THE ATTORNEY GENERAL

Catherine Pinos
Name: Catherine Pinos, Attorney
Title:

OFFICE OF THE SECRETARY OF STATE

Name: _____
Title: _____

State of New Hampshire

Department of State

CERTIFICATE

I, William M. Gardner, Secretary of State of the State of New Hampshire, do hereby certify that CATHOLIC MEDICAL CENTER is a New Hampshire Nonprofit Corporation registered to transact business in New Hampshire on November 07, 1974. I further certify that all fees and documents required by the Secretary of State's office have been received and is in good standing as far as this office is concerned.

Business ID: 62116



IN TESTIMONY WHEREOF,
I hereto set my hand and cause to be affixed
the Seal of the State of New Hampshire,
this 2nd day of June A.D. 2017.

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

William M. Gardner
Secretary of State

CERTIFICATE OF AUTHORITY

I, Matthew Kfoury, do hereby certify that:

1. I am the duly elected Secretary of Catholic Medical Center, a New Hampshire voluntary corporation ("CMC");
2. Joseph Pepe, M.D. is the duly elected President & CEO of CMC.
3. The attached Exhibit A is a true copy of resolutions duly adopted at a meeting of the Board of Trustees of CMC, duly held on April 23, 2020;
4. The foregoing resolutions have not been amended or revoked and remain in full force and effect as of the 10th day of August, 2020 and this authority remains valid for thirty (30) days from the date of this Certificate of Authority; and
5. I further certify that it is understood that the State of New Hampshire will rely on this certificate as evidence from CMC that I am the Secretary of CMC and that Dr. Pepe has the authority to bind CMC. To the extent that there are any limits on the authority of Dr. Pepe or myself to bind CMC in contracts with the State of New Hampshire, all such limitations are expressly stated herein.

I have hereunto set my hand as the Secretary of CMC this 10th day of August 2020.

s/ Matthew Kfoury
Matthew Kfoury, Secretary

Exhibit A

PROPOSED RESOLUTIONS

OF THE

BOARD OF TRUSTEES

OF CATHOLIC MEDICAL CENTER ("CMC")

Authorizing CMC to enter into Contracts with the State of New Hampshire

April 23, 2020

RESOLVED: That CMC be authorize to enter into contracts, amendments, renewals, revisions or modifications thereto, with the State of New Hampshire, including any of its agencies or departments.

RESOLVED: That the Joseph Pepe, M.D., as President & CEO of CMC, is hereby authorized on behalf of CMC to enter into contracts with the State and to execute any and all documents, agreements, and other instruments; and any amendments, revisions, or modifications thereto, as he may deem necessary, desirable, or appropriate.



CERTIFICATE OF LIABILITY INSURANCE

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

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

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

PRODUCER MARSH USA, INC. 99 HIGH STREET BOSTON, MA 02110 Attn: Boston.certrequest@Marsh.com Fax: 212-948-4377	CONTACT NAME: PHONE (A/C, No, Ext): FAX (A/C, No): E-MAIL: ADDRESS:
CN108021768-ALL-GAWUP-19-20	INSURER(S) AFFORDING COVERAGE
INSURED CMC HEALTHCARE SYSTEM 100 MCGREGOR STREET MANCHESTER, NH 03102	INSURER A: Pro Select Insurance Company INSURER B: N/A INSURER C: N/A INSURER D: Affiliated FM Insurance Company INSURER E: INSURER F:
	NAIC # N/A N/A 10014

COVERAGES

CERTIFICATE NUMBER:

NYC-010930293-01

REVISION NUMBER: 2

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

INSR LTR	TYPE OF INSURANCE	ADOL SUBR INSD WVR	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC <input type="checkbox"/> OTHER:		002NH000016052	10/01/2019	10/01/2020	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 50,000 MED EXP (Any one person) \$ 5,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 3,000,000 PRODUCTS - COMP/OP AGG \$ 3,000,000 COMBINED SINGLE LIMIT (Ea accident) \$ BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ EACH OCCURRENCE \$ AGGREGATE \$
	<input type="checkbox"/> AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> OWNED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRE/RENTED AUTOS ONLY <input type="checkbox"/> NON-OWNED AUTOS ONLY					
	<input type="checkbox"/> UMBRELLA LIAB <input type="checkbox"/> OCCUR <input type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE <input type="checkbox"/> DED <input type="checkbox"/> RETENTION \$					
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/ MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N <input type="checkbox"/> N/A				PER STATUTE <input type="checkbox"/> OTH-ER <input type="checkbox"/> E.L. EACH ACCIDENT \$ E.L. DISEASE - EA EMPLOYEE \$ E.L. DISEASE - POLICY LIMIT \$
D	PROPERTY *Other deductibles may apply		CH811 as per policy terms and conditions.	10/01/2019	10/01/2020	LIMIT 419,251,000 DEDUCTIBLE 25,000

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

CERTIFICATE HOLDERNew Hampshire Department of Health and
Human Services
129 Pleasant Street
Concord, NH 03301-3857**CANCELLATION**

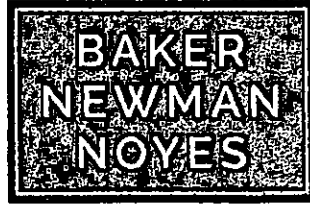
SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE
of Marsh USA Inc.

Manashi Mukherjee

Manashi Mukherjee

© 1988-2016 ACORD CORPORATION. All rights reserved.



CMC Healthcare System, Inc.

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

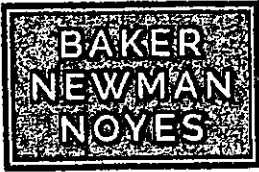
*Years Ended September 30, 2019 and 2018
With Independent Auditors' Report*

CMC HEALTHCARE SYSTEM, INC.
AUDITED CONSOLIDATED FINANCIAL STATEMENTS
AND OTHER FINANCIAL INFORMATION

Years Ended September 30, 2019 and 2018

TABLE OF CONTENTS

Independent Auditors' Report	1
Audited Consolidated Financial Statements:	
Consolidated Balance Sheets	3
Consolidated Statements of Operations	5
Consolidated Statements of Changes in Net Assets	6
Consolidated Statements of Cash Flows	7
Notes to Consolidated Financial Statements	8
Other Financial Information:	
Independent Auditors' Report on Other Financial Information	41
2019:	
Consolidating Balance Sheet	42
Consolidating Statement of Operations	44
2018:	
Consolidating Balance Sheet	45
Consolidating Statement of Operations	47



Baker Newman & Noyes LLC
MAINE | MASSACHUSETTS | NEW HAMPSHIRE
800.244.7444 | www.bnncpa.com

INDEPENDENT AUDITORS' REPORT

Board of Trustees
CMC Healthcare System, Inc.

We have audited the accompanying consolidated financial statements of CMC Healthcare System, Inc., which comprise the consolidated balance sheets as of September 30, 2019 and 2018, and the related consolidated statements of operations, changes in net assets and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements

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

Auditors' Responsibility

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

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

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

Board of Trustees
CMC Healthcare System, Inc.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of CMC Healthcare System, Inc. as of September 30, 2019 and 2018, and the results of its operations, changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 2 to the consolidated financial statements, in 2019, CMC Healthcare System, Inc. adopted the provisions of Financial Accounting Standards Board Accounting Standards Update No. 2016-14, *Not-for-Profit Entities (Topic 958) - Presentation of Financial Statements of Not-for-Profit Entities* and applied the guidance retrospectively for all periods presented. Our opinion is not modified with respect to this matter.

Baker Newman & Noyes LLC

Manchester, New Hampshire
February 4, 2020

CMC HEALTHCARE SYSTEM, INC.

CONSOLIDATED BALANCE SHEETS

September 30, 2019 and 2018

ASSETS

	<u>2019</u>	<u>2018</u>
Current assets:		
Cash and cash equivalents	\$ 56,249,490	\$ 61,849,320
Short-term investments	4,021,270	29,009,260
Accounts receivable, less allowance for doubtful accounts of \$20,265,887 in 2019 and \$20,526,837 in 2018	79,322,642	55,326,986
Inventories	4,600,802	3,583,228
Other current assets	<u>14,198,223</u>	<u>10,664,957</u>
Total current assets	158,392,427	160,433,751
Property, plant and equipment, net	143,111,363	134,597,894
Other assets:		
Intangible assets and other	18,600,614	17,581,549
Assets whose use is limited:		
Pension and insurance obligations	18,832,810	17,859,458
Board designated and donor restricted investments and restricted grants	129,341,870	127,267,085
Held by trustee under revenue bond agreements	<u>18,845,355</u>	<u>36,660,053</u>
	<u>167,020,035</u>	<u>181,786,596</u>
Total assets	<u>\$487,124,439</u>	<u>\$494,399,790</u>

LIABILITIES AND NET ASSETS

	<u>2019</u>	<u>2018</u>
Current liabilities:		
Accounts payable and accrued expenses	\$ 38,985,902	\$ 30,789,153
Accrued salaries, wages and related accounts	22,973,478	22,673,489
Amounts payable to third-party payors	11,456,467	14,643,104
Current portion of long-term debt	<u>4,158,079</u>	<u>4,365,199</u>
Total current liabilities	77,573,926	72,470,945
Accrued pension and other liabilities, less current portion	172,049,836	122,463,230
Long-term debt, less current portion	<u>121,883,751</u>	<u>122,913,717</u>
Total liabilities	371,507,513	317,847,892
Net assets:		
Without donor restrictions	104,372,035	166,125,080
With donor restrictions	<u>11,244,891</u>	<u>10,426,818</u>
Total net assets	115,616,926	176,551,898
	<hr/>	<hr/>
Total liabilities and net assets	<u>\$487,124,439</u>	<u>\$494,399,790</u>

See accompanying notes.

CMC HEALTHCARE SYSTEM, INC.

CONSOLIDATED STATEMENTS OF OPERATIONS

Years Ended September 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Net patient service revenues, net of contractual allowances and discounts	\$465,757,562	\$452,510,375
Provision for doubtful accounts	<u>(21,644,644)</u>	<u>(20,334,249)</u>
Net patient service revenues less provision for doubtful accounts	444,112,918	432,176,126
Other revenue	21,610,585	19,454,686
Disproportionate share funding	<u>22,566,094</u>	<u>17,993,289</u>
Total revenues	488,289,597	469,624,101
Expenses:		
Salaries, wages and fringe benefits	284,646,960	266,813,278
Supplies and other	169,119,057	160,290,214
New Hampshire Medicaid enhancement tax	21,382,132	19,968,497
Depreciation and amortization	16,902,437	16,136,984
Interest	<u>4,224,046</u>	<u>4,368,765</u>
Total expenses	<u>496,274,632</u>	<u>467,577,738</u>
(Loss) income from operations	(7,985,035)	2,046,363
Nonoperating gains (losses):		
Investment income, net	4,120,862	6,086,794
Net periodic pension cost, other than service cost	(640,624)	(1,099,092)
Contributions without donor restrictions	834,004	629,198
Development costs	(739,596)	(635,408)
Other nonoperating loss	<u>(3,135,699)</u>	<u>(489,294)</u>
Total nonoperating gains, net	<u>438,947</u>	<u>4,492,198</u>
(Deficiency) excess of revenues and gains over expenses	(7,546,088)	6,538,561
Unrealized appreciation on investments	912,170	2,325,151
Change in fair value of interest rate swap agreement	(482,735)	302,826
Assets released from restriction used for capital	434,010	128,600
Pension-related changes other than net periodic pension cost	<u>(55,070,402)</u>	<u>20,436,931</u>
Change in net assets without donor restrictions	(61,753,045)	29,732,069
Net assets without donor restrictions at beginning of year	<u>166,125,080</u>	<u>136,393,011</u>
Net assets without donor restrictions at end of year	<u>\$104,372,035</u>	<u>\$166,125,080</u>

See accompanying notes.

CMC HEALTHCARE SYSTEM, INC.

CONSOLIDATED STATEMENTS OF CHANGES IN NET ASSETS

Years Ended September 30, 2019 and 2018

	Net Assets Without Donor <u>Restrictions</u>	Net Assets With Donor <u>Restrictions</u>	Total <u>Net Assets</u>
Balances at September 30, 2017	\$136,393,011	\$ 9,726,007	\$146,119,018
Excess of revenues and gains over expenses	6,538,561	—	6,538,561
Restricted investment income	—	27,373	27,373
Changes in interest in perpetual trust	—	341,439	341,439
Donor restricted contributions	—	646,924	646,924
Unrealized appreciation on investments	2,325,151	61,431	2,386,582
Change in fair value of interest rate swap agreement	302,826	—	302,826
Assets released from restriction used for operations	—	(247,756)	(247,756)
Assets released from restriction used for capital	128,600	(128,600)	—
Pension-related changes other than net periodic pension cost	<u>20,436,931</u>	<u>—</u>	<u>20,436,931</u>
	<u>29,732,069</u>	<u>700,811</u>	<u>30,432,880</u>
Balances at September 30, 2018	166,125,080	10,426,818	176,551,898
Deficiency of revenues and gains over expenses	(7,546,088)	—	(7,546,088)
Restricted investment income	—	31,596	31,596
Changes in interest in perpetual trust	—	(110,168)	(110,168)
Donor restricted contributions	—	1,536,316	1,536,316
Unrealized appreciation on investments	912,170	15,219	927,389
Change in fair value of interest rate swap agreement	(482,735)	—	(482,735)
Assets released from restriction used for operations	—	(220,880)	(220,880)
Assets released from restriction used for capital	434,010	(434,010)	—
Pension-related changes other than net periodic pension cost	<u>(55,070,402)</u>	<u>—</u>	<u>(55,070,402)</u>
	<u>(61,753,045)</u>	<u>818,073</u>	<u>(60,934,972)</u>
Balances at September 30, 2019	<u>\$104,372,035</u>	<u>\$11,244,891</u>	<u>\$115,616,926</u>

See accompanying notes.

CMC HEALTHCARE SYSTEM, INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS

Years Ended September 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Operating activities:		
Change in net assets	\$ (60,934,972)	\$ 30,432,880
Adjustments to reconcile change in net assets to net cash (used) provided by operating activities:		
Depreciation and amortization	16,902,437	16,136,984
Pension-related changes other than net periodic pension cost	55,070,402	(20,436,931)
Restricted gifts and investment income	(1,567,912)	(674,297)
Net realized and unrealized gains on investments	(803,714)	(5,304,630)
Change in interest in perpetual trust	110,168	(341,439)
Change in fair value of interest rate swap agreement	482,735	(487,593)
Bond discount/premium and issuance cost amortization	(289,968)	(313,993)
Change in operating assets and liabilities:		
Accounts receivable, net	(23,995,656)	(5,828,809)
Inventories	(1,017,574)	(176,498)
Other current assets	(3,533,266)	1,711,535
Other assets	(1,049,682)	(1,031,639)
Accounts payable and accrued expenses	6,945,059	(5,312,460)
Accrued salaries, wages and related accounts	299,989	2,561,918
Amounts payable to third-party payors	(3,186,637)	291,872
Accrued pension and other liabilities	<u>(5,978,340)</u>	<u>6,039,303</u>
Net cash (used) provided by operating activities	(22,546,931)	17,266,203
Investing activities:		
Purchases of property, plant and equipment	(24,121,790)	(36,812,874)
Net change in assets held by trustee under revenue bond agreements	17,814,698	14,819,012
Proceeds from sales of investments	54,831,303	32,671,019
Purchases of investments	<u>(31,397,904)</u>	<u>(40,605,899)</u>
Net cash provided (used) by investing activities	17,126,307	(29,928,742)
Financing activities:		
Payments on long-term debt	(3,689,000)	(11,509,593)
Proceeds from issuance of long-term debt	3,513,632	8,130,000
Payments on capital leases	(676,199)	(707,299)
Bond issuance costs	(95,551)	(120,118)
Restricted gifts and investment income	<u>767,912</u>	<u>674,297</u>
Net cash used by financing activities	<u>(179,206)</u>	<u>(3,532,713)</u>
Decrease in cash and cash equivalents	(5,599,830)	(16,195,252)
Cash and cash equivalents at beginning of year	<u>61,849,320</u>	<u>78,044,572</u>
Cash and cash equivalents at end of year	<u>\$ 56,249,490</u>	<u>\$ 61,849,320</u>

Supplemental disclosure:

At September 30, 2019, amounts totaling \$1,251,690 related to the purchase of property, plant and equipment were included in accounts payable and accrued expenses.

See accompanying notes.

CMC HEALTHCARE SYSTEM, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Years Ended September 30, 2019 and 2018

1. Organization

CMC Healthcare System, Inc. (the System) is a not-for-profit organization formed effective July 1, 2001. The System functioned as the parent company and sole member of Catholic Medical Center (the Medical Center) (until December 31, 2016, as discussed below), Physician Practice Associates, Inc. (PPA), Alliance Enterprises, Inc. (Enterprises), Alliance Resources, Inc. (Resources), Alliance Ambulatory Services, Inc. (AAS), Alliance Health Services, Inc. (AHS), Doctors Medical Association, Inc. (DMA) and St. Peter's Home, Inc.

On December 30, 2016, the System became affiliated with Huggins Hospital (HH), a 25-bed critical access hospital in Wolfeboro, New Hampshire, and Monadnock Community Hospital (MCH), a 25-bed critical access hospital in Peterborough, New Hampshire, through the formation of a common parent, GraniteOne Health (GraniteOne). GraniteOne is a New Hampshire voluntary corporation that is recognized as being a Section 501(c)(3) tax-exempt and "supporting organization" within the meaning of Section 509(a)(3) of the Internal Revenue Code of 1986, as amended (the Code). GraniteOne serves as the sole member of HH and MCH and co-member of the Medical Center, along with the System. GraniteOne is governed by a thirteen member Board of Trustees appointed by each of the respective hospitals within the GraniteOne system. The GraniteOne Board of Trustees governs the GraniteOne system through the existence and execution of reserved powers to approve certain actions by the Boards of Trustees of each of the hospitals. Through GraniteOne, this more integrated healthcare system enhances the affiliated hospitals' ability to coordinate the delivery of patient care, implement best practices, eliminate inefficiencies and collaborate on regional planning. These efforts strengthen the hospitals' ability to meet the healthcare needs of their respective communities and provide for a more seamless patient experience across the continuum of care. The accompanying consolidated financial statements for the years ended September 30, 2019 and 2018 do not include the accounts and activity of GraniteOne, HH and MCH.

On September 30, 2019, GraniteOne, the Medical Center, the System, certain subsidiaries of the System, HH and MCH entered into a Combination Agreement (the Agreement) with Dartmouth-Hitchcock Health (D-HH) to combine GraniteOne and D-HH and its members into a more fully integrated healthcare delivery system. Pursuant to the terms of the Agreement, the parties intend to revise D-HH's corporate name to Dartmouth-Hitchcock Health GraniteOne (D-HH GO), which will continue to serve as the sole corporate member of the existing D-HH System Members (Mary Hitchcock Memorial Health and Dartmouth-Hitchcock Clinic, New London Hospital (NLH), Cheshire Medical Center (Cheshire), Mt. Ascutney Hospital and Health Center (MAHHC), Alice Peck Day Memorial Hospital (APD) and Visiting Nurse and Hospice for Vermont and New Hampshire (VNH)), and which will be substituted for GraniteOne as the sole corporate member of HH and MCH and as co-member, of the Medical Center and certain subsidiaries of the System (the Combination). The overarching goal of the Combination is to create a New Hampshire-based, integrated and regionally distributed health care delivery system that better serves its patients and communities. While the System will not be a component of the D-HH GO System, it will continue to serve as the corporate vehicle through which the Bishop of the Diocese of Manchester (the Bishop) ensures the Medical Center's adherence to the Ethical and Religious Directives for Catholic Health Care Services. Neither the System nor the Bishop will have authority over any other D-HH GO System Member, including HH and MCH. Subject to certain rights reserved to the Bishop and the System with respect to the Medical Center and the System's subsidiaries, D-HH GO will reserve to itself certain approval and initiation powers over the governance, financial, programmatic, administrative, and strategic decisions of D-HH GO System Members.

CMC HEALTHCARE SYSTEM, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Years Ended September 30, 2019 and 2018

1. Organization (Continued)

On December 30, 2019, GraniteOne, the Medical Center, HH and MCH submitted a Joint Notice of Change of Control to the New Hampshire Attorney General, Director of Charitable Trusts pursuant to New Hampshire RSA 7:19-b beginning the regulatory review and approval process of the Combination. If all necessary approvals are obtained and closing conditions satisfied, D-HH GO will consist of a major academic medical center offering tertiary and quaternary services, an acute care community hospital in an urban setting (the Medical Center), an acute care community hospital in a rural setting (Cheshire), five rural critical access hospitals (NLH, MAHHC, APD, HH and MCH), a post-acute home health and hospice provider (VNH), and nearly 1,800 employed and affiliated primary and specialty care physicians. D-HH GO System Members will combine their resources to offer a broader array of inpatient, outpatient and ambulatory services.

2. Significant Accounting Policies

Basis of Presentation

The accompanying consolidated financial statements have been prepared using the accrual basis of accounting.

Principles of Consolidation

The consolidated financial statements include the accounts of the Medical Center, PPA, Enterprises, Resources, AAS, AHS, DMA and St. Peter's Home, Inc. Significant intercompany accounts and transactions have been eliminated in consolidation.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the financial statements. Estimates also affect the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates. The primary estimates relate to collectibility of receivables from patients and third-party payors, amounts payable to third-party payors, accrued compensation and benefits, conditional asset retirement obligations, and self-insurance reserves.

Income Taxes

The System and all related entities, with the exception of Enterprises and DMA, are not-for-profit corporations as described in Section 501(c)(3) of the Code and are exempt from federal income taxes on related income pursuant to Section 501(a) of the Code. Management evaluated the System's tax positions and concluded the System has maintained its tax-exempt status, does not have any significant unrelated business income and had taken no uncertain tax positions that require adjustment to the consolidated financial statements.

CMC HEALTHCARE SYSTEM, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Years Ended September 30, 2019 and 2018

2. Significant Accounting Policies (Continued)

Enterprises and DMA are for-profit organizations and, in accordance with federal and state tax laws, file income tax returns, as applicable. There was no significant provision for income taxes for the years ended September 30, 2019 and 2018. There are no significant deferred tax assets or liabilities. These entities have concluded there are no significant uncertain tax positions requiring disclosure and there is no material liability for unrecognized tax benefits. It is the policy of these entities to recognize interest related to unrecognized tax benefits in interest expense and penalties in income tax expense.

Performance Indicator

(Deficiency) excess of revenues and gains over expenses is comprised of operating revenues and expenses and nonoperating gains and losses. For purposes of display, transactions deemed by management to be ongoing, major or central to the provision of health care services are reported as operating revenue and expenses. Peripheral or incidental transactions are reported as nonoperating gains or losses, which include contributions without donor restrictions, development costs, net investment income (including realized gains and losses on the sales of investments), net periodic pension costs (other than service cost), other nonoperating losses, and contributions to community agencies.

Charity Care

The System has a formal charity care policy under which patient care is provided to patients who meet certain criteria without charge or at amounts less than its established rates. The System does not pursue collection of amounts determined to qualify as charity care; therefore, they are not reported as revenues.

Of the System's \$496,274,632 total expenses reported for the year ended September 30, 2019, an estimated \$7,700,000 arose from providing services to charity patients. Of the System's \$467,577,738 total expenses reported for the year ended September 30, 2018, an estimated \$7,500,000 arose from providing services to charity patients. The estimated costs of providing charity services are based on a calculation which applies a ratio of costs to charges to the gross uncompensated charges associated with providing care to charity patients. The ratio of cost to charges is calculated based on the System's total expenses divided by gross patient service revenue.

Concentration of Credit Risk

Financial instruments which subject the System to credit risk consist primarily of cash equivalents, accounts receivable and investments. The risk with respect to cash equivalents is minimized by the System's policy of investing in financial instruments with short-term maturities issued by highly rated financial institutions. The System's accounts receivable are primarily due from third-party payors and amounts are presented net of expected contractual allowances and uncollectible amounts. The System's investment portfolio consists of diversified investments, which are subject to market risk. Investments that exceeded 10% of investments include the SSGA S&P 500 Tobacco Free Fund and the Dreyfus Treasury Securities Cash Management Fund as of September 30, 2019 and 2018.

CMC HEALTHCARE SYSTEM, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Years Ended September 30, 2019 and 2018

2. Significant Accounting Policies (Continued)

Cash and Cash Equivalents

Cash and cash equivalents include certificates of deposit with maturities of three months or less when purchased and investments in overnight deposits at various banks. Cash and cash equivalents exclude amounts whose use is limited by board designation and amounts held by trustees under revenue bond and other agreements. The System maintains approximately \$52,000,000 and \$60,000,000 at September 30, 2019 and 2018, respectively, of its cash and cash equivalent accounts with a single institution. The System has not experienced any losses associated with deposits at this institution.

Net Patient Service Revenues and Accounts Receivable

The System has agreements with third-party payors that provide for payments at amounts different from its established rates. Payment arrangements include prospectively determined rates per discharge, reimbursed costs, discounted charges, per diem payments and fee schedules. Net patient service revenue is reported at the estimated net realizable amounts from patients, third-party payors and others for services rendered, including estimated retroactive adjustments under reimbursement agreements with third-party payors. Retroactive adjustments are accrued on an estimated basis in the year the related services are rendered and adjusted in future years as final settlements are determined. Changes in these estimates are reflected in the consolidated financial statements in the year in which they occur.

The System recognizes patient service revenue associated with services provided to patients who have third-party payor coverage on the basis of contractual rates for the services rendered. For uninsured patients, the System provides a discount approximately equal to that of its largest private insurance payors.

The provision for doubtful accounts is based upon management's assessment of historical and expected net collections considering historical business and economic conditions, trends in health care coverage, and other collection indicators. The System records a provision for doubtful accounts in the year services are provided related to self-pay patients, including both uninsured patients and patients with deductible and copayment balances due for which third-party coverage exists for a portion of their balance.

Periodically, management assesses the adequacy of the allowance for doubtful accounts based upon historical write-off experience. The results of this review are then used to make any modifications to the provision for doubtful accounts to establish an appropriate allowance for doubtful accounts. Accounts receivable are written off after collection efforts have been followed in accordance with internal policies.

Inventories

Inventories of supplies are stated at the lower of cost (determined by the first-in, first-out method) or net realizable value.

CMC HEALTHCARE SYSTEM, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Years Ended September 30, 2019 and 2018

2. Significant Accounting Policies (Continued)

Related Party Activity

The Medical Center has engaged in various transactions with GraniteOne, HH and MCH. The Medical Center recognized approximately \$3.3 million and \$3.4 million in revenue from these related parties for the years ended September 30, 2019 and 2018, respectively, which is reflected within other revenues in the accompanying consolidated statements of operations. The Medical Center also incurred expenses to these related parties of approximately \$2.5 million and \$399,000 for the years ended September 30, 2019 and 2018, respectively, of which \$800,000 and \$399,000, respectively, is reflected within operating expenses. Additionally, approximately \$1.7 million as of September 30, 2019 is reflected within nonoperating gains (losses) in the accompanying consolidated statement of operations for the year ended September 30, 2019. As of September 30, 2019, the Medical Center had a net amount due from these related parties of approximately \$2.6 million, of which \$4.4 million is reflected within other current assets and \$1.8 million is reflected within accounts payable and accrued expenses in the accompanying 2019 consolidated balance sheet. As of September 30, 2018, the Medical Center has a net amount due from these related parties of approximately \$507,000, which is reflected within other current assets in the accompanying 2018 consolidated balance sheet.

Property, Plant and Equipment

Property, plant and equipment is stated at cost at time of purchase or fair value at the time of donation, less accumulated depreciation. The System's policy is to capitalize expenditures for major improvements and charge maintenance and repairs currently for expenditures which do not extend the lives of the related assets. The provisions for depreciation and amortization have been determined using the straight-line method at rates intended to amortize the cost of assets over their estimated useful lives, which range from 2 to 40 years. Assets which have been purchased but not yet placed in service are included in construction in progress and no depreciation expense is recorded.

Conditional Asset Retirement Obligations

The System recognizes the fair value of a liability for legal obligations associated with asset retirements in the year in which the obligation is incurred, in accordance with the Accounting Standards for *Accounting for Asset Retirement Obligations* (ASC 410-20). When the liability is initially recorded, the cost of the asset retirement obligation is capitalized by increasing the carrying amount of the related long lived asset. The liability is accreted to its present value each year, and the capitalized cost associated with the retirement obligation is depreciated over the useful life of the related asset. Upon settlement of the obligation, any difference between the cost to settle the asset retirement obligation and the liability recorded is recognized as a gain or loss in the consolidated statements of operations.

As of September 30, 2019 and 2018, \$1,036,702 and \$1,078,784, respectively, of conditional asset retirement obligations are included within accrued pension and other liabilities in the accompanying consolidated balance sheets.

CMC HEALTHCARE SYSTEM, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Years Ended September 30, 2019 and 2018

2. Significant Accounting Policies (Continued)

Goodwill

The System reviews its goodwill and other long-lived assets annually to determine whether the carrying amount of such assets is impaired. Upon determination that an impairment has occurred, these assets are reduced to fair value. There were no impairments recorded for the years ended September 30, 2019 or 2018. The net carrying value of goodwill is \$4,490,154 at September 30, 2019 and 2018 and is reflected within intangible assets and other in the accompanying consolidated balance sheets.

Retirement Benefits

The Catholic Medical Center Pension Plan (the Plan) provides retirement benefits for certain employees of the Medical Center and PPA who have attained age twenty-one and work at least 1,000 hours per year. The Plan consists of a benefit accrued to July 1, 1985, plus 2% of plan year earnings (to legislative maximums) per year. The System's funding policy is to contribute amounts to the Plan sufficient to meet minimum funding requirements set forth in the Employee Retirement Income Security Act of 1974, plus such additional amounts as may be determined to be appropriate from time to time. The Plan is intended to constitute a plan described in Section 414(k) of the Code, under which benefits derived from employer contributions are based on the separate account balances of participants in addition to the defined benefits under the Plan.

Effective January 1, 2008 the Medical Center decided to close participation in the Plan to new participants. As of January 1, 2008, current participants continued to participate in the Plan while new employees receive a higher matching contribution to the tax-sheltered annuity benefit program discussed below.

During 2011, the Board of Trustees voted to freeze the accrual of benefits under the Plan effective December 31, 2011.

The Plan was amended effective as of May 1, 2016 to provide a limited opportunity for certain terminated vested participants to elect an immediate lump sum or annuity distribution option.

The System also maintains tax-sheltered annuity benefit programs in which it matches one half of employee contributions up to 3% of their annual salary, depending on date of hire, plus an additional 3% - 5% based on tenure. The System made matching contributions under the program of \$8,462,595 and \$7,733,193 for the years ended September 30, 2019 and 2018, respectively.

During 2007, the Medical Center created a nonqualified deferred compensation plan covering certain employees under Section 457(b) of the Code. Under the plan, a participant may elect to defer a portion of their compensation to be held until payment in the future to the participant or his or her beneficiary. Consistent with the requirements of the Code, all amounts of deferred compensation, including but not limited to any investments held and all income attributable to such amounts, property, and rights will remain subject to the claims of the Medical Center's creditors, without being restricted to the payment of deferred compensation, until payment is made to the participant or their beneficiary. No contributions were made by the System for the years ended September 30, 2019 or 2018.

CMC HEALTHCARE SYSTEM, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Years Ended September 30, 2019 and 2018

2. Significant Accounting Policies (Continued)

The System also provides a noncontributory supplemental executive retirement plan covering certain former executives of the Medical Center, as defined. The System's policy is to accrue costs under this plan using the "Projected Unit Credit Actuarial Cost Method" and to amortize past service costs over a fifteen year period. Benefits under this plan are based on the participant's final average salary, social security benefit, retirement income plan benefit, and total years of service. Certain investments have been designated for payment of benefits under this plan and are included in assets whose use is limited—pension and insurance obligations.

During 2007, the System created a supplemental executive retirement plan covering certain executives of the Medical Center under Section 457(f) of the Code. The System recorded compensation expense of \$661,215 and \$682,820 for the years ended September 30, 2019 and 2018, respectively, related to this plan.

Employee Fringe Benefits

The System has an "earned time" plan. Under this plan, each qualifying employee "earns" hours of paid leave for each pay period worked. These hours of paid leave may be used for vacations, holidays, or illness. Hours earned but not used are vested with the employee and are paid to the employee upon termination. The System expenses the cost of these benefits as they are earned by the employees.

Debt Issuance Costs/Original Issue Discount or Premium

The debt issuance costs incurred to obtain financing for the System's construction and renovation programs and refinancing of prior bonds and the original issue discount or premium are amortized to interest expense using the effective interest method over the repayment period of the bonds. The original issue discount or premium and debt issuance costs are presented as a component of long-term debt.

Assets Whose Use is Limited or Restricted

Assets whose use is limited or restricted include assets held by trustees under indenture agreements, pension and insurance obligations, designated assets set aside by the Board of Trustees, over which the Board retains control and may, at its discretion, subsequently use for other purposes, and donor-restricted investments.

Net Assets With Donor Restrictions

Gifts are reported as restricted support if they are received with donor stipulations that limit the use of donated assets. Donated investments, supplies and equipment are reported at fair value at the date of receipt. Unconditional promises to give cash and other assets are reported at fair value at the date of the receipt of the promise. When a donor restriction expires (when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified as net assets without donor restrictions and reported in the statements of operations as either net assets released from restrictions (for noncapital related items) or as net assets released from restrictions used for capital purchases (capital related items). Some net assets with donor restrictions have been restricted by donors to be maintained by the System in perpetuity.

CMC HEALTHCARE SYSTEM, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Years Ended September 30, 2019 and 2018

2. Significant Accounting Policies (Continued)

Except for contributions related to capital purchases, donor-restricted contributions whose restrictions are met within the same year as received are reported as contributions within net assets without donor restrictions in the accompanying consolidated financial statements.

Pledges Receivable

Pledges receivable are recognized as revenue when the unconditional promise to give is made. Pledges expected to be collected within one year are recorded at their net realizable value. Pledges that are expected to be collected in future years are recorded at the present value of estimated future cash flows. The present value of estimated future cash flows is measured utilizing risk-free rates of return adjusted for market and credit risk established at the time a contribution is received.

Investments and Investment Income

Investments are carried at fair value in the accompanying consolidated balance sheets. See Note 8 for further discussion regarding fair value measurements. Investment income (including realized gains and losses on investments and interest and dividends) is included in the (deficiency) excess of revenues and gains over expenses unless the income is restricted by donor or law, in which case it is reported as an increase or decrease in net assets with donor restrictions. Realized gains or losses on the sale of investment securities are determined by the specific identification method and are recorded on the settlement date. Unrealized gains and losses on investments are excluded from the (deficiency) excess of revenues and gains over expenses unless the investments are classified as trading securities or losses are considered other-than-temporary.

Derivative Instruments

Derivatives are recognized as either assets or liabilities in the consolidated balance sheets at fair value regardless of the purpose or intent for holding the instrument. Changes in the fair value of derivatives are recognized either in the (deficiency) excess of revenues and gains over expenses or net assets, depending on whether the derivative is speculative or being used to hedge changes in fair value or cash flows. See also Note 6.

Beneficial Interest in Perpetual Trust

The System is the beneficiary of trust funds administered by trustees or other third parties. Trusts wherein the System has the irrevocable right to receive the income earned on the trust assets in perpetuity are recorded as net assets with donor restrictions at the fair value of the trust at the date of receipt. Income distributions from the trusts are reported as investment income that increase net assets without donor restrictions, unless restricted by the donor. Annual changes in the fair value of the trusts are recorded as increases or decreases to net assets with donor restrictions.

CMC HEALTHCARE SYSTEM, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Years Ended September 30, 2019 and 2018

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

Endowment, Investment and Spending Policies

In accordance with the *Uniform Prudent Management of Institutional Funds Act* (UPMIFA), the System considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (a) the duration and preservation of the fund; (b) the purpose of the organization and the donor-restricted endowment fund; (c) general economic conditions; (d) the possible effect of inflation and deflation; (e) the expected total return from income and the appreciation of investments; (f) other resources of the organization; and (g) the investment policies of the organization.

Spending policies may be adopted by the System, from time to time, to provide a stream of funding for the support of key programs. The spending policies are structured in a manner to ensure that the purchasing power of the assets is maintained while providing the desired level of annual funding to the programs. The System currently has a policy allowing interest and dividend income earned on investments to be used for operations with the goal of keeping principal, including its appreciation, intact.

The System's investment policies provide guidance for the prudent and skillful management of invested assets with the objective of preserving capital and maximizing returns. The invested assets include endowment, specific purpose and board designated funds.

Endowment funds are identified as perpetual in nature, intended to provide support for current or future operations and other purposes identified by the donor. These funds are managed with disciplined longer-term investment objectives and strategies designed to accommodate relevant, reasonable, or probable events.

Specific purpose funds are temporary in nature, restricted as to time or purpose as identified by the donor or grantor. These funds have various intermediate/long-term time horizons associated with specific identified spending objectives.

Board designated funds have various intermediate/long-term time horizons associated with specific spending objectives as determined by the Board of Trustees.

Management of these assets is designed to maximize total return while preserving the capital values of the funds, protecting the funds from inflation and providing liquidity as needed. The objective is to provide a real rate of return that meets inflation, plus 4% to 5%, over a long-term time horizon.

The System targets a diversified asset allocation that places emphasis on achieving its long-term return objectives within prudent risk constraints.

Federal Grant Revenue and Expenditures

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

CMC HEALTHCARE SYSTEM, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Years Ended September 30, 2019 and 2018

2. Significant Accounting Policies (Continued)

Malpractice Loss Contingencies

The System has a claims-made basis policy for its malpractice insurance coverage. A claims-made basis policy provides specific coverage for claims reported during the policy term. The System has established a reserve to cover professional liability exposure, which may not be covered by insurance. The possibility exists, as a normal risk of doing business, that malpractice claims in excess of insurance coverage may be asserted against the System. In the event a loss contingency should occur, the System would give it appropriate recognition in its consolidated financial statements in conformity with accounting standards. The System expects to be able to obtain renewal or other coverage in future years.

In accordance with Accounting Standards Update (ASU) No. 2010-24, "Health Care Entities" (Topic 954): *Presentation of Insurance Claims and Related Insurance Recoveries*, at September 30, 2019 and 2018, the System recorded a liability of \$13,252,269 and \$12,520,618, respectively, related to estimated professional liability losses covered under this policy. At September 30, 2019 and 2018, the System also recorded a receivable of \$9,584,019 and \$8,829,118, respectively, related to estimated recoveries under insurance coverage for recoveries of the potential losses. These amounts are included in accrued pension and other liabilities, and intangible assets and other, respectively, on the consolidated balance sheets.

Workers' Compensation

The System maintains workers' compensation insurance under a self-insured plan. The plan offers, among other provisions, certain specific and aggregate stop-loss coverage to protect the System against excessive losses. The System has employed independent actuaries to estimate the ultimate costs, if any, of the settlement of such claims. Accrued workers' compensation losses of \$3,069,898 and \$3,061,261 at September 30, 2019 and 2018, respectively, have been discounted at 1.25% and, in management's opinion, provide an adequate reserve for loss contingencies. At September 30, 2019, \$1,397,510 and \$1,672,388 is recorded within accounts payable and accrued expenses and accrued pension and other liabilities, respectively, in the accompanying consolidated balance sheets. The System has also recorded \$258,107 and \$408,034 within other current assets and intangible assets and other, respectively, in the accompanying consolidated balance sheets to limit the accrued losses to the retention amount at September 30, 2019. At September 30, 2018, \$1,359,646 and \$1,701,615 is recorded within accounts payable and accrued expenses and accrued pension and other liabilities, respectively, in the accompanying consolidated balance sheets. The System has also recorded \$248,403 and \$408,513 within other current assets and intangible assets and other, respectively, in the accompanying consolidated balance sheets to limit the accrued losses to the retention amount at September 30, 2018.

Health Insurance

The System has a self-funded health insurance plan. The plan is administered by an insurance company and the System has employed independent actuaries to estimate unpaid claims, and those claims incurred but not reported at fiscal year end. The System was insured above a stop-loss amount of \$570,000 and \$375,000 at September 30, 2019 and 2018, respectively, on individual claims. Estimated unpaid claims, and those claims incurred but not reported, at September 30, 2019 and 2018 of \$2,334,000 and \$2,849,427, respectively, are reflected in the accompanying consolidated balance sheets within accounts payable and accrued expenses.

CMC HEALTHCARE SYSTEM, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Years Ended September 30, 2019 and 2018

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

Functional Expense Allocation

The costs of providing program services and other activities have been summarized on a functional basis in Note 11. Accordingly, costs have been allocated among program services and supporting services benefitted.

Advertising Costs

The System expenses advertising costs as incurred, and such costs totaled approximately \$1,298,000 and \$1,918,000 for the years ended September 30, 2019 and 2018, respectively.

Recent Accounting Pronouncements

In August 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2016-14, *Not-for-Profit Entities (Topic 958) (ASU 2016-14) – Presentation of Financial Statements of Not-for-Profit Entities*. The update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return. ASU 2016-14 is effective for the System for the year ended September 30, 2019. The System has adjusted the presentation of these consolidated financial statements and related disclosures accordingly. ASU 2016-14 has been applied retrospectively to all periods presented. The adoption of ASU 2016-14 had no impact to changes in net assets or total net assets in 2019 or 2018.

In May 2014, the FASB issued ASU No. 2014-09, *Revenue from Contracts with Customers (ASU 2014-09)*, which requires revenue to be recognized when promised goods or services are transferred to customers in amounts that reflect the consideration to which the System expects to be entitled in exchange for those goods and services. ASU 2014-09 will replace most existing revenue recognition guidance in U.S. GAAP when it becomes effective. ASU 2014-09 is effective for the System on October 1, 2019. ASU 2014-09 permits the use of either the retrospective or cumulative effect transition method. The System is evaluating the impact that ASU 2014-09 will have on its revenue recognition policies, but does not expect the new pronouncement will have a material impact on its consolidated financial statements.

In January 2016, the FASB issued ASU No. 2016-01, *Financial Instruments – Overall (Subtopic 825-10): Recognition and Measurement of Financial Assets and Financial Liabilities (ASU 2016-01)*. The amendments in ASU 2016-01 address certain aspects of recognition, measurement, presentation and disclosure of financial instruments. ASU 2016-01 is effective for the System for the year ended September 30, 2020, with early adoption permitted. The System is currently evaluating the impact that ASU 2016-01 will have on its consolidated financial statements.

CMC HEALTHCARE SYSTEM, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Years Ended September 30, 2019 and 2018

2. Significant Accounting Policies (Continued)

In February 2016, the FASB issued ASU No. 2016-02, *Leases (Topic 842)* (ASU 2016-02). Under ASU 2016-02, at the commencement of a long-term lease, lessees will recognize a liability equivalent to the discounted payments due under the lease agreement, as well as an offsetting right-of-use asset. ASU 2016-02 is effective for the System on October 1, 2021, with early adoption permitted. Lessees (for capital and operating leases) must apply a modified retrospective transition approach for leases existing at, or entered into after, the beginning of the earliest comparative period presented in the consolidated financial statements. The modified retrospective approach would not require any transition accounting for leases that expired before the earliest comparative period presented. Lessees may not apply a full retrospective transition approach. The System is currently evaluating the impact of the pending adoption of ASU 2016-02 on the System's consolidated financial statements.

In November 2016, the FASB issued ASU No. 2016-18, *Statement of Cash Flows (Topic 230): Restricted Cash (a consensus of the FASB Emerging Issues Task Force)* (ASU 2016-18), which provides guidance on the presentation of restricted cash or restricted cash equivalents in the statement of cash flows. ASU 2016-18 will be effective for the System's fiscal year ended September 30, 2020, and early adoption is permitted. ASU 2016-18 must be applied using a retrospective transition method. The System is currently evaluating the impact of the adoption of this guidance on its consolidated financial statements.

In June 2018, the FASB issued ASU No. 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made* (ASU 2018-08). Due to diversity in practice, ASU 2018-08 clarifies the definition of an exchange transaction as well as the criteria for evaluating whether contributions are unconditional or conditional. ASU 2018-08 is effective for the System on October 1, 2019, with early adoption permitted. The System is currently evaluating the impact that ASU 2018-08 will have on its consolidated financial statements.

In August 2018, the FASB issued ASU 2018-13, *Fair Value Measurement (Topic 820): Disclosure Framework – Changes to the Disclosure Requirements for Fair Value Measurement* (ASU 2018-13). The amendments in this ASU modify the disclosure requirements for fair value measurements for Level 3 assets and liabilities, and eliminate the requirement to disclose transfers between Levels 1 and 2 of the fair value hierarchy, among other modifications. ASU 2018-13 is effective for the System on October 1, 2020, with early adoption permitted. The System is currently evaluating the impact that ASU 2018-13 will have on its consolidated financial statements.

Subsequent Events

Management of the System evaluated events occurring between the end of the System's fiscal year and February 4, 2020, the date the consolidated financial statements were available to be issued.

CMC HEALTHCARE SYSTEM, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Years Ended September 30, 2019 and 2018

3. Financial Assets and Liquidity Resources

Financial assets and liquidity resources available within one year for general expenditure, such as operating expenses, scheduled principal payments on debt, and capital construction costs, consisted of the following at September 30, 2019:

Cash and cash equivalents	\$ 56,249,490
Short-term investments	4,021,270
Accounts receivable	<u>79,322,642</u>
	<u>\$139,593,402</u>

To manage liquidity, the System maintains sufficient cash and cash equivalent balances to support daily operations throughout the year. Cash and cash equivalents include bank deposits, money market funds, and other similar vehicles that generate a return on cash and provide daily liquidity to the System. In addition, the System has board-designated assets that can be utilized at the discretion of management to help fund both operational needs and/or capital projects. As of September 30, 2019, the balance in board-designated assets was approximately \$110 million.

4. Net Patient Service Revenue

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

	<u>2019</u>	<u>2018</u>
Gross patient service revenue	\$1,435,238,995	\$1,341,051,947
Less contractual allowances	(969,481,433)	(888,541,572)
Less provision for doubtful accounts	<u>(21,644,644)</u>	<u>(20,334,249)</u>
Net patient service revenue	<u>\$ 444,112,918</u>	<u>\$ 432,176,126</u>

The System maintains contracts with the Social Security Administration ("Medicare") and the State of New Hampshire Department of Health and Human Services ("Medicaid"). The System is paid a prospectively determined fixed price for each Medicare and Medicaid inpatient acute care service depending on the type of illness or the patient's diagnosis related group classification. Capital costs and certain Medicare and Medicaid outpatient services are also reimbursed on a prospectively determined fixed price. The System receives payment for other Medicaid outpatient services on a reasonable cost basis which are settled with retroactive adjustments upon completion and audit of related cost finding reports.

Differences between amounts previously estimated and amounts subsequently determined to be recoverable or payable are included in net patient service revenues in the year that such amounts become known. The percentage of net patient service revenues earned from the Medicare and Medicaid programs was 37% and 5%, respectively, for the year ended September 30, 2019 and 39% and 5%, respectively, for the year ended September 30, 2018.

CMC HEALTHCARE SYSTEM, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Years Ended September 30, 2019 and 2018

4. Net Patient Service Revenue (Continued)

Laws and regulations governing the Medicare and Medicaid programs are complex and subject to interpretation. The System believes that it is in compliance with all applicable laws and regulations; compliance with such laws and regulations can be subject to future government review and interpretation as well as significant regulatory action including fines, penalties, and exclusion from the Medicare and Medicaid programs (Note 15).

The System also maintains contracts with certain commercial carriers, health maintenance organizations, preferred provider organizations and state and federal agencies. The basis for payment under these agreements includes prospectively determined rates per discharge and per day, discounts from established charges and fee screens. The System does not currently hold reimbursement contracts which contain financial risk components.

The approximate percentages of patient service revenues, net of contractual allowances and discounts and provision for doubtful accounts for the years ended September 30 from third-party payors and uninsured patients are as follows:

	<u>Third-Party Payors</u>	<u>Uninsured Patients</u>	<u>Total All Payors</u>
2019			
Net patient service revenues, net of contractual allowance and discounts	99.4%	0.6%	100.0%
2018			
Net patient service revenues, net of contractual allowance and discounts	99.6%	0.4%	100.0%

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

	<u>Gross Patient Service Revenues</u>	<u>Contractual Allowances and Discounts</u>	<u>Provision for Doubtful Accounts</u>	<u>Net Patient Service Revenues Less Provision for Doubtful Accounts</u>
2019				
Private payors (includes co-insurance and deductibles)	\$ 524,868,968	\$(264,786,990)	\$ (7,676,695)	\$ 252,405,283
Medicaid	151,316,824	(128,250,350)	(332,821)	22,733,653
Medicare	725,090,044	(555,260,823)	(3,439,271)	166,389,950
Self-pay	<u>33,963,159</u>	<u>(21,183,270)</u>	<u>(10,195,857)</u>	<u>2,584,032</u>
	<u>\$1,435,238,995</u>	<u>\$(969,481,433)</u>	<u>\$(21,644,644)</u>	<u>\$444,112,918</u>

CMC HEALTHCARE SYSTEM, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Years Ended September 30, 2019 and 2018

4. Net Patient Service Revenue (Continued)

	Gross Patient Service Revenues	Contractual Allowances and Discounts	Provision for Doubtful Accounts	Net Patient Service Revenues Less Provision for Doubtful Accounts
2018				
Private payors (includes coin- surance and deductibles)	\$ 477,457,407	\$(229,413,775)	\$ (9,298,563)	\$ 238,745,069
Medicaid	137,508,097	(113,364,379)	(651,292)	23,492,426
Medicare	695,141,198	(523,976,071)	(3,140,980)	168,024,147
Self-pay	<u>30,945,245</u>	<u>(21,787,347)</u>	<u>(7,243,414)</u>	<u>1,914,484</u>
	<u>\$1,341,051,947</u>	<u>\$(888,541,572)</u>	<u>\$(20,334,249)</u>	<u>\$432,176,126</u>

The System recognizes changes in accounting estimates for net patient service revenues and third-party payor settlements as new events occur or as additional information is obtained. For the year ended September 30, 2019, there were no significant adjustments recorded for changes to prior year estimates. For the year ended September 30, 2018, favorable adjustments recorded for changes to prior year estimates were approximately \$1,000,000.

Medicaid Enhancement Tax and Disproportionate Share Payment

Under the State of New Hampshire's (the State) tax code, the State imposes a Medicaid Enhancement Tax (MET) equal to 5.40% of the Medical Center's net patient service revenues with certain exclusions. The amount of tax incurred by the Medical Center for the years ended September 30, 2019 and 2018 was \$21,382,132 and \$19,968,497, respectively.

In the fall of 2010, in order to remain in compliance with stated federal regulations, the State of New Hampshire adopted a new approach related to Medicaid disproportionate share funding (DSH) retroactive to July 1, 2010. Unlike the former funding method, the State's approach led to a payment that was not directly based on, and did not equate to, the level of tax imposed. As a result, the legislation created some level of losses at certain New Hampshire hospitals, while other hospitals realized gains. DSH payments from the State are recorded in operating revenues and amounted to \$22,566,094 and \$17,993,289 for the years ended September 30, 2019 and 2018, respectively, net of reserves referenced below.

The Centers for Medicare and Medicaid Services (CMS) has completed audits of the State's program and the disproportionate share payments made by the State from 2011 through 2014, the first years that those payments reflected the amount of uncompensated care provided by New Hampshire hospitals. It is possible that subsequent years will also be audited by CMS. The System has recorded reserves to address its potential exposure based on the audit results to date or any future redistributions. During 2019, the System reduced the recorded reserves by approximately \$4,300,000.

CMC HEALTHCARE SYSTEM, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Years Ended September 30, 2019 and 2018

5. Property, Plant and Equipment

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

	<u>Useful Lives</u>	<u>2019</u>	<u>2018</u>
Land and land improvements	2-40 years	\$ 4,246,500	\$ 3,630,354
Buildings and improvements	2-40 years	137,678,182	128,776,786
Fixed equipment	3-25 years	47,021,894	46,562,689
Movable equipment	3-25 years	154,415,222	138,314,958
Construction in progress		<u>8,565,604</u>	<u>9,269,135</u>
		351,927,402	326,553,922
Less accumulated depreciation and amortization		<u>(208,816,039)</u>	<u>(191,956,028)</u>
Net property, plant and equipment		<u>\$ 143,111,363</u>	<u>\$ 134,597,894</u>

Depreciation expense amounted to \$16,860,011 and \$16,092,263 for the years ended September 30, 2019 and 2018, respectively.

The cost of equipment under capital leases was \$7,844,527 at September 30, 2019 and 2018. Accumulated amortization of the leased equipment at September 30, 2019 and 2018 was \$7,691,462 and \$7,059,231, respectively. Amortization of assets under capital leases is included in depreciation and amortization expense.

6. Long-Term Debt and Notes Payable

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

	<u>2019</u>	<u>2018</u>
New Hampshire Health and Education Facilities Authority (the Authority) Revenue Bonds:		
Series 2012 Bonds with interest ranging from 4.00% to 5.00% per year and principal payable in annual installments ranging from \$1,125,000 to \$2,755,000 through July 2032	\$ 19,800,000	\$ 22,450,000
Series 2015A Bonds with interest at a fixed rate of 2.27% per year and principal payable in annual installments ranging from \$185,000 to \$1,655,000 through July 2040	21,650,000	22,255,000
Series 2015B with variable interest subject to interest rate swap described below and principal payable in annual installments ranging from \$195,000 to \$665,000 through July 2036	8,060,000	8,260,000

CMC HEALTHCARE SYSTEM, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Years Ended September 30, 2019 and 2018

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

	<u>2019</u>	<u>2018</u>
New Hampshire Health and Education Facilities Authority (the Authority) Revenue Bonds (Continued): Series 2017 Bonds with interest ranging from 3.38% to 5.00% per year and principal payable in annual installments ranging from \$2,900,000 to \$7,545,000 beginning in July 2033 through July 2044	\$ 61,115,000	\$ 61,115,000
	110,625,000	114,080,000
Construction loan – see below	3,513,632	–
MOB LLC note payable – see below	7,798,500	8,032,500
Capitalized lease obligations	344,079	1,020,278
Unamortized original issue premiums/discounts	5,057,437	5,450,325
Unamortized debt issuance costs	<u>(1,296,818)</u>	<u>(1,304,187)</u>
	126,041,830	127,278,916
Less current portion	<u>(4,158,079)</u>	<u>(4,365,199)</u>
	<u>\$121,883,751</u>	<u>\$122,913,717</u>

The Authority Revenue Bonds

In December 2012, the Medical Center, in connection with the Authority, issued \$35,275,000 of tax-exempt fixed rate revenue bonds (Series 2012). Under the terms of the loan agreements, the Medical Center has granted the Authority a first collateralized interest in all gross receipts and a mortgage lien on existing and future property, plant and equipment. The Medical Center is required to maintain a minimum debt service coverage ratio of 1.20. The Medical Center was in compliance with this covenant as of September 30, 2019. The proceeds of the Series 2012 bond issue were used to advance refund the remaining 2002A Bonds, advance refund certain 2002B Bonds, pay off a short term CAN note and fund certain capital purchases.

On September 3, 2015, the Authority issued \$32,720,000 of Revenue Bonds, Catholic Medical Center Issue, Series 2015, consisting of the \$24,070,000 aggregate principal amount Series 2015A Bonds and the \$8,650,000 aggregate principal amount Series 2015B Bonds sold via direct placement to a financial institution. Although the Series 2015B Bonds were issued, they were not drawn on until July 1, 2016, as discussed below. Under the terms of the loan agreements, the Medical Center has granted the Authority a first collateralized interest in all gross receipts and a mortgage lien on existing and future property, plant and equipment. The Medical Center is required to maintain a minimum debt service coverage ratio of 1.20. The Medical Center was in compliance with this covenant as of September 30, 2019.

The Series 2015A Bonds were issued to provide funds for the purpose of (i) advance refunding a portion of the outstanding 2006 Bonds in an amount of \$20,655,000 to the first call date of July 1, 2016, (ii) funding certain construction projects and equipment purchases in an amount of approximately \$3,824,000, and (iii) paying the costs of issuance related to the Series 2015 Bonds.

CMC HEALTHCARE SYSTEM, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Years Ended September 30, 2019 and 2018

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

The Series 2015B Bonds were structured as drawdown bonds. On July 1, 2016, the full amount available under the Series 2015B Bonds totaling \$8,650,000 was drawn upon and the proceeds in combination with cash contributed by the Medical Center totaling \$555,000 were used to currently refund the remaining balance of the Series 2006 Bonds totaling \$9,205,000.

On September 1, 2017, the Authority issued \$61,115,000 of Revenue Bonds, Catholic Medical Center Issue, Series 2017. The Series 2017 Bonds were issued to fund various construction projects and equipment purchases, as well as pay certain costs of issuance related to the Series 2017 Bonds. Under the terms of the loan agreements, the Medical Center has granted the Authority a first collateralized interest in all gross receipts and a mortgage lien on existing and future property, plant and equipment. The Medical Center is required to maintain a minimum debt service coverage ratio of 1.20. The Medical Center was in compliance with this covenant as of September 30, 2019.

The Medical Center has an agreement with the Authority, which provides for the establishment of various funds, the use of which is generally restricted to the payment of debt, as well as a construction fund related to the Series 2017 Bonds. These funds are administered by a trustee, and income earned on certain of these funds is similarly restricted.

Construction Loan

On July 1, 2019, the Medical Center established a nonrevolving line of credit up to \$10,000,000 with a bank in order to fund the expansion of the Medical Center as discussed in Note 15. The line of credit bears interest at the LIBOR lending rate plus 0.75% (2.84% at September 30, 2019). Advances from the line of credit are available through July 1, 2021, at which time the then outstanding line of credit balance will automatically convert to a term loan. Upon conversion, the Medical Center shall make monthly payments of principal and interest, assuming a 30-year level monthly principal and interest payment schedule, with a final maturity of July 1, 2029. The bank shall compute the schedule of principal payments based on the interest rate applicable on the conversion date. Payments of interest only are due on a monthly basis until the conversion date. The Medical Center has pledged gross receipts as collateral and is also required to maintain a minimum debt service coverage ratio of 1.20. The Medical Center was in compliance with this covenant as of September 30, 2019. As of September 30, 2019, the Medical Center has drawn \$3,513,632 on this line of credit.

MOB LLC Notes Payable

During 2007, MOB LLC (a subsidiary of Enterprises) established a nonrevolving line of credit for \$9,350,000 with a bank in order to fund construction of a medical office building. The line of credit bore interest at the LIBOR lending rate plus 1%. Payments of interest only were due on a monthly basis until the completed construction of the medical office. During 2008, the building construction was completed and the line of credit was converted to a note payable with payments of interest (at the one-month LIBOR rate plus 1.4%) and principal due on a monthly basis, with all payments to be made no later than April 1, 2018.

CMC HEALTHCARE SYSTEM, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Years Ended September 30, 2019 and 2018

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

On March 27, 2018, the MOB LLC note payable discussed above was refinanced to a term loan totaling \$8,130,000. Interest is fixed at 3.71% and is payable monthly. Principal payments of \$19,500 are due in monthly installments beginning May 1, 2018, and continuing until March 27, 2028, at which time the remaining unpaid principal and interest shall be due in full. Under the terms of the loan agreement, the Medical Center and MOB LLC (the Obligated Group) has granted the bank a first collateralized interest in all gross receipts and a mortgage lien on existing and future property, plant and equipment. The Medical Center and the System also guarantee the note payable. The Obligated Group is required to maintain a minimum debt service coverage ratio of 1.20. The Obligated Group was in compliance with this covenant as of September 30, 2019.

The aggregate principal payments due on the revenue bonds, capital lease obligations and other debt obligations for each of the five years ending September 30 and thereafter are as follows:

2020	\$ 4,158,079
2021	2,650,886
2022	2,779,704
2023	3,001,881
2024	3,094,120
Thereafter	<u>106,596,541</u>
	<u>\$122,281,211</u>

Interest paid by the System totaled \$4,688,512 (including capitalized interest of \$158,155) for the year ended September 30, 2019 and \$4,351,405 (including capitalized interest of \$251,490) for the year ended September 30, 2018.

The fair value of the System's long-term debt is estimated using discounted cash flow analysis, based on the System's current incremental borrowing rate for similar types of borrowing arrangements. The fair value of the System's long-term debt, excluding capitalized lease obligations, was approximately \$128,000,000 and \$122,000,000 at September 30, 2019 and 2018, respectively.

Derivatives

The System uses derivative financial instruments principally to manage interest rate risk. During 2007, MOB LLC entered into an interest rate swap agreement with an initial notional amount of \$9,350,000 in connection with its line of credit. Under this agreement, MOB LLC paid a fixed rate equal to 5.21%, and received a variable rate of the one-month LIBOR rate. The interest rate swap agreement terminated April 1, 2018. The change in fair value of this interest swap agreement totaled \$184,767 during 2018, which amount was included within nonoperating investment income within the 2018 consolidated statements of operations.

CMC HEALTHCARE SYSTEM, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Years Ended September 30, 2019 and 2018

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

In January 2016, the Medical Center entered into an interest rate swap agreement with an initial notional amount of \$8,650,000 in connection with its Series 2015B Bond issuance. The swap agreement hedges the Medical Center's interest exposure by effectively converting interest payments from variable rates to a fixed rate. The swap agreement is designated as a cash flow hedge of the underlying variable rate interest payments, and changes in the fair value of the swap agreement are reported as a change in net assets without donor restrictions. Under this agreement, the Medical Center pays a fixed rate equal to 1.482%, and receives a variable rate of 69.75% of the one-month LIBOR rate (1.46% at September 30, 2019). Payments under the swap agreement began August 1, 2016 and the agreement will terminate August 1, 2025.

The fair value of the Medical Center's interest rate swap agreement amounted to a liability of \$220,010 as of September 30, 2019, which amount has been recorded within accrued pension and other liabilities in the accompanying consolidated balance sheets. The fair value of the Medical Center's interest rate swap agreement amounted to an asset of \$262,725 as of September 30, 2018, which amount has been recorded within intangible assets and other in the accompanying consolidated balance sheets. The (decrease) increase in the fair value of this derivative of \$(482,735) and \$302,826, respectively, has been included within the consolidated statements of changes in net assets as a change in net assets without donor restrictions for the years ended September 30, 2019 and 2018.

7. Operating Leases

The System has various noncancelable agreements to lease various pieces of medical equipment. The System also has noncancelable leases for office space and its physician practices. Rental expense under all leases for the years ended September 30, 2019 and 2018 was \$4,847,292 and \$4,857,031, respectively.

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

2020	\$ 3,180,427
2021	3,151,760
2022	3,178,564
2023	3,155,635
2024	3,048,854
Thereafter	<u>5,620,891</u>
	<u>\$21,336,131</u>

CMC HEALTHCARE SYSTEM, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Years Ended September 30, 2019 and 2018

8. Investments and Assets Whose Use is Limited

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

	2019		2018	
	<u>Fair Value</u>	<u>Cost</u>	<u>Fair Value</u>	<u>Cost</u>
Cash and cash equivalents	\$ 16,988,051	\$ 16,988,051	\$ 16,525,946	\$ 16,525,946
U.S. federal treasury obligations	19,045,894	19,043,708	36,950,913	36,957,749
Marketable equity securities	44,292,283	41,130,117	44,031,227	39,959,906
Fixed income securities	38,160,610	38,096,345	57,757,424	58,911,509
Private investment funds	51,796,283	21,653,351	55,530,346	25,886,418
Pledges receivable	<u>758,184</u>	<u>758,184</u>	<u>—</u>	<u>—</u>
	<u>\$171,041,305</u>	<u>\$137,669,756</u>	<u>\$210,795,856</u>	<u>\$178,241,528</u>

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. In determining fair value, the use of various valuation approaches, including market, income and cost approaches, is permitted.

A fair value hierarchy has been established based on whether the inputs to valuation techniques are observable or unobservable. Observable inputs reflect market data obtained from sources independent of the reporting entity and unobservable inputs reflect the entity's own assumptions about how market participants would value an asset or liability based on the best information available. Valuation techniques used to measure fair value must maximize the use of observable inputs and minimize the use of unobservable inputs. The standard describes a fair value hierarchy based on three levels of inputs, of which the first two are considered observable and the last unobservable, that may be used to measure fair value.

The following describes the hierarchy of inputs used to measure fair value and the primary valuation methodologies used by the System for financial instruments measured at fair value on a recurring basis. The three levels of inputs are as follows:

Level 1 — Observable inputs such as quoted prices in active markets;

Level 2 — Inputs, other than the quoted prices in active markets, that are observable either directly or indirectly; and

Level 3 — Unobservable inputs in which there is little or no market data.

CMC HEALTHCARE SYSTEM, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Years Ended September 30, 2019 and 2018

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

Assets and liabilities measured at fair value are based on one or more of three valuation techniques. The three valuation techniques are as follows:

- *Market approach* – Prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities;
- *Cost approach* – Amount that would be required to replace the service capacity of an asset (i.e., replacement cost); and
- *Income approach* – Techniques to convert future amounts to a single present amount based on market expectations (including present value techniques).

In determining the appropriate levels, the System performs a detailed analysis of the assets and liabilities. There have been no changes in the methodologies used at September 30, 2019 and 2018.

The following is a description of the valuation methodologies used:

U.S. Federal Treasury Obligations and Fixed Income Securities

The fair value is determined by using broker or dealer quotations, external pricing providers, or alternative pricing sources with reasonable levels of price transparency. The System holds fixed income mutual funds and exchange traded funds, governmental and federal agency debt instruments, municipal bonds, corporate bonds, and foreign bonds which are primarily classified as Level 1 within the fair value hierarchy.

Marketable Equity Securities

Marketable equity securities are valued based on stated market prices and at the net asset value of shares held by the System at year end, which generally results in classification as Level 1 within the fair value hierarchy.

Private Investment Funds

The System invests in private investment funds that consist primarily of limited partnership interests in investment funds, which, in turn, invest in diversified portfolios predominantly comprised of equity and fixed income securities, as well as options, futures contracts, and some other less liquid investments. Management has approved procedures pursuant to the methods in which the System values these investments, which ordinarily will be the amount equal to the pro-rata interest in the net assets of the limited partnership, as such value is supplied by, or on behalf of, each investment manager from time to time, usually monthly and/or quarterly.

CMC HEALTHCARE SYSTEM, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Years Ended September 30, 2019 and 2018

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

System management is responsible for the fair value measurements of investments reported in the consolidated financial statements. Such amounts are generally determined using audited financial statements of the funds and/or recently settled transactions. Because of inherent uncertainty of valuation of certain private investment funds, the estimate of the fund manager or general partner may differ from actual values, and differences could be significant. Management believes that reported fair values of its private investment funds at the consolidated balance sheet dates are reasonable.

Fair Value on a Recurring Basis

The following table presents information about the System's assets and liabilities measured at fair value on a recurring basis based upon the lowest level of significant input to the valuations at September 30:

2019	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>Assets</u>				
Cash and cash equivalents	\$ 16,988,051	\$ —	\$ —	\$ 16,988,051
U.S. federated treasury obligations	19,045,894	—	—	19,045,894
Marketable equity securities	44,292,283	—	—	44,292,283
Fixed income securities	38,160,610	—	—	38,160,610
Pledges receivable	—	—	758,184	758,184
	<u>\$118,486,838</u>	<u>\$ —</u>	<u>\$758,184</u>	119,245,022
Investments measured at net asset value:				
Private investment funds				<u>51,796,283</u>
Total assets at fair value				<u>\$171,041,305</u>
<u>Liabilities</u>				
Interest rate swap agreement	\$ —	\$ —	\$220,010	\$ 220,010
2018				
<u>Assets</u>				
Cash and cash equivalents	\$ 16,525,946	\$ —	\$ —	\$ 16,525,946
U.S. federated treasury obligations	36,950,913	—	—	36,950,913
Marketable equity securities	44,031,227	—	—	44,031,227
Fixed income securities	57,757,424	—	—	57,757,424
Interest rate swap agreement	—	—	262,725	262,725
	<u>\$155,265,510</u>	<u>\$ —</u>	<u>\$262,725</u>	155,528,235
Investments measured at net asset value:				
Private investment funds				<u>55,530,346</u>
Total assets at fair value				<u>\$211,058,581</u>

CMC HEALTHCARE SYSTEM, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
Years Ended September 30, 2019 and 2018

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

The following table presents the assets (liabilities) carried at fair value as of September 30, 2019 and 2018 that are classified within Level 3 of the fair value hierarchy.

	<u>Pledges Receivable</u>
Balance at September 30, 2018	\$ -
Net activity	<u>758,184</u>
Balance at September 30, 2019	<u>\$758,184</u>
	<u>Interest Rate Swap Agreement</u>
Balance at September 30, 2017	\$(224,868)
Unrealized gains	<u>487,593</u>
Balance at September 30, 2018	262,725
Unrealized losses	<u>(482,735)</u>
Balance at September 30, 2019	<u>\$(220,010)</u>

There were no significant transfers between Levels 1, 2 or 3 for the years ended September 30, 2019 or 2018.

Net Asset Value Per Share

The following table discloses the fair value and redemption frequency of those assets whose fair value is estimated using the net asset value per share practical expedient at September 30:

<u>Category</u>	<u>Fair Value</u>	<u>Unfunded Commitments</u>	<u>Redemption Frequency</u>	<u>Notice Period</u>
2019				
Private investment funds	\$48,155,175	\$ -	Daily/monthly	2-30 day notice
Private investment funds	3,641,108	-	Quarterly	30 day notice
2018				
Private investment funds	\$52,108,790	\$ -	Daily/monthly	2-30 day notice
Private investment funds	3,421,556	-	Quarterly	30 day notice

CMC HEALTHCARE SYSTEM, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Years Ended September 30, 2019 and 2018

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

Investment Strategies

U.S. Federal Treasury Obligations and Fixed Income Securities

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

Marketable Equity Securities

The primary purpose of equity investments is to provide appreciation of principal and growth of income with the recognition that this requires the assumption of greater market volatility and risk of loss. The total equity portion of the portfolio will be broadly diversified according to economic sector, industry, number of holdings and other characteristics, including style and capitalization. The System may employ multiple equity investment managers, each of whom may have distinct investment styles. Accordingly, while each manager's portfolio may not be fully diversified, it is expected that the combined equity portfolio will be broadly diversified.

Private Investment Funds

The primary purpose of private investment funds is to provide further portfolio diversification and to reduce overall portfolio volatility by investing in strategies that are less correlated with traditional equity and fixed income investments. Private investment funds may provide access to strategies otherwise not accessible through traditional equities and fixed income such as derivative instruments, real estate, distressed debt and private equity and debt.

Fair Value of Other Financial Instruments

Other financial instruments consist of accounts receivable, accounts payable and accrued expenses, amounts payable to third-party payors and long-term debt. The fair value of all financial instruments other than long-term debt approximates their relative book values as these financial instruments have short-term maturities or are recorded at amounts that approximate fair value. See Note 6 for disclosure of the fair value of long-term debt.

CMC HEALTHCARE SYSTEM, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Years Ended September 30, 2019 and 2018

9. Retirement Benefits

A reconciliation of the changes in the Catholic Medical Center Pension Plan, the Medical Center's Supplemental Executive Retirement Plan and the New Hampshire Medical Laboratories Retirement Income Plan projected benefit obligations and the fair value of assets for the years ended September 30, 2019 and 2018, and a statement of funded status of the plans for both years is as follows:

	Catholic Medical Center Pension Plan		Pre-1987 Supplemental Executive Retirement Plan		New Hampshire Medical Laboratories Retirement Income Plan	
	2019	2018	2019	2018	2019	2018
Changes in benefit obligations:						
Projected benefit obligations at beginning of year	\$ (270,114,507)	\$ (284,200,778)	\$ (4,140,755)	\$ (4,567,286)	\$ (2,829,963)	\$ (3,062,398)
Service cost	(1,500,000)	(1,500,000)	—	—	(25,000)	(25,000)
Interest cost	(11,301,910)	(10,628,197)	(154,744)	(140,414)	(114,026)	(104,714)
Benefits paid	7,935,050	7,117,759	408,853	411,692	173,921	171,828
Actuarial (loss) gain	(48,841,695)	17,666,264	(174,264)	155,253	(372,806)	173,565
Expenses paid	1,468,125	1,430,445	—	—	16,623	16,756
Projected benefit obligations at end of year	<u>(322,354,937)</u>	<u>(270,114,507)</u>	<u>(4,060,910)</u>	<u>(4,140,755)</u>	<u>(3,151,251)</u>	<u>(2,829,963)</u>
Changes in plan assets:						
Fair value of plan assets at beginning of year	185,414,590	181,485,201	—	—	2,140,827	2,144,861
Actual return on plan assets	5,194,931	12,074,468	—	—	56,327	141,614
Employer contributions	8,141,191	403,125	408,853	411,692	120,167	42,936
Benefits paid	(7,935,050)	(7,117,759)	(408,853)	(411,692)	(173,921)	(171,828)
Expenses paid	<u>(1,468,125)</u>	<u>(1,430,445)</u>	<u>—</u>	<u>—</u>	<u>(16,623)</u>	<u>(16,756)</u>
Fair value of plan assets at end of year	<u>189,347,537</u>	<u>185,414,590</u>	<u>—</u>	<u>—</u>	<u>2,126,777</u>	<u>2,140,827</u>
Funded status of plan at September 30	<u>\$ (133,007,400)</u>	<u>\$ (84,699,917)</u>	<u>\$ (4,060,910)</u>	<u>\$ (4,140,755)</u>	<u>\$ (1,024,474)</u>	<u>\$ (689,136)</u>
Amounts recognized in the balance sheets consist of:						
Current liability	\$ —	\$ —	\$ (391,100)	\$ (398,750)	\$ —	\$ —
Noncurrent liability	<u>(133,007,400)</u>	<u>(84,699,917)</u>	<u>(3,669,810)</u>	<u>(3,742,005)</u>	<u>(1,024,474)</u>	<u>(689,136)</u>
	<u>\$ (133,007,400)</u>	<u>\$ (84,699,917)</u>	<u>\$ (4,060,910)</u>	<u>\$ (4,140,755)</u>	<u>\$ (1,024,474)</u>	<u>\$ (689,136)</u>

The net loss for the defined benefit pension plans that will be amortized from net assets without donor restrictions into net periodic benefit cost over the next fiscal year is \$4,686,885.

The current portion of accrued pension costs included in the above amounts for the System amounted to \$391,100 and \$398,750 at September 30, 2019 and 2018, respectively, and has been included in accounts payable and accrued expenses in the accompanying balance sheets.

The amounts recognized in net assets without donor restrictions for the years ended September 30 consist of:

	Catholic Medical Center Pension Plan		Pre-1987 Supplemental Executive Retirement Plan		New Hampshire Medical Laboratories Retirement Income Plan	
	2019	2018	2019	2018	2019	2018
Amounts recognized in the balance sheets – total plan:						
Net assets without donor restrictions:						
Net loss	<u>\$ (160,478,700)</u>	<u>\$ (105,860,712)</u>	<u>\$ (2,141,585)</u>	<u>\$ (2,102,034)</u>	<u>\$ (1,902,167)</u>	<u>\$ (1,492,143)</u>
Net amount recognized	<u>\$ (160,478,700)</u>	<u>\$ (105,860,712)</u>	<u>\$ (2,141,585)</u>	<u>\$ (2,102,034)</u>	<u>\$ (1,902,167)</u>	<u>\$ (1,492,143)</u>

CMC HEALTHCARE SYSTEM, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Years Ended September 30, 2019 and 2018

9. Retirement Benefits (Continued)

Net periodic pension cost includes the following components for the years ended September 30:

	<u>Catholic Medical Center Pension Plan</u>		<u>Pre-1987 Supplemental Executive Retirement Plan</u>		<u>New Hampshire Medical Laboratories Retirement Income Plan</u>	
	2019	2018	2019	2018	2019	2018
Service cost	\$ 1,500,000	\$ 1,500,000	\$ —	\$ —	\$ 25,000	\$ 25,000
Interest cost	11,301,910	10,628,197	154,744	140,414	114,026	104,714
Expected return on plan assets	(13,738,629)	(13,110,637)	—	—	(155,594)	(153,960)
Amortization of actuarial loss	<u>2,767,405</u>	<u>3,275,000</u>	<u>134,713</u>	<u>147,466</u>	<u>62,049</u>	<u>67,898</u>
Net periodic pension cost	<u>\$ 1,830,686</u>	<u>\$ 2,292,560</u>	<u>\$ 289,457</u>	<u>\$ 287,880</u>	<u>\$ 45,481</u>	<u>\$ 43,652</u>

Other changes in plan assets and benefit obligations recognized in net assets without donor restrictions for the years ended September 30, 2019 and 2018 consist of:

	<u>Catholic Medical Center Pension Plan</u>		<u>Pre-1987 Supplemental Executive Retirement Plan</u>		<u>New Hampshire Medical Laboratories Retirement Income Plan</u>	
	2019	2018	2019	2018	2019	2018
Net loss (gain)	\$ 57,388,232	\$ (16,630,095)	\$ 174,264	\$ (155,253)	\$ 472,073	\$ (161,219)
Amortization of actuarial loss	<u>(2,767,405)</u>	<u>(3,275,000)</u>	<u>(134,713)</u>	<u>(147,466)</u>	<u>(62,049)</u>	<u>(67,898)</u>
Net amount recognized	<u>\$ 54,620,827</u>	<u>\$ (19,905,095)</u>	<u>\$ 39,551</u>	<u>\$ (302,719)</u>	<u>\$ 410,024</u>	<u>\$ (229,117)</u>

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

	<u>Target Allocation</u>		<u>Catholic Medical Center Pension Plan</u>		<u>Pre-1987 Supplemental Executive Retirement Plan</u>		<u>New Hampshire Medical Laboratories Retirement Income Plan</u>	
	2019	2018	2019	2018	2019	2018	2019	2018
Cash and cash equivalents	5.0%	0.0%	3.5%	1.1%	0.0%	0.0%	3.5%	1.1%
Equity securities	65.0	70.0	68.5	66.2	0.0	0.0	68.5	66.2
Fixed income securities	20.0	20.0	24.6	23.7	0.0	0.0	24.6	23.7
Other	<u>10.0</u>	<u>10.0</u>	<u>3.4</u>	<u>9.0</u>	<u>0.0</u>	<u>0.0</u>	<u>3.4</u>	<u>9.0</u>
	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>0.0%</u>	<u>0.0%</u>	<u>100.0%</u>	<u>100.0%</u>

The assumption for the long-term rate of return on plan assets has been determined by reflecting expectations regarding future rates of return for the investment portfolio, with consideration given to the distribution of investments by asset class and historical rates of return for each individual asset class.

The weighted-average assumptions used to determine the defined benefit pension plan obligations at September 30 are as follows:

	<u>Catholic Medical Center Pension Plan</u>		<u>Pre-1987 Supplemental Executive Retirement Plan</u>		<u>New Hampshire Medical Laboratories Retirement Income Plan</u>	
	2019	2018	2019	2018	2019	2018
Discount rate	3.12%	4.23%	2.70%	3.93%	2.93%	4.10%
Rate of compensation increase	N/A	N/A	N/A	N/A	N/A	N/A

CMC HEALTHCARE SYSTEM, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Years Ended September 30, 2019 and 2018

9. Retirement Benefits (Continued)

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

	<u>Catholic Medical Center Pension Plan</u>		<u>Pre-1987 Supplemental Executive Retirement Plan</u>		<u>New Hampshire Medical Laboratories Retirement Income Plan</u>	
	2019	2018	2019	2018	2019	2018
Discount rate	4.23%	3.79%	3.93%	3.22%	4.10%	3.52%
Rate of compensation increase	N/A	N/A	N/A	N/A	N/A	N/A
Expected long-term return on plan assets	7.30%	7.30%	N/A	N/A	7.30%	7.30%

The System expects to make employer contributions totaling \$6,500,000 to the Catholic Medical Center Pension Plan for the fiscal year ending September 30, 2020. Expected employer contributions to the Pre-1987 Supplemental Executive Retirement Plan and New Hampshire Medical Laboratories Retirement Income Plan for the fiscal year ending September 30, 2020 are not expected to be significant.

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

	<u>Catholic Medical Center Pension Plan</u>	<u>Pre-1987 Supplemental Executive Retirement Plan</u>	<u>New Hampshire Medical Laboratories Retirement Income Plan</u>
2020	\$ 9,243,136	\$ 396,345	\$194,433
2021	9,993,328	381,634	200,720
2022	10,827,746	366,382	200,423
2023	11,705,953	350,590	200,594
2024	12,473,696	334,272	197,969
2025 - 2029	72,831,683	1,409,626	947,912

The System contributed \$8,141,191, \$408,853 and \$120,167 to the Catholic Medical Center Pension Plan, the Pre-1987 Supplemental Executive Retirement Plan and New Hampshire Medical Laboratories Retirement Income Plan, respectively, for the year ended September 30, 2019. The System contributed \$403,125, \$411,692 and \$42,936 to the Catholic Medical Center Pension Plan, Pre-1987 Supplemental Executive Retirement Plan and the New Hampshire Medical Laboratories Retirement Income Plan, respectively, for the year ended September 30, 2018. The System plans to make any necessary contributions during the upcoming fiscal 2020 year to ensure the plans continue to be adequately funded given the current market conditions.

CMC HEALTHCARE SYSTEM, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Years Ended September 30, 2019 and 2018

9. Retirement Benefits (Continued)

The following fair value hierarchy table presents information about the financial assets of the above plans measured at fair value on a recurring basis based upon the lowest level of significant input valuation as of September 30:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
2019				
Cash and cash equivalents	\$ 6,607,245	\$ —	\$ —	\$ 6,607,245
Marketable equity securities	48,731,127	—	—	48,731,127
Fixed income securities	<u>47,028,757</u>	<u>—</u>	<u>—</u>	<u>47,028,757</u>
	<u>\$102,367,129</u>	<u>\$ —</u>	<u>\$ —</u>	102,367,129
Investments measured at net asset value:				
Private investment funds				<u>89,107,185</u>
Total assets at fair value				<u>\$191,474,314</u>
2018				
Cash and cash equivalents	\$ 2,160,634	\$ —	\$ —	\$ 2,160,634
Marketable equity securities	39,221,636	—	—	39,221,636
Fixed income securities	<u>44,497,162</u>	<u>—</u>	<u>—</u>	<u>44,497,162</u>
	<u>\$ 85,879,432</u>	<u>\$ —</u>	<u>\$ —</u>	85,879,432
Investments measured at net asset value:				
Private investment funds				<u>101,675,985</u>
Total assets at fair value				<u>\$187,555,417</u>

10. Community Benefits

The System rendered charity care in accordance with its formal charity care policy, which, at established charges, amounted to \$22,670,908 and \$21,671,846 for the years ended September 30, 2019 and 2018, respectively. Also, the System provides community service programs, without charge, such as the Medication Assistance Program, Community Education and Wellness, Patient Transport, and the Parish Nurse Program. The costs of providing these programs amounted to \$977,697 and \$983,861 for the years ended September 30, 2019 and 2018, respectively.

CMC HEALTHCARE SYSTEM, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Years Ended September 30, 2019 and 2018

11. Functional Expenses

The System provides general health care services to residents within its geographic location including inpatient, outpatient and emergency care. Expenses related to providing these services are as follows at September 30, 2019:

	<u>Healthcare Services</u>	<u>General and Administrative</u>	<u>Total</u>
Salaries, wages and fringe benefits	\$241,819,757	\$42,827,203	\$284,646,960
Supplies and other	132,091,040	37,028,017	169,119,057
New Hampshire Medicaid enhancement tax	21,382,132	—	21,382,132
Depreciation and amortization	10,590,235	6,312,202	16,902,437
Interest	<u>3,178,047</u>	<u>1,045,999</u>	<u>4,224,046</u>
	<u>\$409,061,211</u>	<u>\$87,213,421</u>	<u>\$496,274,632</u>

For the year ended September 30, 2018, the System provided \$367,226,914 in health services expenses and \$100,350,824 in general and administrative expenses.

The consolidated financial statements report certain expense categories that are attributable to more than one healthcare service or support function. Therefore, these expenses require an allocation on a reasonable basis that is consistently applied. Costs not directly attributable to a function, such as depreciation and interest, are allocated to a function based on square footage. Supporting activities that are not directly identifiable with one or more healthcare programs are classified as general and administrative. If it is impossible or impractical to make a direct identification, allocation of the expenses were made according to management's estimates. Employee benefits are allocated in accordance with the ratio of salaries and wages of the functional classes. Specifically identifiable costs are assigned to the function which they are identified to.

12. Concentration of Credit Risk

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

	<u>2019</u>	<u>2018</u>
Medicare	45%	44%
Medicaid	12	12
Commercial insurance and other	24	23
Patients (self pay)	5	8
Anthem Blue Cross	<u>14</u>	<u>13</u>
	<u>100%</u>	<u>100%</u>

CMC HEALTHCARE SYSTEM, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Years Ended September 30, 2019 and 2018

13. Endowments and Net Assets With Donor Restrictions

Endowments

In July 2008, the State of New Hampshire enacted a version of UPMIFA (the Act). The new law, which had an effective date of July 1, 2008, eliminates the historical dollar threshold and establishes prudent spending guidelines that consider both the duration and preservation of the fund. As a result of this enactment, subject to the donor's intent as expressed in a gift agreement or similar document, a New Hampshire charitable organization may now spend the principal and income of an endowment fund, even from an underwater fund, after considering the factors listed in the Act.

Endowment net assets consist of the following at September 30:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
2019			
Board-designated endowment funds	\$110,175,169	\$ —	\$110,175,169
Donor-restricted endowment funds:			
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor	—	7,342,731	7,342,731
Accumulated investment gains	—	2,902,160	2,902,160
Total endowment net assets	<u>\$110,175,169</u>	<u>\$10,244,891</u>	<u>\$120,420,060</u>
2018			
Board-designated endowment funds	\$107,832,023	\$ —	\$107,832,023
Donor-restricted endowment funds:			
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor	—	7,342,731	7,342,731
Accumulated investment gains	—	3,084,087	3,084,087
Total endowment net assets	<u>\$107,832,023</u>	<u>\$10,426,818</u>	<u>\$118,258,841</u>

CMC HEALTHCARE SYSTEM, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Years Ended September 30, 2019 and 2018

13. Endowments and Net Assets With Donor Restrictions (Continued)

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

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Balance at September 30, 2017	\$102,045,292	\$ 9,726,007	\$111,771,299
Investment return, net	5,658,131	430,243	6,088,374
Contributions	—	646,924	646,924
Appropriation for operations	—	(247,756)	(247,756)
Appropriation for capital	<u>128,600</u>	<u>(128,600)</u>	<u>—</u>
Balance at September 30, 2018	107,832,023	10,426,818	118,258,841
Investment return (loss), net	1,909,136	(63,353)	1,845,783
Contributions	—	536,316	536,316
Appropriation for operations	—	(220,880)	(220,880)
Appropriation for capital	<u>434,010</u>	<u>(434,010)</u>	<u>—</u>
Balance at September 30, 2019	<u>\$110,175,169</u>	<u>\$10,244,891</u>	<u>\$120,420,060</u>

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor requires the Medical Center to retain as a fund of perpetual duration. There were no such deficiencies as of September 30, 2019 or 2018.

Net Assets With Donor Restrictions

Net assets with donor restrictions are available for the following purposes at September 30:

	<u>2019</u>	<u>2018</u>
Funds subject to use or time restrictions:		
Capital acquisitions	\$ 258,494	\$ 37,941
Health education	909,765	899,288
Indigent care	168,437	253,492
Pledges receivable	<u>758,184</u>	<u>—</u>
	2,094,880	1,190,721
Funds of perpetual duration	<u>9,150,011</u>	<u>9,236,097</u>
	<u>\$11,244,891</u>	<u>\$10,426,818</u>

CMC HEALTHCARE SYSTEM, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Years Ended September 30, 2019 and 2018

14. Investments in Joint Ventures

AAS has a 44% ownership interest in the Bedford Ambulatory Surgical Center. AAS accounts for its investment in this joint venture under the equity method.

AAS has a 50% ownership interest in the Alliance Urgent Care Services, LLC. AAS accounts for its investment in this joint venture under the equity method.

The Medical Center, along with four other participating hospitals and Tufts Health Plan, formed Tufts Health Freedom Plan (THFP), a joint venture. THFP is a health insurance company which began operations as of January 1, 2016. The Medical Center has an approximate 12% ownership interest in this joint venture. Selected financial information relating to the above entities for the years ended September 30, 2019 and 2018 is not shown as such amounts are not significant to the consolidated financial statements.

15. Commitments and Contingencies

Litigation

Various legal claims, generally incidental to the conduct of normal business, are pending or have been threatened against the System. The System intends to defend vigorously against these claims. While ultimate liability, if any, arising from any such claim is presently indeterminable, it is management's opinion that the ultimate resolution of these claims will not have a material adverse effect on the financial condition of the System.

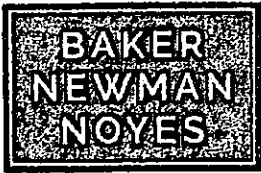
Regulatory

The healthcare industry is subject to numerous laws and regulations of federal, state, and local governments. Government activity continues with respect to investigations and allegations concerning possible violations by health care providers of fraud and abuse statutes and regulations, which could result in the imposition of significant fines and penalties as well as significant repayments for patient services previously billed. Compliance with such laws and regulations are subject to government review and interpretations as well as regulatory actions unknown or unasserted at this time.

Development Agreement

During fiscal year 2019, the Medical Center entered into a development agreement with PJC Manchester Realty, LLC ("Rite Aid") in regards to the Medical Center's acquisition of certain property owned by Rite Aid. Under the development agreement, the Medical Center acquired the property from Rite Aid for approximately \$6.9 million, inclusive of certain costs expected to be incurred to construct a new building that Rite Aid will own and occupy at a separate location. The purchase of the property from Rite Aid allows the Medical Center to expand its campus. As the Medical Center retains title to the project until such time of the second closing, as defined within the development agreement, amounts paid under the development agreement are recorded by the Medical Center as land acquisition costs, and totaled approximately \$4.6 million as of September 30, 2019.

The Medical Center has outstanding construction commitments related to this project totaling approximately \$8.1 million at September 30, 2019.



Baker Newman & Noyes LLC
MAINE | MASSACHUSETTS | NEW HAMPSHIRE
800.244.7444 | www.bnnnpa.com

INDEPENDENT AUDITORS' REPORT ON OTHER FINANCIAL INFORMATION

Board of Trustees
CMC Healthcare System, Inc.

We have audited the consolidated financial statements of CMC Healthcare System, Inc. (the System) as of and for the years ended September 30, 2019 and 2018, and have issued our report thereon, which contains an unmodified opinion on those consolidated financial statements. See page 1. Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating information is presented for purposes of additional analysis rather than to present the financial position, results of operations and cash flows of the individual entities and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The consolidating information has been subjected to the auditing procedures applied in the audits of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Baker Newman & Noyes LLC

Manchester, New Hampshire
February 4, 2020

CMC HEALTHCARE SYSTEM, INC.

CONSOLIDATING BALANCE SHEET

September 30, 2019

ASSETS

	Catholic Medical Center	Physician Practice Associates	Alliance Enterprises	Alliance Resources	Alliance Ambu- latory Services	Alliance Health Services	Doctors Medical Association	Saint Peter's Home	Elimi- nations	Consolidated
Current assets:										
Cash and cash equivalents	\$ 47,897,010	\$ 2,391,045	\$ 3,445,644	\$ 705,932	\$ 603,153	\$ 222,020	\$ 75,443	\$ 909,243	\$ -	\$ 56,249,490
Short-term investments	4,021,270	-	-	-	-	-	-	-	-	4,021,270
Accounts receivable, net	78,067,491	-	(3,076)	-	-	1,258,227	-	-	-	79,322,642
Inventories	4,600,802	-	-	-	-	-	-	-	-	4,600,802
Other current assets	<u>12,780,425</u>	<u>(22,443)</u>	<u>14,433</u>	<u>65,943</u>	<u>-</u>	<u>1,335,176</u>	<u>-</u>	<u>24,689</u>	<u>-</u>	<u>14,198,223</u>
Total current assets	147,366,998	2,368,602	3,457,001	771,875	603,153	2,815,423	75,443	933,932	-	158,392,427
Property, plant and equipment, net	118,690,076	-	8,550,580	14,715,075	-	76,528	-	1,079,104	-	143,111,363
Other assets:										
Intangible assets and other	11,869,524	-	-	-	6,731,090	-	-	-	-	18,600,614
Assets whose use is limited:										
Pension and insurance obligations	18,832,810	-	-	-	-	-	-	-	-	18,832,810
Board designated and donor restricted investments and restricted grants	122,116,666	-	-	-	-	-	-	7,225,204	-	129,341,870
Held by trustee under revenue bond agreements	<u>18,845,355</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>18,845,355</u>
	<u>159,794,831</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,225,204</u>	<u>-</u>	<u>167,020,035</u>
Total assets	<u>\$437,721,429</u>	<u>\$ 2,368,602</u>	<u>\$12,007,581</u>	<u>\$15,486,950</u>	<u>\$7,334,243</u>	<u>\$2,891,951</u>	<u>\$ 75,443</u>	<u>\$9,238,240</u>	<u>\$ -</u>	<u>\$487,124,439</u>

LIABILITIES AND NET ASSETS

	Catholic Medical Center	Physician Practice Associates	Alliance Enterprises	Alliance Resources	Alliance Ambu- latory Services	Alliance Health Services	Doctors Medical Association	Saint Peter's Home	Elimi- nations	Consolidated
Current liabilities:										
Accounts payable and accrued expenses	\$ 36,870,043	\$ 101,896	\$ 116,826	\$ 14,945	\$ —	\$1,557,916	\$ 9,312	\$ 314,964	\$ —	\$ 38,985,902
Accrued salaries, wages and related accounts	18,604,407	4,256,637	—	—	—	—	—	112,434	—	22,973,478
Amounts payable to third-party payors	11,456,467	—	—	—	—	—	—	—	—	11,456,467
Due to (from) affiliates	991,062	(876,484)	33,830	(112,489)	—	(17,750)	(16,141)	(2,028)	—	—
Current portion of long-term debt	<u>3,924,079</u>	<u>—</u>	<u>234,000</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>4,158,079</u>
Total current liabilities	71,846,058	3,482,049	384,656	(97,544)	—	1,540,166	(6,829)	425,370	—	77,573,926
Accrued pension and other liabilities, less current portion	160,696,816	9,869,149	1,041,879	69,526	—	372,466	—	—	—	172,049,836
Long-term debt, less current portion	<u>114,421,351</u>	<u>—</u>	<u>7,462,400</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>121,883,751</u>
Total liabilities	346,964,225	13,351,198	8,888,935	(28,018)	—	1,912,632	(6,829)	425,370	—	371,507,513
Net assets (deficit):										
Without donor restrictions	79,512,313	(10,982,596)	3,118,646	15,514,968	7,334,243	979,319	82,272	8,812,870	—	104,372,035
With donor restrictions	<u>11,244,891</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>11,244,891</u>
Total net assets (deficit)	<u>90,757,204</u>	<u>(10,982,596)</u>	<u>3,118,646</u>	<u>15,514,968</u>	<u>7,334,243</u>	<u>979,319</u>	<u>82,272</u>	<u>8,812,870</u>	<u>—</u>	<u>115,616,926</u>
Total liabilities and net assets	<u>\$437,721,429</u>	<u>\$ 2,368,602</u>	<u>\$12,007,581</u>	<u>\$15,486,950</u>	<u>\$7,334,243</u>	<u>\$2,891,951</u>	<u>\$ 75,443</u>	<u>\$9,238,240</u>	<u>\$ —</u>	<u>\$487,124,439</u>

CMC HEALTHCARE SYSTEM, INC.
CONSOLIDATING STATEMENT OF OPERATIONS

Year Ended September 30, 2019

	Catholic Medical Center	Physician Practice Associates	Alliance Enterprises	Alliance Resources	Alliance Ambu- latory Services	Alliance Health Services	Doctors - Medical Association	Saint Peter's Home	Eliminations	Consolidated
Net patient service revenues, net of contractual allowances and discounts	\$449,484,087	\$ -	\$ -	\$ -	\$ -	\$16,273,475	\$ -	\$ -	\$ -	\$465,757,562
Provision for doubtful accounts	(20,972,163)	-	-	-	-	(672,481)	-	-	-	(21,644,644)
Net patient service revenues less provision for doubtful accounts	428,511,924	-	-	-	-	15,600,994	-	-	-	444,112,918
Other revenue	14,687,063	21,730,371	2,029,569	1,348,691	2,450,518	589,283	114,787	3,296,789	(24,636,486)	21,610,585
Disproportionate share funding	22,566,094	-	-	-	-	-	-	-	-	22,566,094
Total revenues	465,765,081	21,730,371	2,029,569	1,348,691	2,450,518	16,190,277	114,787	3,296,789	(24,636,486)	488,289,597
Expenses:										
Salaries, wages and fringe benefits	227,559,475	59,819,529	25,000	-	-	15,345,730	-	3,293,166	(21,395,940)	284,646,960
Supplies and other	161,282,151	2,859,148	829,215	886,058	-	6,095,729	129,091	278,211	(3,240,546)	169,119,057
New Hampshire Medicaid enhancement tax	21,382,132	-	-	-	-	-	-	-	-	21,382,132
Depreciation and amortization	15,741,819	-	310,579	613,839	-	34,602	-	201,598	-	16,902,437
Interest	3,913,935	-	310,111	-	-	-	-	-	-	4,224,046
Total expenses	429,879,512	62,678,677	1,474,905	1,499,897	-	21,476,061	129,091	3,772,975	(24,636,486)	496,274,632
Income (loss) from operations	35,885,569	(40,948,306)	554,664	(151,206)	2,450,518	(5,285,784)	(14,304)	(476,186)	-	(7,985,035)
Nonoperating gains (losses):										
Investment income	3,875,387	-	-	-	14,106	-	-	231,369	-	4,120,862
Net periodic pension cost, other than service cost	(595,606)	(24,537)	(20,481)	-	-	-	-	-	-	(640,624)
Contributions without donor restrictions	834,004	-	-	-	-	-	-	-	-	834,004
Development costs	(739,596)	-	-	-	-	-	-	-	-	(739,596)
Other nonoperating (loss) gain	(3,153,699)	-	-	-	-	-	-	18,000	-	(3,135,699)
Total nonoperating gains, net	220,490	(24,537)	(20,481)	-	14,106	-	-	249,369	-	438,947
Excess (deficiency) of revenues over expenses	36,106,059	(40,972,843)	534,183	(151,206)	2,464,624	(5,285,784)	(14,304)	(226,817)	-	(7,546,088)
Unrealized appreciation (depreciation) on investments	1,026,222	-	-	-	-	-	-	(114,052)	-	912,170
Change in fair value of interest rate swap agreement	(482,735)	-	-	-	-	-	-	-	-	(482,735)
Assets released from restriction used for capital	434,010	-	-	-	-	-	-	-	-	434,010
Pension-related changes other than net periodic pension cost	(51,110,160)	(3,550,218)	(410,024)	-	-	-	-	-	-	(55,070,402)
Net transfers (to) from affiliates	(46,133,644)	42,163,000	120,167	700,000	(2,500,000)	5,650,000	-	477	-	-
Change in net assets without donor restrictions	\$ (60,160,248)	\$ (2,360,061)	\$ 244,326	\$ 548,794	\$ (35,376)	\$ 364,216	\$ (14,304)	\$ (340,392)	\$ -	\$ (61,753,045)

CMC HEALTHCARE SYSTEM, INC.

CONSOLIDATING BALANCE SHEET

September 30, 2018

ASSETS

	Catholic Medical Center	Physician Practice Associates	Alliance Enterprises	Alliance Resources	Alliance Ambu- latory Services	Alliance Health Services	Doctors Medical Association	Saint Peter's Home	Elimi- nations	Consolidated
Current assets:										
Cash and cash equivalents	\$ 57,668,500	\$ 22,273	\$ 2,745,448	\$ 332,128	\$ 376,706	\$ 166,645	\$ 76,949	\$ 460,671	\$ -	\$ 61,849,320
Short-term investments	29,009,260	-	-	-	-	-	-	-	-	29,009,260
Accounts receivable, net	54,074,988	-	-	-	-	1,251,998	-	-	-	55,326,986
Inventories	3,583,228	-	-	-	-	-	-	-	-	3,583,228
Other current assets	<u>9,150,610</u>	<u>3,750</u>	<u>2,537</u>	<u>57,365</u>	<u>286,666</u>	<u>1,139,687</u>	<u>1,608</u>	<u>22,734</u>	<u>-</u>	<u>10,664,957</u>
Total current assets	153,486,586	26,023	2,747,985	389,493	663,372	2,558,330	78,557	483,405	-	160,433,751
Property, plant and equipment, net	109,898,233	-	8,858,160	14,585,192	-	111,130	-	1,145,179	-	134,597,894
Other assets:										
Intangible assets and other	10,875,302	-	-	-	6,706,247	-	-	-	-	17,581,549
Assets whose use is limited:										
Pension and insurance obligations	17,859,458	-	-	-	-	-	-	-	-	17,859,458
Board designated and donor restricted investments and restricted grants	119,411,378	1,488	-	-	-	-	-	7,854,219	-	127,267,085
Held by trustee under revenue bond agreements	<u>36,660,053</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>36,660,053</u>
	<u>173,930,889</u>	<u>1,488</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,854,219</u>	<u>-</u>	<u>181,786,596</u>
Total assets	<u>\$448,191,010</u>	<u>\$ 27,511</u>	<u>\$11,606,145</u>	<u>\$14,974,685</u>	<u>\$7,369,619</u>	<u>\$2,669,460</u>	<u>\$ 78,557</u>	<u>\$9,482,803</u>	<u>\$ -</u>	<u>\$494,399,790</u>

LIABILITIES AND NET ASSETS

	Catholic Medical Center	Physician Practice Associates	Alliance Enterprises	Alliance Resources	Alliance Ambu- latory Services	Alliance Health Services	Doctors Medical Association	Saint Peter's Home	Elimi- nations	Consolidated
Current liabilities:										
Accounts payable and accrued expenses	\$ 28,743,870	\$ 68,143	\$ 90,029	\$ 17,169	\$ -	\$1,660,520	\$ 5,590	\$ 203,832	\$ -	\$ 30,789,153
Accrued salaries, wages and related accounts	18,755,583	3,791,797	-	-	-	-	-	126,109	-	22,673,489
Amounts payable to third-party payors	14,643,104	-	-	-	-	-	-	-	-	14,643,104
Due to (from) affiliates	1,477,267	(1,392,988)	16,867	(80,123)	-	2,986	(23,609)	(400)	-	-
Current portion of long-term debt	<u>4,131,199</u>	<u>-</u>	<u>234,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,365,199</u>
Total current liabilities	67,751,023	2,466,952	340,896	(62,954)	-	1,663,506	(18,019)	329,541	-	72,470,945
Accrued pension and other liabilities, less current portion	115,111,279	6,183,094	706,541	71,465	-	390,851	-	-	-	122,463,230
Long-term debt, less current portion	<u>115,229,329</u>	<u>-</u>	<u>7,684,388</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>122,913,717</u>
Total liabilities	298,091,631	8,650,046	8,731,825	8,511	-	2,054,357	(18,019)	329,541	-	317,847,892
Net assets (deficit):										
Without donor restrictions	139,672,561	(8,622,535)	2,874,320	14,966,174	7,369,619	615,103	96,576	9,153,262	-	166,125,080
With donor restrictions	<u>10,426,818</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,426,818</u>
Total net assets (deficit)	<u>150,099,379</u>	<u>(8,622,535)</u>	<u>2,874,320</u>	<u>14,966,174</u>	<u>7,369,619</u>	<u>615,103</u>	<u>96,576</u>	<u>9,153,262</u>	<u>-</u>	<u>176,551,898</u>
Total liabilities and net assets	<u>\$448,191,010</u>	<u>\$ 27,511</u>	<u>\$11,606,145</u>	<u>\$14,974,685</u>	<u>\$7,369,619</u>	<u>\$2,669,460</u>	<u>\$ 78,557</u>	<u>\$9,482,803</u>	<u>\$ -</u>	<u>\$494,399,790</u>

CMC HEALTHCARE SYSTEM, INC.
CONSOLIDATING STATEMENT OF OPERATIONS
Year Ended September 30, 2018

	Catholic Medical Center	Physician Practice Associates	Alliance Enterprises	Alliance Resources	Alliance Ambu- latory Services	Alliance Health Services	Doctors Medical Association	Saint Peter's Home	Eliminations	Consolidated
Net patient service revenues, net of contractual allowances and discounts	\$436,357,697	\$ —	\$ —	\$ —	\$ —	\$16,152,678	\$ —	\$ —	\$ —	\$452,510,375
Provision for doubtful accounts	(19,593,714)	—	—	—	—	(740,535)	—	—	—	(20,334,249)
Net patient service revenues less provision for doubtful accounts	416,763,983	—	—	—	—	15,412,143	—	—	—	432,176,126
Other revenue	12,515,169	24,664,782	2,026,051	1,306,175	2,685,142	572,119	131,102	3,090,287	(27,536,141)	19,454,686
Disproportionate share funding	17,993,289	—	—	—	—	—	—	—	—	17,993,289
Total revenues	447,272,441	24,664,782	2,026,051	1,306,175	2,685,142	15,984,262	131,102	3,090,287	(27,536,141)	469,624,101
Expenses:										
Salaries, wages and fringe benefits	217,868,046	55,518,048	25,000	—	—	14,377,316	—	3,020,016	(23,995,148)	266,813,278
Supplies and other	153,527,155	2,191,509	752,790	1,016,430	—	5,867,844	142,023	333,456	(3,540,993)	160,290,214
New Hampshire Medicaid enhancement tax	19,968,497	—	—	—	—	—	—	—	—	19,968,497
Depreciation and amortization	14,972,724	—	333,910	594,149	—	41,518	—	194,683	—	16,136,984
Interest	3,933,617	—	435,148	—	—	—	—	—	—	4,368,765
Total expenses	410,270,039	57,709,557	1,546,848	1,610,579	—	20,286,678	142,023	3,548,155	(27,536,141)	467,577,738
Income (loss) from operations	37,002,402	(33,044,775)	479,203	(304,404)	2,685,142	(4,302,416)	(10,921)	(457,868)	—	2,046,363
Nonoperating gains (losses):										
Investment income	5,699,700	—	158,797	6	3,429	—	—	224,862	—	6,086,794
Net periodic pension cost, other than service cost	(1,023,371)	(57,068)	(18,653)	—	—	—	—	—	—	(1,099,092)
Contributions without donor restrictions	629,198	—	—	—	—	—	—	—	—	629,198
Development costs	(635,408)	—	—	—	—	—	—	—	—	(635,408)
Other nonoperating (loss) gain	(511,679)	—	8,285	—	—	—	—	14,100	—	(489,294)
Total nonoperating gains (losses), net	4,158,440	(57,068)	148,429	6	3,429	—	—	238,962	—	4,492,198
Excess (deficiency) of revenues over expenses	41,160,842	(33,101,843)	627,632	(304,398)	2,688,571	(4,302,416)	(10,921)	(218,906)	—	6,538,561
Unrealized appreciation on investments	2,184,604	—	—	—	—	—	—	140,547	—	2,325,151
Change in fair value of interest rate swap agreement	302,826	—	—	—	—	—	—	—	—	302,826
Assets released from restriction used for capital	128,600	—	—	—	—	—	—	—	—	128,600
Pension-related changes other than net periodic pension cost	18,843,760	1,364,053	229,118	—	—	—	—	—	—	20,436,931
Net transfers (to) from affiliates	(35,782,824)	31,967,000	223,054	1,112,760	(1,650,000)	4,130,000	—	10	—	—
Change in net assets without donor restrictions	\$ 26,837,808	\$ 229,210	\$1,079,804	\$ 808,362	\$ 1,038,571	\$ (172,416)	\$ (10,921)	\$ (78,349)	\$ —	\$ 29,732,069

Catholic Medical Center's Strategy2020

CMC Healthcare System (CMCHS) is guided by its mission, vision and values in delivering exceptional care and well-being to our patients and community. Aggressively pursuing our mission and vision is fundamental in both shaping our future and evaluating our progress. Additionally, our strength of Catholic Identity and relationship with the Diocese, affirmed by our values and incorporated in our language, symbols and behaviors, is integral to fulfilling CMC's direction to deliver health, healing and hope to those we serve.

Mission

The heart of Catholic Medical Center is to provide health, healing, and hope in a manner that offers innovative high quality services, compassion, and respect for the human dignity of every individual who seeks or needs our care as part of Christ's healing ministry through the Catholic Church.

Vision

Guided by our mission and values, we are committed to becoming the finest customer experience, lowest cost, best outcome provider in the region.

Values

- Treat others with **Compassion** and to promote social justice and equality
- Understand and believe **Human Dignity** with respect to the sanctity of human life from conception to natural death
- Continually strive for **Excellence** in what we do in regards to quality, patient safety, continuum of health, palliative care, hospice, etc.
- **Respect** patients, family and each other
- Promote **Patient Centered** Care with special attention to the poor, underserved and vulnerable

CMC's strategy is to be an independently governed, Catholic health system with outstanding programs and strong partnerships that contribute to our ability to improve the health of our community and surrounding areas throughout the entire continuum of health.

We will do this by...

**Catholic Medical Center
Board of Trustees – 2020**

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

Neil Levesque, *Vice Chair*
NH Institute of Politics

Matthew Kfoury, *Secretary*
Central Paper Company

Pamela Diamantis, *Treasurer*
Curbstone Financial Management Corp

Patricia Furey, MD, *ex officio*
President of CMC Medical Staff
Vein and Vascular Specialists

John J. Munoz, MD
Manchester Urology Associates, PA

Carolyn G. Claussen, MD
Willowbend Family Practice

Catherine Provencher, CPA
University of New Hampshire

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

Derek McDonald, *ex officio*
Bishop's Delegate for Health Care
Diocese of Manchester

Susan M. Kinney, RN, MSN
Saint Anselm College

Timothy Riley
Harbor Group

Joseph Pepe, MD, *ex officio*
President/CEO
Catholic Medical Center

Marie McKay
Bigelow & Company

Carrie Perry, Sr. Executive Assistant / Board Liaison
603-663-6552 / carrie.perry@cmc-nh.org

Lorrie Woodward, MBA, MT(ASCP)

Summary of Qualifications

Performance-oriented team member with 17 years experience in a medium to large volume Clinical Laboratory. Reputation for leading by example and setting high standards in accuracy, organization, and efficiency. Proficient and familiar with the following:

- Compliance/Outreach/LIS/Billing Manager
- Microbiology Supervisor
- MBA, MT (ASCP)
- Lean/ Six Sigma Training
- CMS regulations payment policy
- CPT coding, CDM assignments
- OIG regulations and Audits
- Team Leader/ Clinical Instructor
- Procedure Development and Review
- Phlebotomy Services

Education & Honors

MBA Health Care Administration

Franklin Pierce University

College of Graduate and Professional Studies Program

Bachelors of Science, (Cum Laude)

University of Vermont, Burlington, VT

College of Nursing and Allied Health

Departmental Honors Program

Work History

Executive Director, Radiology, Laboratory, Respiratory and Neurophysiology Services (June 2020-current)

Catholic Medical Center, Manchester, NH

(2020-current)

Oversee Operations of departments. Prepare Budgets, Strategic Plans, Quality and Compliance Programs. Responsible for approximately 250 employees with the assistance of Directors, Managers, and Supervisors.

Director, Laboratory (2016-June 2020)

Catholic Medical Center, Manchester, NH

(2016-2020)

Direct the laboratory to include and process prior to testing and any process after testing. Manage approximately 120 employees, with 2 managers, 9 supervisors directly reporting. This position encompasses LIS, Billing, Revenue Cycle, Outpatient Phlebotomy Services, Compliance, and Customer Service department oversight.

Support Operations Manager, Laboratory (2013-current)

Catholic Medical Center, Manchester, NH

(2013-2016)

Manage the support functions of the laboratory to include and process prior to testing and any process after testing. Manage approximately 30 employees, with 3 supervisors directly reporting. This position encompasses LIS, Billing, Revenue Cycle, Outpatient Phlebotomy Services, Compliance, and Customer Service department oversight.

- Audit laboratory testing, volumes, cpt coding, and billing practices
- Monitor revenue and create financial analysis to lead business operations
- Create Quality reports for clients to meet their individualized needs
- Set, Monitor, and Implement department goals to maintain movement towards Laboratory Vision/ Hospital Goals
- Oversee operations for the LIS, Outreach, Billing, and Outpatient Phlebotomy teams
- Active role in Revenue Cycle, Compliance, Appraisal task force
- Manage project scope, timelines, assignment distribution

Microbiology Technical Section Supervisor, Laboratory (2008-2013)

Catholic Medical Center, Manchester, NH

(2008-2013)

Monitor and Improve daily operations of the Microbiology Laboratory while adhering to current regulations, promoting team collaboration, and reducing cost while increasing revenue.

- Participate actively on Infection Control Committee by providing Antibiotic Susceptibility Trending reports and update hospital antibiotic formularies
- Review and update procedures/ manuals while making certain to comply with all CAP, JAHCO, and CLSI standards
- Perform Supervisory duties, including but not limited to: research and implementation of new tests and instrumentation , hosting monthly department meetings, work review and competency assessment, scheduling shifts to reduce overtime, promoting lab morale, and employee evaluations
- Analyze revenue and statistics, test volume, and CPT allowances to maximize department revenue
- Collect and Evaluate data for the laboratory quality improvement and quality assurance program
- Evaluate safety issues in the Microbiology lab and maintain current MSDS and chemical inventory
- Project Based analysis of workflow efficiency and analysis of time and space utilization

Medical Technologist

CLS IV Microbiology, Dept. of Pathology (2006-2008)

CLS III Microbiology (2005-2006)

CLS II Microbiology (2003-2005)

Dartmouth Hitchcock Medical Center, Lebanon, NH

(2003-2008)

Process, interpret, and analyze clinical specimens and data accurately and efficiently in a collaborative and cohesive team based environment while simultaneously serving as Clinical Instructor of Microbiology and performing the duties of team leader and safety officer.

- Instruct UNH Medical Technology Program students in their fast paced work intensive Microbiology Course
- Assist in coordinating of Clinical Rotations through Clinical Microbiology Lab for residents and interns
- Review and update procedures/ manuals while making certain to comply with all CAP, JAHCO, and CLSI standards
- Perform Team leader duties, including but not limited to: creating competency assessment tools, coordinating lectures and events for Continuing Education Credits, assessing laboratory training needs and suggesting strategies to complete training, evaluating workflow/staffing ratio to ensure adequate coverage, promoting lab morale
- Read and interpret clinical cultures following appropriate procedures approved by the medical director
- Assess daily laboratory needs and schedule staff accordingly with other team members
- Evaluate safety issues in the Microbiology lab and maintain current MSDS and chemical inventory
- Project Based analysis of workflow efficiency and analysis of time and space utilization

Laboratory Specialist, Dept. of Laboratory Central Receiving

Fletcher Allen Healthcare, Burlington, VT

(2000-2003)

Sharpened my skills as a phlebotomist while learning the fine points of blood collection and technique in a fast paced hospital environment catering to a clientele composed of pediatrics, geriatrics, oncology, and walk-in patients.

- Collected proper blood specimens for clinical and research testing using sterile collection technique
- Responded to STAT and emergency blood drawing in a timely manner
- Provided quality service to a variety of patients and personalities
- Accessioned, prepared, and aliquotted laboratory specimens for each department
- Prepared, ordered, and packaged specimens for special mail-out testing

Other Accomplishments/ Leadership

Leadership Academy, Laboratory, Catholic Medical Center

(2013)

- Participated in a 9 month focused workgroup to improve managerial skills and complete a lean based project.
- Team project: MA workflow at Willowbend Family Practice

Management Boot Camp, Laboratory, Catholic Medical Center

(2010)

- Participated in 8 workshops designed to improve communication, time management, team building, and organizational skills
- Implemented new metrics of quality collaboratively with my department level team based on class learning

Lab Education Committee, Laboratory, Catholic Medical Center

(2009-2015)

- Create continuing education opportunities for all laboratory staff allowing for recertification
- Organize quarterly meetings to involve laboratory staff in credentialing process and lecture scheduling

Lab Safety Committee, Laboratory, Catholic Medical Center

(2009-current)

Lab Safety Committee, Department of Pathology, Dartmouth Hitchcock Medical Center

(2006-2008)

- Ensure laboratory compliance with JAHCO and CAP standards
- Maintain Microbiology MSDS sheets and orient new employees to Microbiology Specific safety policies

Jane M. Steckowych

EDUCATION

September 1984-May 1987	Boston University School of Public Health, Boston, MA. Master of Public Health Environmental Health Studies
August 1980-May 1981	Mary Hitchcock Memorial Hospital Hanover, N.H. Clinical Internship Medical Technology Certification
September 1977-May 1981	University of New Hampshire Durham, N.H.; Bachelor of Science Magna Cum Laude G.P.A. 3.55

EXPERIENCE

April 2015-present	Catholic Medical Center Manchester, NH Technical Operations Manager
April 2008-April 2015	Elliot Hospital Manchester, NH Generalist: Medical Technologist
2002-2007	Lab Corp/Path Labs. Manchester, NH Generalist: Medical Technologist
July 1994-April 2008	New Hampshire Medical Labs Manchester, New Hampshire Medical Technologist
August 1993-June 1994	Cooley Dickinson Hospital Northampton, MA. Medical Technologist Generalist, All Departments, All Shifts Supervisor, Blood Bank
April 1992-May 1992	National Louis University Evanston, IL. Hematology Instructor
July 1991-June 1993	Evanston Hospital, Evanston, IL. Manager-Hematology, Coagulation, And Clinical Microscopy. Duties include scheduling, budgets, Quality Assurance, personnel issues, CLIA implementation and technical Proficiency. The Special Coagulation

Lab and Cancer Center Lab were also my
Responsibilities.

January 1990-July 1991	Evanston Hospital, Evanston, Il. Assistant Manager-Hematology Dept. Supplies and Inventory, Coordinate Daily workload and duties, Preparing Timecards, Troubleshooting equipment And Acting as Manager when needed.
June 1989-January 1990	Evanston Hospital, Evanston, Il. Staff Medical Technologist Hematology, Clinical Microscopy, Bone Marrows and Coagulation.
October 1988-May 1989	New Hampshire Medical Laboratories Manchester, N.H. Hematology Supervisor Responsibilities include coordinate Daily workload and duties, liaison to Hospital departments and physicians, Instrument troubleshooting, Quality control assessment, schedules, Coordinate phlebotomy practices, Communication Task Force, Quality Circle member, working up new policies And procedures, and bench work.
March 1987-October 1988	New Hampshire Medical Laboratories Manchester, N.H. Medical Technologist, Assistant Supervisor Evening Shift Duties include rotation through all areas of the Lab, scheduling, Maintenance and troubleshooting.
June 1981-March 1987	Catholic Medical Center Manchester, N.H. Medical Technologist, ASCP Duties similar to employment at New Hampshire Medical Laboratories.
April 1983-September 1983	Baker, Pappas and Dastin Advertising Manchester, N.H. Salesperson

ORGANIZATIONS/HONORS

The American Society of Clinical Pathologists, Chicago, Metropolitan Hematology Society, Alpha Epsilon Delta Premedical Honor Society, Who's Who in American Students, Medical Technology Merit Award.

Kristen M Dorans, CT(ASCP)^{cm}

Objective

To utilize the knowledge obtained through professional experience and formal education to prepare and accurately diagnose cytology specimens, and to expand my skills applicable to my future career in pathology.

Education

2010-2011 University of Rhode Island Kingston, RI
M.S. in Clinical Lab Science
Specialty in Cytopathology

Certifications

- ThinPrep Pap Test Certified
- SurePath Pap Test Certified

Field Experience

- Screening of Conventional, Gynecological and Non-gynecological slides
- ThinPrep Imager
- On site FNA adequacy
- Cytopreparation
- Internship included Rhode Island Hospital, Our Lady of Fatima Hospital, Women and Infants Hospital, Milford Regional Hospital, Mass General Hospital, and Quest Diagnostic Laboratory

2007-2010 University of Rhode Island Kingston, RI
B.S. in Microbiology

Dean's List

Work experience

4/2013 – present Catholic Medical Center
Cytotechnologist, Senior

Manchester, NH

- Responsible for the screening and diagnosing of gynecological and Non-gynecological cases.
- Frequently perform onsite adequacies for fine needle aspirations and tissue biopsies.
- Assist with bone marrow biopsies and responsible for the adequate preparation of bone marrow smear slides, and proper handling of specimen.
- Responsible for maintaining the Hologic Panther Analyzer.
- Proficient in cytopreparation for gynecological and Non-gynecological specimens.
- Responsible for the staining of HER2 breast and HER2 gastric FISH cases on the Thermobrite Elite.
- Responsible for the scanning of quantitative IHCs and FISH slides on the Ariol microscope.
- Responsible for the analysis of quantitative IHCs and FISH cases.
- Proficient and knowledgeable of Aperio software.

12/2011-4/2013 Connecticut Pathology Laboratory

Willimantic, CT

Cytotechnologist, Per diem

- Responsible for the screening and diagnosing Gynecological and Non-gynecological cases.
- Responsible for screening ThinPrep, SurePath, and Conventional slides.

References available upon request.

CONTRACTOR NAME

Key Personnel

Name	Job Title	Salary	% Paid from this Contract	Amount Paid from this Contract
Lorrie Woodward	Executive Director, Lab,Radiology,Respiratory, Neurophysiology	\$140,000	1%	\$1400.00
Jane Steckowych	Laboratory Operations	\$103,000	1%	\$1030.00
Kristen Dorans	Pathology Testing Personnel	\$62,753.00	4%	\$2510.12



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

Lori A. Shibbinette
Commissioner

Lisa M. Morris
Director

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

August 7, 2020

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

INFORMATIONAL ITEM

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

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

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

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

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

EXPLANATION

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

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

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

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

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

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

Areas served: Statewide

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

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

Respectfully submitted,



Lori A. Shibinette
Commissioner





Subject: Hospital-based COVID-19 Community Testing (SS-2021-DPHS-04-HOSPI-02)

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

AGREEMENT

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

GENERAL PROVISIONS**1. IDENTIFICATION.**

1.1 State Agency Name New Hampshire Department of Health and Human Services		1.2 State Agency Address 129 Pleasant Street Concord, NH 03301-3857	
1.3 Contractor Name Catholic Medical Center		1.4 Contractor Address 100 McGregor Street Manchester, NH, 03102	
1.5 Contractor Phone Number (603) 663-8760	1.6 Account Number 05-095-090-903010-19010000	1.7 Completion Date December 1, 2020	1.8 Price Limitation \$290,000
1.9 Contracting Officer for State Agency Nathan D. White, Director		1.10 State Agency Telephone Number (603) 271-9631	
1.11 Contractor Signature  Date: 7/21/2020		1.12 Name and Title of Contractor Signatory Joseph Pepe, MD President + CEO	
1.13 State Agency Signature  Date: 7/23/2020		1.14 Name and Title of State Agency Signatory Ann Landry, Associate Commissioner	
1.15 Approval by the N.H. Department of Administration, Division of Personnel (if applicable) By: _____ Director, On: _____			
1.16 Approval by the Attorney General (Form, Substance and Execution) (if applicable) By: Catherine Pinos On: 07/30/20			
1.17 Approval by the Governor and Executive Council (if applicable) G&C Item number: _____ G&C Meeting Date: _____			

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

3. EFFECTIVE DATE/COMPLETION OF SERVICES.

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

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

4. CONDITIONAL NATURE OF AGREEMENT.

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

5. CONTRACT PRICE/PRICE LIMITATION/ PAYMENT.

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

5.2 The payment by the State of the contract price shall be the only and the complete reimbursement to the Contractor for all expenses, of whatever nature incurred by the Contractor in the performance hereof, and shall be the only and the complete

compensation to the Contractor for the Services. The State shall have no liability to the Contractor other than the contract price.

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

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

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

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

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

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

7. PERSONNEL.

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

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

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

8. EVENT OF DEFAULT/REMEDIES.

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

8.1.1 failure to perform the Services satisfactorily or on schedule;

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

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

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

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

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

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

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

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

9. TERMINATION.

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

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

submit to the State a Transition Plan for services under the Agreement.

10. DATA/ACCESS/CONFIDENTIALITY/PRESERVATION.

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

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

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

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

12. ASSIGNMENT/DELEGATION/SUBCONTRACTS.

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

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

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

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

14. INSURANCE.

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

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

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

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

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

15. WORKERS' COMPENSATION.

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

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

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

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

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

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

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

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

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

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

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

New Hampshire Department of Health and Human Services
Hospital—Based COVID-19 Community Testing
EXHIBIT A



REVISIONS TO STANDARD CONTRACT PROVISIONS

1. Revisions to Form P-37, General Provisions

- 1.1. Paragraph 3, Subparagraph 3.1, Effective Date/Completion of Services, is amended as follows:
 - 3.1. Notwithstanding any provision of this Agreement to the contrary, and subject to the approval of the Governor of the State of New Hampshire, issued under the Executive Order 2020-04 and any extensions thereof, this Agreement, and all obligations of the parties hereunder, shall become effective on August 1, 2020. ("Effective Date").
- 1.2. Paragraph 3, Effective Date/Completion of Services, is amended by adding subparagraph 3.3 as follows:
 - 3.3. The parties may extend the Agreement for up to one (1) additional year from the Completion Date, contingent upon satisfactory delivery of services, available funding, agreement of the parties, and required governmental approval.
- 1.3. Paragraph 12, Subparagraph 12.3, Assignment/Delegation/Subcontracts, is amended as follows:
 - 12.3. Subcontractors are subject to the same contractual conditions as the Contractor and the Contractor is responsible to ensure subcontractor compliance with those conditions. The Contractor shall have written agreements with all subcontractors, specifying the work to be performed and how corrective action shall be managed if the subcontractor's performance is inadequate. The Contractor shall manage the subcontractor's performance on an ongoing basis and take corrective action as necessary. The Contractor shall annually provide the State with a list of all subcontractors provided for under this Agreement and notify the State of any inadequate subcontractor performance.


9/11/2020

New Hampshire Department of Health and Human Services
Hospital-Based COVID-19 Community Testing
EXHIBIT B



Scope of Services

1. Statement of Work

- 1.1. For the purposes of this agreement, any references to days shall mean calendar days.
- 1.2. The Contractor shall conduct specimen collection and testing for SARS-CoV-2 in an outpatient setting for individuals who reside within the hospital catchment area or local community, regardless of individuals' prior affiliations with the hospital.
- 1.3. The Contractor shall conduct specimen collection and testing for patients who have symptoms of COVID-19 or who are pre-symptomatic or asymptomatic at the request of:
 - 1.3.1. The individual to be tested; or
 - 1.3.2. The Department of Health and Human Services (Department) Division of Public Health Services (DPHS).
- 1.4. The Contractor shall not require an office or telemedicine visit for asymptomatic patients in order for patients to receive COVID-19 testing.
- 1.5. In the event of a significant increase in community transmission of COVID-19, the Contractor shall not be responsible for meeting significantly increased levels of testing and may request the Department to provide additional testing capacity.
- 1.6. The Contractor shall determine the appropriate venue and physical location for specimen collection, which may include, but is not limited to:
 - 1.6.1. An existing physical location.
 - 1.6.2. A temporary drive-through location.
 - 1.6.3. A drive-up facility.
- 1.7. The Contractor shall request a waiver, if necessary, from the Department's Bureau of Health Facilities Administration for a temporary drive-through location or drive-up facility.
- 1.8. The Contractor shall determine the appropriate number of days per week and the duration of time per day to perform community specimen collection for COVID-19 testing to meet the needs of the hospital catchment area and local community and communicate the hours of operation to the Department.
- 1.9. The Contractor shall ensure the collection, handling, processing and testing of specimens comply with guidelines issued by the Centers for Disease Control and Prevention (CDC), available at <https://www.cdc.gov/coronavirus/2019-nCoV/lab/guidelines-clinical-specimens.html> and by the laboratory used for processing specimens.


7/21/2020

New Hampshire Department of Health and Human Services
Hospital-Based COVID-19 Community Testing
EXHIBIT B



- 1.10. The Contractor shall ensure patients sign an appropriate consent form, prior to collection of specimens, authorizing testing at the laboratory and reporting to the ordering medical provider, the Department, and any other individual or entity designated to receive the test results.
- 1.11. The Contractor shall identify of any communication access needs to ensure needed language assistance is provided, which may include, but is not limited to:
 - 1.11.1. Over-the-phone interpretation of spoken languages.
 - 1.11.2. Video remote interpretation to access American Sign Language.
- 1.12. The Contractor shall ensure communication and language assistance is provided to individuals, as appropriate and needed, to ensure the validity of any signed consent by utilizing translated consent forms and/or interpreters.
- 1.13. The Contractor shall ensure all personnel collecting, handling, processing and transporting specimens are trained to safeguard the confidentiality of the patient and protected health information (PHI), as defined in the Health Information Portability and Accountability Act (HIPAA).
- 1.14. The Contractor shall ensure the secure and confidential transporting of specimens to the laboratory.
- 1.15. The Contractor shall ensure the ordering provider for each COVID-19 test is a licensed medical provider.
- 1.16. The Contractor shall ensure the licensed medical provider ordering COVID-19 tests notifies patients of testing results received from the laboratory in a timely manner. The Contractor shall ensure:
 - 1.16.1. Patients with positive results confirming the diagnosis of COVID-19 are informed:
 - 1.16.1.1. By telephone or other electronic method.
 - 1.16.1.2. By first-class U.S. mail, if telephone or other electronic method is unsuccessful
 - 1.16.2. Patients with negative results are informed of test results in a method determined by the Contractor.
- 1.17. The Contractor shall utilize existing communication methods to inform the local community of the availability of outpatient COVID-19 testing, which may include, but are not limited to:
 - 1.17.1. The hospital's website.
 - 1.17.2. Hospital newsletters.
 - 1.17.3. Social media platforms.
- 1.18. The Contractor shall ensure published information includes how and when

New Hampshire Department of Health and Human Services
Hospital-Based COVID-19 Community Testing
EXHIBIT B



patients can access the services and the location of the specimen collection site.

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

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

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

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

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

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

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

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

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

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

[Handwritten initials]

[Handwritten date: 7/21/2020]

New Hampshire Department of Health and Human Services
Hospital-Based COVID-19 Community Testing
EXHIBIT B



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

2. Exhibits Incorporated

- 2.1. The Contractor shall use and disclose Protected Health Information in compliance with the Standards for Privacy of Individually Identifiable Health Information (Privacy Rule) (45 CFR Parts 160 and 164) under the Health Insurance Portability and Accountability Act (HIPAA) of 1996, and in accordance with the attached Exhibit I, Business Associate Agreement, which has been executed by the parties.
- 2.2. The Contractor shall comply with all Exhibits D through K, which are attached hereto and incorporated by reference herein.
- 2.3. The Contractor's Use and Responsibilities for Confidential Information are as follows.
- 2.3.1. The Contractor agrees to use, disclose, maintain, or transmit Confidential Data from Providers as required, specifically authorized, or permitted under the Contract or this Agreement. Further, the Contractor, including but not limited to all its directors, officers, employees, and agents, agrees not to use, disclose, maintain, or transmit PHI in any manner that would constitute a violation of the Privacy and Security Rules. The Contractor shall provide Confidential Information as required by the Contract, RSA 141-C:7, 141-C:9, RSA 141-C:10, and in a form required by He-P 301.03 and the "New Hampshire Local Implementation Guide for Electronic Laboratory Reporting for Communicable Disease and Lead Test Results Using HL7 2.5.1," Version 4.0 (5/23/2016), found at: <https://www.dhhs.nh.gov/dphs/bphsi/documents/elrguide.pdf>.
- 2.3.2. The Contractor shall transmit Confidential Information to the Division of Public Health Services by means of a secure file transport protocol (sFTP) provided by the Department and agreed to by the parties and approved by the Department's Information Security Officer.
- 2.3.2.1. Any individual seeking credentials to access the sFTP site shall sign and return to the Department a "Data Use and Confidentiality Agreement" (Attachment A) when requesting sFTP account.
- 2.3.3. The Contractor shall transmit the Confidential Information to the Division of Public Health Services as required by statute and this Agreement, namely:

New Hampshire Department of Health and Human Services
Hospital-Based COVID-19 Community Testing
EXHIBIT B



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

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

- 2.4. As necessary, the Contractor agrees to comply with any request to correct or complete the data once transmitted to the Division of Public Health Services.
- 2.5. The Contractor agrees that the data submitted shall be the "minimum necessary" to carry out the stated use of the data, as defined in the HIPAA Privacy Rule and in accordance with all applicable confidentiality laws.
- 2.6. The parties agree that this Agreement shall be construed in accordance the terms of Contract and governed by the laws of the State of New Hampshire.
- 2.7. The Contractor and the Department agree to negotiate an amendment to this Agreement as needed to address a Contract amendment, or any changes in policy issues, fiscal issues, information security, and other specific safeguards required for maintaining confidentiality of the data.

3. Reporting Requirements

- 3.1. The Contractor shall submit monthly reports to the Department showing that the public is able to access COVID-19 testing, including, but not limited to:
 - 3.1.1. Number of persons who received COVID-19 testing.
 - 3.1.2. Number of persons assisted with enrollment in the Medicaid COVID-19 Testing benefit or other assistance program who received COVID-19 testing.
 - 3.1.3. Number of persons for whom race and/or ethnicity is documented.
- 3.2. The Contractor shall ensure race and/or ethnicity demographic identifiers for the persons who received COVID-19 testing are collected consistently and correctly, in accordance with best practice standards and processes as provided by the Office of Health Equity, and entered either manually or electronically on the hospital or reference laboratory COVID-19 test requisition forms.

4. Additional Terms

4.1. Impacts Resulting from Court Orders or Legislative Changes

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


7/2/22

New Hampshire Department of Health and Human Services
Hospital-Based COVID-19 Community Testing
EXHIBIT B



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

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

4.3. Credits and Copyright Ownership

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

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

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

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

4.4. Operation of Facilities: Compliance with Laws and Regulations

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

New Hampshire Department of Health and Human Services
Hospital-Based COVID-19 Community Testing
EXHIBIT B



Fire Marshal and the local fire protection agency, and shall be in conformance with local building and zoning codes, by-laws and regulations.

5. Records

- 5.1. The Contractor shall keep records that include, but are not limited to:
 - 5.1.1. Books, records, documents and other electronic or physical data evidencing and reflecting all costs and other expenses incurred by the Contractor in the performance of the Contract, and all income received or collected by the Contractor.
 - 5.1.2. All records must be maintained in accordance with accounting procedures and practices, which sufficiently and properly reflect all such costs and expenses, and which are acceptable to the Department, and to include, without limitation, all ledgers, books, records, and original evidence of costs such as purchase requisitions and orders, vouchers, requisitions for materials, inventories, valuations of in-kind contributions, labor time cards, payrolls, and other records requested or required by the Department.
 - 5.1.3. Statistical, enrollment, attendance or visit records for each recipient of services, which records shall include all records of application and eligibility (including all forms required to determine eligibility for each such recipient), records regarding the provision of services and all invoices submitted to the Department to obtain payment for such services.
 - 5.1.4. Medical records on each patient/recipient of services.
- 5.2. During the term of this Contract and the period for retention hereunder, the Department, the United States Department of Health and Human Services, and any of their designated representatives shall have access to all reports and records maintained pursuant to the Contract for purposes of audit, examination, excerpts and transcripts. Upon the purchase by the Department of the maximum number of units provided for in the Contract and upon payment of the price limitation hereunder, the Contract and all the obligations of the parties hereunder (except such obligations as, by the terms of the Contract are to be performed after the end of the term of this Contract and/or survive the termination of the Contract) shall terminate, provided however, that if, upon review of the Final Expenditure Report the Department shall disallow any expenses claimed by the Contractor as costs hereunder the Department shall retain the right, at its discretion, to deduct the amount of such expenses as are disallowed or to recover such sums from the Contractor.

[Handwritten Signature]
7/1/2020

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



EXHIBIT B -1

Reporting Entity Data Use and Confidentiality Agreement

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

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

Signature

Joseph Pepe

Date

7/21/2020

Printed Name

Joseph Pepe, MD

Title

President + CEO

Business Name

Catholic Medical Center

Contracting Hospital

Exhibit B-1

Contractor Initials

JP

SS-2021-DPHS-04-HOSPI-02

Page 1 of 1

Date 7/21/2020

New Hampshire Department of Health and Human Services
Hospital-Based COVID-19 Community Testing
EXHIBIT C



Payment Terms

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

Catholic Medical Center

Exhibit C

Contractor Initials

SS-2021-DPHS-04-HOSPI-02

Page 1 of 2

Date

Rev. 01/08/19

[Handwritten Signature]
7/8/2020

New Hampshire Department of Health and Human Services
Hospital-Based COVID-19 Community Testing
EXHIBIT C



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

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

10. Audits

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

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

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

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

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

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

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

CMC
7/1/2020



CERTIFICATION REGARDING DRUG-FREE WORKPLACE REQUIREMENTS

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

ALTERNATIVE I - FOR GRANTEEES OTHER THAN INDIVIDUALS

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

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

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

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

RP
7/21/2020

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.

7/21/2020
Date

Vendor Name:


Name: Joseph Pepe, MD
Title: President + CEO



CERTIFICATION REGARDING LOBBYING

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

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

Programs (Indicate applicable program covered):

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

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

1. No Federal appropriated funds have been paid or will be paid by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement (and by specific mention sub-grantee or sub-contractor).
2. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement (and by specific mention sub-grantee or sub-contractor), the undersigned shall complete and submit Standard Form LLL, (Disclosure Form to Report Lobbying, in accordance with its instructions, attached and identified as Standard Exhibit E-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.

Vendor Name:

7/21/2020
Date




Name: Joseph Pepe, MD
Title: President + CEO

Exhibit E - Certification Regarding Lobbying

Vendor Initials

Date


7/21/2020



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

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

INSTRUCTIONS FOR CERTIFICATION

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

New Hampshire Department of Health and Human Services
Exhibit F



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 (11)(b) of this certification; and
 - 11.4. have not within a three-year period preceding this application/proposal had one or more public transactions (Federal, State or local) terminated for cause or default.
12. Where the prospective primary participant is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this proposal (contract).


LOWER TIER COVERED TRANSACTIONS

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

Vendor Name:

7/21/2020
Date


Name: Joseph Pepe, MD
Title: President + CEO

Vendor Initials 
Date 7/21/2020



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

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

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

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

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

Exhibit G

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

Vendor Initials

7/21/2020

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

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

7/21/2020
Date

Vendor Name:



Name: Joseph Pepe, MD
Title: President + CEO

Exhibit G

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

Vendor Initials

JP

Date

7/21/2020



CERTIFICATION REGARDING ENVIRONMENTAL TOBACCO SMOKE

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

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

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

Vendor Name:

7/21/2020
Date



Name: Joseph Repe, MD
Title: President + CEO



Exhibit I

HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY ACT
BUSINESS ASSOCIATE AGREEMENT

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

(1) **Definitions.**

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

3/2014

Contractor Initials

Date

[Handwritten Signature]
7/24/2022



Exhibit I

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

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

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

[Signature]
7/24/2020



Exhibit I

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

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

(3) Obligations and Activities of Business Associate.

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

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

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

[Handwritten Signature]
7/6/2020



Exhibit I

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

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

3/2014

Contractor Initials

Date

[Signature]
7/2/2014



Exhibit I

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

(4) **Obligations of Covered Entity**

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

(5) **Termination for Cause**

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

(6) **Miscellaneous**

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

3/2014

Contractor Initials

Date

JP
7/6/2014



Exhibit I

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

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

Department of Health and Human Services

The State

Signature of Authorized Representative

Ann Landry

Name of Authorized Representative

Associate Commissioner

Title of Authorized Representative

Date

7/23/20

Catholic Medical Center

Name of the Contractor

Signature of Authorized Representative

Joseph Pepe, MD

Name of Authorized Representative

President & CEO

Title of Authorized Representative

Date

7/21/2020

JP
7/21/2020



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

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

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

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

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

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

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

Contractor Name:

7/21/2020

Date

Name: Joseph Pepe, MD
Title: President + CEO

Contractor Initials

Date 7/21/2020

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.

- X NO YES

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

- _____ NO _____ YES

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

- | | |
|-------------|---------------|
| Name: _____ | Amount: _____ |
| Name: _____ | Amount: _____ |
| Name: _____ | Amount: _____ |
| Name: _____ | Amount: _____ |
| Name: _____ | Amount: _____ |

New Hampshire Department of Health and Human Services

Exhibit K

DHHS Information Security Requirements



A. Definitions

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

1. "Breach" means the loss of control, compromise, unauthorized disclosure, unauthorized acquisition, unauthorized access, or any similar term referring to situations where persons other than authorized users and for an other than authorized purpose have access or potential access to personally identifiable information, whether physical or electronic. With regard to Protected Health Information, "Breach" shall have the same meaning as the term "Breach" in section 164.402 of Title 45, Code of Federal Regulations.
2. "Computer Security Incident" shall have the same meaning "Computer Security Incident" in section two (2) of NIST Publication 800-61, Computer Security Incident Handling Guide, National Institute of Standards and Technology, U.S. Department of Commerce.
3. "Confidential Information" or "Confidential Data" means all confidential information disclosed by one party to the other such as all medical, health, financial, public assistance benefits and personal information including without limitation, Substance Abuse Treatment Records, Case Records, Protected Health Information and Personally Identifiable Information.

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

4. "End User" means any person or entity (e.g., contractor, contractor's employee, business associate, subcontractor, other downstream user, etc.) that receives DHHS data or derivative data in accordance with the terms of this Contract.
5. "HIPAA" means the Health Insurance Portability and Accountability Act of 1996 and the regulations promulgated thereunder.
6. "Incident" means an act that potentially violates an explicit or implied security policy, which includes attempts (either failed or successful) to gain unauthorized access to a system or its data, unwanted disruption or denial of service, the unauthorized use of a system for the processing or storage of data; and changes to system hardware, firmware, or software characteristics without the owner's knowledge, instruction, or consent. Incidents include the loss of data through theft or device misplacement, loss or misplacement of hardcopy documents, and misrouting of physical or electronic

New Hampshire Department of Health and Human Services

Exhibit K

DHHS Information Security Requirements



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

7. "Open Wireless Network" means any network or segment of a network that is not designated by the State of New Hampshire's Department of Information Technology or delegate as a protected network (designed, tested, and approved, by means of the State, to transmit) will be considered an open network and not adequately secure for the transmission of unencrypted PI, PFI, PHI or confidential DHHS data.
8. "Personal Information" (or "PI") means information which can be used to distinguish or trace an individual's identity, such as their name, social security number, personal information as defined in New Hampshire RSA 359-C:19, biometric records, etc., alone, or when combined with other personal or identifying information which is linked or linkable to a specific individual, such as date and place of birth, mother's maiden name, etc.
9. "Privacy Rule" shall mean the Standards for Privacy of Individually Identifiable Health Information at 45 C.F.R. Parts 160 and 164, promulgated under HIPAA by the United States Department of Health and Human Services.
10. "Protected Health Information" (or "PHI") has the same meaning as provided in the definition of "Protected Health Information" in the HIPAA Privacy Rule at 45 C.F.R. § 160.103.
11. "Security Rule" shall mean the Security Standards for the Protection of Electronic Protected Health Information at 45 C.F.R. Part 164, Subpart C, and amendments thereto.
12. "Unsecured Protected Health Information" means Protected Health Information that is not secured by a technology standard that renders Protected Health Information unusable, unreadable, or indecipherable to unauthorized individuals and is developed or endorsed by a standards developing organization that is accredited by the American National Standards Institute.

I. RESPONSIBILITIES OF DHHS AND THE CONTRACTOR

A. Business Use and Disclosure of Confidential Information.

1. The Contractor must not use, disclose, maintain or transmit Confidential Information except as reasonably necessary as outlined under this Contract. Further, Contractor, including but not limited to all its directors, officers, employees and agents, must not use, disclose, maintain or transmit PHI in any manner that would constitute a violation of the Privacy and Security Rule.
2. The Contractor must not disclose any Confidential Information in response to a

New Hampshire Department of Health and Human Services

Exhibit K

DHHS Information Security Requirements



request for disclosure on the basis that it is required by law, in response to a subpoena, etc., without first notifying DHHS so that DHHS has an opportunity to consent or object to the disclosure.

3. If DHHS notifies the Contractor that DHHS has agreed to be bound by additional restrictions over and above those uses or disclosures or security safeguards of PHI pursuant to the Privacy and Security Rule, the Contractor must be bound by such additional restrictions and must not disclose PHI in violation of such additional restrictions and must abide by any additional security safeguards.
4. The Contractor agrees that DHHS Data or derivative there from disclosed to an End User must only be used pursuant to the terms of this Contract.
5. The Contractor agrees DHHS Data obtained under this Contract may not be used for any other purposes that are not indicated in this Contract.
6. The Contractor agrees to grant access to the data to the authorized representatives of DHHS for the purpose of inspecting to confirm compliance with the terms of this Contract.

II. METHODS OF SECURE TRANSMISSION OF DATA

1. Application Encryption. If End User is transmitting DHHS data containing Confidential Data between applications, the Contractor attests the applications have been evaluated by an expert knowledgeable in cyber security and that said application's encryption capabilities ensure secure transmission via the internet.
2. Computer Disks and Portable Storage Devices. End User may not use computer disks or portable storage devices, such as a thumb drive, as a method of transmitting DHHS data.
3. Encrypted Email. End User may only employ email to transmit Confidential Data if email is encrypted and being sent to and being received by email addresses of persons authorized to receive such Information.
4. Encrypted Web Site. If End User is employing the Web to transmit Confidential Data, the secure socket layers (SSL) must be used and the web site must be secure. SSL encrypts data transmitted via a Web site.
5. File Hosting Services, also known as File Sharing Sites. End User may not use file hosting services, such as Dropbox or Google Cloud Storage, to transmit Confidential Data.
6. Ground Mail Service. End User may only transmit Confidential Data via *certified* ground mail within the continental U.S. and when sent to a named individual.
7. Laptops and PDA. If End User is employing portable devices to transmit Confidential Data said devices must be encrypted and password-protected.
8. Open Wireless Networks. End User may not transmit Confidential Data via an open

New Hampshire Department of Health and Human Services

Exhibit K

DHHS Information Security Requirements



wireless network. End User must employ a virtual private network (VPN) when remotely transmitting via an open wireless network.

9. Remote User Communication. If End User is employing remote communication to access or transmit Confidential Data, a virtual private network (VPN) must be installed on the End User's mobile device(s) or laptop from which information will be transmitted or accessed.
10. SSH File Transfer Protocol (SFTP), also known as Secure File Transfer Protocol. If End User is employing an SFTP to transmit Confidential Data, End User will structure the Folder and access privileges to prevent inappropriate disclosure of information. SFTP folders and sub-folders used for transmitting Confidential Data will be coded for 24-hour auto-deletion cycle (i.e. Confidential Data will be deleted every 24 hours).
11. Wireless Devices. If End User is transmitting Confidential Data via wireless devices, all data must be encrypted to prevent inappropriate disclosure of information.

III. RETENTION AND DISPOSITION OF IDENTIFIABLE RECORDS

The Contractor will only retain the data and any derivative of the data for the duration of this Contract. After such time, the Contractor will have 30 days to destroy the data and any derivative in whatever form it may exist, unless, otherwise required by law or permitted under this Contract. To this end, the parties must:

A. Retention

1. The Contractor agrees it will not store, transfer or process data collected in connection with the services rendered under this Contract outside of the United States. This physical location requirement shall also apply in the implementation of cloud computing, cloud service or cloud storage capabilities, and includes backup data and Disaster Recovery locations.
2. The Contractor agrees to ensure proper security monitoring capabilities are in place to detect potential security events that can impact State of NH systems and/or Department confidential information for contractor provided systems.
3. The Contractor agrees to provide security awareness and education for its End Users in support of protecting Department confidential information.
4. The Contractor agrees to retain all electronic and hard copies of Confidential Data in a secure location and identified in section IV. A.2
5. The Contractor agrees Confidential Data stored in a Cloud must be in a FedRAMP/HITECH compliant solution and comply with all applicable statutes and regulations regarding the privacy and security. All servers and devices must have currently-supported and hardened operating systems, the latest anti-viral, anti-hacker, anti-spam, anti-spyware, and anti-malware utilities. The environment, as a

New Hampshire Department of Health and Human Services

Exhibit K

DHHS Information Security Requirements



whole, must have aggressive intrusion-detection and firewall protection.

6. The Contractor agrees to and ensures its complete cooperation with the State's Chief Information Officer in the detection of any security vulnerability of the hosting infrastructure.

B. Disposition

1. If the Contractor will maintain any Confidential Information on its systems (or its sub-contractor systems), the Contractor will maintain a documented process for securely disposing of such data upon request or contract termination; and will obtain written certification for any State of New Hampshire data destroyed by the Contractor or any subcontractors as a part of ongoing, emergency, and or disaster recovery operations. When no longer in use, electronic media containing State of New Hampshire data shall be rendered unrecoverable via a secure wipe program in accordance with industry-accepted standards for secure deletion and media sanitization, or otherwise physically destroying the media (for example, degaussing) as described in NIST Special Publication 800-88, Rev 1, Guidelines for Media Sanitization, National Institute of Standards and Technology, U. S. Department of Commerce. The Contractor will document and certify in writing at time of the data destruction, and will provide written certification to the Department upon request. The written certification will include all details necessary to demonstrate data has been properly destroyed and validated. Where applicable, regulatory and professional standards for retention requirements will be jointly evaluated by the State and Contractor prior to destruction.
2. Unless otherwise specified, within thirty (30) days of the termination of this Contract, Contractor agrees to destroy all hard copies of Confidential Data using a secure method such as shredding.
3. Unless otherwise specified, within thirty (30) days of the termination of this Contract, Contractor agrees to completely destroy all electronic Confidential Data by means of data erasure, also known as secure data wiping.

IV. PROCEDURES FOR SECURITY

- A. Contractor agrees to safeguard the DHHS Data received under this Contract, and any derivative data or files, as follows:
 1. The Contractor will maintain proper security controls to protect Department confidential information collected, processed, managed, and/or stored in the delivery of contracted services.
 2. The Contractor will maintain policies and procedures to protect Department confidential information throughout the information lifecycle, where applicable, (from creation, transformation, use, storage and secure destruction) regardless of the media used to store the data (i.e., tape, disk, paper, etc.).

New Hampshire Department of Health and Human Services

Exhibit K

DHHS Information Security Requirements



3. The Contractor will maintain appropriate authentication and access controls to contractor systems that collect, transmit, or store Department confidential information where applicable.
4. The Contractor will ensure proper security monitoring capabilities are in place to detect potential security events that can impact State of NH systems and/or Department confidential information for contractor provided systems.
5. The Contractor will provide regular security awareness and education for its End Users in support of protecting Department confidential information.
6. If the Contractor will be sub-contracting any core functions of the engagement supporting the services for State of New Hampshire, the Contractor will maintain a program of an internal process or processes that defines specific security expectations, and monitoring compliance to security requirements that at a minimum match those for the Contractor, including breach notification requirements.
7. The Contractor will work with the Department to sign and comply with all applicable State of New Hampshire and Department system access and authorization policies and procedures, systems access forms, and computer use agreements as part of obtaining and maintaining access to any Department system(s). Agreements will be completed and signed by the Contractor and any applicable sub-contractors prior to system access being authorized.
8. If the Department determines the Contractor is a Business Associate pursuant to 45 CFR 160.103, the Contractor will execute a HIPAA Business Associate Agreement (BAA) with the Department and is responsible for maintaining compliance with the agreement.
9. The Contractor will work with the Department at its request to complete a System Management Survey. The purpose of the survey is to enable the Department and Contractor to monitor for any changes in risks, threats, and vulnerabilities that may occur over the life of the Contractor engagement. The survey will be completed annually, or an alternate time frame at the Departments discretion with agreement by the Contractor, or the Department may request the survey be completed when the scope of the engagement between the Department and the Contractor changes.
10. The Contractor will not store, knowingly or unknowingly, any State of New Hampshire or Department data offshore or outside the boundaries of the United States unless prior express written consent is obtained from the Information Security Office leadership member within the Department.
11. Data Security Breach Liability. In the event of any security breach Contractor shall make efforts to investigate the causes of the breach, promptly take measures to prevent future breach and minimize any damage or loss resulting from the breach. The State shall recover from the Contractor all costs of response and recovery from

New Hampshire Department of Health and Human Services

Exhibit K

DHHS Information Security Requirements



the breach, including but not limited to: credit monitoring services, mailing costs and costs associated with website and telephone call center services necessary due to the breach.

12. Contractor must, comply with all applicable statutes and regulations regarding the privacy and security of Confidential Information, and must in all other respects maintain the privacy and security of PI and PHI at a level and scope that is not less than the level and scope of requirements applicable to federal agencies, including, but not limited to, provisions of the Privacy Act of 1974 (5 U.S.C. § 552a), DHHS Privacy Act Regulations (45 C.F.R. §5b), HIPAA Privacy and Security Rules (45 C.F.R. Parts 160 and 164) that govern protections for individually identifiable health information and as applicable under State law.
13. Contractor agrees to establish and maintain appropriate administrative, technical, and physical safeguards to protect the confidentiality of the Confidential Data and to prevent unauthorized use or access to it. The safeguards must provide a level and scope of security that is not less than the level and scope of security requirements established by the State of New Hampshire, Department of Information Technology. Refer to Vendor Resources/Procurement at <https://www.nh.gov/doit/vendor/index.htm> for the Department of Information Technology policies, guidelines, standards, and procurement information relating to vendors.
14. Contractor agrees to maintain a documented breach notification and incident response process. The Contractor will notify the State's Privacy Officer and the State's Security Officer of any security breach immediately, at the email addresses provided in Section VI. This includes a confidential information breach, computer security incident, or suspected breach which affects or includes any State of New Hampshire systems that connect to the State of New Hampshire network.
15. Contractor must restrict access to the Confidential Data obtained under this Contract to only those authorized End Users who need such DHHS Data to perform their official duties in connection with purposes identified in this Contract.
16. The Contractor must ensure that all End Users:
 - a. comply with such safeguards as referenced in Section IV A. above, implemented to protect Confidential Information that is furnished by DHHS under this Contract from loss, theft or inadvertent disclosure.
 - b. safeguard this information at all times.
 - c. ensure that laptops and other electronic devices/media containing PHI, PI, or PFI are encrypted and password-protected.
 - d. send emails containing Confidential Information only if encrypted and being sent to and being received by email addresses of persons authorized to receive such information.

New Hampshire Department of Health and Human Services

Exhibit K

DHHS Information Security Requirements



- e. limit disclosure of the Confidential Information to the extent permitted by law.
- f. Confidential Information received under this Contract and individually identifiable data derived from DHHS Data, must be stored in an area that is physically and technologically secure from access by unauthorized persons during duty hours as well as non-duty hours (e.g., door locks, card keys, biometric identifiers, etc.).
- g. only authorized End Users may transmit the Confidential Data, including any derivative files containing personally identifiable information, and in all cases, such data must be encrypted at all times when in transit, at rest, or when stored on portable media as required in section IV above.
- h. in all other instances Confidential Data must be maintained, used and disclosed using appropriate safeguards, as determined by a risk-based assessment of the circumstances involved.
- i. understand that their user credentials (user name and password) must not be shared with anyone. End Users will keep their credential information secure. This applies to credentials used to access the site directly or indirectly through a third party application.

Contractor is responsible for oversight and compliance of their End Users. DHHS reserves the right to conduct onsite inspections to monitor compliance with this Contract, including the privacy and security requirements provided in herein, HIPAA, and other applicable laws and Federal regulations until such time the Confidential Data is disposed of in accordance with this Contract.

V. LOSS REPORTING

The Contractor must notify the State's Privacy Officer and Security Officer of any Security Incidents and Breaches immediately, at the email addresses provided in Section VI.

The Contractor must further handle and report Incidents and Breaches involving PHI in accordance with the agency's documented Incident Handling and Breach Notification procedures and in accordance with 42 C.F.R. §§ 431.300 - 306. In addition to, and notwithstanding, Contractor's compliance with all applicable obligations and procedures, Contractor's procedures must also address how the Contractor will:

- 1. Identify Incidents;
- 2. Determine if personally identifiable information is involved in Incidents;
- 3. Report suspected or confirmed Incidents as required in this Exhibit or P-37;
- 4. Identify and convene a core response group to determine the risk level of Incidents and determine risk-based responses to Incidents; and

New Hampshire Department of Health and Human Services

Exhibit K

DHHS Information Security Requirements



5. Determine whether Breach notification is required, and, if so, identify appropriate Breach notification methods, timing, source, and contents from among different options, and bear costs associated with the Breach notice as well as any mitigation measures.

Incidents and/or Breaches that implicate PI must be addressed and reported, as applicable, in accordance with NH RSA 359-C:20.

VI. PERSONS TO CONTACT

A. DHHS Privacy Officer:

DHHSPrivacyOfficer@dhhs.nh.gov

B. DHHS Security Officer:

DHHSInformationSecurityOffice@dhhs.nh.gov